



House of Commons
Defence Committee

**Armed Forces Covenant
Annual Report 2017:
Government Response
to the Committee's
Ninth Report**

**Eleventh 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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Eleventh Special Report

On 30 June 2018, the Defence Committee published its Ninth Report of Session 2017–19 [HC 707] on the *Armed Forces Covenant Annual Report 2017*. The response from the Government was received on 29 August 2018. The response is appended to this report.

Appendix: Government Response

The Government welcomes the House of Commons Defence Committee’s report on the Armed Forces Covenant Annual Report 2017.

The Government’s formal response to the Committee’s recommendations and conclusions is set out below. The Committee’s findings are in bold, with the Government’s responses in plain text. For ease of reference, paragraph numbering follows that in the “Conclusions and Recommendations” of the Committee’s report.

Recommendation 1

We welcome the creation of the new Veterans Board, even though it does not have formal Cabinet Sub-Committee status. We are pleased to note the Minister’s commitment to meet the single Service Families Federations, Service charities and other interested bodies prior to each meeting of the Board. It is vital that access to Ministers and Departments is maintained for all those implementing the Covenant, so that those outside Government can highlight concerns over the delivery and implementation of the Covenant. We note that the Board will meet twice a year, despite our predecessors having recommended that it should meet four times a year. (Paragraph 19)

The Government agrees that it is important that the Families Federations and Service charities have access to Ministers to highlight concerns and inform decisions over the implementation of the Covenant. Alongside their biannual meeting with the Defence Secretary and the Chancellor of the Duchy of Lancaster, the Families Federations and Service charities have regular meetings with the Minister for Defence People and Veterans, both bilaterally and through the Service Charities Partnership Board. They also engage directly with other Ministers, as required. The Families Federations and Service charities also provide unedited observations which are included within the Annual Covenant Report to Parliament.

The frequency of Ministerial Covenant and Veterans Board (MCVB) meetings will be kept under review.

Recommendation 2

The status of the Veterans Board and the frequency of its meetings should be kept under review: the momentum of Covenant implementation must not be lost because of a lack of strategic direction and involvement from the highest levels of Government. In its response to our report the Government should set out how it intends to measure the effectiveness of the Board. (Paragraph 20)

The MCVB has met twice since its creation, identifying its key priorities as improving communications for the Covenant, developing a veterans strategy and improving the measurement of the Covenant's performance. Progress has been made on all. A cross-Government communications strategy has been endorsed and is now being delivered, the Veterans Strategy is currently scheduled to be published in November 2018 and additional metrics will be published in this year's Annual Report. Beneath the MCVB, the Covenant Reference Group and various working level meetings (with cross-Government and Devolved Administrations representation) convene more regularly to closely monitor and drive progress and outcomes, and to ensure that service deliverers are held to account. A diagram of the Covenant governance structure has been provided in Annex A.

The frequency of meetings will be kept under review. The effectiveness of the MCVB will be measured through the metrics included in the Annual Covenant Report to Parliament. These metrics measure whether disadvantage for the Armed Forces community is being mitigated. Improving the number and quality of metrics available is a key ongoing priority for the MCVB.

Recommendation 3

We were pleased to hear that the Government wishes to engage and co-ordinate more closely with the devolved administrations on Covenant matters. We believe that it would be a positive step for the devolved administrations to have full-member representation on the Board. This would provide an opportunity for best practice from every area of the UK to be shared and adopted, leading to better coordination and delivery of the Covenant across the country. (Paragraph 21)

The Devolved Administrations have been invited to each of the MCVB meetings held so far and will be invited to all future meetings. The full contribution of the Devolved Administrations to Covenant delivery is vital to ensuring our people are provided with effective support.

Recommendation 4

In response to our report the Government should set out how it will take forward the involvement of the devolved administrations at all levels of the structures charged with the implementation of the Covenant. (Paragraph 22)

The Devolved Administrations are already represented at several cross-Government fora which address the Covenant at all levels. The table at Annex A provides more detail. The MOD Covenant Team works closely with colleagues from the Devolved Administrations to enable their views to be represented in full and so that their good practice can be identified and shared. They also ensure up-to-date information is provided on the delivery of Covenant commitments in each of the Devolved Administrations.

Recommendation 5

We welcome the Veterans Board's initiative in appointing lead Ministers for Covenant and veterans' issues in each relevant Government Department. We see these roles as giving greater focus and momentum to each Department's implementation of the Covenant. However, we are concerned at the apparent delay in making these

appointments and that it took a request from us to secure a list of these Ministers and to make it publicly available. This information is vital to all those—whether inside or outside Government—involved in implementing and delivering the Covenant, as it enables them to raise concerns with the appropriate person in more timely and efficient manner and it should also ensure greater cross-Government coordination. This information should be included in future editions of the Covenant Annual Report and should also appear on each Government Department’s website and other relevant websites. (Paragraph 25)

The list of lead Ministers for Covenant and veterans’ issues will be included in the annual report from 2018 onwards. The list has now been published on the Armed Forces Covenant website.¹ The Cabinet Office has requested that Ministers include this responsibility in their gov.uk portfolio.

Recommendation 6

While we acknowledge the role of the External Members of the Covenant Reference Group in challenging the Government’s implementation of the Covenant pledges, we are concerned that the perception persists that the MoD and other Government Departments are ‘marking their own homework’ when assessing their effectiveness in the delivery of Covenant pledges. There is a risk that this could undermine confidence in the Government’s implementation of the Covenant. There is also a danger that this problem will become more acute as additional measures and statistics are included in future lists of Covenant commitments.

We also note concerns about the difficulty of identifying ways of measuring outcomes and outputs. A priority for the Veterans Board should be the introduction of measures and statistics that assess the impact of the Covenant in ensuring that progress is being made in removing disadvantage for serving personnel, families and veterans. (Paragraph 32)

The ongoing intent of the Covenant is to ensure that the Armed Forces community is not disadvantaged because of their service, and that special provision is made for those who have sacrificed the most.

The 2017 Annual Report included 30 metrics against 21 different categories to measure this and one of the key priorities for the inaugural MCVB in October 2017 was to improve key performance indicators for the delivery of the Covenant. Thus, the intent is for the 2018 report to include further metrics, including those related to spousal and reservist employment, access to social housing and access to secondary healthcare. Further metrics will be included in future reports. We contend that including additional and more robust metrics, alongside the unedited observations of the external members of the Covenant Reference Group, alleviates any concerns around HMG ‘marking their own homework’ rather than exacerbating them.

