

# CRFCA

Council of Reserve Forces'  
and Cadets' Associations

Annual Report and Accounts  
**2014/15**

CRFCA

Council of Reserve Forces'  
and Cadets' Associations



HEROES WELCOME IN GUILDFORD  
SHOW YOUR SUPPORT

OFFICE

hotter

Reebok

Council of Reserve Forces' and Cadets' Associations

ANNUAL REPORT  
AND ACCOUNTS  
**2014/15**

# Contents

Background	3
Chairman's Foreword	5
Chief Executive's Introduction	6
RFCA Governance	8
FY2014/15 Key Achievements	
Output One Alpha	16
Output One Bravo	18
Output One Charlie	19
Output Two	22
Output Three	25
Output Four	26
Output Five	28
Output Six	29
Output Seven	37
Chief Executive's Report	41
Remuneration Report	45
Statement of Chief Executive's Responsibilities	50
Statement of Internal Control	52
FY2014/15 Accounts Consolidated Expenditure of RFCAs	58
FY2014/15 Annual Accounts	61
RFCA Governance Structure	80
Glossary	83

## Background

The Reserve Forces' and Cadets' Associations (RFCAs) are a Central Government body with Crown Status<sup>1</sup>. They are established in accordance with the provisions of the Reserve Forces Act 1996 Part XI (RFA 96 Pt XI) and Schedule 4 (RFA 96 Sch 4).

### The following is an extract from the RFCA Regulations 2014

#### RFCAs: Constitution, Composition, Appointments, Duties and Governance

- 1.6 An RFCA has been established for each of thirteen administrative areas. A list of the Associations and the administrative areas they serve is at Annex A. RFA 96 section 112 has assigned two general duties that constitute its prime functions in respect of land and air forces, and reserve naval and marine forces. These are:
- a. To give advice and assistance to the Defence Council, including advice on the use of the resources of its area relevant to Defence.
  - b. To conform to the MOD Departmental Plan Additional detail is contained in Annex A, Appendix 1.
- 1.7 Each Association is an autonomous and tri-Service corporate body with a common seal. It is representative of the area for which it is responsible and is linked to the Crown prerogative through the County Lieutenancies. Its membership is prescribed by means of a Scheme of Association, drawn up and funded by the Defence Council under RFA 96 section 111 and schedule 4. Each five-year Scheme will be reviewed during its final year of operation.
- 1.8 Each Association will appoint a Management Board headed by the Chairman of the Association. All matters relating to the exercise of powers or the performance of duties of the Association will be under its direction. The composition of the Board shall be detailed in the Scheme of Association.
- 1.9 With the exception of regular officers commanding units, each Association is composed of serving members of the Volunteer Reserve Forces and civilians. Members are unpaid for their Association duties, although they may claim Travel and Subsistence expenses when appropriate. Appointment of members will be made in accordance with the Office of the Commissioner for Public Appointments (OCPA) Guidance. Procedures for Membership Appointment are contained in Annex B and shall be incorporated in each RFCA's Scheme of Association.
- 1.10 The Chairman of the Association will be elected by those Members present and voting at its Annual Meeting. His duties and responsibilities, as outlined in regulations 2.15, 2.16 and Annex B, Appendix II, will be confirmed on first appointment by Letter of Authority signed by Director Resources Army (D Res (A)).
- 1.11 Each Association will employ a Chief Executive (CE) (in these regulations referred to as the 'CE RFCA'). He and his salaried secretariat will support the Members in discharging the tasks assigned to the Association. The appointment, terms of reference and terms and conditions of employment of the CE RFCA will be subject to Director Resources Army prior written approval of the Association Chairman's formal recommendation.
- 1.12 Ultimate responsibility for membership appointments rests with the Defence Council. Director Resources Army will act on its behalf in this regard and confirm in writing such appointments, each for a five-year term. With the exception of the Chairman and CE appointments, Director Resources Army may delegate the task of approving membership appointments to individual Chairmen of The Council of Reserve Forces' and Cadets' Associations (in these Regulations referred to as the 'Council' or CRFCA) and RFCAs. Once confirmed, notification of Chairman and CE appointments is to be passed to Assistant Chief of the Defence Staff (Reserves & Cadets) (ACDS (R&C)). Director Resources Army may ask for or insist on the resignation of a member following consultation with the President of the Association and ACDS (R&C).

<sup>1</sup>Cabinet Office Propriety & Ethics Team direction DTG 041322 October 2007.

## The Council of the Reserve Forces' and Cadets' Associations

- 1.13 The Council of Reserve Forces' and Cadets' Associations is a joint committee established under the provisions of RFA 96 section 116 which will provide a strategic level interface between defence customers and the Associations, as well as providing guidance and advice to the CRFCA Board. The Council's membership is detailed in the CRFCA constitution and consists of appointed Vice-Chairmen for the Services, Association Chairmen, Reserve and Cadet representatives and individually appointed voluntary members with specific expertise and interest in RFCA work. The CRFCA Board, routinely chaired by the elected deputy Chairman and comprising the CE CRFCA, Association Chairmen and Vice-Chairman of the Executive Board (XB) will exercise central direction and oversight of the key business outputs, including internal governance. The XB, chaired by CE CRFCA and comprising the Association CEs, is the principal corporate means by which CE CRFCA and all Association CEs fulfil their responsibilities as Budget Holders and for oversight of the delivery of the RFCA FF and SLAs with the customer Top Level Budget Holders (TLBs).
- 1.14 The Chairman of the Council may have direct access to Ministers, on behalf of the Board Members, on any matter concerning major policy considerations or overall RFCA business in connection with Reserve and Cadet matters. Through the Board, the Council also monitors the adoption of best practices in each Association to ensure efficient management and cost-effective services to MOD. The Council will be supported by a Secretariat, which will be funded by contributions from each of the Associations.

## Chairman's Foreword

Established in 1908 (as the Territorial Associations) the RFCAs were originally designed to provide local support to the Territorial Force in every county. Over a hundred years later the name has changed, the number of Associations has reduced and the RFCa dependency has grown to encompass Reserves and Cadets of all three Services but the essence of the RFCAs' work remains the same:

Regionally, to provide advice and support on behalf of the UK's Volunteer Reserve Forces and Cadets;

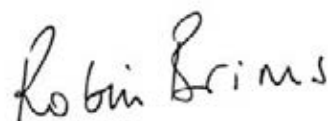
To work with the Chains of Command of the three Services; and

To establish and maintain links with the community.

The RFCa deliver a range of services in line with 5 Service Level Agreements (SLAs) established with each of our primary funders. These have all been reviewed for FY 15/16 to capture the enhanced relationship between CRFCA and the MOD through the Defence Relationship Management directorate and also to better define the requirements of the customers in the way in which the RFCAs are being asked to support the reserve and cadet constituencies. Governance is provided through a Customer Board that represents all of those customers at 2\* level which receives our consolidated accounts, provides Strategic Priorities to shape in-year delivery, and also endorses our 4 year Corporate Plan as a statement of strategic intent. Internally direction and accountability is overseen by the CRFCA Board led by Captain Ian Robinson RNR, a former RFCa chairman.

The RFCAs are fundamentally volunteer membership organisations. Over and above the membership identified within the Schemes of Association<sup>2</sup> (the formal mechanism by which the RFCAs are authorised to undertake their duties), they enjoy considerable help and advice from an extended network of other volunteers who collectively provide unparalleled expertise and experience. Together these 8,000 or so people are the life-blood of the RFCAs and an invaluable means by which we connect to communities, provide good value-for-money services and shape defence thinking, especially in the long-term well-being of the Reserves and Cadets. That they are prepared to give so freely of their time on an unremunerated basis is a great testament to the high regard in which our Reserves and Cadets are held and material evidence that the spirit of voluntary service is prospering with the RFCAs.

2014/15 has seen continued progress as the outputs of the Defence Reform Bill has delivered change to the framework within which Reserves are recruited and retained, and the Paterson review of the RFCAs has both endorsed their value to Defence and set out areas for potential expansion of their support where there is an appetite. The Defence Relationship Management (DRM) reached FOC in April 2015 with minor caveats which will be swept up in the course of taking the employer relationship to the next level. The RFCa Statutory role as an External Scrutiny Team will deliver the third annual report and first statutory report to Ministers in June 2015. This role has matured over three years and is now seen as a genuinely informed and independent perspective, and a means of strengthening our links with and between the senior leadership of the Armed Forces and the communities from which our Reserves are found.



**Lieutenant General (Retd) Robin Brims**  
**CB CBE DSO DL**

Chairman, Council of Reserve Forces'  
and Cadets' Associations

<sup>2</sup>Renewed and endorsed under the 2015 Quinquennial Review.

## Chief Executive's Introduction

My introduction to last year's report talked at length about the transformation underway in Defence and the role of the RFCAs in supporting a large number of the related change programmes. This year we have seen a welcome shift of the Defence spotlight to the RFCAs themselves, with the initiation and completion of a study commissioned by the Vice Chief of the Defence Staff, aimed at examining whether the RFCAs were still undertaking the business that Defence needed and, where they were, conducting it in an effective manner. With so much change already underway or in place across the Armed Forces, this review was both timely and necessary, the last equivalent exercise of this sort being the Internal Review completed in 2005/6.

The work was undertaken by Air Vice-Marshal Paterson and completed earlier this year. His key findings, while helpfully identifying where improvements were necessary, confirmed that the Services were broadly content with the range of services provided by the RFCAs: estate management; employer engagement; support to recruiting; and youth and cadets. He also pointed to several new potential roles and tasks which deserved further examination but which exploited the unique positioning of the RFCAs in the regions and benefits of its membership networks.

The Review's findings were accepted by the Council of RFCA Board and by MOD through the Reserves Executive Committee with only minor qualification; they are now the subject of a number of work-streams, most due to conclude during 2015/16, which determine how the various recommendations are to be implemented. One associated review, the joint DIO/RFCA value for money study looking at estate delivery, is still outstanding; it now needs to be completed so that the final establishment of the CRFCA and RFCA structures can be optimised.

The Paterson report and its acknowledgement by MOD and the Services has been extremely well received by the RFCAs. It gives renewed purpose to our work and reaffirms its importance in meeting a number of Reserve and Cadet objectives which have tended occasionally to enjoy only limited exposure and relatively low priority. It has also reminded us that the RFCAs are not well known or understood by the majority of the Armed Forces and we need to work harder to promote ourselves, our role and the wider benefits we can offer to Defence.

And in 2014/15 there is much that we should be very happy to broadcast more widely, as the following detailed reports make clear. Throughout the year we have again taken on a raft of additional tasks beyond the formal requirements of our Service Level Agreements, demonstrating considerable agility in their delivery within tight deadlines.

Some of this work relates to important cross-Government initiatives, one of which was the target of establishing 100 new cadet units based on schools. The RFCAs were able to quickly set up a staff network that coordinated this work in the regions, such that by March 2015 the target had been met and a good number of further opportunities had also been identified. Similarly, because of our long-established relationship with employers, both regionally and now nationally under a reinvigorated DRM, we have had notable success in persuading companies to sign up to the Corporate Covenant, with over 500 achieved by 31 March 2015. This also builds on the enabling work we have undertaken with local authorities over the last three years, to facilitate local and regional community covenants being agreed with the Services. Little of this would have been possible without being able to call on the RFCA volunteer networks which open so many doors for us.

We have again gone the extra mile to support key Defence programmes, the most important of which is the urgency of re-growing the Reserves under Future Reserves 2020. This is multi-faceted work, undertaken wholly in support of the single Services and conducted under their direction. Typically it extends from the provision of local advice, through access to local employers and influencers, to the physical adaptation of Reserve Centres and enhancements to 'front of house' recruiting facilities. Often it also extends to small-scale assistance to units and sub-units when short-notice opportunities present themselves for recruiting or engagement activity.

One key characteristic of this work is that most of it derives from funding which is identified and arrives well into the financial year. While this tends to concentrate additional pressures towards the end of the year, it also plays to RFCA strengths: an agility to initiate work quickly; a detailed understanding of the terrain; and the flexibility to add value through the additional application of Regionally Generated Income (RGI). We have had some notable successes throughout the year for these reasons, many of which are detailed within the following sections of this report.

We also remain heavily involved in the adaptation of Injured Servicemen's Living Accommodation (ISLA). The RFCAs have been involved in this work from its origins during the Iraq and Afghanistan campaigns and it has been a significant feature of our estates output again this year, with 95 adaptations completed at a cost of £3.6m. It can be difficult work, not just because it relates to extremely testing family circumstances which require sensitive handling; it often involves several funding sources (public and charitable) and several stakeholders (Service representatives, health-care and social workers, and families); and sometimes requires complex technical solutions. While not naturally a task that one would expect



to fall to the RFCAs, we see this as a moral obligation in which we are probably better placed than others to complete the work, not least because it is often remote from Service establishments.

All of this work has been completed against a backdrop of 'business as usual' across our routine SLA-derived delivery. The story here is an equally busy one, well set out in the detailed reports, with most of our targets met and often exceeded. RGI has been a major factor in this success, as it provides the essential flexibility to initiate and enhance projects; for example, well over £5m of RGI has been used in estate delivery, for example to complete unfunded statutory and mandatory works and to supplement ACO funding to build or refurbish shared cadet facilities.

The combined effect of managing business as usual, accepting additional tasks and remaining heavily involved in studies and change programmes has resulted in all the RFCAs running hot. I therefore must register my personal thanks to the RFCA staff and admiration for their commitment, especially so as they continue to work under protracted public sector wage restraint.

I sense that the next few years, while being no quieter, now offer significantly greater certainty for the RFCAs than in recent years and a clear opportunity to build on the Paterson report. Fundamentally, though, this is not about the RFCAs. It is about the Reserve and Cadet constituencies that we support and our determination to remain an advocate for them and an essential component supporting their well-being.



