



House of Commons
Defence Committee

**Armed Forces Covenant
Annual Report 2016:
Government Response
to the Committee's
Ninth Report of Session
2016–17**

Second Special Report of Session 2017–19

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The Defence Committee

The Defence Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Ministry of Defence and its associated public bodies.

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Committee reports are published on the [Committee's website](#) and in print by Order of the House. Evidence relating to this Report is published on the [relevant inquiry page](#) of the Committee's website.

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Second Special Report

The Defence Committee published its Ninth Report of Session 2016–17, entitled [Armed Forces Covenant Annual Report](#) [HC 492] on 1 May 2017. The Government's response was received on 12 July 2017 and is appended to this report.

Appendix: Government Response

The Armed Forces Covenant at the centre of Government

1. The Inter-Ministerial Group on the Armed Forces Covenant will be central to the co-ordination and implementation of Covenant commitments. We are concerned that twice-yearly meetings will be insufficient to provide the necessary levels of Ministerial focus across Whitehall on the implementation of Covenant commitments. Furthermore, the removal of its status as a Sub-Committee of Cabinet runs the risk that its influence will be diminished. *We recommend that the Inter-Ministerial Group should meet at least four times a year, in line with its predecessor body, and that consideration be given to elevating its status to that of a formal Cabinet Sub-Committee.* (Paragraph 10)

The Government notes the recommendation that the Inter-Ministerial Group on the Armed Forces Covenant should meet at least four times a year and that consideration be given to elevating its status to that of a formal Cabinet Sub-Committee.

The frequency of these meetings and the status of the Group will be the subject of discussion at the inaugural meeting and an update will subsequently be provided to the Committee.

2. *Implementation of the Covenant requires a dedicated focus and a cross-departmental perspective which is not well accommodated by the current allocation of Ministerial responsibilities. We believe that a new ministerial position dedicated to Covenant and veterans' affairs should be created, together with a Covenant Delivery Office, located at the heart of Government, in the Cabinet Office.* (Paragraph 12)

The rationale underpinning the current governance arrangements is that Defence welcomes the positive impact the Covenant can have on Defence outputs through building mutually beneficial partnerships with a wide range of stakeholders, and Defence is best placed to provide the required focus and drive this agenda forward.

Notwithstanding this, the Government agrees that implementation of the Covenant requires a joined-up approach across Government and beyond, which is why the senior official-level governance body, the Covenant Reference Group, is chaired at Director General level by the Cabinet Office. The arrangements for cross-Government Ministerial oversight of and support for the Covenant are currently being reviewed and an update will be provided in or before the 2017 Armed Forces Covenant Annual Report.

Healthcare

3. We are disappointed that, a decade after the policy of priority access to healthcare for veterans was introduced, professional awareness and implementation remain inadequate. (Paragraph 17)

The Government recognises that, despite the progress that has been made, more remains to be done to improve implementation and raise awareness of the policy that veterans should receive priority treatment for NHS secondary healthcare, subject to the clinical needs of others, in respect of treatment relating to a condition resulting from their service in the Armed Forces.

There are several significant initiatives in place in England to address this, which are being supported by a raft of communications measures. Covenant Health Commitments have been included in the NHS Constitution and Mandates and form part of the contract with every NHS-Commissioned provider. Veterans and Armed Forces issues are now part of the national GP curriculum and an understanding of the issues faced by this community is tested at the national exit examination for all General Practitioners. The e-learning models have been launched and can be accessed by all. To improve the understanding across the breadth of health professionals, NHS England are engaging across the Academy of Royal Colleges (including Nursing and Psychiatry).

There is coordination between NHS Employers and all Trusts to have a nominated senior Champion for Reserves, who also acts as a Covenant Champion and point of advice and guidance across the Trust, and NHS England is also working with the Clinical Commissioners to further raise awareness.

The Veterans' Trauma Network links trauma/reconstruction specialists and all associated staff across NHS England's Major Trauma Centres (including informal links to Devolved Administrations on best practice).

The Department of Health and NHS England are working with the new NHS Improvement's Veterans' Covenant Hospital Alliance to improve understanding in each hospital of practical ways of delivering the Covenant. They are also working with The Royal British Legion (TRBL) to pull together 'how to' case studies regarding priority treatment.