We have commissioned independent reviews of both the Covenant in the Community (for which an Action Group is now in place to respond to its recommendations) and the

1 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/734752/AFC_Website_Content.pdf

Covenant in Business (which will report before the end of 2018). The Veterans Strategy will examine how we can introduce other mechanisms for independent scrutiny that deliver value for money.

Recommendation 7

We repeat our predecessor Committee’s recommendation that an independent assessment should be made of progress towards Covenant commitments. This work should also include the development of ways of measuring impact, outputs and outcomes as well as inputs. The measures used by the devolved administrations in their different systems and the establishment of an independent Armed Forces Covenant Programme Office should also be taken into consideration. We acknowledge this would be a major study and therefore recommend that the Government should consult the Forces in Mind Trust and other appropriate organisations to establish the best way to take this project forward. Consideration should also be given to funding this work from the Covenant Fund. (Paragraph 33)

For the reasons set out above, we believe that the established and planned governance arrangements combined should provide the sufficient level of scrutiny. We continue to engage with the Devolved Administrations regarding the development of their metrics, recognising that this is a fully devolved matter. The MCVB will continue to prioritise improving our ability to measure the success of the Covenant over time, by reviewing the number and quality of metrics in place so that we can be confident that policy initiatives are providing effective mitigation of disadvantage to the Armed Forces community.

The Covenant Fund Trust is developing an outcomes framework to measure the impact of grants it has made to inform future grant-making decisions. However, it would not be appropriate for the Covenant Fund to fund an assessment of Government’s delivery of the Covenant. We are keen that the funding is used to support the Trust’s key objectives of:

- removing barriers to family life;
- extra support after service for those that need help;
- measures to integrate military and civilian communities and allow the armed forces community to participate as citizens;
- non-core healthcare services for veterans

Whilst research and evaluation forms an important part of the grant giving process, this is either for grant recipients or to target future grant giving. Given the independent evaluation of Covenant delivery outlined above, we do not believe that further independent assessment would be an efficient use of the grant. Furthermore, it is felt that an independent programme office would not add any value given the programme management and governance systems in place and would merely add to bureaucracy rather than focus on delivery.

Recommendation 8

We also note the Minister’s frustration at the limitations in the MoD and across Whitehall “to make sure that things get done”. We agree with the Minister that a

cultural change is needed and that faster progress is urgently required. Ministers and their Private Offices should be raising issues directly and speedily with their opposite numbers in other Departments, and, as a priority, the Veterans Board must develop the appropriate mechanisms to hold Government Departments to account within their areas of responsibility. As a first step in focusing each Department's work on the Covenant and veterans issues, we recommend that relevant Government Departments should include a section in their Annual Reports and Accounts on how they have discharged their responsibilities in these matters. This should specifically include an examination of progress by Departments in encouraging their supply chain to sign Covenant pledges and make commitments on the employment of veterans and Reservists. (Paragraph 34)

The Covenant Annual Report is the main tool by which the Government accounts to Parliament in its delivery against the Covenant, providing the focal point for reporting against all Covenant activity. We note the Committee's proposal for Departments to provide their own updates as part of their annual report and accounts. The MOD will discuss this with the Cabinet Office and relevant Government Departments. From 2018 onwards, to further strengthen accountability, while retaining central oversight, we will introduce as policy that Departmental input into the Annual Report should be approved at Ministerial level.

We will be considering what more Government should be doing to encourage businesses to sign Covenant pledges in light of the recommendations of the ongoing review into the Covenant in Business and will update the Committee in due course.

Recommendation 9

We also recommend that, in addition to a lead Departmental Minister, Departments should nominate one of their external board members as a champion for the Covenant with responsibility for monitoring the Department's delivery and implementation of Covenant pledges. They should also be responsible for the Department's input into the table of commitments and the measurement of how these are progressing in the Covenant Annual Report. (Paragraph 35)

We consider it appropriate to allow the new lead Departmental Ministerial roles to bed in before introducing further changes to the senior governance arrangements. We will keep these under review.

Recommendation 10

We welcome the commitment to the development of a comprehensive cross-Government Veterans Strategy and the planned establishment of a Veterans Unit. We acknowledge that it is appropriate to hold a wide-ranging consultation as part of the Strategy's development, but in its response to our report the Government should clarify whether the Strategy will be published in Autumn 2018 or will slip into 2019. (Paragraph 38)

We can confirm that the Veterans Strategy is currently scheduled to be published in November 2018, and will be followed by a consultation period into early 2019.

Recommendation 11

The information provided by the ‘Map of Need’, the veterans question in future censuses, and the nature of enquiries to the Veterans Gateway will be essential for developing the Veterans Strategy. We also welcome the intention to introduce the new Veterans ID. We expect the Government to provide us with regular updates on these initiatives, as well as with assurances that sensitive data about the home addresses of veterans will be held safely and securely. (Paragraph 44)

We agree that the information provided by the Map of Need (which includes the metadata underpinning the Veterans Gateway) alongside the Veterans marker in the 2021 census will help build the evidence base as we develop and implement the Veterans Strategy. The veterans’ ID card will ensure that veterans have a form of voluntary identification. The MOD are reviewing a range of options for delivery and will make a further announcement on this issue later in the year. In addition to acting as a recognition of service, a veterans’ ID card will verify their status as a veteran. This will ensure that veterans can be easily identified as part of the Government’s continued commitment under the Armed Forces Covenant, assisting in access to specific support services such as healthcare, housing or the charitable sector. The Defence Committee will be regularly informed of developments and all data will be held in compliance with GDPR regulations.

Recommendation 12

It is important that the Veterans Gateway does not simply duplicate the services already provided by Service charities. Nor should it become the norm for Service charities, which are involved in operating the Gateway, routinely to refer enquiries—made via the Gateway—to their own services. In its response to our report the Government should set out the measures it has put in place to ensure that this does not happen. The Government should also devise Key Performance Indicators (KPIs) for the Gateway and commit to publishing performance against them in the Covenant Annual Report. The KPIs should take into account the outcomes of Ulster University’s independent evaluation of the value for money and the impact of the Veterans Gateway. (Paragraph 45)

We will review the Key Performance Indicators (KPIs) and referral process with the Veterans Gateway Strategic Group and update the Committee in due course.