**Air Vice-Marshal (Retd) Paul Luker**  
**CB OBE AFC DL**

Chief Executive Council of Reserve Forces'  
and Cadets' Associations

## RFCA Governance

The Rt. Hon The Lord de Mauley TD  
*President Council of RFCAs*

Lieutenant General R V Brims CB CBE DSO DL  
*Chairman Council of RFCAs*

Captain I M Robinson OBE RD RNR  
*Board Chairman Council of RFCAs*

Colonel R A Hooper MA DL  
Major General S F N Lalor CB TD  
Air Vice-Marshal M D Smart DL  
Captain N R V Dorman RD ADC RNR  
Colonel A I Taverner MA  
*Vice-Chairmen Council of RFCAs*

### COUNCIL SECRETARIAT

Air Vice-Marshal P D Luker CB OBE AFC DL  
*Chief Executive*

Brigadier M P Banham MBE  
*Chief of Staff*

Commander G R Bushell  
*Director Cadets & Youth*

Mr S Blissitt MSc  
*Director Volunteer Estates*

Ms F L Thomas MSc MBA  
*Director Engagement*

Mr I Scarfe  
*Secretary Pension Scheme*

Each Reserve Forces' and Cadets' Association is represented on this Council by its Chairman. The RFCA structure is shown at the back of this report and the profiles of each of the Council Board members are as follows:

### CHAIRMAN

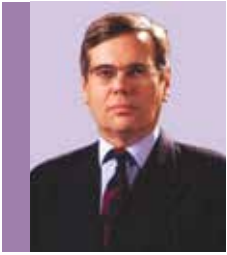


**Captain I M Robinson**  
**OBE RD RNR**

*Chairman of the Board*

Following a short career commission in the Royal Navy, he joined Sheffield Hallam University where he was subsequently Head of Electrical Engineering and Head of Undergraduate Studies in Arts, Computing, Engineering and Sciences. He is now a Dean, and also Director of the Graduate School at Edge Hill University in Lancashire, and works part-time with the UK Quality Assurance Agency for Higher Education. He advises a number of other Institutions, both in the UK and overseas, on academic quality and governance. Captain Robinson has been a Naval Reservist for over 33 years, culminating in appointments as Director Personnel, Director Strategic Planning and Captain Regions.

## VICE-CHAIRMEN



### **Major General S F N Lalor CB TD**

*Vice-Chairman (Army)*

Commissioned from the Royal Military Academy Sandhurst in 1976, he served operational tours in Northern Ireland and Belize. He left the Regular Army after four years to commence a commercial career in the City of

London but continued his military service in the Army Reserves and finished his military career as the senior serving reserve officer in the rank of Major General. His final appointment was Assistant Chief of Defence Staff (Reserves & Cadets). His commercial career has included being one of the two original founders of Britam Defence Ltd, a mid-size risk management and training consultancy, directorships of major companies in industry and commerce with particular experience gained in strategic management, diversification, fast-moving commercial goods, marketing and finance. His own successful enterprises have included a specialist accounting firm providing funding and financial management solutions to businesses in Central London.



### **Captain N R V Dorman RD ADC RNR**

*Vice-Chairman (Navy)*

Captain Dorman joined the RNR in 1984 at HMS CAMPERDOWN as a reserve University Midshipman. His first summer was spent at Britannia Royal Naval College and subsequent leave

periods at sea principally on a variety of Ton class MCMVs. After serving three years as First Lieutenant at HMS SCOTIA, where he led the start-up of TAY Division in Dundee, he was appointed in 2001 to the Commodore's Staff as the National Junior Officer Training Officer. This was a newly created post and he had an exciting and rewarding time in the coordination and execution of Junior Officers' training on a national level. He was Officer in Charge of TAY Division prior to taking Command of SCOTIA in April 2006. After three and a half years in Command of SCOTIA, he was promoted Captain in September 2009 and appointed Captain Operational Capability 2 and Captain (Regions) North in November 2011.



### **Colonel A I Taverner MA**

*Vice-Chairman (Army)  
(Chairman Highland RFCA)*

Director of Dubai Research Ltd and runs his own consultancy firm, Angus Taverner Ltd, specialising in international relations, political risk and strategic communications

focused on Europe, the US and Middle East. He is Trustee of the Army Families Association.



### **Colonel R A Hooper MA DL**

*Vice-Chairman (Marine)*

Founder and a Fellow of the Centre for Leadership Studies, University of Exeter and also a Visiting Professor at Bristol Business School. He is also author of four books on Leadership and one on the relationship between

the military and the media. His military career included command of 40 Commando, MOD (Naval Plans) and Chief of Staff British Military Training Team in Zimbabwe. His final appointment was Commandant of the Commando Training Centre, Royal Marines, Lympstone. He is also a former Honorary Colonel of RMR Bristol. He is a Deputy Lieutenant of Devon, a Trustee of Wellington School and on the Council of St John Devon. He also consults widely on leadership and is an executive coach.



### **Air Vice-Marshal M D Smart DL**

*Vice-Chairman (Air)*

Retired from the RAF in 1998 and then began a second career working in business consulting first for Arthur Andersen and then as a retained consultant for Deloitte advising on defence. He lives in Herefordshire

and has been Vice Chairman (Air) on the Board of the West Midland RFCA for ten years and Vice Chairman (Air) on the Council of RFCAs for some five years. In addition, he is on the Boards of the Forces Pension Society and the Regular Forces Employment Association and is Chairman of SSAFA Forces Help in Herefordshire.

## BOARD MEMBERS



### Colonel A C C Lapsley QVRM TD ADC DL

*(Chairman Lowland RFCA)*

Deputy Commander 51(S) Brigade 2004 – 2007. Appointed Col TA, HQ SOinC (A) in Oct 2009. Honorary Colonel of both 32nd Signal Regiment (V) and Glasgow and

Strathclyde UOTC. Appointed Chairman of Lowland RFCA in Feb 2012. In civilian life a Company Director of 3 SMEs (main SME being Possilpark Shotblasting); was a director of former Poppyscotland and now a member of Scottish advisory committee of TRBL; a member of Trades House of Glasgow (Late Deacon Incorporation of Fleshers), an elder in the Church of Scotland and involved with a number of charities.



### Colonel N D O Williams TD JP DL

*(Chairman North West & Isle of Man RFCA)*

Nick Williams joined the Royal Engineers TA in February 1968 and following a course at Mons Officer Cadet School was commissioned

for service with 106 (West Riding) Field Squadron RE (V) in Sheffield in November 1970. He went on to command the Squadron between 1978 and 1983. In 1992 he took command of 75 Engineer Regiment and finished his TA service as Deputy Commander 42 (North West) Brigade in 1998.

In 1999 he was invited to become Chairman of the Altcar Committee and assumed a position on the Board of the North West of England and the Isle of Man Reserve Forces' and Cadets' Association, becoming a Vice Chairman in 2004 and Chairman in 2014. He is immensely proud to be Honorary Colonel of 75 Engineer Regiment, a position he has held since 2005. He is Managing Director and owner of Sheffield Metal Polishing Company Ltd., a diverse group of small metal finishing and manufacturing companies in Sheffield; Chairman of the Marybern Group of companies in Chester; a Deputy Lieutenant for South Yorkshire; a Magistrate on the Sheffield Bench; Non-Exec Director of Sheffield Chamber of Commerce and the Sheffield Industrial Museum Trust. Currently, Deputy Chief Commander, St John Ambulance. He lives with his wife Susie in the Peak District of Derbyshire and has three children.



### Lieutenant General R V Brims CB CBE DSO DL

*(Chairman North of England RFCA)*

Lt Gen Robin Brims was educated at Winchester and was commissioned into The Light Infantry in 1970. After various military appointments he became Commander of the Field Army in 2005.

Since retiring from active duty in January 2008, he spends much of his time on the Veterans and welfare side of Defence; he is a Board Member of NORCARE and an active member of several charities. He was Vice-Chancellor of the University of Kurdistan-Hawler in Northern Iraq before retiring to his native North East and now lives at Dalton, Newcastle upon Tyne. He is Honorary Colonel of 72 Engr Regt and Northumbrian Universities Officers Training Corps. He is also Chairman CRFCA Council.



### Colonel O J H Chamberlain QVRM TD\* DL

*(Chairman Wessex RFCA)*

Currently a Land Agent. He joined the Territorial Army in 1972 and following various regimental appointments commanded the Royal Wessex Yeomanry from 1990 to 1994.

Subsequent appointments included SO1 LO with 1(UK) Division, SO1 ARD Implementation Team and Colonel Yeomanry and Deputy Commander 43 (Wessex) Brigade. Skills benefits to RFCA: Reserve Forces experience; Estates management; Land management; Deputy Lieutenant.



### Colonel K Davies MBE RRC TD DL

*(Chairman Wales RFCA)*

A Professor of Nursing and Disaster Healthcare and Non-Executive Director of the Welsh Ambulance Service Trust. He is President Elect of CIOMR. He joined the Territorial Army in 1983

serving with 34 Evacuation Hospital, the Duchess of Kent's Military Hospital as Charge Nurse A&E and 23 Parachute Field Ambulance as Training and Nursing Officer. On completion of his time in the Regular Army he returned to Wales as a lecturer and re-joined the TA. He is a qualified teacher and completed an MA in Sports Science 1994 and a PhD 2009. He was Queen's Honorary Nurse 2009-2012, undertaking a range of Royal duties, appointed Professor in August of 2010 and appointed MBE (Civil List) in the Birthday Honours List 2012. In 2014 he was appointed Deputy Lieutenant South Glamorgan. In addition in 2013 he became a medical advisor

## BOARD MEMBERS

to the HALO Trust and has deployed to the Ivory Coast, Armenia and Nagorno Karabakh. He undertakes a number of consultancy roles within industry as well as being CEO of the young people's charity the Motivation and Learning Trust. He is an ambassador for cancer charity Prostate Cymru and became Chair RFCA Wales and member Council RFCA in May 2014.



### Major General G S Smith CB QVRM TD

*(Chairman East Anglia RFCA)*

Major General Greg Smith was Colonel Army Reserves, General Staff (2004), Director Reserves (Army) in HQ Land Forces (2006-2008) and was a member of The Royal College

of Defence Studies in 2009. He was Assistant Chief of the Defence Staff (Reserves and Cadets). 2010 to 2013. He was Managing Director at Ipsos MORI, a leading British marketing research and public opinion polling company and In 2012 he was appointed Chief Executive of the Royal Norfolk Agricultural Association. He chairs Newcastle University Business School's international advisory board and is also a member of the University's Court. Major General Smith is Deputy Col Commandant (TA and Cadets) and a Trustee of The Rifles – the largest infantry Regiment in the British Army. He was appointed Honorary Colonel to Northumbrian Universities Officer Training Corps in November 2013 and served as a Deputy Lieutenant of Buckinghamshire from 1997 until 2011.



### Colonel R M L Colville TD DL

*(Chairman East Midlands RFCA)*

Colonel Colville was educated in Northants and at Magdalen College, Oxford and was commissioned into Duke of Wellington's Regiment in 1973. From 1979 to date he has been

Principal Partner of Leicester Office Furnishers. Appointed Deputy Lieutenant of Leicestershire (1998), Justice of the Peace (2000-2004), assumed appointment of Deputy Brigade Commander (2002) and Vice Lord-Lieutenant (2013). Additional activities include Chairman of Leicestershire & Rutland ABF The Soldiers' Charity and Honorary Colonel of the Sherwood Rangers Yeomanry.



### Colonel The Honorable P S Seccombe TD

*(Chairman West Midland RFCA)*

Philip was elected Chairman of the West Midland RFCA in Spring 2014 having served as Chairman of Warwickshire for about ten years. He served in the TA for 25 years

commanding his Squadron, Regiment (Royal Mercian and Lancastrian Yeomanry) and Deputy Commander 143 (West Midlands) Brigade before retiring in 2002. He was educated at Rugby and the Royal Agricultural College, Cirencester and qualified as a Chartered Surveyor in 1975. He worked abroad in Africa for two years. Having been a Partner in Edwards, Bigwood and Bewlay, and Chestertons, Philip set up his own business in 1988 with two offices in South Warwickshire which now employs 12 people. He has been a District Councillor at Stratford-on-Avon District Council since 2002, a School Governor for 12 years and chairs various Trusts and Charitable organisations. He is the son of Baroness Seccombe DBE and is married to Izzi, the Leader of Warwickshire County Council.



### Colonel E G Cameron TD DL

*(Chairman Greater London RFCA)*

Colonel Ewen Cameron took over as Chairman of Greater London RFCA in July 2010. A solicitor, he is a Director of two property companies and specialises in commercial property investment.

Educated at Oundle, Bristol University and Sandhurst, he spent five years regular service with the 13th/18th Royal Hussars (QMO), commanded the Royal Wessex Yeomanry as a territorial and was subsequently Colonel TA, in HQ London District. Other appointments include: one of Her Majesty's Body Guard of the Honourable Corps of Gentlemen at Arms; Representative Deputy Lieutenant for the London Borough of Wandsworth; Liveryman of the Worshipful Company of Glovers and Trustee of the RFCA Pension Fund.

## BOARD MEMBERS



**Colonel W M J Partridge TD DL**  
*(Chairman South East RFCA)*

Colonel Partridge was commissioned from Cambridge University OTC into the Royal Artillery in 1981, serving with 100 (Yeomanry) Regiment, which he commanded for two and a half years, until 1998. After that, he held several

staff appointments, including TA Colonel, Royal Artillery and TA Colonel, 4th Division. His last active post was in Reserve Forces & Cadets Division in the Ministry of Defence, where he sat as the Reservist member on the Cottam Review of the Reserve Forces. He has recently been appointed as Honorary Colonel, Kent ACF. He has practised company and commercial law for 30 years and is senior partner of a large firm of solicitors with offices in Tunbridge Wells and the Thames Gateway.