In Wales, the relevant form has been amended to include questions on military service, to enable identification when registering with a GP practice. An extant e-learning module of veterans' healthcare is available to all NHS staff, hosted on the Wales Deanery website. Work is under way with TRBL to review the effectiveness of priority treatment and raise awareness with veterans and NHS staff in 2017. TRBL has presented to a number of health professional fora and standing committees to promote the principle of priority treatment. In Northern Ireland, a thorough review is under way of the structure to support veterans, informed by the comprehensive academic study being conducted by the University of Ulster. The Northern Ireland Veterans Support Committee is currently re-issuing its guide to all GPs and a system is being established whereby individual veterans' cases can be brought to the attention of specific Health Trusts.

In Scotland, the Scottish Government's 'Renewing Our Commitments' paper (published in 2016, and available at the following link: <http://www.gov.scot/Resource/0049/00494468.pdf>) reaffirmed its commitment to ensuring that all serving Armed Forces personnel and veterans living in Scotland are able to access the best possible care and support, including safe, effective and patient-centred healthcare. This publication also notes the Scottish Government's continuing aim to ensure that the long-term clinical needs of serving personnel and veterans are better understood and supported within the NHS.

To support this aim, the web content for serving personnel and veterans in Scotland was refreshed in November 2016 on NHS Inform and is available at the following link: <https://www.nhsinform.scot/care-support-and-rights/health-rights/access/health-rights-for-veterans>.

4. *E-learning for Healthcare is described by the MOD as an ‘additional module for GP training’. It is, however, unclear whether this training is optional or mandatory. As a matter of such importance to veterans, we believe that training on veterans’ priority access, and awareness of the Covenant, should be a requirement of GPs’ continuing and professional development assessment. In its Response, the MOD must set out the take-up rates by healthcare professionals for e-learning for Healthcare training. (Paragraph 18)*

Training on veterans issues is a mandatory part of the curriculum for GPs.

Health Education England (HEE) e-Learning for Healthcare, with support from NHS England, has launched an e-learning programme to help increase understanding for GPs and other health professionals providing health services for the Armed Forces population and help facilitate improved care and treatment. The programme is split across three areas of care for current serving personnel, the families of serving personnel and veterans, and for veterans. Additionally, these modules are available to the entire Armed Forces community and complement the NHS Choices advice and guidance.

As at 23 May 2017 there were 4,330 registered users and this is one of a number of mechanisms for training healthcare professionals on the needs of the veterans community.

Veterans and Armed Forces issues, including the role of the Covenant, now form part of the curriculum for all GPs nationally and is tested in the Royal College of General Practitioners membership exam. It is now a key subject alongside others needed by young doctors and is part of their post-graduate training. Plans are in place to make this requirement part of the ongoing awareness of Continuous Professional Development training and NHS England is currently investigating if similar can be achieved with other health professionals including the Royal College of Nurses, Royal College of Psychiatrists and Royal College of Emergency Medicine.

NHS England and HEE are in the final stages of developing other learning packages that can be delivered face-to-face. These use a film about veterans’ issues, commissioned by HEE, to raise awareness of veterans’ health issues, to highlight that some veterans have specific health needs and to show where help for these can be accessed.

The Scottish Government will consider whether a similar package of e-learning for GPs in Scotland is necessary and, if so, how this can best be delivered.

5. *Specialist GP and Armed Forces Champions are a key factor in raising awareness of Covenant commitments and embedding them within the healthcare system. The conflation of targets for e-learning with Specialist GP and Armed Forces Champions was unfortunate. The failure of the MoD to provide separate information, at a later date, is not satisfactory. The 2017 Annual Report must set out clearly and separately, progress towards the commitment of providing Specialist GP and Armed Forces Champions. (Paragraph 23)*

On the issue of Veterans' Champions, HEE is in discussion with a provider regarding the development of a 'train the trainer' package for Veterans' Champions across four HEE regions.

On the issue of more specialist General Practitioners and Primary Care Nurses, NHS England is currently in negotiations with the Royal College of General Practitioners to establish a process of accrediting 'veterans friendly' surgeries that would have a greater understanding and knowledge of the issues faced by veterans and members of the Armed Forces community.

The Veterans' Covenant Hospital Alliance is seeking to have veterans-aware NHS provider hospital trusts. Currently, over 20 have signed up to the Alliance.

In Scotland, there is an NHS Champion for Armed Forces and Veterans for every NHS Board. The Champion acts as the Board's chief representative in achieving its commitment to supporting Armed Forces personnel, veterans and their families. The Champions also take the lead in communicating the local implementation of the Scottish Government's policies in the provision of health services to the Armed Forces community. Work progresses to sustain and enhance the support provided to Champions in their role.