Recommendation 13

We were concerned to hear that war widows and widowers believe that they are at risk of being forgotten and that they have been very neglected for a long time. We were disappointed to learn from the War Widows Association that this was the first time that the Covenant Annual Report had mentioned the term “war widow” and recognised them as an important cohort. While we acknowledge that the Minister recognised that more attention was needed to the requirements of war widows and widowers, the MoD must take urgent action to ensure that they are fully recognised as members of the veterans community and fully covered by the Covenant. An important first step will be the inclusion of war widows and widowers as an integral part of the Veterans Strategy.

It is also crucial for the MoD to identify ways of educating the public to realise that war widows include young people as well as old, and people of both genders. (Paragraph 52)

As members of the Armed Forces community, war widows and widowers are already included under the Covenant. Society and Government have a continued moral obligation to this cohort as those who have sacrificed so much. Whilst not veterans themselves, the Veterans Strategy will include provision for bereaved family members. MOD co-chairs the Bereaved Families Working group which provides a forum whereby issues relating to the policy for care of the bereaved families can be raised, considered and, where appropriate, taken forward as actions by those with responsibility for making and delivering policy and providing welfare support.

Its membership includes:

- MOD leads for Bereaved Families policy;
- Service Chaplaincy representation;
- Single Services Widows/Bereaved Families Associations, Single Service Widows Associations and War Widows Association of Great Britain;
- Bereaved Families Associations and single Service organisations responsible for bereaved families;
- Single Service organisations responsible for bereaved families;
- Defence Business Services – Veterans Welfare;
- Defence Business Services – Joint Casualty and Compassionate Centre;
- SSAFA – Bereaved Families Support Group;
- Royal British Legion;
- CRUSE Bereavement Charity and National Children’s Bureau.

Other organisations, agencies and individuals are to be invited depending on the agenda.

Recommendation 14

As part of ensuring that war widows and widowers are fully incorporated into the veterans community, the Government should urgently address the concerns raised with us that a War Widow’s Pension is incorrectly perceived as a benefit, rather than compensation, and the potential negative impact this might have when a widow is assessed for an income-based benefit. The Government must also urgently address the absurd anomaly where a war widower or widow, who lost his or her pension upon cohabitation or remarriage, and did not get it reinstated because it was before the reinstatement date, could however get it restored by temporarily splitting up and then reuniting with the former spouse or partner. (Paragraph 53)

The War Widows Association is a valued member of MOD’s Central Advisory Committee on Compensation (CAC) which is chaired by the Minister for Defence People and Veterans

and meets twice a year. It has raised its concerns at CAC meetings and separately has had several meetings with the Minister. Amongst these concerns is a misconception about the war widows' pension. A war widows' pension is an example of a survivors' benefit paid to assist with maintenance and is not the same as compensation for the recipient having been injured because of service or for the loss of their spouse. MOD Ministers are sympathetic to the pension issues raised by the War Widows Association and the Defence Committee, and the Department is considering the issue further.

Recommendation 15

The Government must ensure that the Covenant does not become too focused on veterans to the detriment of current Service personnel and their families. (Paragraph 56)

The Government agrees that it is vital that the Covenant does not focus exclusively on veterans to the detriment of current Service personnel and their families. Health, wellbeing and welfare of Service personnel is a core chain of command responsibility. The MCVB will continue to provide strategic direction to all aspects of the Covenant. The MCVB forms part of a robust structure of governance around the Covenant, and as such is underpinned by the Covenant Reference Group, External Partners Meeting, Service Charities Partnership Board and the Ministerial Families Forum drawing together charities and organisations and the Service Families Federations, who represent the needs of serving personnel and their families. This structure ensures that matters affecting all Covenant beneficiaries are duly considered at both official and ministerial levels.

There are several measures in place for Service personnel and their families within the Covenant including:

- an Education Support Fund to offer financial support to state schools and academies with Service children;
- the Service Pupil Premium for children in England providing £300 additional funding per school year;
- a £200,000 Welsh Government Fund for Service Children in schools;
- £2.8 million from the Department for Education to support rebasing activity in Salisbury Plain;
- National Insurance Credits for spouses to take account of time spent accompanying a serving partner abroad;
- mental health support via the Mental Health helpline and free access to other services such as 'The Big White Wall';
- support into employment via a range of free programmes delivered at units in UK and overseas locations and access to relationship support from 'Relate'.

The 'Families in Stress' Covenant Fund priority has awarded over £4 million to 14 projects over the last two years which directly support Service personnel and their families dealing with a range of issues; this includes projects tackling domestic abuse, supporting parenting skills and coping with bereavement.

In addition, the MOD launched the first ever UK Armed Forces Families Strategy in 2016, which focuses and coordinates activity across Defence to support Service families. The Families Strategy and the Covenant are intrinsically linked, and implementation of the Families Strategy is managed from within the Armed Forces Covenant team. Through integration of both the principles of the Covenant and the Families Strategy, we can ensure that the MOD, wider Government and society meet the needs of families and the challenges they face.

Recommendation 16

We request that the Government set out the measures it will take to ensure that the Covenant is balanced between the needs of veterans and serving personnel and their families, which should include a greater emphasis on increasing awareness of the relevance of the Covenant within current Service personnel and their families. (Paragraph 56)

As mentioned, new metrics in the 2018 Annual Report will examine the experience of serving personnel and their families, and we will continue to monitor awareness and understanding of the Covenant in our annual Armed Forces and Families Continuous Attitude Surveys. We have developed a Covenant Communications Strategy to increase understanding and awareness of the Covenant across the whole of UK society, particularly among the Armed Forces community as beneficiaries. The aim is to ensure beneficiaries of the Covenant make more use of the policies that are in place to support them. Delivery of the Covenant is a cross-Government commitment and communicating the Covenant must therefore be consistent across other Government departments. The MOD chairs the cross-Government Armed Forces Covenant Communications working group which supports the Covenant Reference Group. Attendance includes communicators and policy officials from Defence and all relevant Government departments who deliver the Covenant, as well as the Family Federations and key Armed Forces charities. This has helped to develop a collaborative approach to communicating the Covenant and share best practice and co-ordinate activity to gain a greater effect.

The broad communications approach is to utilise internal and external channels to greater effect, prioritising beneficiaries as a key target audience. There is emphasis on internal channels to increase awareness and understanding amongst Service personnel and their families. External communications (including engagement through Family Federations, charities, and local projects) target Service personnel, families and veterans as key beneficiaries, as well as targeting commercial organisations, charities and the public as supporters of the Covenant. Social media continues to be an important medium to target internal and external audiences, particularly around announcements, Covenant signings and Covenant Funding. The Covenant website continues to be a key internal and external channel to reach our target audiences and features case studies drawn from Defence, Other Government Departments, commercial organisations, Covenant Fund projects and Employer Recognition Scheme winners.

