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# THE ARMED FORCES COVENANT ANNUAL REPORT 2025

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## Summary





# Ministerial foreword to the Annual Report

It is an honour to present this year's annual report, marking a year of significant reform and renewal across defence. At a time of heightened global instability, the role of our Armed Forces has never been more vital. In an era of persistent and evolving threats, our ability to defend the nation and uphold our commitments abroad rests squarely on the professionalism of our service personnel and the resilience of the families and communities who support them. This government has committed to renewing the nations contract with the Armed Forces community, delivering two above inflation pay awards for service personnel, we are delivering on our promise to make Britain secure at home and strong abroad.

Earlier this year the Prime Minister announced our plans for the extension of the Armed Forces Covenant Legal Duty. This law will make sure that respect and consideration for our Armed Forces community is not just spoken but woven into the very fabric of our policy and service delivery decisions. This stronger legislation will ensure all government departments, including devolved governments, will be legally required to consider the needs of the Armed Forces community when making policy or decisions, giving them a meaningful voice and delivering on this government's pledge to put our Armed Forces community at the very heart of government decision-making. Their courage, duty and sacrifice are the foundation of our national values, and they deserve nothing less.

We are delivering a whole-of-society approach to defence through our first of its kind Strategic Defence Review, published in June 2025. This landmark review set out 62 recommendations, all of which have been accepted in full. These reforms are already transforming defence: establishing new structures, strengthening accountability, and ensuring our people are supported with the tools, training and welfare they deserve. Crucially, the review reinforces our commitment to the Armed Forces Covenant, recognising that national defence is a shared responsibility across government, communities and industry.

We have matched this strategic intent with decisive action, delivering tangible improvements to the lives of our service personnel and their families. We are on a mission to raise morale, putting people at the heart of our defence plans. This includes the largest Armed Forces pay award in more than two decades – including a 35% uplift for new recruits – demonstrating our recognition of the pressures of service life. Alongside this, backed by £50 million of funding, VALOUR – announced in May of this year – will ensure veterans across the UK will have easier access to essential care and support. Forming part of the Government's commitment to renew the nation's contract with those who have served through the Plan for Change.

We have taken bold action to improve housing, recently announcing our new Defence Housing Strategy with a record multi-year deal of £9 billion in investment, delivering on commitments made in the Strategic Defence Review. This funding follows January's landmark deal with the reacquisition of over 36,000 service homes from private companies, to deal with long-standing concerns around affordability and quality. Alongside this is the 'homes for heroes' policy means that under this government, support will be there for veterans at risk of homelessness. This includes the removal of the

local connection test, making it easier to access social housing, and a new 'Forces First' approach to reforming Defence land for new housing.

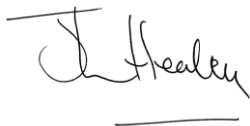
In September 2025, we expanded early years childcare funding overseas to match the offer available in England, enabling working families to access defence-funded childcare for 30 hours per week, per child, for 38 weeks of the year, from nine months of age until school start. This initiative benefits 900 service families and supports 2,000 children globally, delivering a combined saving of £5 million per year. Moreover, the Service Pupil Support programme continues to provide additional funding to educational providers, ensuring the needs of service pupils are met through effective interventions along their educational journeys. In the latest funding round, just over £2.5 million was awarded to 34 projects across the UK, all dedicated to helping service pupils thrive.

We are also delivering greater fairness and accountability. The introduction of a new tri-service complaints process, supported by the establishment of a violence against women and girls taskforce, ensures all personnel are protected from discrimination, harassment and bullying. We have taken a major step to strengthening support for our Armed Forces, and the families who stand beside them. Our Armed Forces Commissioner Act 2025 will establish an independent commissioner, delivering on our manifesto commitment to establish a strong independent champion for our forces reporting to parliament rather than ministers.