The Scottish Government also holds an annual Armed Forces and Veterans Health Joint Group meeting, attended by NHS Boards' Champions, MOD and veterans' organisation representatives, third sector agencies and other key stakeholders. The Joint Group meeting is chaired by the Scottish Government's Director General for Health and Social Care and Chief Executive of NHS Scotland, who is the NHS National Armed Forces and Veterans Champion.

Wales has Armed Forces Champions on each Health Board. Together with the Welsh Government, the Champions meet collectively to consider issues of interest to the Armed Forces community in Wales and how as a group these issues can be driven forward. The Champions advocate for veterans and Service personnel to ensure that their needs are reflected in local service plans and will improve links between health and social care, veterans groups and UK Government to the benefit of veterans. The relevant authorities in Wales are assessing whether and how the above initiatives could be applied within the Welsh framework.

A Veterans' Champion is now established in each of Northern Ireland's eleven local authorities and is linked into the Northern Ireland Veterans Support Committee. A programme to educate all Champions regarding the help available to veterans is being developed.

6. *It may be that the MOD's own assessments of progress are undermined by the fact that it is 'marking its own work'. To guard against that risk, we recommend an independent assessment of progress towards Covenant commitments. That assessment should be published, unedited, as an annex to the Annual Report. (Paragraph 24)*

An independent assessment of progress towards Covenant commitments is already provided by the leading Service charities and the single Service Family Federations. Their assessments are published, unedited, each year in the Covenant Annual Report. These are underpinned by the Covenant Commitments Plan, which is reviewed quarterly by the Cabinet Office-chaired Covenant Reference Group.

A further objective assessment of Covenant progress is provided by the metrics included in the Annual Report.

7. COBSEO argued that the proposal to reduce the number of panel members on WP&AFCS tribunals has the potential to disadvantage the Armed Forces community. We believe that Service representation on WP&AFCS Tribunals should be retained. If the Government persists with its proposals, it must at least provide Service-specific guidance on the factors which would have to be taken into account by the Senior President for Tribunals when determining the composition of panels. (Paragraph 29)

The Government considers that panel composition decisions should be decided by the judiciary, as they are best placed to understand the specific requirements and complexities of the tribunal. When determining the panel composition arrangements across each of the Chambers of the First-Tier Tribunal, including the War Pensions and Armed Forces Compensation Chamber, the Senior President of Tribunals already has a statutory requirement to have due regard to the need for tribunals to be accessible; for proceedings to be fair, and handled quickly and efficiently; and the need for members of tribunals to be experts in the subject matter of, or the law to be applied in, cases in which they decide matters. This will not change because of the Government's proposed reforms.

The Senior President of Tribunals typically ensures that relevant factors are considered for individual tribunals by drawing on the expertise of the Chamber President and consulting with the relevant stakeholders for that area. We consider that providing service specific guidance to the Senior President of Tribunals is therefore unnecessary.

The intention behind our proposed reforms is to provide the Senior President of Tribunals with greater flexibility and allow decisions to be made more proportionately, enabling them to independently review whether there is scope for change.

8. The Government must provide reassurance that it will monitor the impact of changes to Tribunal panels. Statistics on the outcome of substantive cases should be recorded and published in a manner that allows proper scrutiny—including the impact of reduced tribunal panel memberships on the number of appeals that are upheld and dismissed. (Paragraph 30)

The Impact Assessment that accompanied the Transforming our Justice System consultation confirmed that the Government would monitor the impact of any changes to tribunal panel composition. Specifically, the Government would collect a range of quantitative data such as receipts, disposals and appeal rates. These data are already routinely collected and published at gov.uk for the three largest tribunals by volume.

9. The MOD must demonstrate that it has measures in place to ensure better and easier access to mental health services by veterans. We therefore recommend that the MOD introduce specific targets for the treatment and referral of veterans. Those targets should be informed by the MOD's review of the time-period within which veterans are able to access Defence Medical Services after leaving the Armed Forces. (Paragraph 36)

The MOD continues to work closely with partners across the spectrum of healthcare provision throughout the UK to ensure Service personnel, veterans and their families are not disadvantaged in accessing healthcare, with special provision made, where appropriate.

The Covenant-funded Veterans Gateway provides a one-stop shop for all veterans of all ages seeking advice and assistance on accessing a wide range of services, including those relating to mental health and wellbeing.