Recommendation 17

We acknowledge that LIBOR funding has delivered positive results for veterans and current Service personnel and their families. We are pleased to hear that since 2015

a more rigorous system has been in place to ensure effective monitoring of projects funded under the scheme, although we note concerns that the application process is now too complicated. The MoD should look at ways of simplifying the process while maintaining robust safeguards. (Paragraph 67)

The LIBOR grant scheme was closed following the final tranche of grant commitments at the Autumn Budget 2017. All LIBOR fines received by HM Treasury (HMT) from the Financial Conduct Authority have been committed.

Recommendation 18

We are concerned by the NAO's findings that the Treasury and the MoD cannot yet confirm that charities spent all LIBOR grants as intended. While we acknowledge that the Government is undertaking a retrospective review of 236 projects, it is disappointing that this review, originally due to report in December 2017, has yet to be completed. This delay is unacceptable and has resulted in heightened concerns around the use of LIBOR funding for Covenant projects. The Department must set out clearly in its response to our report what progress has been made. We expect early sight of the Report Review.

The response to this report should also set out what options, including legal, are available to the Department to recover grants that have not been used as intended. The MoD and Treasury must also set out in detail what measures are in place to monitor any future grants. Grants should not be made without terms and conditions that provide for monitoring the project's delivery and achievements. The Government must take steps to ensure that there is no further delay to the promised external evaluation of the use of LIBOR funds. (Paragraph 68)

The LIBOR grants review has involved the detailed examination of over 800 grants. The findings of the review will be submitted to the National Audit Office at the end of August 2018. A robust monitoring process, which is administered by officials of the Armed Forces Covenant Fund Trust, is in place to ensure that all LIBOR grants are used as intended.

Recommendation 19

We are also concerned by suggestions that LIBOR funds have been used for core MoD activities. We note the Minister's statement that the use of LIBOR fines to support additional facilities and programmes over and above the core activities, support, and infrastructure provided by the MoD is entirely consistent with the scope of the LIBOR fund. In response to our report, the MoD should provide information on the additional facilities and programmes that have been funded from LIBOR. We will be asking the Comptroller and Auditor General for a review of these grants. (Paragraph 69)

The funding application form explicitly states that funds cannot be used to top up existing grants and aids from Government Departments or for projects, activities or services that the State has a legal obligation to provide. The use of LIBOR fines to support additional facilities and programmes over and above the core activities, support, and infrastructure provided by the MOD is entirely consistent with the scope of the LIBOR fund. Full details will be provided to the NAO at the end of August 2018.

Recommendation 20

It is a positive step that the Covenant Fund will be governed as an independent trust. However, the MoD must ensure that appropriate safeguards are in place to ensure that the smallest possible proportion of the £10 million annual Covenant Fund will be taken up by the running of the fund. In response to our report, the MoD should clarify whether the Trust's agreement to limit its spending on running costs to £500,000 per annum is on a voluntary basis, or whether it is part of the Trust's legal status as a registered charity.

The MoD should also set out what safeguards it has in place to prevent an unexpected increase in the Trust's running costs—for example, due to property repairs—having a detrimental impact in the funding available for Covenant grants. We welcome the initiation of the study by Anglia Ruskin University to develop an Outcomes Framework to be used by Covenant Fund grant holders to show the impact that their grants were having and ask the MoD to keep us informed of the study's progress. (paragraph 75)

The limit of £500,000 per annum is set in the grant-in-aid funding agreement which governs the annual payment of £10 million to the Armed Forces Covenant Fund Trust. This cannot be exceeded without formal consent from both MOD and HMT. Most of the non-grant expenditure is for salaries, which are planned. Property repairs are not a concern, as the Trust is occupying premises on a lease with the building maintained by the landlord. The work by Anglia Ruskin University is due to be completed and delivered to the Armed Forces Covenant Fund Trust by November 2018; grant holders will start using the Outcomes Framework from spring 2019. Its progress will be included within the Annual Report to Parliament.

Recommendation 21

The performance of CarillionAmey, the Ministry of Defence and the Defence Infrastructure Organisation (DIO) in managing Service accommodation has been lamentable. It is clear that the National Housing Prime contract was 'not fit for purpose' in terms of its budget and Key Performance Indicators. It is unacceptable that this has meant that there are no enforcement measures that can be imposed on CarillionAmey, as they have met the minimum standards set out in the contract (which were woefully low). Concerns over the maintenance of Service accommodation pre-date the CarillionAmey contract and it is obvious that the MoD and the DIO have not learned the necessary lessons. The culture within the MoD and DIO must change to ensure that this failure is not repeated. The DIO's plan to examine different strategies for future contracts, including using more than one provider, is a welcome first step. (Paragraph 84)

The Department has previously acknowledged that there were shortcomings within the National Housing Prime (NHP) contract, and that CarillionAmey's (CA) performance in the early years, especially around response maintenance, was inadequate. Performance standards within the contract achieved the most cost-effective balance between price and service delivery, and reflected those found elsewhere in the wider housing sector. A range of enforcement and assurance measures are in place to address poor performance, including

financial retentions for failing to meet reactive maintenance and void preparation targets. The lessons learned from the experience of the NHP contract are now being applied to the replacement contract under the Future Defence Infrastructure Services (FDIS) model.

CA's performance has improved considerably over the past 18 months and the collapse of Carillion plc earlier this year has not had an impact on the positive upward trend in performance. This improvement has been recognised by the Single Services and the Families Federations, who have noted a considerable reduction in their accommodation related casework; this is borne out by results from the Armed Forces Continuous Attitude Survey and the Defence Infrastructure Organisation (DIO) internal customer satisfaction surveys. The Department continues to work closely with CA to ensure that this improvement is maintained. The DIO has also implemented changes to its governance and structure to ensure increased oversight of contracts by commercial and financial experts.

Recommendation 22

In response to our report the MoD should set out detailed plans on how it will learn lessons from this appalling story and how it will apply them to future contracts—including how the DIO plans to take forward its plan for a different strategy. Plans for this new strategy should be accelerated as a matter of urgency, as the current level of service provided to Service personnel and their families, as confirmed by the Armed Forces Continuous Attitude Survey, is simply unacceptable and should no longer be tolerated. Failure to improve the maintenance of Service accommodation will have a major adverse impact on recruitment and retention in the Armed Forces. (Paragraph 85)

DIO is developing the replacement for the NHP contract as part of the FDIS Programme. In considering the future contract strategy, the programme has invested significant time and resource to identify lessons that can be learnt from the current arrangement. Interviews have taken place with a wide range of stakeholders involved not only with the management, administration and delivery of the NHP contract but also the single Service housing leads and the Service Families Federations representing the occupants of Service Family Accommodation. These meetings highlighted the concerns raised in the Armed Forces Covenant annual report and confirmed the programme should reconsider how the services delivered through the existing NHP contract should be delivered in the future.