**Colonel H K McAllister  
OBE TD DL**

*(Chairman Northern Ireland RFCA)*

Joining the Territorial Army in 1974 at Queens University OTC, and serving with 5th (Volunteer) Battalion the Royal Irish Rangers (V), he became Colonel TA/Deputy Commander 107(Ulster)

Brigade in 2004 until disbandment in 2006. Subsequently Colonel TA/Reserves HQ 39 Infantry Brigade 2006-2007. Leaving almost 30 years of civilian Dental Practice in 2007, he has been on FTRS service with the Defence Dental Service in N Ireland, also serving on Operations in Bosnia and Iraq. Awarded the OBE in 1996, he is an Officer Brother of the Order of St John and holds the Territorial Army Decoration. In addition he held the post of Hon Colonel Commandant Royal Army Dental Corps (V) 2001-2007 and was appointed an Aide de Camp to Her Majesty the Queen 2004-2007. In 2008 he was appointed Hon Colonel 2nd NI Battalion Army Cadet Force. Currently he is Chairman ABF The Soldiers Charity NI, Chairman The Royal Irish Rangers Trustees and a member of the Board of Governors of Lurgan College.



**Brigadier D A Hargreaves**  
*(Chairman Yorkshire and  
The Humber RFCA)*

Brigadier Hargreaves was educated in Lancashire and at St John's College, Cambridge. He joined the Royal Corps of Signals on a Short Service Limited Commission in 1977 and was granted

a TA commission whilst at university, which was converted to a Regular Commission in 1980. He has commanded reserve and regular soldiers at Troop, Squadron, Regimental and Brigade levels and, as a junior officer in Cambridge, he was awarded a Lord Lieutenant's Commendation. He attended the Army Command and Staff Course and instructed on the Advanced and the TA Command and Staff Courses. He has seen service in the UK, Germany and, twice, on Operations in Bosnia. He commanded 1 Signal Brigade (briefly) and 2 Signal Brigade (for longer) and his final duty was in Riyadh as the Programme Director of the Saudi Arabian Communications Project Team. He retired in February 2013.

Brigadier Hargreaves is Chairman of the Royal Signals Association, a Colonel Commandant of the Royal Corps of Signals, Honorary Colonel of 50th (Northern) Signal Squadron, a case worker for the Royal British Legion and a Samaritans' Listener.

## Key relationships and resources available

The CRFCA and the RFCAs have key relationships with all funders/stakeholders and ultimately the MOD and Parliament. As the RFCAs are closely linked to the MOD, long term views of Parliament on the MOD and any subsequent MOD reviews are likely to affect the position of RFCAs.

The CRFCA and the RFCAs themselves are dependent on the direction given by the Defence Council and their Stakeholders set out in Regulations, Annual Plans and Service Level Agreements. Strategic direction through the RFCA Customer Board provides direction out to 4 years. Individual Stakeholder direction and outputs are set in respective SLAs and financial provision over the annual business cycle. At both levels, variations to outputs and policy are imposed on CRFCA and the RFCAs as a result of the long term defence reviews (such as the SDSR, FR20, Army 2020 and DYER) or as a result of the short term and increasing in-year financial imperatives.

The resources available to the RFCAs are mainly provided by key stakeholders through the CRFCA in the form of funding (grant-in-aid and grants) and some use of the volunteer estate for RFCA HQ staff. However, additional resources are created through RFCA Regionally Generated Income. All resources are managed in accordance with MOD and HMT rules and regulations, e.g. Managing Public Money.

## Risk

### Price Risk

RFCAs are subject increasingly to inflationary pressures, in particular for utilities negotiated through the MOD contract and other non-negotiable costs such as non-domestic rates. RFCAs are managing this risk by forecasting price increases using market data and producing early four year planning round bids to reflect requirements. Economies of scale and Environmental Management measures continue to be investigated.

### Credit Risk

Credit risk within RFCAs is relatively low due to the minimal amount of sales made and the requirement for upfront payment of any lettings/wider market activities agreed. The RFCA WMI Guidance and use of the events booking system and sales ledger on SYMPHONY, combined with an effective and corporate marketing approach through Alternative Venues, has increased efficiency of the management of sales and debtors and therefore reduced the risk further.

### Liquidity Risk

The RFCAs' liquidity risk is also low due to the planned disposal of assets. Vehicles are disposed as per the RFCAs' vehicle replacement programme and sold through a variety of options: trade in, sale, auction or internal sale (e.g. to another cadet unit). Therefore the expected sale value is frequently met. Other fixed asset disposals, i.e. the Volunteer Estate, are disposed of in accordance with Defence Infrastructure Organisation (DIO) plans and the liquidity risk lies with them.

### Counter Party Risk

Due to the financial climate, RFCAs continue to face counter party risk (i.e. the risk of a contractor/supplier not being able to provide the goods/services due to going into liquidation). This risk is low due to the maintenance of an approved contractor list through the pre-qualification questionnaire process.





## Cash Flow Risk

RFCAs' cash flow risk is managed by the drawdown process. At the beginning of the FY the drawdown timetable for each Accounting Period (AP) is sent out to each RFCA and funder. This provides the basis for each AP drawdown financial instruction which instructs RFCAs to drawdown their actual requirement for the upcoming month. The consolidated drawdown is then submitted to funders by CRFCA. The main cash flow risk lies in late payment by funders, however to combat this RFCAs and CRFCA take the following actions:

- Confirm control totals throughout the year to ensure drawdown submissions are within budget.
- Profile Non-Domestic Rates payments on the NDR module within SYMPHONY to provide an accurate cash flow requirement.
- Forecast all requirements using past trends and current data/situations.
- Maintain a safeguard of 2 weeks operating expenses at month end, as endorsed in the Financial Framework.
- Use the aged debtors list on the SYMPHONY Sales Ledger.
- Complete detailed cash flow plans for capital projects to ensure funding is received prior to when part/certificate payments are required.
- Re-profile cash flow when necessary and at each quarterly finance meeting against known and adjusted CTs.

## Employee Involvement

The actions taken throughout the year to achieve employee awareness of financial factors affecting the RFCAs and to encourage employee involvement were as follows:

- Financial position, in year pressures and planning round measures were continually reported and formally reported and updated to Chief Executives quarterly at the XB/XB(I), to Finance Officers quarterly at the Finance Review Meetings and to Heads of Estates in their quarterly meetings.
- Spend to save measures encouraged and communicated to Chief Executives, Heads of Estates, Facilities Managers and Finance Officers.
- Continual updates of funding timelines to Finance Officers to assist in managing cash flow, through monthly financial instructions, drawdown programmes and monthly budget adjustments.
- Appropriate training.

## Going Concern

The RFCAs are a going concern organisation on the grounds that current and future sources of funding (as confirmed in the Annual Business Cycle and indicative Control Totals) or support will be adequate for the RFCAs' needs. A period of twelve months from the date of approval of the financial statements was considered in this assessment.

## Payment Policy

The RFCAs' policy on payments is in accordance with Managing Public Money that states: "Public sector organisations are also bound by The Late Payment of Commercial Debts (Interest) Act 1988 (as amended by The Late Payment of Commercial Debt Regulations 2002 (SI 1674)). It provides a statutory right for suppliers to claim interest on late payments of commercial debt. Payment is regarded as late if made outside the agreed terms, or where no terms are agreed, 30 days after receipt of a valid invoice. Public sector organisations should note any expenditure made outside these terms should be exceptional and noted in resource accounts." Additionally RFCAs adhere to the Government's Better Payment Practice Code which requires that timing of payments should reflect the following four principles:

- Agree payment terms at the outset of a contract and abide by them.
- Explain the payment procedures to suppliers.
- Pay invoices in accordance with any contract agreed with the supplier, or as required by law.
- Tell suppliers without delay when any invoice is contested, and settle quickly on receiving a satisfactory response.

## Disability Discrimination Act (DDA) and MOD Policy

The Department's policy on employing disabled people is underpinned by the Disability Discrimination Act 1995 (DDA) and follow-up amendments to the DDA. The DDA goes further than just anti-discrimination legislation and actually requires employers to take action e.g. reasonable adjustments. Further information can be found in DIN 2006DIN02-174: PI 64/06: Factsheet on the Disability Discrimination Act.

## FY2014/15 Key Achievements

### Output One Alpha

#### Advice and Support to the Defence Council

As a result of the 2014 Defence Reform Act the RFCA has been given a statutory responsibility for the External Scrutiny Team (EST) which extended their remit to that of the wider support to Reserve Forces within an annual report to the Secretary of State for Defence, and also providing assurance to parliament. The team visited a cross section of units across all three Services providing observations and advice through direct feedback and the summary of this work was captured in their second report that went to Ministers in June 2014 and was laid in the Houses of Parliament in July. At the regional level support to the Employer relationships has grown through the Regional Employer Engagement Boards (REEB) to which RFCA secretariat support is the template.

The development of the DRM has enhanced the relationships with employers at national level and is developing those linkages in parallel across the regions and details are captured in Output Seven. This is a demanding ask at regional level but will provide unprecedented continuity. The close relationships between RFCAs with devolved governments have continued to be enhanced and remained particularly relevant, especially where devolved representatives are voluntary members of the Associations. The provision of such advice and guidance was facilitated by the continued close linkage between the CRFCA and the MOD and senior FLCs. Membership of both national and regional tri-Service command and management boards by RFCA Chief Executives and National Resource Directors continued to assist in this transparency. CE CRFCA has been a key member of the FR20 providing insight into the delivery process.

CE CRFCA continues to be an important linkage for the COBSEO Board and has improved linkages with all tri-Service welfare charities. Regional linkages to service charities have continued to be strong as too has engagement with Community Covenant which has now been absorbed into the DRM.

The voluntary membership of the Associations and the CRFCA were reviewed and endorsed by Ministers under the 2015 Quinquennial Review providing a mandate until 2020. The emphasis on that voluntary commitment of all Association members to both national and regional committees and working groups, such as the Regional Employer Engagement Groups (REEG), has multiplied over the year and is now seen as a primary factor in delivering key messages. The continued support of our Association Presidents and Vice Presidents – the Lord-Lieutenants – has been pivotal to our links to our communities.

#### Key Successes:

Defence Relationship Organisation FOC April 2015.

Continued support to regional Brigades through enhanced delivery to Employer Support (within resources).

Second report of the EST (comprising primarily volunteer membership at RFCA Board level each contributing some 25 days of pro-bono support).

Supported the concurrent revision of all five primary Service Level Agreements (routinely a five year cycle activity).

Revision of 13 RFCA Schemes of Association under the Quinquennial Review within timeline.

Delivered RFCA Strategic and Business Plans in accordance with Strategic direction within timeline. (underpinning operational output through the Customer Board).

Significant number of bespoke regional events in support of the Army senior leadership facilitated engagement programme providing speaking opportunities in support of the FR20 message.



## Output One Bravo

### Provide Support to Operations – ‘Home and Away’

With the drawdown of forces in Afghanistan and the implementation of the Defence Reform Act, the nature of reserve mobilisation has seen a gradual change with volunteer reserves now able to mobilise in support of standing tasks across the world. This element of support, particularly through regional employer advice and support, remains a high priority. RFCAs have continued to provide suitable VE for regional authority resilience demands where requested.

Through DRM, the SaBRE campaign has continued to deliver Employer Support at RFCA level providing the vital linkage between the serviceman and the employer. In addition it has delivered the conduit for the delivery of the FR20 proposition both at national and regional level. The RFCA support to welfare and in particular to injured servicemen has continued throughout the year<sup>3</sup> with increasing single Service projects being delivered locally. Further funding from the Haig Homes, Help For Heroes and regional Government has also been received. This rewarding work, using our skilled regional estate staff, continues to demonstrate the utility of the RFCAs in support of post mobilisation delivery.

Here also the close RFCA links with the Army Recovery Capability (ARC) and in particular the Personnel Recovery Units (PRU) means that the Associations can continue to act as regional welfare support hubs when required. Our continuity and regional knowledge means that this important role of post mobilisation aftercare is an ideal opportunity for the RFCAs.

Key Successes:

In year delivery of 95 injured serviceman's living accommodation (ISLA) projects to time and cost totalling £3.6m (direct funding from DInfra and charities for tasks sitting outside the formal SLAs).

Reinforcing the RFCA ES structures to underpin the Army recruiting effort against challenging targets providing formal secretariat to REEBs (multiple in some regions).

Delivery of enhancements to ARCs under betterment and Regionally Generated Income to support retention.

Support to the UK Reserve Forces Association through a part-time Secretary General, secretariat and Director Resources – substantial additional support task facilitating UK based competitions and overseas training opportunities for tri-Service reserves to enhance retention (outside formal SLA).

£5.5m of Regionally Generated Income invested into the VE and cadet estate.



<sup>3</sup>A significant undertaking that sits outside the formal SLA tasks and has delivered over 150 projects over three years.

## Output One Charlie

### Provide Facilities Management Services

Although Facilities Management is a generic term to cover most of our Estate activities for the RFCAs the term is limited to 'soft' FM. That is all services outside of maintaining the built Estate. This includes management of utilities, waste collection, defence accommodation store procurement, cleaning, vehicle fleet management and pest control.

The last year has been a testing period for our FM staff and in particular changes to the gas and electricity contracts. These services are supplied by British Gas, EDF and Total and changes to their billing process have caused considerable additional work for our staff. The work is rewarding and their considerable applied expertise has reduced possible overcharging and enhanced our reputation with DIO.