The past year has been one of bold action for our forces and their families: securing pay, housing, welfare, oversight and long-term investment in our people and capabilities. The work continues, but the direction is clear. Our Armed Forces and their families make extraordinary sacrifices. In return, they deserve respect, support and

fair treatment. The Armed Forces Covenant is built on a simple but powerful principle: no one in the Armed Forces community should face disadvantage in accessing public or commercial services. We are putting the Armed Forces community at the very heart of government decision-making. Their courage, duty and sacrifice are the foundation of our national values, and they deserve nothing less.

This report demonstrates our unwavering commitment to that principle, and our determination to build a defence community that is valued, protected and empowered.

A handwritten signature in black ink, appearing to read 'J Healey', with a horizontal line underneath.

The Rt Hon John Healey MP –  
Secretary of State for Defence



The Prime Minister Keir Starmer (centre) and the Secretary of State for Defence John Healey(left), meet with Lord Robertson (right), head of Governments Strategic Defence Review.

# Health and healthcare

Ensuring that the Armed Forces community receives timely, high-quality healthcare is a top priority for defence and its partners. The full report sets out the current state of medical, dental and mental health provision for the Armed Forces community. It highlights progress in policy development, specialist programmes and collaborations with the NHS and devolved governments, while also recognising ongoing challenges such as dental access and specialist care pathways.

Highlights from this work to improve healthcare services over the reporting period includes:

- The single point of contact operated by NHS England continues to support the Armed Forces community in accessing healthcare.
- The electronic health record integration between MOD and NHS remains on track for 2026.
- Since its initial establishment as the Veteran Trauma Network and now as Op RESTORE, the service has received over 1,350 referrals.
- Since Op NOVA started in 2023, the service has received over 2,500 referrals for support for veterans in contact with the justice system, with 1,397 referrals received in 2024/2025.



# Education

Education is central to the wellbeing and long-term prospects of service families and personnel. The full report explores the progress made in supporting service children's educational continuity, from early years through to higher education. It also covers the development of apprenticeships and further learning opportunities for service personnel to strengthen career pathways during and after service.

Work to improve the education and wellbeing of Service children includes:

- £26 million Service Pupil Premium supporting 76,000 pupils.
- £3.2 million Armed Forces Families Fund investment in 56 education projects.
- 23,000 service personnel engaged in apprenticeships across all ranks.
- New MOD/DfE joint guidance embedding Covenant duties in local education planning.



MOD housing development in Wiltshire

# Housing and accommodation

Decent housing underpins the wellbeing and stability of service families and is critical to operational effectiveness. The full report outlines investment in service family accommodation (SFA), progress in tackling issues such as damp and mould, initiatives to widen home ownership, and measures to reduce homelessness among veterans. It also reflects on overseas housing pilots and new policies aimed at improving consistency across the UK and abroad.

The highlights, which include significant investment and long term planning to improve service accommodation include:

- 36,000 service homes returned to public ownership.
- £1.5 billion of additional funding over the next five years, to deliver longer term and enduring improvements to UK SFA housing.
- Long-term opportunity identified to build over 100,000 homes on surplus defence land, improving opportunities for homeownership and creating jobs across the country.
- The three-year £20 million Veterans' Capital Housing Fund has continued to award grants across the UK. As of 30 September 2025, the project has awarded 34 grants totalling £8.3 million in funding.

# Transition and employment

Stable and fulfilling employment is key to financial security, wellbeing, and successful transition from military to civilian life. The full report sets out how defence and government partners are working to support the Armed Forces community into work. It highlights childcare and family policy reforms, resettlement services, employer engagement, and national schemes that recognise Armed Forces talent.

Highlights within this area include:

- 81% of service spouses in employment within the UK (UK average: 78%).
- Overseas childcare reforms benefit 900 families and 2,000 children, saving £5 million annually.
- Unified Veterans Services integrates transition and welfare casework, ensuring more cohesive welfare case management.
- Defence ranks among the UK's top five apprenticeship employers.

# Inquests and judicial engagement

The Defence Inquests Unit (DIU) is the MOD's single point of contact for coroners in England, Wales, Northern Ireland and the Scottish Fatalities Investigation Unit when investigating the causes of the deaths of Service personnel, veterans and MOD civilians.