To inform consideration of alternative approaches, the FDIS programme has consulted widely with housing sector commissioners, leading providers of housing management and maintenance services, and with National Trade Bodies representing this sector. These consultations informed the programme's strategy to adopt a different contracting model more closely aligned to industry norms, with housing maintenance services being delivered through specialist service providers who demonstrate a commitment to achieving high levels of customer satisfaction. Potential FDIS suppliers have indicated their support for this approach.

Revised contract specifications are being developed, with the support of industry specialists, which will incorporate housing-sector best practice. These specifications will recognise the importance of meeting customer service expectations. Significant emphasis is being placed on defining KPIs linked to service standards, to address any shortcomings in future contractor performance. Housing-sector specific KPIs, which incentivise

suppliers to meet performance targets for attending appointments, completing works on first visit to a property and resolving customer enquiries within defined timescales whilst achieving high levels of customer satisfaction, will be included in the FDIS contract management model, with performance thresholds benchmarked against comparable contract arrangements. Furthermore, to be awarded one of the future contracts, suppliers will be expected to be able to demonstrate not only their experience in delivering services within this sector, but also their commitment to providing a customer-focused delivery model, as part of the contract procurement process.

Recommendation 23

The Annington Homes agreement is a disastrous failure and has exposed the Department to considerable risk. This agreement is yet another example from which the MoD and the DIO, and wider Government—especially the Treasury—must learn lessons and they must do so quickly. The Modernising Defence Programme must address the potential implications for the core MoD budget. In its response to our report, the Government must explain how it will ensure that such a signally bad deal will not occur again. The Government should set out in its response the contingency measures it is considering, or which are already in place, to lessen the impact on future rents. It should also include updates on the Future Accommodation Model pilot schemes and on how the wider project may be affected by the future MoD and Annington Homes negotiations. We expect six-monthly progress reports on these matters. (Paragraph 92)

The Department accepts that, with the benefit of hindsight, this was a bad deal. The deal was made within a legal framework and was accepted by HMT at the time. The investment appraisal system and guidance from HMT has been updated and improved in the last two decades.

The Department recognises that the public sector has a responsibility to ensure that the private sector partner does not enjoy all the gain from fortuitous market movements, and to ensure that the private sector partner focuses on efficiency and better ways of working. This learning has been incorporated by Government into both specific protocols (such as refinancing) and in general documents such as Managing Public Money. In relation to the Department specifically, we have identified several lessons from the previous deal.

The Modernising Defence Programme (MDP) is a high-level programme that will enable the development of a more detailed and flexible commercial strategy. While the MDP itself does not propose detailed solutions to specific issues, it will reduce the likelihood of such situations arising in future. The MDP has a specific strand reviewing commercial capability and our Chief Commercial Officer has undertaken a functional review across the 2,000 commercial professionals which has shown further opportunities to improve the capability, systems and processes that underpin our commercial work.

We are committed to getting value for public money and we have a dedicated team who have been working since 2015 to prepare for upcoming negotiations with Annington Homes in 2021.

Providing details of the Department's contingency measures would undermine the position of our negotiating team. However, we will not accept a deal that is detrimental to

the Department. We can provide assurance that we will be considering several options that are available to the Department and we do have many years during which we can make the necessary preparations for a range of possible outcomes. The Future Accommodation Model (FAM) is just one example of this.

The Armed Forces Pay Review Body (AFPRB) recommends any changes to charges and any increase it recommends is based on inflation and a comparison with cost increases experienced in the civilian sector. The only mechanism to pass on any increase from a change to the Annington Homes rental costs would be to seek agreement from the AFPRB and if it does not agree, the only other option would be to seek agreement from Secretary of State.

The Department provides assurance that there will be no impact on our commitment to provide housing to Service personnel and their families. The Defence budget will continue to be prioritised where it is most needed and a key obligation on the Department is to provide housing for Service personnel.

Recommendation 24

We are concerned that confidence in the Combined Accommodation Assessment Scheme remains low and that communication about the scheme remains poor. We support the establishment of a working group to look at ways of simplifying the scheme and request a further update on its progress from the MoD in its response to our report. (Paragraph 97)

In September 2017, DIO Accommodation established a Combined Accommodation Assessment Scheme Continuous Improvements Working Group (CAAS CIWG) to ensure improvements in delivery and identify any areas for changes in policy. The group involves stakeholders from the single Services and Joint Forces Command, as well as representatives from the Families Federations, and is chaired by Head Accommodation, DIO. The group is currently focused on several areas of work, chief of which are the 'Decent Home Plus Standard', which assesses options for a more stringent standard; and the 'frequency of CAAS Reassessments', which assesses if the current frequency of full surveys every four years is appropriate. The Department will ensure that it keeps the Defence Committee informed of progress through the appropriate channels, including the Covenant Annual Report.

Recommendation 25

We are disappointed that the condition of Single Living Accommodation (SLA) remains of such concern and we note the warning we heard in evidence of the potential impact on recruitment and retention. We are further concerned to hear that issues are now arising regarding the condition of more modern SLA accommodation. We also believe that the MoD should make clear whether it believes the companies are fulfilling their contractual requirements. (Paragraph 102)

The DIO Facilities Management team operates the contract to maintain statutory and mandatory compliance across the estate, including Single Living Accommodation (SLA). The Department is not aware of any significant issues regarding the condition of the SLA bed-spaces directly related to CA performance. DIO and the single Services have

prioritised and delivered improvements including converting baths to showers, improving ventilation, and replacing outdated showers and washbasins. Overall, CA are fulfilling their contracted obligations with regards to SLA core services and where performance falls short of the expected standard, action is taken to rectify the position. Enhanced CA response times have now been agreed for SLA, recognising the need for a more immediate response to SLA-related issues.

The Department has delivered more than 50,000 new or upgraded SLA bed-spaces, of which 22,800 were delivered under Project SLAM, across the estate over the last 15 years. During this financial year, we plan to deliver more than 1,200 new bed-spaces across eight sites, and on current spending plans more than 3,000 over the following three financial years.