The vehicle fleet for use by the Cadet Community and our staff also benefits from local administration and provision. Steady improvements to our processes have supported another successful year of Cadet experience.

Changes to the Multi Activity Contracts run at Brigade into the new HESTIA soft FM contract have yet to be finalised and our Associations stand ready to assist DIO to take this important future procurement project forward.

Sustainability reporting was introduced in FY12/13 in order to meet the public sector requirements for FReM reporting, following the guidance laid down in HM Treasury Sustainability Reporting and Greening Government Commitments. It is intended to show transparency, consistency for comparative purposes, and accuracy. Currently some of the required information is not separately collected and collated and estimates have been used. In such cases separate cost codes will be required in future years in order to improve accuracy. It should be noted that utilities consumption is already reported to DIO for data collection and reporting, cadet support vehicle mileages are forwarded to Brigades for data collection and emissions reporting, and water consumption is reported to DIO by Project Aquatrine service providers. The figures in the sustainability report are used to monitor RFCA performance only.

### RFCA Sustainability Report for the Year ended 31 March 2015

**Sustainable Procurement and Construction.** RFCAs are required to meet the BREAAAM Excellent (Defence DREAM equivalent) in all new builds. This scheme covers waste generation and disposal, environmental impact, land use, and rewards low transport use and reduced running costs.

**Environmental Management System.** The EMS has been rolled out and most Facility Managers/ Environmental Advisors have been trained in its use, including assessing typical RFCA scenarios for environmental impact.

**Utilities Payment.** DIO has taken over the direct payment of all MOD utilities, transferring all accounts apart from RFCAs onto the ACCOMMODATE system used by Accommodation Support Units (ASUs). ASUs are moving to e-billing and e-tariffs, loaded automatically into ACCOMMODATE, which should result in faster invoice receipt, validation and payment. The steady advance of automatic meter reading across the VE seems to have slowed with the changes in contract and we are engaged with DIO to reignite this vital work.

**Transport.** RFCAs remain responsible for the procurement, operation and disposal of the Cadet support vehicles. Project PHEONIX (the MOD white fleet contract) is currently being assessed, RFCAs have been given assurances that any transfer to central contract would be subject to a thorough trial and investment appraisal.



GREENHOUSE GAS EMISSIONS		FY11/12	FY12/13	FY13/14	FY14/15	ANALYSIS
Non-Financial Indicators (1000 tCO <sub>2</sub> e)	Total gross emissions	55	50	49	48	<p><b>Total Gross Emissions 1,000 tCO<sub>2</sub>e</b></p> <p>60 50 40 30 20 10 0</p> <p>11/12 12/13 13/14 14/15</p> <p>■ Electric ■ Gas ■ Travel</p>
	Total net emissions	–	–	–	–	
	Gross emissions Scope 1 direct	1.5	1.5	1.8	1.4	
	Gross emissions Scope 2 & 3	–	–	–	–	
Related Energy Consumption (million kWh)	Electricity: Non-renewable	45.2	44.5	46.2	42.8	
	Electricity: Renewable	–	–	–	–	
	Gas	162.9	136.7	124.7	131.9	
	LPG	–	–	–	–	
	Other	–	–	–	–	
Financial Indicators (£million)	Expenditure on energy	11.8	13.6	13.9	12.3	
	CRC Licence expenditure	–	–	–	–	
	Expenditure on accredited offset	–	–	–	–	
	Expenditure on official business travel	0.9	0.9	0.8	0.8	

### Performance Commentary (inc. measures)

All consumption and emissions reporting is carried out separately via DIO; figures provided from SYMPHONY. One obvious benefit from the Life Cycle Replacement of older heating boilers across the estate has been the overall reduction in gas consumption, reducing cost, waste and adding to our reduction in the carbon footprint in line with Government sustainability targets. Unfortunately increased use, or sweating, of the estate has increased our lighting requirement and thereby increased consumption of electricity. That increase is despite a wide ranging programme to increase the quantity of LED energy saving lights, showing that complacency in meeting energy reduction targets is not an option.

### Controllable Impacts Commentary

The VE is not included in DIO spend to save funding, RFCAs are therefore reliant on limited RGI spending for efficiency measures. Increased availability of VTC and PH2 is reducing the need to travel but IT developments are not yet keeping pace with the need for change. Combining meetings and Working Groups in one location has also reduced the necessity for travel.

### Overview of Influenced Impacts

FR20 studies on Future Reserve basing options does take energy efficiency of existing buildings into account, the next stepped reduction in utilities consumption can only be achieved with a reduced footprint. Utility suppliers have attended larger sites to propose energy reduction projects which may be rolled out across Associations.

Scope 1 – gross emissions from Cadet minibuses and allocated vehicle business use.

Scope 2 and 3 – gross emissions on RFCA staff business travel using public transport (to be captured when required and once an efficient recording tool is investigated and developed).



## WASTE

### Performance Commentary (inc. measures)

Waste quantities remain static but we have a target of 34% reduction by 2020. RFCAs have been using central MOD contracts for hazardous waste disposal, and some Associations also have waste removed from Army Reserve Centres under MOD contract.

### Controllable Impacts Commentary

A standard methodology for measuring and reporting waste is to be developed over the next 12 months. The first Army Reserve Centre to report under MOD TRaSH system is now in place and it is intended to roll out further in the coming year.

### Overview of Influenced Impacts

Main effort remains in educating units to segregate waste and use correct channels for hazardous and non-hazardous, and recording waste quantities by site.

## WATER

### Performance Commentary (inc. measures)

RFCAs represent 2% of total MOD water consumption equating to 460,000m<sup>3</sup>/yr. Along with MOD, targets for a 34% reduction by 2020 have already been met.

### Controllable Impacts Commentary

Early reporting and repairing of leaks helps reduce consumption but only by reducing the size of the VE will substantial economies result.

### Overview of Influenced Impacts

Only the top 150 sites will be given funding for water saving measures. RFCAs to work with Aquatrine service providers to secure small investment in savings measures for building internals.



## Output Two

### Support to the tri-Service Cadet Forces, Combined Cadet Forces and Youth

The RFCAs continue to make a significant 'value added' contribution to both the cadet and wider youth community beyond those areas which we are specifically measured against and are making a real difference to the lives of young people. The following examples provide a snapshot of this support and are indicative of the type of work occurring across all of the RFCAs.

#### West Midland Support to Air Cadets

Earlier this year the West Midland RFCA Management Board were concerned about the lack of gliding opportunities for Air Cadets. Working in conjunction with 2 Regional Air Cadet Commandants, the Association has negotiated with the RAF Flying Clubs Association to provide 540 x 30 min flights for Air Cadets (50/50 split between the Central and Wales & West Regions) for a total of £18k. This has been funded using regionally generated funds and represents incredible value for money until such time as the Air Cadet Organisation's own glider fleet is declared fit for purpose.

#### Scottish Qualification Award

Sponsored by the Scottish Qualification Authority, the Scottish Qualification Award (SQA) Leadership Award is a joint Lowland/Highland RFCA funded initiative to deliver a vocational qualification to cadets across Scotland and now incorporates cadets from all three Community Cadet organisations. The qualification is a Level 5 award which is equivalent to a GCSE in England/Wales. The Leadership Award has started in all three Lowland ACF battalions. The ATC now also have a sizeable number of candidates enrolled onto the award and the SCC have also started to enrol their first candidates. Work is also in hand to review the cadet syllabi for the younger cadets (12-15 year olds) with a view to levelling cadet achievement through the Scottish Credit and Qualifications Framework. This work is being undertaken in order to gain wider and more formal recognition of the cadet experience. To date there are 258 cadets in Scotland who have registered for the SQA.

#### Northern Ireland Pathways Initiative

The Pathways Initiative was originally designed to assist with delivery of the Prince's Trust residential aspect of the 12-week Team programme in September and October of 2014, utilising spare capacity within the Cadet Training Centre at Ballykinler. This was aimed at those 16-25 year olds who fell into the NEETS

categories. It quickly became apparent that the application could be broadened to include the latter age groups for primary schools and also the early Secondary age pupils to allow a greater insight into, principally, the Army Cadet Force but also highlighting some of the aspects of the other cadet organisations. This has now developed as a recruiting tool for the Army cadets in particular. It also has a useful application, in the Northern Ireland context, of enhancing significantly the understanding of the Armed Forces within the community as a Community Engagement (CE) tool. In the period since Oct 2014, the Pathways Initiative has now developed fully with two permanent staff members involved in its delivery with a 'pool' of delivery staff who are all fully qualified to deliver a complete range of adventure activities either on a day or residential basis. The success has been achieved completely with many community organisations, youth clubs, primary and secondary schools engaging for delivery of activities, primarily on their sites, which provides a hassle-free solution for many of them which does not require transport or organisational aspects for many organisations who are already under pressure to deliver their own core activities; this aspect seems to be a particular attraction. As a specific example, in the period up to 31 March 2015, Northern Ireland RFCA delivered Pathways activities to more than 3,000 young people. Pathways, as an entity, has already played a significant part in the Cadet awareness and recruiting programme which we have developed and it is estimated that it will deliver to more than 12,000 primary and secondary age school children across all communities within Northern Ireland over the next FY; in addition, there will also be these same activities delivered to numerous community groups to support the CE aspects which have been designed in support of Commander 38 (Irish) Brigade's CE activities.

#### Cadet Expansion into Schools

As reported last year the RFCAs in England have been fully engaged with the Cadet Expansion Programme (CEP) where we have provided the MOD representative in the MOD/Department for Education Joint Team, two members of staff who are embedded in Support Command, Cadets Branch, to support the initiative, as well as the nine School Cadet Expansion Officers. In addition to the provision of personnel we also engaged with our wider Association membership in the MOD consultation on the proposed charging regime for the existing schools that operated a Combined Cadet Force (CCF). Following the consultation it was decided that the proposed charging regime would not be implemented.







The CEP achieved the first significant milestone at the end of March when the target of achieving the commitment of having a Cadet Unit in or partnered with 100 new State Schools was reached. However, this is seen by many as the easy part of the equation as the challenge still remains to ensure that these aspiring new Units go on to realise their potential with a key component being the training of the adult volunteers who will be pivotal to the success of this initiative. Although the responsibility of the Chain of Command to achieve this training requirement, the SCEO's have been on hand to provide, when requested, ongoing support. It is anticipated that the RFCAs will be asked to support the next stage of the CEP which would hope to realise a total of 500 cadet units in schools.

The CEP is specific to England but the Lowland RFCA has been working the Regional Brigade with funding from the Youth United Social Action Fund on an ACF Linked Detachment Programme in Scotland. The grant of £137,000 was secured from Youth United Foundation (Libor funding via HM Treasury). The grant was provided to allow the expansion of the Linked Detachment pilot over academic years 14/15 and on into 15/16. There remain three projects in the scheme but further expansion is anticipated in June 2015 when a further two schools are coming on stream. The three schools in the Lowland AOR are Hawick High School, Broxburn Academy and Lasswade High School. A 4th Lowland school has joined the programme, Govan High, but this has been funded by Trefoil Trust and will run for three years. This period hopefully will buy additional time to seek sustainable funding from Scottish Government to continue the programme. The Chief Executive of the Youth United Foundation, Ms Lyndsay Levkoff Lynn visited Broxburn Academy Detachment in April and met the cadets who were just about to embark upon a

Duke of Edinburgh's Award expedition. She was most impressed with the confidence of the cadets and given the appalling weather that was encountered was doubly impressed by their good humour. Encouragingly, the remaining grant includes a generous margin in order to conduct a proper evaluation exercise and so formally evidence the outcomes to Scottish Government and other potential funders. The positive outcomes for the children in terms of academic achievement, as well as benefitting from the cadet experience, are for most life-changing.

### Supporting Inclusion Programme

Participation by WM RFCA, NE RFCA and NW RFCA in the Department for Communities and Local Government funded Supporting Inclusion Programme (SIP), managed by the Youth United Foundation, was brought to a successful conclusion at the end of 2014 with all of the required recruitment targets achieved. Each participating RFCA employed a Development Worker who worked alongside the Army and Air Cadet organisations in their region to open new detachments but more importantly conduct targeted recruiting campaigns for adult volunteers in order that the existing units could expand their capacity to provide more places for young people to join. Not only were a total of 475 new places achieved under this scheme but greater understanding and collaboration with the other voluntary youth organisations was also realised.

Significant Achievements:

NI RFCA sponsored 'Pathways' programme whereby youth outreach activities are conducted on behalf of OGDs, youth and community groups across NI. Projection for first year is 3,000 young people as 'clients'.

Target 100 schools achieved in the Cadet Expansion Programme.

Gliding provision to Air Cadets in the West Midlands.

Community Cadets registered for the Scottish Qualification Award.

Successful conclusion of the DCLG funded Supporting Inclusion Programme.

## Output Three

### Support to Recruiting

Activity levels continue to be constrained by a lack of direct resourcing. It is still the belief that more could have been achieved by relatively small cash injections to prime the pumps of regional support. Thus once again, our ability to shape the regional recruiting battle space has relied largely upon those Associations who could afford to deploy a proportion of their RGI towards recruiting positive activity, within the priorities set by the Customer Board that saw the majority of the RGI drawn into supporting the estate. Working closely with the Regional Operations Managers, this activity has included typically, local PR campaigns, financial support to unit level recruiting initiatives, Fresher's Fairs and Community Engagement Events with a peripheral recruiting spin-off. These activities, usually at relatively low cost (less than £1K) provide a disproportionately high impact. That said, as a rule, Associations have only funded items/events that cannot or will not be funded through Capita RPP. This remains an unfunded activity within the revised single Service SLAs.