Across the whole of the UK, veterans' healthcare, including mental health services, is provided by the NHS, commissioned by Clinical Commissioning Groups in England and local commission arrangements in the Devolved Administrations, and not the MOD. As such, the MOD cannot impose specific targets on the NHS for the treatment and referral of veterans.

In England most veterans use mainstream NHS mental health services and over 20,000 per year are recorded as using standard NHS improved access to psychological treatment services, with access times and outcomes at least as good (and sometimes better) than the general population. In addition, and following an intensive engagement exercise in 2016, NHS England launched their Transition, Intervention and Liaison (TIL) veterans' mental health service in April 2017. The service builds on the success of current veterans' provision and seeks to increase access and treatment, with initial assessment within two weeks, in a more uniform manner, including the option and addition of moving 'upstream' to engage serving personnel pre-transition; meeting the needs of patients and their families.

TIL will enable some 17,500 individuals across England to obtain appropriate treatment and care, including referral to clinicians with an expert knowledge of Armed Forces life and culture. A key benefit of this new service is that Armed Forces personnel approaching discharge can now also access NHS mental health care and treatment. The new service will assess patients within two weeks and provide initial treatment if required within a further two weeks. Additional services are also being evaluated for the small number of veterans who are in the criminal justice system.

NHS England (through the Mental Health Five Year Forward approach) have their own governance arrangements in place and the Regional Armed Forces commissioning team hold monthly accountability meetings with the providers who also have to record the numbers accessing the service and their recovery rates.

The Scottish Government's new Mental Health Strategy 2017–27 (March 2017) highlighted its support for the Armed Forces Covenant and that no one should suffer disadvantage as a result of military service. In supporting efforts to meet the needs of veterans and their families, local partnerships are encouraged to consider how best to provide services locally for them. In this respect, veterans in Scotland benefit from access to a range of community and specialist mental health treatments and services provided by NHS Scotland and their partners, including Combat Stress. Veterans also benefit from their inclusion in the NHS Scotland referral-to-treatment target of 18 weeks for access to evidence-based psychological therapies, where that is assessed as appropriate.

Wales has funded Veterans' NHS Wales (VNHSW) since 2010. This service has seen referrals increase each year from 191 in 2010 to over 600 in 2016–17. VNHSW (a primary care service) is considering the introduction of internal key performance indicators to track waiting times across health boards and allow comparison with mainstream secondary care psychological therapies. VNHSW has ten full time veterans' therapists, plus four

part-time seconded therapists in post, funded by the Welsh Government, offering a range of NICE approved evidence based psychological therapies on site for a range of mental health problems.

In Northern Ireland the work under way to improve the co-ordination of support to veterans includes a specific focus on mental health to include detailed quantification of the requirement, available support, shortfalls and how these might be addressed.

The MOD has no current plans to formally extend the six-month period during which veterans can be referred back to the Defence Medical Services after their date of discharge.

10. *We acknowledge that linking the Service and medical records of veterans of Iraq and Afghanistan is a significant undertaking. However, it is a Covenant commitment which should not be undermined merely by a lack of resource. The Government must commit to funding this work. We will expect the 2017 Annual Report to demonstrate that significant progress has been made in this area. (Paragraph 39)*

The Government notes the Committee's comments and will provide an update in the 2017 Covenant Annual Report.

Education and local services

11. *The Annual Report recognises that Service families still face difficulties in securing school places outside of the normal admissions cycle, which is a significant source of stress for them. We will expect to see evidence of significant progress in this area in the next Annual Report on the Covenant. (Paragraph 43)*

The MOD will continue to work closely with the Department for Education and devolved equivalents to further refine their school admissions codes to ensure that Service children do not suffer disadvantage in comparison with their non-Service peers.

As part of this work, the MOD is undertaking a programme of meetings and briefings with local authorities, and devolved equivalents, to ensure that school admission authorities understand the challenges faced by Service families, and how school admission codes should be interpreted by those authorities in order to remove disadvantage from Service children in the allocation of school places.

This is in addition to the support provided directly by the MOD, working with relevant authorities across the United Kingdom, to individual Service families needing to secure school places outside of the normal admissions cycle.

