

A statement by Defence Secretary Liam Fox on the government's proposals for the armed forces covenant to be enshrined in law has been welcomed as "an historic breakthrough" by veteran's organisations, but received with grudging support by the Labour opposition.

The Royal British Legion praised Prime Minister David Cameron's decision to write the principles of the Armed Forces Covenant into law as "an historic breakthrough".

"For the first time, Armed Forces personnel and their families will see the principles of fair treatment there on the statute book," said Chris Simpkins, Director General of The Royal British Legion. "Fairness for our brave Armed Forces can now be put to parliamentary scrutiny - an historic breakthrough that will benefit all those in Service and their families for generations to come."

He added: "The Legion has campaigned vigorously for this and we applaud Mr Cameron for putting the Covenant principles in the heart of the new Armed Forces Bill, thereby fulfilling his promise made on HMS Ark Royal in June 2010 to write the Covenant into law."

In an oral statement to the House of Commons on May 16th, the Defence Secretary outlined the government's plans to enshrine the military covenant in law for the first time. Campaigners have long been calling for the nation's duty of care to personnel to be translated into firm pledges. But Dr Fox warned specific rights could not be set down in law for fear of the armed forces becoming "permanently involved in human rights cases in the European Courts".

His statement followed an announcement by the Ministry of Defence that it is seeking to find more savings from the armed forces in the next financial year.

The military covenant will include three cycles of IVF for seriously-injured veterans. The treatment would be available to those with serious genital injuries. Dr Fox told the Commons that a veterans' card allowing discounts and privileges would be launched, and that a new fund would support state schools with large numbers of service children.

Council tax relief for overseas personnel will rise from 25% to 50%.

During questions following the announcement, former defence secretary Bob Ainsworth asked the minister to confirm that there would be no "watering down" of the involvement of the reference group, the stakeholders and the service personnel charities, including the Royal British Legion itself in the ongoing reporting of the covenant. Dr Fox said that the external reference group will be able to see the Secretary of State's report in advance and comment on it, and that those comments and any other representations would be published at the same time as the report of the covenant to Parliament.

In answer to Midlothian Labour MP David Hamilton about post-traumatic stress, Dr Fox said: "One reason why we have introduced routine mental health screening into the medical examinations of those about to leave the armed forces is to try to identify best those who may require additional follow-up."

Conservative MP Bernard Jenkin asked if the extra resources would have to be found from within the existing defence budget. The minister replied that some of the costs will be met directly by the Treasury, some money, such as the funding above the pupil premium, comes from the funding earmarked within planning round 11, and some comes from other Departments, for example, the Department of Health.

Labour MP Sandra Osborne asked what funding mechanism will be used to distribute the £30 million. Dr Fox confirmed that it will be open to charities such as Combat Stress to apply.

In answer to Conservative Richard Drax about possible legal disputes arising from the covenant, Dr Fox said the government did not want to create a set of rights that could have had the armed forces tied up in European courts for ever, but did want to set out in law the principles about where there should be no disadvantage and where there should be special care, if required.