Looking further forward, we have committed through the Defence Estate Optimisation Programme to invest £4 billion additional funding in Defence infrastructure over the next 10–15 years. This will result in an increase in new SLA bed-spaces and a significant SLA upgrade programme at our enduring sites. The Department is currently reviewing its CAAS Four Tier Grading (4TG) assessment policy and the currency of 4TG data held, with the associated work planned to complete by the end of 2018. The review will confirm 4TG data currency; identify establishments where 4TG Boards are required; enable DIO to maintain a record of SLA condition data across defence; and simplify the grading methodology. This will ensure that Service personnel are paying the appropriate SLA charges reflecting the condition and quality of the accommodation they occupy.

Recommendation 26

The MoD needs to develop a robust plan to improve SLA. Our witnesses were unsure of how the introduction of a SLA Management Information System would help improve the standards of SLA. In response to our report, the MoD must set out why it believes this information system, which has been in the pipeline for a considerable number of years, will help improve SLA. If the MoD cannot demonstrate this, then consideration should be given to abandoning its development. (Paragraph 103)

The DIO intends to provide the capability for Defence to utilise and manage SLA in the most efficient and effective way possible by implementing a fit for purpose allocation solution. In doing so, the SLA Management Information System will provide Defence with accurate information about the availability, location, condition and utilisation of SLA. This will provide Top Level Budget holders (TLBs) with access to an information technology based occupancy management tool that will allow more effective use of SLA across Defence, increase usage of surplus SLA at satellite sites and reduce the requirement for substitute and hotel accommodation. The new system will provide the MOD with a greater level of detail and visibility of availability and condition of SLA, and therefore allow TLBs to make fully informed SLA investment decisions and potentially free up additional resource for TLBs to consider reinvesting in the SLA estate.

Following the completion of a pilot at 11 MOD sites, the new Management Information System was deployed to a further 37 sites and remains in use with some 60 users across many key MOD sites allocating, on average, between 2,000 and 2,500 bed-spaces per month. A review has been submitted to the Infrastructure Joint Committee (IJC) which identified several opportunities for the continuous improvement of the system. The

IJC have determined that the project should be reshaped to enable realisation of the benefits highlighted in the original business case and these improvements are planned to commence in April 2019 as funding becomes available.

Recommendation 27

Overall, the Defence Infrastructure Organisation (DIO) is a woefully underperforming part of the Ministry of Defence, and is known almost universally throughout the Department as ‘DI NO’—in light of its often negative and uninspiring attitude. For years, Service personnel and their families have had to put up with very poor maintenance standards, which would simply not be tolerated in the Local Government / Housing Association sector. This disrespect of Armed Forces personnel and their families is increasingly one of the reasons why people leave the Services. Ministers must urgently grip this dysfunctional organisation and lay out an action plan for radical improvement, to convince Service personnel that they and their families are indeed valued and that their housing needs will be cared for appropriately in the future. (Paragraph 104)

It is a condition of service that entitled Service personnel and their families are provided with SLA or Service Family Accommodation (SFA) at, or close to, their normal duty station. The Department has a continuing obligation to provide housing for our Service personnel that meets the Government’s Decent Homes Standard (DHS) and with more than 95% of SFA meeting these standards, we continue to fulfil this obligation.

The Department continues to engage directly with Service families through Continuous Attitude Surveys, Families Federations and Service Charities. Although accommodation could be a contributing factor for personnel leaving the Service, it is not the leading driver. However, we recognise that the current accommodation model does not always provide for the varied accommodation needs and preferences of Service personnel, and we are seeking to address this.

There are a range of accommodation modernisation and rationalisation programmes being delivered concurrently; FAM, Defence Estate Optimisation Programme, Army Basing Programme and FDIS. We are making every effort to ensure these programmes are aligned and will provide the best possible options for our Service personnel.

The Department is acting to strengthen the governance and performance management of DIO. A review of governance jointly with UK Government Investments will ensure that the MOD is applying best practice, and will clarify and is expected to strengthen the role of the DIO Board Non-Executive Directors in applying their experience and expertise to support the organisation in its transformation and to drive improvements in DIO’s performance.

The Strategic Business Partner (SBP) contract comes to an end in June 2019 and we are transferring leadership roles currently filled by the SBP, in DIO, to civil servants directly employed by the MOD. The SBP is providing expert, professional support for the ongoing transformation of DIO and defence management of infrastructure. The transition from SBP to civil servants provides an opportunity to appoint individuals with the necessary

skills and experience to embed the improvements in how DIO operates that have been put in place through its ongoing transformation programme, and there will continue to be comprehensive handovers to ensure knowledge transfer and continuity of service.

Recommendation 28

We welcome the Government's signal that there is some flexibility for Departments to move away from the public sector pay cap of 1%, although we note that no additional funding will be made available to the MoD for increases above this level for Service personnel. The pay cap has had a negative impact on the morale of, and recruitment to and retention in, the Armed Forces. The MoD must ensure that these factors are taken into account when determining the pay award. An award limited to 1% would be very disappointing, and risk further undermining morale and increasing the negative effect of pay restraint on recruitment and retention. (Paragraph 111)

This Government ended the 1% average pay policy for the public sector in September 2017, because it recognised that more flexibility was required to deliver world class public services, including in return for improvements to public sector productivity. As announced by the Defence Secretary on 24 July 2018, in a Written Ministerial Statement (HCWS909), the Government accepted the spirit of the Armed Forces' Pay Review Body recommendation and granted the Armed Forces a 2% increase to pay (to be implemented in September salaries, backdated to 1 April 2018) and, in addition, a 0.9% non-consolidated one-off payment (implemented later in the year, also backdated to 1 April 2018).

Recommendation 29

We are also concerned that the move to announcing budgets in November may mean that it is difficult to implement awards recommended by the Armed Forces Pay Review Body and agreed by the MoD on the 1 April each year. The Treasury, the MoD and the Armed Forces Pay Review Body should make every effort to implement awards on time. (Paragraph 112)

The MOD always aims to implement annual pay awards for the Armed Forces on time. However, there remains the need to ensure that sufficient time is taken to assess all recommendations made by the Armed Forces' Pay Review Body, ensuring that they are both affordable and in line with wider public sector pay policy. We continue to work with HM Treasury to ensure that pay award decisions are made in a timely manner, and that the pay award process concludes in time to allow recommendations to be implemented without undue delay.