In Scotland, parents have a right to express a preference when choosing which school they wish their children to attend and local authorities will make every effort to meet that request wherever possible. The Education (Scotland) Act 1980 states that the statutory responsibility for the provision of education in Scotland rests with individual local authorities. In discharging these duties, authorities are responsible for the setting of the school admissions policy, which will include the procedures for dealing with placing requests and the associated appeals process. The Scottish Government has produced a guide for parents called "Choosing a School" which is available at: <http://www.scotland.gov.uk/Publications/2010/11/10093528/0>. This is a guide for parents on choosing a school and the placing request system.

In Wales, the School Admissions Code makes provision for children to be admitted to an infant class mid-term, even if it means the class will breach the infant class size limit. It will be retained during a child's stay in the Foundation Phase in school.

12. We welcome the preparatory work undertaken by the MOD and local authorities to manage the Defence Estate Rationalisation programme. In a more concentrated footprint, it is vital that funding is made available, in advance, to deliver adequate levels of additional services in those areas. We require reassurance from the MOD that there will be a thorough assessment of the provision of services and amenities in the areas to which Service personnel will be relocated. (Paragraph 46)

The Department recognises that the Estate Optimisation programme will impact on Service personnel and local communities, and that it will be vital to continue working with all stakeholders as the programme progresses. The MOD routinely engages with local authorities and other key stakeholders on planned disposals, acquisitions and developments as part of the local planning process. The Department will also undertake extensive assessment studies to establish the infrastructure requirements for the sites that will be developed.

13. Furthermore, we also expect the MOD to provide details on its engagement with each individual local authority which is expected to receive an increase in Service personnel. (Paragraph 47)

The governance of the Defence Estate Optimisation programme is managed centrally by the MOD, and involves representatives across the Department. As part of the ongoing work of the programme, we are committed to a full programme of engagement with all impacted local authorities on a site-by-site basis and we will also liaise with other Government Departments and the Devolved Administrations as required. The MOD is very much aware of the impact additional people will have on local communities and we will continue to work closely with local authorities and relevant Government departments as our future requirements become clearer.

As part of this process, MOD representatives recently spoke at a Local Government Association seminar to promote best practice and better working relationships in developing and regenerating the defence estate.

Accommodation

14. Notwithstanding the initial progress made under the 2016 Improvement Plan, the findings of the National Audit Office, the Public Accounts Committee, the Armed Forces Pay Review Body and the Service Families Federations cannot be ignored. Too many independent assessments of military accommodation point to serious dissatisfaction with the service provided. It is therefore clear that the 2016 Improvement Plan has not delivered the required raising of standards over the longer-term. The MOD must collect and publish information, on a month-by-month basis, setting out the performance of CarillionAmey against its contractual key performance obligations alongside the numbers of complaints received over the same timeframe. Furthermore, that information should be broken down region by region. (Paragraph 53)

CarillionAmey reached the required level of performance against specific key performance indicators in May 2016, as demanded by the Secretary of State, for response maintenance, statutory and mandatory checks. It has broadly continued to maintain this level since. The Department recognises the need to improve the “lived experience” so that it is reflected in satisfaction levels and continues to work with the contractor to foster further affordable improvements.

The Department issues monthly performance information to the single Service Families Federations and the single Services regarding CarillionAmey, including the number of complaints received from Service personnel. The Department acknowledges the Committee's suggestion that this information should be provided in a regional format and will consult with stakeholders on which information they would like to receive on a regional basis.

15. *Given the dismal track record of CarillionAmey, the MOD must set out, in detail, what alternative arrangements are available for the provision of accommodation services should CarillionAmey continue to fail to meet its contractual obligations. (Paragraph 54)*

Following Ministerial intervention, CarillionAmey's performance against the key performance indicators has improved and is meeting the agreed levels of service. The MOD therefore does not have plans to introduce alternative delivery arrangements and will continue to closely monitor CarillionAmey's performance. The Department will consider any weaknesses with the current contractual arrangements when the contracts are re-let in the future.

16. *There is strong evidence that the impact of the Combined Accommodation Assessment Scheme was neither clearly nor accurately communicated to Service personnel. Furthermore, the availability of information on its implementation was inadequate. Added to the inconsistencies in banding of properties, and a complex and lengthy appeals process, it is no surprise that confidence in the Scheme is low. The fact that Service personnel were required to submit FOI requests to obtain the information necessary to challenge banding decisions is a clear indication of failure. (Paragraph 58)*

The Combined Accommodation Assessment System (CAAS) was created to both modernise the charging system and rebalance the inaccuracies of the four Tier Grading system (4TG) to ensure charges match the quality and type of property being used, with the intention of making it fairer and more accurate. Due to inconsistencies within the 4TG system, Service personnel have historically been undercharged for accommodation. In introducing CAAS, the Department recognised the need to inform Service personnel and stakeholders before any changes were to take place. Numerous briefings were conducted across the UK, informing over 400 Champions, both military and civilian, on the rationale behind CAAS, the breakdown of how it would work and how it would be implemented across the UK. They were then empowered to support the implementation and act as focal points for the dissemination of information to Service personnel.