The DIU has recorded 74 inquests (26 of which concern the death of a veteran) being concluded between 1 October 2024 and 30 September 2025.

Inquests are yet to be held into 46 military, veteran and MOD or contractor civilian deaths that occurred between 1 October 2024 and 30 September 2025.

During the reporting period, the Scottish Fatalities Investigation Unit confirmed to the DIU that they had concluded investigations into three service personnel deaths. In all three deaths, the investigations were sufficient to understand the causes of death, therefore precluding a need to take them forward to a fatal accident inquiry (Scotland's equivalent of an inquest).

The DIU are tracking two deaths which may lead to a fatal accident inquiry.

# Direct support for the Armed Forces community

The Armed Forces Covenant is delivered through a combination of direct government support, wider community and employer engagement, and statutory obligations.

Direct support is the foundation of the Covenant in practice. Within the report, this chapter highlights the services and programmes that provide tangible help to the Armed Forces community. From the launch of the VALOUR programme to the work of the Armed Forces Covenant Fund Trust, it sets out how government and its partners are reducing disadvantage, strengthening resilience, and responding to emerging needs across the Armed Forces community.

Highlights include:

- Launch of VALOUR uniting central and local veteran support.
- Over £13.5 million distributed through the AFCFT.
- Over 300,000 beneficiaries reached across mental health, family and inclusion programmes.
- Delivery of a new Veterans' Strategy.

# Community partnerships and workplace engagement

The Armed Forces Covenant is a central tool for defence to strengthen ties between the Armed Forces community and wider society, encouraging organisations to offer support. It embodies the shared understanding and appreciation between the Armed Forces and the public, recognising their sacrifices.

This approach aligns with the SDR, which aims to deepen the relationship between defence and society. By promoting greater understanding and support through the Covenant, defence advances a more resilient and inclusive national security framework, ensuring the Armed Forces community's contributions are acknowledged throughout society.

The full report provides an update on Covenant engagement with the private and public sectors and society more generally during the reporting period. It also covers initiatives to support employment of the Armed Forces community, especially service leavers and veterans, through the work of the MOD, the DWP and other government departments.

Highlights include:

- A significant milestone was reached in May 2025 when the 13,000<sup>th</sup> organisation signed the Covenant.
- The Armed Forces Covenant has experienced notable expansion, reaching a total of 13,711 signatories by 30 September 2025. At the same date, the ERS had awarded 1,211 gold, 1,482 silver, and 5,650 bronze accolades to

organisations demonstrating outstanding support for defence personnel.

- This year's Covenant conference was a sellout success, with over 250 delegates attending in person and further 200 joining virtually.



Red Arrows flying overhead at Armed Forces Day National Event in Plymouth



# The Covenant Legal Duty

In June 2025, the Prime Minister unveiled new plans ensuring that, for the first time, every government department will be required to give 'due regard' to the Armed Forces Covenant when shaping policies and making decisions, taking into account the distinct experiences and needs of the Armed Forces community.

This delivers on a manifesto promise and is part of the government's commitment to renew the nation's contract with those who serve and have served, their families and the bereaved.

The extension of the Legal Duty will encompass all UK government departments and devolved governments, building on the current policy areas of housing, education and healthcare. With the following policy areas to be included:

- Housing
- Education
- Healthcare
- Social care
- Childcare
- Personal taxation
- Social security benefits
- Criminal justice
- Immigration
- Citizenship
- Pensions
- Transport
- Armed Forces compensation
- Employment

The Legal Duty is deliberately flexible, allowing bodies subject to this duty to make decisions on service delivery that are suitable for their local context and needs.

At its core, the duty is one of consideration: it aims to foster greater awareness of the potential disadvantages faced by the Armed Forces community. Rather than prescribing specific outcomes, the Legal Duty ensures that policy makers and decision makers approach their responsibilities in a more informed and thoughtful manner, with an understanding of the unique challenges experienced by members of the Armed Forces community.

It is the MOD's ambition to include these statutory changes in the next Armed Forces Bill, which is required every five years.