Examples of successes:

NI RFCA forum attended by NI local Health Ministry and five health trusts, nursing college etc., two Army Reserve Med regiments and RNR and RAF Reserve squadrons to co-ordinate medical reserve recruiting across NI.

Bristol Employer Engagement lunch with QMG with 80 leaders of local industry (including Rolls Royce, Atkins, Agusta Westland and Bristol Port Company).

Used the occasion of a Royal Gun Salute at Edinburgh Castle to host key influencers with Scottish Engineering and facilitate their introduction to 51 Infantry Brigade and the newly formed 106 Bn REME.

On 28 Jun 14 Highland RFCA provided a high-profile hosting presence at the National Armed Forces Day held in Stirling, attracting employers from throughout Scotland. This event allowed the Association to engage directly with HRH The Princess Royal, the Prime Minister, the Secretary of State for Scotland and most other leading Scottish politicians. In achieving its intent, Highland RFCA assessed this to have represented successful and cost-effective strategic engagement.



## Output Four

### Assistance to Community Engagement & Representation

Community Engagement continues to provide the envelope within which the demands of the recruiting challenge have operated. The close relationship between RFCAs and their Regional Point of Contact (RPOC) Brigades has resulted in multiple events sponsored by RFCAs or jointly with the chain of command with RFCAs membership proving extensive presence to push the message that despite the drawdown in Afghanistan, Defence and the Army in particular is still recruiting. This remains an unfunded activity within the SLA.

The recommendations of the Review of the RFCAs (Paterson Report) identified a potential area of expansion for the RFCAs to support the delivery of the Defence Regional Agenda through the extensive network of volunteers and their contacts, many in influential positions across the regions. This will be further developed within work-streams that aim to identify the requirement and then the feasibility for a role that would further cement the regional support to Defence as a means of supporting intent rather than merely another channel for defence messaging. The 2015 Quinquennial Review reviewed and confirmed the agreed size and shape of each Association with an emphasis on trying to shape the membership in line with the requirements of the revised SLAs, and

specifically to gain a better reflection of the ethnicity of the society within which much of the current recruiting and retention is happening. RFCAs are now actively seeking to review their membership to ensure that they are able to better support the functional areas inherent in the RFCAs strategic direction. This is already being achieved by proactive targeting of co-opted members to support specific strategic outputs.

Regional support to the chains of command continues to increase across a widening spectrum; actively supporting regional and local Armed Forces Community Covenants and military civilian partnerships, identifying key civilian personnel for Service civil engagement events and supporting the transition of service leavers into the community. Community Engagement in its widest sense sets the conditions for Employer Engagement and Support and therefore, the engagement of the reservist employers is an integral component of the delivery of civil engagement that will increase in importance as part of the expansion of the Reserve Forces. Support to veterans has involved signposting to service charities and highlighting veteran issues to Service Veteran and Pensions Advisory Forums and the Service Personnel and Veterans Agency. This is another area that is being considered following recommendations within the Paterson review.

Examples of success:

#### SERFCA Social Media:

Facebook followers up from 9,777 in 2013/14 to 11,023 in 2014/15.

Website hits up from 156,719 in 2013/14 to 172,173 in 2014/15.

Twitter Followers up from 5,635 in 2013/14 to 5,730 in 2014/15.

YouTube hits up from 33,333 in 2013/14 to 33,792 in 2014/15.

A total of 16 short videos have been produced to support Reserves and Cadets, with a total of 22 videos having been uploaded to YouTube by SERFCA.



SERFCA 'Jobs4Reservists' – currently 892 jobs listed, with 447 Reservist or Veteran members.

Bath & West Show event to host 90 employers, MPs, academics, educators and community representatives to hear Chairman Wessex RFCA and Deputy Commander Land Forces speak about R&C and to thank attendees for their support.

As part of its new strategic Engagement Strategy, in March 2014 Highland RFCA launched its revised and expanded online presence, including a new website and Facebook and Twitter accounts. In configuring an image-led Facebook approach to present HRFCA to a younger age group (18-24), post reach has grown to an average of 2,500 per week using a combination of self-generated and shared content.

The status and reputation of cadet music in Scotland, and in particular cadet piping and drumming, were further underlined on 8 August 2014 at Balmoral Castle, when the Massed Cadet Pipes and Drums performed before Her Majesty The Queen.

The Chairmen and Chief Executives of Highland and Lowland RFCA hosted a reception in the Edinburgh Castle Officers' Mess followed by a performance of the Royal Edinburgh Military Tattoo viewed from the General Officer Commanding's box. The agenda for the reception was to gain the commitment of public bodies in Scotland to the Corporate Covenant. This was attended at Chief Executive level and enabled a high level of engagement.

EM RFCA Reservist Magazine – is a twice-yearly publication primarily aimed at employers although it is also distributed to all of the Reserve Forces around the region. 5,000 copies of the magazine are printed with approximately 3,000 of those going out to local employers to increase their understanding about the training and activities that Reserves undertake. The Reservist is funded entirely by advertising and the only cost to East Midlands RFCA is that of distribution.

NI RFCA provision of COBSEO role (with COBSEO endorsement) in NI, including secretariat for NI Veterans' Support Forum (where all service charities come together to co-ordinate activities).

## Output Five

### Personnel and Financial Management

At the strategic level, the Customer Board's Four Year Strategic Direction provided the context for the CRFCA 4 Year Corporate Plan and allowed the CRFCA Business Plan to incorporate the top level objectives. The CRFCA Business Plan 2014/2015 was based on the extant SLAs. CRFCA continued to work with the single Services and MOD to develop revised SLAs with more focused KPIs based on the delivery of key outputs in support of the Reserves and Cadets. This work, historically staggered across a five year cycle but conducted by all five customers simultaneously, will result in better targets with output-based costing that will allow more informed application of scarce resources. There is more work to complete in order to deliver the final products for the FY2016 programming.

Internal governance continued to improve with programmed activities of the CRFCA Audit, Risk and Assurance Committee (ARAC) which endorsed the management action plans for Counter Fraud and Loss and also a new Policy that is now in circulation. A DIA external audit was conducted reviewing Governance in the RFCA Estates function from which management actions were delivered. The RFCA Board endorsed a MOU with DIA to provide the RFCA Internal Audit function for three years from 2014-17 from which an Audit Universe has been developed and a three year programme endorsed that will see four Internal Audits per year across a spectrum of internal functions.

The legal status of the CRFCA remains unresolved and this is now reflected in the revised RFCA Regulations 2014 which has removed the requirement for the NAO as the primary auditor and there is no intention within MOD to seek a change in primary legislation at the moment.

In resource planning and budgetary terms, we again experienced late provision of budgets, particularly prevalent in the last quarter of the FY. Despite the continued reduction in the budget for Estate management, an increase in ad-hoc project work including Betterment, Cadet Armouries and ISLA projects saw our overall funding income increase from FY2013/14 by 9% (some £11 million), to £133,672,567. Despite the continued difficult commercial market, Regionally Generated Income added a further £12,793,603, inclusive of £3.8m sales of land and buildings, to the budget realising a final income budget of £146,466,170. Total expenditure was £141,176,429 producing a variance of £5,289,741 income over expenditure, the majority of which, earmarked for new and ongoing RGI funded projects. We remained within our 2% GiA operating reserve figures.

Significant Achievements:

RFCA Regulations 2014 revised.

2014 Quinquennial Review including 13 Schemes of Association revised and signed by the Secretary of State for Defence.

Internal Audits of Counter Fraud and Loss and Estates Governance completed and management plans implemented.

SLA signed with DIA to act as RFCA Internal Auditors 2015-18 against an endorsed programme of IAs.

The Pay and Personnel Committee has continued to provide HR governance with important membership and advice from our trade union representative. We have seen relative stability across manning with the cadet expansion staff extended for a further period until April 2016. The RFCA maintain a very lean staff, never more than two deep in an effort to drive overheads to a minimum, which requires external SME to be brought in when in-house staff do not have the key skills. Employer Support staff have continued to be challenged with the continuing Army recruiting and engagement programme generating a major coordination role. Project HALDANE2 declared FOC in April 2014 having expanded to encompass all of the cadet ACF county Permanent Support Staff (PSS) who were reachable within the existing national broadband infrastructure network. This is the first time that the ACF have had file sharing capability and also the secure connectivity to receive official mail. This cutting edge tech cloud-based network has provided new ways of working particularly for estates staff including remote working on site which will significantly reduce their data entry demands. The incorporation of DRM has brought with it the considerable challenges of the Salesforce database which has been upgraded and is now subject to a major change programme that will eventually reduce the data entry burden on regional staff.

Notable Successes:

Delivery of PH2 to 57 ACF counties on time and within budget.

Employment of Schools Cadet Expansion Officers and also Central staff (three within HQ Sp Comd) on behalf of the DoF and the Army.

Accepted ownership and development responsibility from RF&C for the Salesforce Employer Engagement database.

## Output Six

### DIO SLA Mandated Provision and maintenance of Accommodation for Designated Units of the RNR, RMR, Army Reserves, RAuxAF Units, Recruit Partnering Partnership (Capita), Combined Cadet Force, Army Cadet Force and Air Training Corps

As the principal Top Level Budget holder for the Reserve Estate, the Defence Infrastructure Organisation is pivotal in determining the future, development and maintenance of the estate. The Strategic Business Partner is now firmly in place and we have seen subtle changes in approach as the commercial drive of Capita and URS are brought to bear upon future Estate strategy. The Pathfinder team are developing a model for the Reserve Estate post 2020 and are developing some quite radical approaches. Council and the RFCAs are working closely with the team to ground those ideas in grass roots reality – leading to some very creative outcomes; the capital build programme, Forward Maintenance Register and statutory/mandatory inspections, tests and works remain the same irrespective of the overarching structure. The RFCAs are also engaged in a systematic evolution of their approach to estate management in order to benefit from the challenges of the Next Generation Estates Contract. This presents a number of opportunities to improve our own more fundamental maintenance tasks. Much of this is largely presentational but the key benefit of adopting more streamlined practices that align to the NGEN model used on the rest of the Defence Estate is to assure DIO and the Services that the Volunteer Estate is being used to best effect; is compliant; is being managed effectively and transparently; and offers best value to Defence. This work is against the backdrop of discussions around a new five year Service Level Agreement with DIO and most of these reporting and Key Performance Indicator changes will be captured therein.

In line with the NGEN model our funding structure has now changed. Previously the Reserve Estate was funded against an agreed Planned Maintenance Programme and direction to maintain or improve the quality of the Estate where possible. Unfortunately, as with all public spending, that model was deemed unaffordable and the consequent disaggregation of a single Control Total into several budgets now leads to a complex funding system – with both benefits and risks. DIO fund to MAINTAIN and SUSTAIN but funding to RENEW based on a new or changed requirement is bid for by the Services into the DIO Strategic Asset and Programming Team to release funds – which are generally an additional single Service inject. Amongst the complexity this has also drawn the customer back into intimate involvement with their funded projects and the overall requirement.

One consequence of this change has been a surge of additional tasks to satisfy the requirements of Op FORTIFY. This has led to significant inward investment directed and agreed by the single Services to improve the quality of the Volunteer Estate as viewed by those new recruits we are trying to attract as a Reservist, the consequence of which is an additional £7.5m spent on planned maintenance on redecoration or improved facilities that would not otherwise have received funding.

In recognition of an unsustainable risk, HQ Army and HQ Support Command came together with the support of CRFCA and the RFCAs to deliver an ambitious project of upgrades to CCF armouries on school sites. These include improvements to the building fabric, racking and alarm systems. The project is due to complete in January 2016.

Around the UK there were also a number of capital projects worthy of mention.

## North of England RFCA

### PROJECT TYNESIDE: £2.8m refurbishment of HMS CALLIOPE – Gateshead Quayside

The Royal Navy, together with the Defence Infrastructure Organisation (DIO), confirmed its long-term commitment to HMS CALLIOPE, its main recruiting base and home to the Royal Naval Reserves for the North of England, by allocating £2.8m for a new roof and the external and internal refurbishment of HMS CALLIOPE, based on the Gateshead Quayside.

HMS CALLIOPE, a well-known local landmark, holds a key position on the Quayside next to the Tyne Bridge and has been the centre for many community-based events over the years. Gateshead Council gave planning authority for the project to go ahead in February 2014, and the design will not only bring the building up to date, but also more in line with the Council's plans and aspirations for the on-going re-development of the Quayside.

Externally, the work incorporates a new roof and cladding, which will enhance the appearance of the building, and internal refurbishments will provide state-of-the-art training facilities for the Royal Naval Reserves and Royal Marines Reserves on Tyneside to aid recruiting and reinforce their footprint across the North of England.

The contract for this prestigious project was awarded to Surgo Construction Ltd, one of the region's longest established building construction companies, and work on the project, which was designed by Dixon Dawson Architects, began in November 2014, and should be completed by October 2015.

### Consett Joint Cadet Centre

A new, combined centre for Army and RAF cadets was unveiled in Consett, Co Durham in May 2015. The Joint Cadet Centre, a one-storey new build in Parliament Street, is the first of its type in the region, providing first class cadet accommodation and facilities, and will be 'home' to Consett Detachment Durham ACF and 1409 (Consett) Squadron ATC. The centre was officially opened by Her Majesty's Lord-Lieutenant for Durham, Mrs Sue Snowdon, who unveiled a commemorative plaque before touring the facility, where she met cadets and adult instructors from both organisations, and was able to see some of the activities the cadets are involved in on a regular basis. The project was managed by the Estates Department of the North of England Reserve Forces' and Cadets' Association, and came in on budget and ahead of time!