Throughout this process, one of the Department's core objectives was to ensure families understood how to challenge and appeal the new CAAS banding (based on size, condition or location). To achieve this, each household was provided with information between November 2015 and February 2016, along with details on how and where to appeal any

changes relating to the new CAAS bands. However, the Department recognises there was a lack of understanding of the scoring mechanism within the Decent Homes Standard and with the assessment criteria for thermal comfort and location. In addition, the Department is aware that not all information was easily accessible to individuals, which led to some Service personnel incorrectly believing they needed to submit a Freedom of Information request in order to obtain the relevant information.

The Department has now introduced the CAAS assessment summary sheet, which details how a property was designated its CAAS band, breaking it down by its different aspects and detailing where further information can be found online. This form is now provided to all new Service Families Accommodation (SFA) occupants when moving in to a property, or is provided upon request. Additionally, the Department has updated policy to assist Service personnel's understanding of how the assessment is completed and where they can access further information. The Department will continue to monitor CAAS performance.

17. *In order to rebuild confidence in the CAAS, the MOD must establish a process of independent arbitration for disputes about bandings and ensure that the information required to bring challenges to arbitration is readily available. (Paragraph 59)*

Since introducing CAAS, the Department has received fewer challenges and appeals than had been anticipated, but those that were received have been of a more complex nature than under the previous system. This meant that reviewing each challenge took longer than expected and resulted in a backlog. However, the backlog has been cleared and, throughout the process, the Department has ensured Service personnel were kept updated on their case.

Of over 38,000 letters sent to SFA occupants, only 0.5% led to challenges that were upheld. There is a two-stage internal challenge and appeal process in place. Stage One is delivered by CarillionAmey, and, if this does not resolve the challenge, then Service personnel can escalate to Stage Two, and appeal the decision to the DIO. Once this process is complete, Service personnel can submit a Service Complaint against the decision, should they continue to be unsatisfied.

The MOD recognises the importance of this issue for Service personnel and their families and will continue to consider how the process could be improved, including what additional information could be provided to Service personnel to support any challenge. This work will consider alternative means of delivering the process and how to improve the confidence of Service personnel in the system.

18. *The Future Accommodation Model is still being developed but whatever its outcome, it is likely to have a significant impact on Service life. The MOD must accept that the prospect of major changes to the provision of Service accommodation will generate concern and apprehension. We therefore will expect the MOD to set out how it will address the findings of the Service Families Federations as the FAM is developed. (Paragraph 65)*

The Future Accommodation Model (FAM) is looking at alternative ways to provide accommodation, to make it fairer, more flexible and affordable. No decisions have yet been taken and the project team is currently assessing the potential options. To help the MOD understand what Service personnel want from accommodation, and what options

they might choose under a future model, we have been consulting with Service personnel through focus groups, workshops and a survey. We recognise that involving our personnel in what is effectively policy formulation has led to a sense of uncertainty about FAM, but it has allowed us to develop a future accommodation model that better reflects their views.

As part of the consultation process, a survey was made available to over 137,000 Service personnel for a period of four weeks, resulting in over 24,000 responses from across the Services (for comparison, the Armed Forces Continuous Attitudes Survey (AFCAS) 2016 received 12,785 responses). However, we are clear that this alone does not mean it provides a perfect evidence base. As such, decisions will not be based on this one survey alone. Surveys run by the single Service Families Federations, AFCAS and the Families Continuous Attitudes Survey, focus groups and other sources are all relevant.

Based on the feedback received from serving personnel and families (including the single Service Families Federations' surveys), we are already making changes to our proposals. For example, we are now developing an offer that will provide greater choice to Service personnel, and does not differentiate based on the location in which Service personnel wish to buy a property. We are also assessing options to retain different levels of SFA and no option would remove SFA completely. However, in order to judge whether they are value for money, all options need to be assessed against attractiveness to Service personnel and families, operational effectiveness and affordability. As FAM develops, we will continue to consult with Service personnel and their families to capture as diverse a range of views as possible.