Recommendation 30

While we recognise the progress made, we are concerned to hear about continuing difficulties in veterans receiving priority access to NHS medical treatment, when their injuries or ill-health are attributable to their military service. We call on the Government, in partnership with the devolved administrations, to instigate a specific study as a priority to examine and tackle the inconsistencies in how veterans receive priority treatment. Part of the study should consider enhancing the role of local Covenant champions in ensuring that local health care providers are aware of, and

implement, this right for veterans. We also note the recent call of the Scottish Veterans Commissioner for a rethink of priority treatment for veterans. In undertaking this reform, however, it is important that any changes are considered within the context of the entire UK, so as not to increase current inconsistencies. (Paragraph 117)

We agree that further clarity on the NHS offer for veterans would be helpful, particularly if that offer differs within the UK. We will therefore work with our partners across the UK health services and the relevant service charities to explore what that clarification would look like. We will also examine what changes, if any, might be needed to tackle any unwarranted variations in both the offer and its communication. This will be balanced against the changes to policy and delivery carried out in Wales and other parts of the UK to reflect the different circumstances across the country. This matter is also being addressed by both the consultation for the Veterans Strategy and the MOD – Department of Health Partnership Board. We will update the Committee on progress within six months.

While we acknowledge that more needs to be done in tackling variation in service provision across the UK, access to specialist prosthetics treatments and to mental healthcare services has improved significantly, and for the latter following the launch in 2017 of the Veterans Mental Health (VMH) Transition, Intervention and Liaison Services (TILS), and VMH Complex Treatment Services (CTS). The new services reflect the four-tier approach to mental health referral, identifying the specific needs of the individual at various stages and levels of treatment that suit the individual, the degree of complexity and need for bespoke veteran expertise.

As well as increasing access to mental health services and treatment options the TILS provides an in-reach service to those coming to the end of their service, ensuring continuity when most needed. CTS launched on 1st April 2018, builds on the treatment provided by TILS, offering an enhanced service for those with more complex cases of mental health, including Post Traumatic Stress Disorder (PTSD), that have not been resolved earlier in the care pathway. It provides a new community-based service co-ordinating help and support from military-informed and aware teams, with access to peer support workers, specialist occupational therapy assessment and enhanced trauma stabilisation interventions. Integrated care and support is offered via locally commissioned services, with an increased period of treatment of up to 32 weeks.

This approach also ensures improved access to psychiatrists and other health professionals as well as the assessment and treatment of physical health difficulties in conjunction with the patient's GP. Referrals to TILS are made from several routes, including self-referral, charities and civilian GPs, while CTS referrals are made through TILS. They are also local to the service user and as they are in the community will normally mean that the individual in therapy can remain with their family, within their community and retain their employment.

Recommendation 31

We are pleased to hear of the progress being made in mental health provision but acknowledge that disparities still exist across the UK. We call on the Government and the devolved administrations to ensure that best practice is shared and that services across all the different parts of the UK are of a comparably and consistently high standard. (Paragraph 126)

All signatories to the Covenant take these responsibilities seriously and want to ensure that veterans' services are of the highest standards possible. There will always be differences of approach across the four UK health services, as healthcare is a devolved matter, but the goals remain both ambitious and shared. Good progress has been made in improving standards. The MOD convenes, jointly with the Department of Health and Social Care and with the Devolved Administrations at a partnership Board that co-ordinates actions to improve veterans' health across the UK and across Whitehall departments. We will therefore ask the Partnership Board to address the concerns raised by the Committee and to report progress in the next Covenant Annual Report.

Recommendation 32

We note the establishment in February 2018 of the new 24/7 Mental Health Helpline for serving personnel and their families. In response to our report, the MoD should set out how it will measure its effectiveness and ensure that it does not simply replicate the existing Combat Stress helpline. We expect to receive data on the number of calls received and actions taken in response to calls to both helplines. (Paragraph 127)

A protocol for combined working between Combat Stress, the MOD and the NHS regarding an out-of-hours mental health helpline has been developed. We will continue to work with Combat Stress to exploit the data captured, including actions taken in response to the calls to enable an evaluation to be made of the effectiveness of the helpline.

As of 3 August 2018, 830 calls had been received by the helpline, 18 of which were subsequently referred to Departments of Community Mental Health (DCMH). Callers include Serving personnel, family members and veterans. Callers can remain anonymous if they wish, and it is only with their specific agreement that their details would be referred to Defence Medical Services (DMS) for follow-up. The referral route for callers that are serving out-of-hours and veterans would be the NHS in England and the Devolved Administrations in Wales, Scotland and Northern Ireland.

- All callers who wanted to be referred to DCMH have been male.
- All callers have been keen to expedite their involvement with DCMH.
- The years of birth have ranged from 1994 to 1979 — the service appears to be used by a predominantly younger audience.
- Most have been encouraged to call by others, i.e. their partner.
- Depression and isolation seem to have been a theme throughout some of the calls.

Recommendation 33

We welcome the Care Quality Commission's inspection programme of Defence Medical Treatment Facilities, including MoD Departments of Community Mental Health, and the fact that their inspection reports are publicly available. We look forward to seeing the Annual Report on the inspections. (Paragraph 132)

The DMS is a progressive and learning organisation. The Surgeon General (SG) welcomes external assurance and is wholly committed to the Care Quality Commission's (CQC) inspection programme which promotes reassurance and confidence within the Armed Forces community. The CQC annual report has just been completed, and once ratified by the DMS, will be released onto the CQC website.

Recommendation 34

In response to our report, the MoD should set out what work is planned to draw together any thematic concerns identified by the individual inspections that apply across the treatment facilities so that necessary improvements can be made. (Paragraph 132)

The report highlights some innovative practice and identifies positive characteristics at the heart of high quality military healthcare services. The report also identifies some thematic concerns. Where shortfalls in care have been highlighted, the SG is committed to addressing them to ensure our patients are receiving effective and safe care. A follow-up inspection programme has now begun to ensure the necessary improvements have been delivered. Of note, all units that have been re-inspected by the CQC, so far, have progressed to an overall grade of 'Good'.

Recommendation 35

We call on the Government to review the Service Pupil Premium for England, with particular reference to whether it should be increased and whether its range should be extended to under-5s and to all Service children, including those aged 16–18 years across the UK. We also call upon the Government to provide target guidance to help schools use the Service Pupil Premium appropriately. (Paragraph 135)

The Service Pupil Premium was introduced in 2011 to help schools support the educational needs and well-being of Service children, and was subsequently extended to those who have had this status at any point in the last six years. We will, as with all good policy making, continue to monitor the impact and effectiveness of the Service Pupil Premium and as part of this will keep under review both the eligibility criteria for and level of this funding. We will also continue to work with the Department for Education, and other organisations such as the Service Children in State Schools network, to develop further the existing guidance on good practice in use of the Service Pupil Premium by schools.