## East Midlands RFCA

### West Bridgford Joint Cadet Centre Nottingham

A new Joint Cadet Centre on Wilford Lane, West Bridgford in Nottingham was officially opened by Sir John Peace, the Lord-Lieutenant of Nottinghamshire, in March 2015. The new centre, which replaces three old and dilapidated modular buildings, will be the home of 209 (West Bridgford) Squadron ATC and the West Bridgford Detachment of the ACF. The new centre is a prime example of how joint centres should be used to maximise the available space and enable the sharing of training facilities, while maintaining the independence of individual units. The ACF and ATC units at West Bridgford will share a training hall and modern IT equipped classrooms, while the units' command and administrative teams occupy their own offices at either end of the building.



## South East RFCA

Project: To adapt Rhymes House, a private dwelling, for an injured soldier in a sympathetic way based on the Occupational Therapist report. Main scope of Adaption works included;

Internally: New wet area for showering in the master en-suite; addition of grab rails to the ground floor WC; Change of flooring to make it accessible for wheelchair use; Widening of doors in the main circulation space of the property; Addition of butch bolts to existing doors; lowering of the electrical fuse board; addition of external lift.

Externally: Re-surface of drive way – making it wheelchair friendly; providing a ramp to the front door; addition of non-slip decking to rear patio area with ramps on to lawn; access to the garages.



## East Anglia RFCA

70 teenage air and army cadets from Leiston and surrounding areas – together with their adult instructors – were on parade recently for the official re-opening of their training centre by Deputy Lord-Lieutenant of Suffolk, Mr James Servaes DL.

The event provided opportunity for the young cadets to put on a superb demonstration of skills including computer based training, rifle drill, first aid, fieldcraft, camping and navigation, as well as static displays of model aircraft; a recruiting caravan and a refreshment stand which were all open to the public.

Renovation of the centre, which is jointly shared between Suffolk Army Cadet Force and 1379 (Leiston) Squadron, Air Training Corps, commenced in October 2014 and was completed in March this year. The project, which cost £250,000, was funded jointly by East Anglia Reserve Forces' & Cadets' Association and HQ Air Cadets, based at RAF Cranwell in Lincolnshire.



## The RFCA for Greater London

GL RFCA have been commissioned to carry out the conversion of Dutch barge called the Rat and Badger for an injured Marine in Hampton.

The initial briefing on the barge took place January 2014 involving both Marine Senior Officers and also Navy Senior Officers with marine engineering skills. Since there was not a straight line on the barge, a 3D survey was commissioned through BPR Architects Ltd who also carried out the re-fit design process, with cost consultancy carried out in-house by GL RFCA. Following interim uncertainty on the legal and ownership status of the mooring on the Thames, involving safe access to the Rat and Badger, competitive tenders were issued to boat builders, all involving the only dry dock on the tidal Thames capable of taking a vessel of this size. The Contract was let to Thames Voyages Ltd in February 2015.

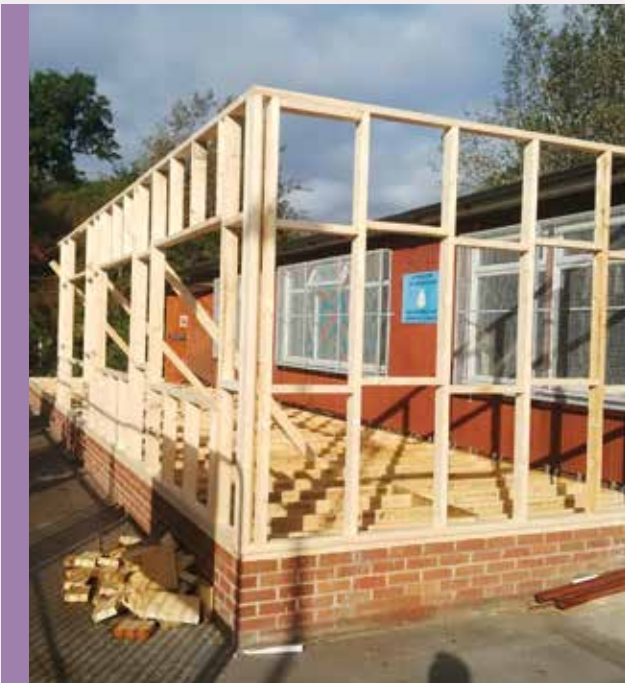
Because of the dry winter in the south, with the Thames at low water levels and a back log of bookings for the dry dock, the initial boat building/extension work was carried out April and early May 2015, and the barge is now moored back at Hampton for fire protection and insulation works, and then interior fit-out. Anticipated completion is end August 2015.



## RFCA for Wales

### 2416 (Newtown) Squadron ATC Extension and refurbishment

The existing 1975 'Spooner' modular building was in poor condition. Work started on site in late August 2014 to extend the unit to create two new lecture rooms and a model room. One existing external wall was removed, new trusses and roof installed. The floor and external walls were insulated and clad. New windows and sanitary ware installed and the unit was redecorated throughout. Heating costs have been substantially reduced. The building was handed over in January 2015. Footprint is now 180m<sup>2</sup> and contract cost was £153,705.



## Lowland RFCA

The new building for Royal Marines Reserve Scotland Edinburgh Detachment, complete with specialist rope training facilities, has been completed. It was officially opened by the Prime Minister, the Right Honorable David Cameron MP on 4 July.



## The Joint Cadet Centre in Johnstone

A new ground lease was agreed with Renfrewshire Council to enable the local Scout Group, Silver Band, ATC and ACF Units to come together on a joint site providing a hub for youth activities. The Band and Scouts have their own, self-contained buildings within the Lowland RFCA managed site.



## Northern Ireland RFCA

RFCA NI have just finished the first ISLA project to be carried out outside UK. A double story extension was provided to a small end of terrace house in Cobh, Co. Cork for a wheelchair bound soldier, who unfortunately is now invalided out of the Army. The work itself presented its own problems in that the planning and building control system in the Republic of Ireland (RoI) is different from Northern Ireland, so on that basis we decided it would be best to employ a local contractor familiar with the system. We were able to get some recommendations

through our QS who had contact with a Cork based firm of architects he was working with on another project and we obtained three competitive tenders. There is a degree of antipathy in Cork towards The Crown so at the start we were sensitive to security issues on behalf of our end user client and tried to keep a low profile and any mention of MOD out of conversations. The project, which included a ground floor fully wheelchair accessible bedroom with en-suite wet room and alterations to make the entire ground floor wheelchair accessible.



## Output Seven

### Employer Support and Engagement – National and Regional Delivery

In 2014-15 the MOD's plan to build a stronger, more mutually-beneficial relationship with employers moved from initial operating capability (IOC) in April 2014, to full operating capability (FOC) in 2015. FOC in the establishment of Defence Relationship Management (DRM) with the team located in Holderness House was substantially achieved in April 2015, with a focus to increase communications outputs by July 2015. Defence Relationship Management has a vision that Defence is seen as a trusted partner with employers on personnel issues. This will be delivered through three main business areas in the team: key account management, communications, and employer research and intelligence; and working closely with the RFCAs to provide regional representation it is anticipated that employer engagement will continue to flourish.

Other measures from the FR20 White Paper were also undertaken this year, including introduction of the Employer Recognition Scheme, and introduction of the Defence Reform Bill. In addition, DRM and the RFCAs took over delivery of the Corporate Covenant.

Key measures introduced in the Defence Reform Bill were:

Expanding the powers to call out the Reserve Forces.

Changing the name of the Territorial Army to Army Reserve, to better reflect the significant changes to its role and full integration.

Introducing new financial incentives for the employers of Reservists.

Providing Reservists with additional protection by direct access to an Employment Tribunal (exempt from the 2-year qualifying period), where they have been unfairly dismissed due to their Reserve service.

Multi-channel communications were used by DRM and the RFCAs to publicise these changes. The general freeze on using external agencies for marketing and advertising activities, without express permission from Cabinet Office Efficiency Reform Group (ERG), has remained in place but with a number of ERG submissions being accepted in order that DRM could better communicate with employers, including the provision of webinars, and overseas employer visits supported by REEDs and RSCDs.

### Employer Attitudes

The annual attitude and awareness survey was restarted (conducted in December 2013 and January 2014) and this allows us to have evidence-based assessment of the effectiveness of the SaBRE campaign. Despite challenging economic circumstances, business attitudes and supportiveness towards Reservists remain stable. The vast majority of employers surveyed via the Jigsaw independent research indicate that they continue to recognise the value Reservists offer to the workforce, with high percentages believing Reserve service benefits the development of employees, who gain valuable skills that could not be learned in their own jobs. There is a substantial difference between the attitudes of employers of Reservists and those who do not employ Reservists, with the latter group being less positive, indicating opportunities for 2015-16 in targeting those who do not currently employ Reservists for employer engagement activity. Target areas for improvement and focus of messaging include increasing the number of employers perceiving that Reservists provide more advantages than disadvantages, in order to increase the currently low numbers of employers who actively encourage their staff to become members of Reserve Forces. We must continue to take advantage of the opportunities offered by the increasing number of employers who offer advocacy, and target this commitment towards our key aims: raising awareness and commitment to the Corporate Covenant and for the Employer Recognition Scheme. Reaching 500 Corporate Covenant signings in March 2015 was seen as a significant achievement by the Government, and we will continue to invest significant effort in this initiative, in particular by aiming to work alongside businesses to create innovative and dynamic pledges that can be measured.

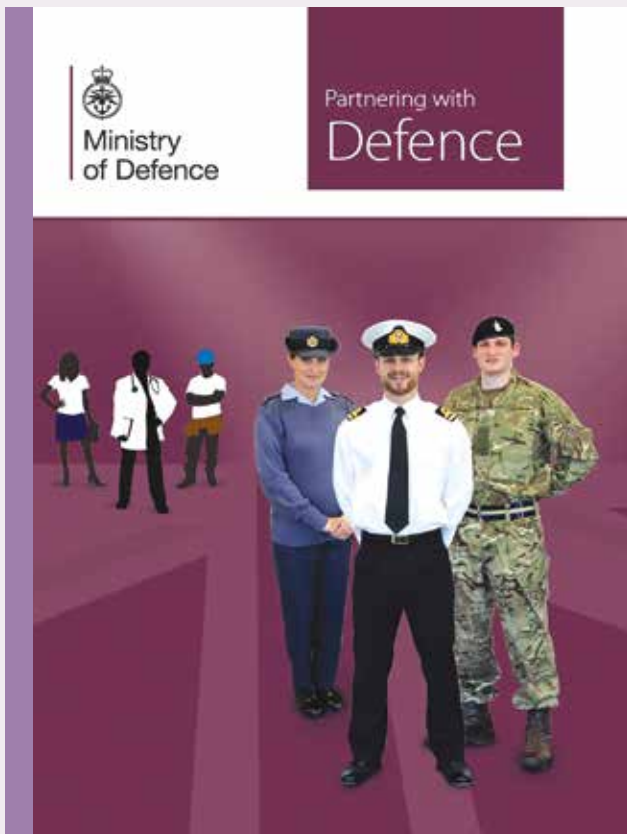
## Support and Engagement

The day-to-day business of the SaBRE campaign has continued, with delivery through various channels, both in a national and regional capacity through DRM and the RFCAs. The SaBRE helpline continues to operate with relevant information and advice being provided to employers, Reservists and the Chains of Command. Topics ranged from simple requests for factual advice to complex returning to work issues and financial queries. The SaBRE website continues to be an effective source of useful information and advice and plans are now afoot to migrate the content of the website to .Gov in line with Government policy on websites. Membership of SaBRE's social media channels (Facebook, LinkedIn and Twitter) continued to grow, joined by LinkedIn and Twitter Channels for DRM. All these channels have been used to share information and drive traffic both to the SaBRE website and to other useful sources of information including areas of new legislation. The DRM communications team produced a number of trade press articles and produced a new Icebreaker Leaflet entitled "Partnering with Defence" as well as refresh of the publication for employers on the employment of Reservists – 'Guide to Employing Reservists'.



Face to face communication with employers and the chains of command has continued to be provided in the regions through SaBRE's network of Regional Employer Engagement Directors (REEDs), who are embedded in the RFCAs throughout the UK. Their work ranges from briefing groups of employers to providing advice and support to the chain of command and the focus has shifted significantly in the past year to incorporate more employer engagement, and in particular delivery of the Corporate Covenant and Employer Recognition Scheme. The Army's requirement for increased employer engagement under Op FORTIFY has led to continued engagement with Regional Employer Engagement Teams (REETs), in particular with a focus on the use of employer data held on Salesforce to make approaches to employers for workplace engagement and recruiting events. The Army in particular has continued to invest in a high level of resource in their employer engagement activities.

REEDs and CEs continue to be represented at regional level in the Regional Employer Engagement Boards where many RFCAs continue to provide the Secretariat and where DRM is also represented. This has continued to raise awareness of RFCa and RSCD activity with internal stakeholders. The wider engagement by the RFCAs has remained at high tempo with advantage being taken of events sponsored by the individual Services together with more focused work with employer groups and professional bodies (IoD, Federation of Small Businesses (FSB), Chambers of Commerce, etc.). This has continued to provide valuable employer engagement opportunities. This engagement has been complimented by Lord-Lieutenants, Ministers and senior officers.





The new Employer Recognition Scheme (described in the FR20 White Paper) was introduced with the initial Gold Awards being celebrated at 10 Downing Street in July 2014. The list of employers including large businesses as well as SMEs, with representation from across the UK. Responsibility for the award of Silver awards for the scheme was directed to REEBs, with a number of innovative events for presentation across the regions including presentation at Army Reserve Centres and other prestigious locations such as Blenheim Palace and Edinburgh Castle.