The Corporate Covenant and the Community Covenant

19. The rising number of Corporate Covenant signatories is welcome, but the MoD must ensure that signing the Corporate Covenant represents a meaningful commitment. We look to the MOD to set out the steps it is taking to monitor corporate compliance with the principles of the Armed Forces Covenant. In addition, we invite the MOD to consider what sanctions should be in place for companies which do not live up to their Covenant obligations. (Paragraph 71)

All Covenant pledges, including those made by businesses, are voluntary commitments.

The Government agrees that the rising number of business pledges is welcome and, based on experience to date, assesses that the most effective way to maintain and build on this momentum is to focus primarily on the business benefits of engagement with the Armed Forces community.

When the MOD is made aware of businesses falling short of their Covenant commitments we are able to intervene at the appropriate level and resolve the issue. We judge this light-touch approach is more effective and in keeping with the ethos of the Covenant than introducing a formal compliance regime which risks dis-incentivising businesses from making Covenant pledges. If it was assessed that an organisation was cynically exploiting the Covenant and the Armed Forces community, then the Government could ultimately revoke their pledge as a last resort.

We intend to produce best practice guidance to encourage businesses to make their commitments as tangible and mutually beneficial as possible and will provide an update in the 2017 Covenant Annual Report.

20. *The United Kingdom is leaving the EU and therefore will no longer have to comply with EU Competition Law. This provides the MOD with an opportunity to insist that all of its contractors be signatories to the Corporate Covenant and to demonstrate how they will proactively comply with its underlying principles. We recommend that the MOD should seriously consider this proposal. (Paragraph 72)*

All Covenant pledges, including those made by businesses, are voluntary commitments.

The Crown Commercial Services currently encourages all Government suppliers to sign the Covenant, as detailed in 'procurement policy note 06/16: Armed Forces Covenant', which can be found at the following link: <https://www.gov.uk/government/publications/procurement-policy-note-0616-armed-forces-covenant>.

We will consider if this provision should be strengthened. However, if signing the Covenant became compulsory then businesses could view it as an obligation to be managed rather than an opportunity to be maximised.

21. *Many of the policy areas within the Covenant's scope are in the hands of local authorities, so it is of particular importance that the Covenant's underlying principles are embedded within local government. The MoD and local authorities should set out how they will both support and monitor local authority compliance with the Covenant. This could include requiring local authorities to submit a brief, standard-form return document on Covenant compliance each year, based on a number of compliance indicators. The resulting information could then be published in simple tabular form as an annex to the Covenant Annual Report. (Paragraph 75)*

The Government agrees that local authorities are at the forefront of delivering the Armed Forces Covenant at the local level and welcomes their positive and voluntary engagement with it, with every local authority in Great Britain signing the Covenant.

Building on this, the Department for Communities and Local Government and the MOD jointly commissioned a Report in 2016 by the Forces in Mind Trust and the Local Government Association, entitled: "Our Community – Our Covenant" report. This sets out good practice based on action taken by councils that have successfully implemented the Covenant, including a core infrastructure which all local authorities could adopt. One element of this would be a vehicle for reporting action and achievements, such as an annual report on the actions taken during the year to deliver on the Covenant.

The Government welcomes this review and has produced an action plan to drive this work forward, in close partnership with the Devolved Administrations. This includes providing practical guidance for local authorities to help them adopt or improve on their existing policies and providing links to key sources of information. This will include encouraging local authorities to consider adopting a vehicle for reporting action and achievements, such as an annual report (either individually or as collectives) as a way of monitoring delivery and recognising local achievements, as well as identifying new challenges.

We will also continue to promote our Armed Forces Covenant website (available at: <https://www.armedforcescovenant.gov.uk/>) which has recently been improved by the addition of a new section created specifically to provide guidance and advice to local partnerships.

The advice that we have received from those working in or with local government, as well as representatives from Service and Service families groups, is that working with the grain of the devolved model with this type of collegiate approach will result in stronger partnerships than introducing a compulsory compliance regime.

A variety of measures currently exist that help to ensure that local authorities maintain their Covenant pledges. These range from statutory measures, such as the protection of the homelessness legislation and regulatory requirements in the social housing context, to authorities' own local accountability and complaints procedures, backed up by the Local Government Ombudsman. Many networks are now in place by which members of the Armed Forces community can make their views felt, such as the Armed Forces Covenant Champions in each Armed Forces unit or representatives of the single Services Families Federations, and engage with those in their local authority who are responsible for delivering the Covenant in their area.