Recommendation 36

We are concerned that the MoD's Education Support Fund (ESF) has closed. The Minister confirmed that the ESF was mainly used to fund large relocations such as the return of Service personnel from Germany. Given both the further return of Service personnel from Germany, currently planned for 2019, and the continuing defence rationalisation plan, the closure of the ESF would appear to be short-sighted. In response to our report, the MoD should set out how the services currently funded by ESF will be provided in future. (Paragraph 137)

The provision of educational support for the children of Service personnel is primarily the responsibility of the relevant educational authorities. The Department for Education has demonstrated their continued support for the Covenant through both the Service

Pupil Premium and individual projects, including the £2.8 million recently announced to support the expansion of the Army in the Salisbury Plain area. Similarly, the Welsh Government has created a £200,000 fund this year to support Service children in Wales.

As set out in the Written Ministerial Statement (HCWS908) to Parliament on 24 July 2018, in light of the ongoing drawdown from Germany and to provide time for the educational authorities across the UK to bring in longer-term provision for Service children as necessary, the MOD has extended the Education Support Fund (ESF), on a limited basis, for two years. The fund will consist of £3 million this year and £2 million in 2019/20.

Recommendation 37

We fully support the Government's work to ensure that businesses support the Covenant. However, the Government must ensure that businesses, particularly its own suppliers, do not regard this as simply a way of enhancing their public image. We look forward to the outcomes of the timely independent review of the Covenant in Business, commissioned and funded by the Forces in Mind Trust. (Paragraph 143)

We have created the Employer Recognition Scheme to reward employers in all sectors who are delivering across a range of Defence people objectives. Demand for these rewards is increasing. There is growing evidence that this is helping to drive employers' attitudes and behaviours and that in turn this is delivering tangible benefits for the Armed Forces community. With the introduction of the Measurement of Effectiveness work within Defence Relationship Management, we are also looking at how we ensure that the pledges made in the Covenant translate to tangible change (as well as offering supportive businesses appropriate opportunities to improve their public image and the pledges they made on initial signing of the Covenant itself). We await the outcome of the independent Forces in Mind Trust Review of the Covenant in Business and its recommendations.

Recommendation 38

We also support the Minister's suggestion that companies should include information about their support for the Covenant in their Annual Reports and the Government should proactively promote this idea amongst businesses. We recommend that the Forces in Mind Trust be asked to consider this as part of its independent review of the Covenant in Business. (Paragraph 144)

We will engage with our key employer stakeholders to understand the likely impact of including their support for the Covenant in their Annual Report. We factor this into our future thinking, mindful of the need to abide by the principle of mutual benefit.

Recommendation 39

We fully support the proposal that one of the factors in a company being awarded a Government contract should be demonstrable support for the Covenant, for example with a minimum 2.5% of the workforce being veterans. (Paragraph 145)

The Department and the wider Government already encourage potential contractors to make Covenant pledges through Procurement Policy Note 06/16, and leading local authorities are also encouraging their supply chain to sign through their social value

clauses. In tandem with the recommendations from the independent review into the Covenant in Business we will consider whether and how these initiatives can be further strengthened.

We consider that introducing quotas would be counter-productive as it would inaccurately stigmatise all veterans as in need of preferential treatment to access employment, which would perpetuate some of the myths which the Committee has rightly identified need to be dispelled.

Recommendation 40

The encouragement of local community engagement with, and knowledge of, the Covenant is vital to ensuring that veterans and serving personnel are not disadvantaged because of their service. It was therefore alarming to hear about disparities in local authorities' delivery of, and engagement with, the Covenant. In response to our report, the Government should set out how it intends to address such disparities. This should include an update on the Forces in Mind Trust and MoD-led Action Group's work on taking forward the recommendations of the "Our Community, Our Covenant" report and also the effectiveness of the local grants programme in promoting the integration of military and civilian communities and in implementing programmes to assist veterans with the development of life-skills to ease transition. (Paragraph 152)

We are seeing great support for the Armed Forces community and the Covenant throughout the country, with every local authority in Great Britain having made Covenant pledges and with bespoke arrangements in place in Northern Ireland. However, how each local Covenant works on the ground will clearly, and quite rightly, be shaped by local circumstances and differ from one area to the next.

To ensure Covenant issues that fall to central Government are kept on track at a local level, we have established a Forces in Mind Trust and MOD-led Action Group to focus of our work to address these areas. The Action Group's structure has therefore been formalised and will look more widely than the "Our Community – Our Covenant" report for issues to consider. It has widened its membership to include representatives from the Devolved Administrations, Scottish and Welsh Local Government Associations and charitable sectors

The Community Action Group's work includes:

- the publication of detailed guides for local authorities on the Covenant with annexes covering different procedures in each of the UK countries to provide those in local government with the information and contacts that they need to provide an effective service;
- an online, interactive version of the "Our Community-Our Covenant" Report's self-assessment tool is currently being developed and the creation of an e-learning package for local authority Covenant Champions to clearly set out how they can go about taking the Covenant forwards.

In June 2018, the Minister for Housing and Homelessness and the Minister for Defence People and Veterans wrote a joint letter to English local authority CEOs drawing their attention to the Our Community – Our Covenant report and other guidance that is

available to support local authorities deliver the Covenant at the local level. The future Veterans Strategy will look at how the Government supports veterans and will look at, amongst other areas, local authority delivery of veterans' services.

The MOD, in addition to its annual Covenant in the Community conferences, also plans to run a national workshop with those local authorities who have achieved Gold Employment Recognition Scheme accreditation. It will discuss how to better share and promote good practice and so encourage and support less effective local authorities to improve their Covenant delivery.

The Armed Forces Covenant Fund Trust continues to fund projects that bring local communities together, which is vitally important to ensuring local decision-makers are informed and empowered to promote the Covenant and support the needs of the Armed Forces Community at the local level. Over £7 million has been awarded in support of more than 450 community integration projects and for delivery of local services, and £6.6 million in support of Local Authorities. Prior to that, the Community Covenant Grant Scheme had £30 million over four years (2011–2015) which it allocated in full to nearly 1000 different Community integration projects.

We agree that the Department could provide a more comprehensive support package to Service personnel and their families as they transition out of the Armed Forces, building on the excellent employment support, delivered by the Career Transition Partnership. As part of the Veterans Strategy, the MOD will be introducing a new holistic transition policy later this year.

Annex A