### Employer Conference

A highly successful Partnering with Defence Conference was held in London in March 2015, with representation from Corporate Covenant signatories, including a keynote speech from CEO of Vodafone UK, Jeroen Hoencamp, and representation from Ministers and Senior Military Officers. The conference focused on advocacy with organisations sharing ideas and best practice, and valuable video clips and quotes were sourced at the conference for use in communications activities later in 2015.



### Employer Database

Salesforce continues to be accredited. We made commitments to invest in Salesforce in 2015 to streamline the appearance and usability, and to provide additional tools which will allow for more accurate targeting, follow up with employers, and provide additional reporting and insight capability. The system is well overdue an upgrade, and this, along with initial changes, was programmed for May 2015. The team also inputted into planned improvements for the Joint Personnel Administration (JPA) system which will take place in 2016.

### Conclusion

Employer Engagement has developed in line with the Defence Directive and Strategy, and the development of the Defence Relationship Management capability throughout the 14-15 period. Working alongside the REETs in the RFCA regions, and with DRM's liaison with the Joint Employer Engagement Coordination Cell (JEECC) there have been many successful workplace employer engagement events.

In November the Defence Relationship Management team and RFCAs took over responsibility for delivery of the Corporate Covenant. A number of high profile signings took place over the year, reaching 500 signings in March 2015.



Overall, the Employer Support effort mounted by the RFCAs and DRM's SaBRE campaign has helped to ensure that the great majority of Reservists are mobilised when required by Defence and employers continue to be broadly satisfied by the advice and support which they have received. This is supported by the Jigsaw research which was published in April 2015. The RFCAs and the SaBRE campaign continue to play a key role in maintaining and expanding the interface between Defence and employers and this year have played a key

role in communicating to employers on the Corporate Covenant. The overall campaign continues to be successful and over the year profile and awareness of RFCAs and the SaBRE campaign among the internal audience has also been enhanced by the increased focus upon employer engagement by the Army at the regional level. The REEGs, alongside RFCA representation in the REEBs will ensure that RFCAs continue to make a significant contribution in the regional employer engagement landscape. Key assets of the SaBRE campaign including the website and helpline continue to provide a high level of service in employer support, with planned migration of the website to .Gov in 2015. With the FR20 White Paper recognition that a pan-Defence framework for civilian employer engagement is required, and with the DRM capability now in place, the RFCAs remain committed to ensure their contribution assists in meeting success.

Key Successes:

The Defence Relationship Management capability was developed throughout 2014-15 with recruitment of staff across all three areas of the business, with substantial achievement of FOC in April 2015.

Largest event was the Partnering with Defence Conference held in March 2015. This event highlighted the achievements of both national and regional activities with the CEO of Vodafone being the keynote speaker.

Reaching 500 Corporate Covenant Signings in March 2015.

Bringing to life the Employer Recognition Scheme with Gold Awards in July 2014, and Silver Awards in Autumn 2014.

Regions playing an active role in REEBs and DRM representation at REEBs by new Armed Forces Liaison Officer.

New Partnering with Defence A5 Booklet was published to be used as a pan-Defence icebreaker for employer engagement. Annual attitude and awareness survey (Jigsaw) was conducted in December 2014/January 2015.

User needs analysis research was conducted in March 2015 to understand and therefore influence future communications activities.

# Chief Executive's Report

## Background

The Reserve Forces' and Cadets' Association (RFCA) is an organisation, which sits outside of the Chains of Command (an arm's length body), but fully supports them in their activities. It is classified as a Central Government non-trading Body with Crown status under the Reserve Forces Act 1996 Section 111 and Schedule 4. Currently there are 13 Regional RFCAs, whose boundaries are coterminous with those of the previous Regional Development Agencies (RDA) in England and their devolved equivalents. The CRFCA, which is based in London, acts as the co-ordinating Headquarters, through which all funding streams flow. RFCAs are a tri-Service organisation, funded by their customers, who are MOD (RF&C), the FLCs and DIO. They carry out specific tasks as agreed in their SLAs. The RFCAs work in close partnership with the Regional Point of Contact Brigades and single Service equivalents.

The RFCAs have five core tasks: Managing the VE, Providing Infrastructure Support (Facilities Management), Employer Support, Support to Recruiting and Cadets and Youth. They have an overarching task of Community Engagement, which is carried out through their extensive network of volunteer members, who, being based within the community, enable the RFCAs to reach into the community in a way that the Services and Chains of Command are unable to do. Increasingly there is an important welfare support task for our mobilised volunteer reservists and their dependents, as well as regulars. The RFCA organisation employs some 859 salaried Crown Servants regionally and 13 centrally. 551 of the regional staff support the ACF across the UK leaving 308 working in the Regional RFCA HQs and at the Council.

## Vision, Characteristics and Values

### The Vision

To be an enduring and essential pillar in the delivery of support for the well-being of the Reserves and Cadets and, through our effectiveness and our position in the regions, to be the independent body that represents their interests and promotes understanding between the Armed Forces and civil society.

### RFCA CHARACTERISTICS

#### (What defines us?)

We are a Central Government Body with Crown status, set up by statute.

We are a manifestation of the volunteer ethos.

Our voluntary membership brings with it an unparalleled breadth of expertise and experience.

We are tri-Service.

We are of the regions, operating throughout the United Kingdom.

We are a not-for-profit organisation.

We are demonstrable value for money.

### RFCA VALUES

#### (How we behave)

We promote the interests of the Armed Forces.

We champion the volunteer ethos both within and outside the Services.

We are apolitical.

Through our collegiate behaviour, we have national responsibility, influence and recognition, while being independent (from the MOD and the chains of command) and autonomous (from each other).

We support the work of third sector organisations which also contribute to the well-being of Service personnel and dependents, veterans and youth.

We supplement government funding through our income generation for our dependencies.

## RFCA USPs

### The Volunteer Estate. Stewardship:

The ability to safeguard a fit-for-purpose estate, optimised for ease of use by reserves and cadets, rationalised and progressively modernised to meet future challenges.

The ability to act as an intelligent customer on behalf of the FLCs and their R&C dependencies.

The ability to be an informed SME supplier for facilities management on non-complex but widely dispersed properties, drawing on a regional/local supply chain.

The ability to re-invest in maintenance of the VE (using income generated from it) and to rationalise and modernise it with receipts from 'RFCA title' disposals.

The ability to retain effective contacts with R&C constituencies through close RFCA VE management.

### Community Engagement. A network of networks:

The ability to engage collaboratively with Lieutenancies, local authorities, veteran, welfare, community, business, employer, education & youth organisations to foster support for Defence, as well as for R&C communities.

The specific ability to provide the beneficial, HR-related interface between employers and Defence requirements for reserves, cadets, veterans, recruiting, transition and other covenant opportunities.

The ability to leverage the Covenants to support the Firm Base and similar Service support frameworks.

The ability to engage on behalf of the Services and MOD, where defence traditionally finds it difficult to do so, drawing on informed analysis and using bespoke MIS.

The ability to develop strong relationships with non-service supporters, keeping them well-informed in order for the strongest to act as third party advocates.

The ability to sustain **enduring** relationships with these organisations, **nationally** and **regionally**.

The ability to call on pro bono support.

### Cadets and Youth. End-to-end support:

The ability to provide an integrated administrative and logistic support framework, through the use of RFCA professional cadet staff who are familiar with and capable of working within Service systems.

The ability to off-load most support tasks from the volunteer staff and adults, thereby increasing their ability to concentrate on delivering the cadet experience.

The ability to specialise and reduce risk in key areas of youth activity, such as provision of optimised estate and expertise in safeguarding.

The ability to generate income to fund non-core cadet activities, facilities improvement and volunteer recruiting.

The ability to act as a 'cadet conscience' at national and regional level.

## Post Balance Sheet Events

There were no post balance sheet events.

## Financial Performance

The total expenditure for the year ended 31 March 2015 was £141.2m, up 9% from the previous FY. Funding income totalled £133.7m and RGI totalled £12.8m which resulted in an excess of income over expenditure of £5.3m.

Of the £141.2m spend, 35% (£49.9m) was spent on the reserves estate and infrastructure, 31% (£44.3m) was spent on the cadets estate and infrastructure, 20% (£29.1m) was spent on support towards the ACF, Army Reserve, RAuxAF and ISLA, 3% (£3.6m) was spent on employer support and engagement, 4% (£5.4m) was spent on estates delivery overheads and the remaining 7% (£9.7m) was spent on RFCAs' overheads.

Administration, staff costs and soft FM infrastructure saw slight rises in accordance with inflation, however savings were made in the IT and transport areas.

Property management expenditure decreased further (FY14/15 saw a decrease of 16% from the previous FY) by 10% due to a marked decrease in funding of £2.2m. Revenue and Capital projects did however rise by 53% due to significant increases in funding for and injection for Betterment and cadet armouries works. Estate funding was again supplemented in-year by RGI, to the sum of £5.5m (£3.3m revenue and £2.2m capital).

RGI was also used in year to supplement recruiting/engagement funding (£0.8m), Reserve and Cadet grants (£0.6m), administration (£0.3m), vehicle replacement funding (£0.05m) and sub-letting costs (£1.3m).

Further details of the outputs delivered within this expenditure can be found under FY2014/15 achievements.

## Result for the Year

These are fully described under Financial Performance and the annual accounts.

## Financial Risks and Uncertainties

During FY2014/15 we continued to manage a formal risk management process with mitigation planning. This was important since we again faced many in-year risks. The DIO maintenance funding for the year was cut by £2m from last FY (12%) which amounts to almost £12.5m from FY2010/11 (45%). Additionally we faced risk within the DIO Infrastructure budgets which were bought out by internal transfers and an uplift in funding.

Risk management and management of the mitigation plan were staffed mainly through the quarterly Finance Review Meetings and Executive Board and Board meetings. The Corporate Risk Register continued to provide the basis for discussion with our Stakeholders and the annual Customer Board.

The financial risks facing FY2015/16 onwards are far greater and continued reduced funding by DIO of the VE maintenance budget (reducing from £27.7m in 2010 to £15.2m this year) increases future risk arising from a bow wave of repair bills in the years ahead. All of these risks will be closely monitored throughout the year using the processes shown within the Statement of Internal Control. Finally, wider uncertainty lies in the outcomes of FR20 restructuring and the on-going need for broader Departmental savings.

## Corporate Governance

The CRFCA complies with the relevant requirements of HM Treasury guidance relating to corporate governance.

## Pension Arrangements

These are covered in the Remuneration Report.

## Staff Involvement

Employees are kept informed of all relevant matters through the national and regional Boards (Customer Board, Executive Boards, Finance Review Meetings, and Working Groups), the Pay and Personnel Committee, the Intranet and Defence Internal Briefs. The adoption of SharePoint as our collaborative working environment within PH2 also assists in keeping staff informed at all levels.

Employees are represented by the Trade Unions (membership of which is voluntary), who are involved with negotiations including the Terms and Conditions of employment.

## Sickness Absence

During the year the days lost through long term sickness were 4,537 days and short term sickness were 1,874 days being the equivalent of 7.3 days per employee. In comparison with national average within the public sector, the RFCA sickness absence rate is 2.8% days lost as opposed to 2.9% (2013 statistic) nationally.

## Personal Data Related Incidents and Other Losses

In common with other government and public bodies, MOD agencies are now required to set out in their accounts a summary of any losses (or unauthorised disclosures, or insecure disposals) of protected personal data. This year the CRFCA can report no such personal data related incidents.

## Auditors

The accounts of the RFCAs are individually, externally audited being free from material misstatement, fraud or error. The accounts are consolidated by MacIntyre Hudson LLP (CRFCAs external auditors).

The consolidation auditors MacIntyre Hudson received no remuneration during the year for the provision of non-audit services. As far as I am aware, there is no relevant audit information of which the RFCA's auditors are unaware; I have taken all necessary steps to make myself aware of any relevant audit information and to establish that the CRFCA's auditors are aware of that information.

## Disclosure of Relevant Audit Information

As Accounting Officer, I have taken all the steps that ought to have been taken to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.

# Remuneration Report

## Remuneration Policy

In the absence of a remuneration committee, the salary and pension entitlements of the senior members of the RFCAs are determined by analogy with MOD Civil Service and Senior Civil Service Salaries.

## Salary

'Annual Emoluments' include gross salary; 6% NPA; bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation.

## Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

## Pension

Pension benefits are provided through the Council of RFCA Pension Scheme. This is a defined benefits 'final salary' scheme. Pensions payable are increased annually in line with changes in the Consumer Price Index (CPI) as defined by the Pension (Increase) Act 1971. There is a 13% contribution paid by the employer into the pension scheme on behalf of members as well as employee contributions set at the rate of 5% of pensionable earnings. Benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service; members may opt to give up (commute) pension for a lump sum up to the limits set by scheme rules, currently a maximum of 2.5% of the value of benefits. Employees also benefit from a payment of twice pensionable salary to cover death in service. There is no compensation for early retirement due to ill health; however pension payable from early retirement due to ill health is included within the Pension Scheme's liabilities. The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Normal retirement age for the Scheme is 60.

## Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the RFCA pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## Real Increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

## Salaries and Pension Entitlements

The salary and pension entitlements of the most senior members of the RFCA's are shown below.