In the majority of cases where it is found that more could be done to improve local delivery of the Covenant, the reasons tend to be tied to a lack of guidance on how best to proceed rather than an unwillingness to support the Covenant. New guidance and information, backed up by examples of good practice, is therefore being made more widely available through our new dedicated local authority section of the Covenant website, to help local partnerships assess their own performance while encouraging them to implement measures that would improve the delivery of their local pledges.

The Scottish Government has a comprehensive network of Armed Forces and Veterans' Champions embedded within public bodies and local authorities. The Scottish Government funds a series of roadshows across Scotland, designed and delivered by Veterans Scotland, as well as an annual conference that enables Champions from local authorities, statutory and non-statutory bodies and other interested groups to meet, discuss issues of interest and share best practice in delivering the Armed Forces Covenant.

Furthermore, NHS Scotland continues to hold an annual conference specifically for Champions in the health sector to actively promote the ethos of enduring support contained in the Covenant.

Working in collaboration with the Welsh Local Government Association and NHS Wales, the Welsh Government delivers an annual Armed Forces Covenant conference. Aimed at all Armed Forces Champions in Wales—the 22 local authorities, third sector organisations, police forces, DWP, public sector organisations and the single Services—the conference encourages sharing of good practice and collaborative working in the delivery of the Covenant.

The Cabinet Secretary with the lead for the Armed Forces portfolio writes annually to local authorities seeking progress updates on the Covenant in their areas.

In Northern Ireland there are firm Covenant-related links with all eleven local authorities, underpinned by the establishment of a Veterans' Champion in each, with all committed

to ensure that no veteran is unfairly disadvantaged. Work is in progress to establish protocols with both the Department of Communities and individual Health Trusts to ensure appropriate levels of support to veterans.

Conclusion

1. Implementation of the Armed Forces Covenant remains a work in progress, but we welcome the positive direction of travel highlighted in the 2016 Annual Report. Our own Report highlights areas where particular focus is necessary, but that should not detract from the progress that is being made in implementing the principles set out in the Covenant. (Paragraph 76)

The Government agrees with the Committee that implementing the principles of the Covenant is crucial and thanks it for publishing its report.

2. It is important that those principles should be applied consistently, regardless of geographical location: the Armed Forces community has the right to expect the same standards of healthcare, educational provision and quality of accommodation wherever its members reside. There must be a continuing focus on areas which have a high demand for services, and the MOD must put in place plans to ensure that the provision of high levels of services is maintained as the Defence footprint diminishes. The importance of embedding the principles of the Covenant in local government should be a special priority. (Paragraph 77)

We agree that the Armed Forces community has the right to expect at least the same standards of healthcare, educational provision and quality of accommodation as the rest of the local population in their local area and that provision should be made for the mobility requirements of Service life.

The MOD is commissioning a 'Map of Need' for the Armed Forces Community, funded by the Covenant Fund. This will enable a means of assessing levels of actual and foreseeable health, wellbeing and social care needs amongst the UK veteran population and Service families.

This will allow for the continuous surveillance and analysis of current health, wellbeing and social care needs by geographical location, volume, and trends of help being sought by the veteran community and serving families across the UK, thus enabling providers to design and implement effective strategies of intervention and for the Covenant Fund to make intelligence-led grant making.

3. The Covenant is understood by increasing numbers of people, businesses and organisations. However, there remain significant gaps in awareness. It is clear that important messages about provision and entitlement are still not getting through to service providers and the MOD needs to redouble its efforts to rectify this. It must also ensure that it is responsive to the views and the needs of the Armed Forces community. (Paragraph 78)

We continue to work across Government and with our external stakeholders to promote the Covenant; this is a collective responsibility and we will provide an update in the 2017 Covenant Annual Report.

4. The outstanding feature of HM Armed Forces has always been the quality of their people. The principles which underpin the Armed Forces Covenant reflect the debt that society owes them. We acknowledge and commend the efforts of individuals, across the country, who work every day to discharge that debt. We look forward to learning of further progress in that work, in next year's Report on the Armed Forces Covenant. (Paragraph 79)

The Government shares the Committee's appreciation of the vital role played by all Armed Forces personnel and will provide an update on how they are being supported by the Covenant in the next Armed Forces Covenant Annual Report.

12 July 2017