	<b>Annual Emoluments:</b> Salary and allowances --- Performance Pay/Bonuses	<b>Non-cash benefits:</b> Benefits in kind e.g. Company car	<b>Real increase in Pension and related lump sum at age 60:</b>	<b>Value of accrued Pension and lump sum at age 60 at the end of the reporting year:</b>	<b>Value of the cash equivalent transfer value at the beginning of the reporting year:</b>	<b>Real increase in the cash equivalent transfer value during the year:</b>	<b>Value of the cash equivalent transfer value at the end of the reporting year:</b>
<b>Chief Executives:</b>	FY2014/15 (£'000)	FY2014/15 (£'000)	FY2014/15 (£'000)	FY2014/15 (£'000)	FY2014/15 (£'000)	FY2014/15 (£'000)	FY2014/15 (£'000)
AVM P D Luker CB OBE AFC DL Council of RFCA's Appointed: 05/04/2006	90 - 95 - 0 - 5	6.9	-	N/A	N/A	N/A	N/A
Col (Retd) A K M Miller CBE Highland RFCA Appointed: 28/05/2007	60 - 65 - 0 - 5	5.0	-	20 - 25 (at age 65)	105	15	120
Col R D Gibson OBE Lowland RFCA Appointed: 20/09/2004	60 - 65 - 0 - 5	2.5	-	25 - 30	160	20	180
Col J R M Hackett CBE North of England RFCA Appointed: 21/08/2006	50 - 55 - 0 - 5	4.1	-	20 - 25 (at age 66)	112	13	126
Col (Retd) C E M Snagge Yorkshire & The Humber RFCA Appointed: 30/09/2009	55 - 60 - 0 - 5	4.8	-	20 - 25 (at age 64)	125	18	144
Col M C H Underhill OBE North West of England & Isle of Man RFCA Appointed: 08/04/2013	65 - 70 - 0 - 5	3.4	-	10 - 15	14	16	30
Col N R Beard TD Wales RFCA Appointed: 09/09/2002	60 - 65 - 0 - 5	5.0	-	35 - 40 (at age 63)	189	14	203



## Salaries and Pension Entitlements

The salary and pension entitlements of the most senior members of the RFCAs are shown below.

	<b>Annual Emoluments:</b> Salary and allowances --- Performance Pay/Bonuses	<b>Non-cash benefits:</b> Benefits in kind e.g. Company car	<b>Real increase in Pension and related lump sum at age 60:</b>	<b>Value of accrued Pension and lump sum at age 60 at the end of the reporting year:</b>	<b>Value of the cash equivalent transfer value at the beginning of the reporting year:</b>	<b>Real increase in the cash equivalent transfer value during the year:</b>	<b>Value of the cash equivalent transfer value at the end of the reporting year:</b>
<b>Chief Executives:</b>	FY2014/15 (£'000)	FY2014/15 (£'000)	FY2014/15 (£'000)	FY2014/15 (£'000)	FY2014/15 (£'000)	FY2014/15 (£'000)	FY2014/15 (£'000)
Col T F L Weeks OBE West Midland RFCA Appointed: 09/08/2004	55 - 60 - 0 - 5	3.7	-	25 - 30 (at age 64)	149	14	163
Gp Capt N D Sharpe East Midland RFCA Appointed: 01/08/2011	55 - 60 - 0 - 5	3.2	-	20 - 25	38	17	55
Brig T Dalby-Welsh Wessex RFCA Appointed: 28/04/2003	55 - 60 - 0 - 5	5.9	-	30 - 35 (at age 68)	159	12	171
Col J D Lacey CBE DL East Anglia RFCA Appointed: 23/04/2003	55 - 60 - 0 - 5	3.5	-	30 - 35 (at age 67)	164	12	177
Col H M Purcell OBE DL Greater London RFCA Appointed: 01/09/2009	65 - 70 - 0 - 5	-	-	20 - 25 (at age 63)	98	17	115
Col P T Crowley South East RFCA Appointed: 01/02/2014	60 - 65 - 0 - 5	3.6	-	5 - 10	2	15	17
Col J W Rollins MBE Northern Ireland RFCA Appointed: 14/03/2010	65 - 70 - 0 - 5	5.4	-	15 - 20 (at the age 61)	65	17	82

The ratio between the banded remuneration of the highest paid Chief Executive and the median remuneration of the RFCAs staff (£26k) was 1.85. This was due to a large proportion of the work force being of Grade E1 and the Chief Executive being on Senior Civil Service Scale.

## Disclosure of exit packages

The following table details the number and cost of exit packages for the RFCAs. This includes payments under the Civil Service Compensation Scheme (CSCS), payments under any other compensation schemes where applicable and any other payments made (special severance payments).

Exit Package Cost Band	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total Number of Exit Packages by Cost Band	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
<£10,000	-	1	-	2	-	3
£10,000 - £25,000	-	-	-	3	-	3
£25,000 - £50,000	-	-	-	-	-	-
£50,000 - £100,000	-	-	-	-	-	-
£100,000 - £150,000	-	-	-	-	-	-
£150,000 - £200,000	-	-	-	-	-	-
<b>Total Number of Exit Packages</b>	-	-	-	-	-	-
	£000	£000	£000	£000	£000	£000
Total Resource Cost	-	3.5	-	49.9	-	53.4



## Statement of Chief Executive's Responsibilities

### Extract from the Financial Framework

6. Responsibilities of the Chief Executive as RFCA Accounting Officer General
- 6.1 The Chief Executive (CE CRFCA) as Accounting Officer (AO) is personally responsible for safeguarding the public funds for which he or she has charge; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of the CRFCA and RFCAs. In addition, he or she should ensure that the CRFCA and RFCAs as a whole are run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 to Managing Public Money.
- 6.2 General responsibility of the RFCAs' grant in aid income rests with, and will be exercised by, the CRFCA Board. Whilst general responsibility for the management of the RFCAs' funds rests with and will be exercised by the CRFCA Board, personal accountability rests with the CE CRFCA, in accordance with his/her letter of appointment and terms of reference. The Chairman CRFCA Board and its members share with Association Boards corporate responsibilities, and in particular ensuring that the RFCAs fulfil the aims and objectives set by the SofS.

### Responsibilities for accounting to Parliament

- 6.3 The accountabilities under this financial framework include:

Signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State;

Signing a Statement of the Accounting Officer's responsibilities, for inclusion in the annual report and accounts;

Signing a Statement on Internal Control regarding the system of internal control, for inclusion in the annual report and accounts;

Ensuring that effective procedures for handling complaints about the CRFCA and RFCAs are established and made widely known within the CRFCA and RFCAs;

Acting in accordance with the terms of the Financial Framework, Managing Public Money and other instructions and guidance issued from time to time by the MOD, the Treasury and the Cabinet Office;

Giving evidence, normally with the Accounting Officer of the MOD, when summoned before the Public Accounts Committee (PAC) on the CRFCA's and RFCAs' stewardship of public funds.

## Responsibilities to the MOD

6.4 Particular responsibilities to MOD (ACDS R&C) as Chairman of the Stakeholders Board and by CS Res LF include:

Establishing, in agreement with MOD, the CRFCA's and RFCAs' corporate and business plans in the light of the MOD's wider strategic aims and current PSA(s), in accordance with Part 3 of the RFCAs Regulations;

Informing the department of progress in helping to achieve the department's policy objectives and in demonstrating how resources are being used to achieve those objectives; and

Ensuring that timely forecasts and monitoring information on performance and finance are provided to MOD; that MOD is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the department in a timely fashion.

## Responsibilities to the CRFCA

6.5 CE CRFCA is responsible, through the CRFCA Board, for:

Advising the CRFCA on the discharge of the RFCAs' responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time;

Advising the CRFCA on the RFCAs' performance compared with its aim(s) and objective(s);

Ensuring that financial considerations are taken fully into account by the CRFCA at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed;

Taking action as set out in paragraphs 3.8.5 of Managing Public Money if the CRFCA Board, or its Chairman, is contemplating a course of action involving a transaction which the CE CRFCA considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, questionable feasibility, or is unethical.

## Statement of Internal Control

### The Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the CRFCA policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

The CRFCA corporate governance arrangements benefit from active involvement with a number of individuals and bodies who have the knowledge and expertise to aid me in properly discharging my role as Accounting Officer.

The Audit Risk and Assurance Committee supported by the Defence Internal Audit.

Strategic and in-year guidance and support through Board meetings, P&P Directives, Executive Board meetings and Stakeholders.

The CRFCA Board, Annual Plan, Customer Board, and Stakeholders offer me direction and assistance and advice, as follows: Governance, Transparency of Spending, Financial and Requirement Scrutiny, Best Practice Guidance.

The CRFCA auditors MacIntyre Hudson and the National Audit Office provide support on audit matters, work plans and financial and risk items and Geldards LLP provide employment legal advice.

### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The CRFCA system of internal control is based on a process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the CRFCA during the financial year and up to the date of approval of the RFCA's accounts, and accords with Treasury guidance.

## Capacity to Handle Risk

Risk management has been built into the corporate planning and programme management systems. The CRFCA fully recognises the principles for public risk management. Executive Directors within the CRFCA undertake development and maintenance of the system. In particular it includes:

Comprehensive budgeting systems with an annual budget which is agreed as part of CRFCA's resource allocation process;

Regular reviews by the CRFCA Board of periodic and annual financial reports which indicate financial performance against the forecasts;

Setting targets to measure financial and other performance;

Clearly defined capital investment control guidelines;

Formal project management disciplines;

Regular reviews of the CRFCA key risks and actions being taken to minimise the effects of these risks.

Additionally, CRFCA ensures RFCAs are kept up to date of risk and that RFCAs report risk to CRFCA by:

Regular Finance Review Meetings, Estates Meetings, Executive Board Meetings.

Training direction – Information Risk Awareness Training, Fraud Awareness.

## The Risk and Control Framework

The following governance processes continued to exist during FY2014/15:

The CRFCA has in place a management risk register which is reviewed quarterly by the CRFCA Board. This provides the CRFCA with the ability to identify new or emerging risks and, where possible, agree and put in place risk mitigation actions. The enhanced risk register template is now standard across all RFCAs.

The biggest challenge for the CRFCA both in year and over the coming year has been and will be managing efficiency measures and reducing budgets. Mitigation planning is therefore difficult and risk can often only be passed back to the Stakeholders.

CRFCA risk is promulgated up the Chain of Command to the relevant Stakeholders via regular in-year meetings, ABC screenings and half yearly Army HQ Performance and Risk returns.

Key to this process is the engagement of our TLB customers in order to understand the potential impacts of risks as they emerge.

## Audit Risk and Assurance Committee Report on Governance and Structural Issues

The Audit Risk and Assurance Committee (ARAC) have reviewed each individual Association's Management Letter and the responses to such letters.

They have reviewed the recommendations contained in the internal audits carried out during the year on the preparedness of the RFCA to withstand Fraud and Loss and are able to report that "there are a number of good practice measures that are being utilised across the Associations and no systematic control failures were identified". Two observations were made regarding Risk Registers and Policy: both of which have been addressed through management action.

They do not believe that during the financial year 2014/2015 there were any governance or control issues that needed to be addressed by the Board. A three year strategic internal audit plan has been put in place.

## Issues Raised During Audits

A number of minor regional auditor recommendations have resulted in action that the RFCAs and CRFCA are taking forward.

The only recurring comment throughout some RFCA auditors' reports (which was reported in previous FYs) was as follows (taken from the comments made by the Highland and Lowland auditors):

Whilst we appreciate that a decision has been made to fund principally essential maintenance, we highlight that this could have a detrimental effect on future financial returns if this results in a back log of repair work being required for the Association's estates.



## Related Parties Disclosure

During the year the RFCAs had a significant number of various material transactions with related parties directly, or indirectly through the Council of RFCAs and/or Chain of Command. These related parties were:

- MOD
- HQ Army
- Spt Comd
- RF&C
- HQ AC
- Defence Infrastructure Organisation
- RAF/RAuxAF
- HQ Navy Command
- Regional Brigades
- RFCA Pension Scheme
- Department for Education
- Youth United
- Recruiting Group
- Charities including; SSAFA, Help for Heroes, FELIX Fund

In addition, the RFCAs had a small number of transactions with other government departments and other central government bodies. Most of these transactions have been with the HMRC in respect of income tax, NIC and CIS tax, local authorities in respect of non-domestic rates, the Department of Environment for NI, Department of Valuation and Lands, the Land Registry, the SPVA and CVQO.

During the year East Midlands RFCA entered into material transactions with Leicester Furnishers Limited, owned by the RFCA Chairman. The regional auditors investigated these and deemed the contracts were awarded following due process which involved sealed bids.

## Assurance Documents

The CRFCA and RFCAs comply with the following general guidance documents and instructions:

### MOD Documents

RFCAs Regulations;
The Financial Framework;
Appropriate adaptations of Sections of Corporate Governance in Central Government Departments: Code of Good Practice available on the Treasury website;
Joint Service Publications, specific instructions and guidance issued by the MOD. In particular;
JSP 462 Financial Management Policy Manual
JSP 472 Resource Accounting Policy Manual
JSP 525 Corporate Governance
Commercial Ways of Working;
Spec 024;
DE Spec 005;
Service Specification;
Service Level Agreements;
CE CRFCA Letter of Delegation;
Other relevant instructions and guidance issued by the central Departments (e.g. Selling into Wider Markets (the MOD guide to Income Generation)).

### Government/Treasury Documents

Reserve Forces Act 1996 (RFA 96);
Managing Public Money;
Relevant Dear Accounting Officer letters;
Government Internal Audit Standards;
Management of Risk - Principles and Concepts;
Managing the Risk of Fraud;
Government Financial Reporting Manual (FRM);
Government Resource and Accounts Act 2000;
Regularity, Propriety and Value for Money;
The Parliamentary Ombudsman's Principles of Good Administration;
Relevant guidance and instructions issued by the Department of Constitutional Affairs on the Freedom of Information Act;
Model Code for Staff of Executive Non-departmental Public Bodies;
Other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts;
Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the NDPB.

## Internal

Internal Letters of Delegation;
The RFCA H&S Safety Management System (SMS) incorporating: the CRFCA H&S Policy, the RFCA H&S Policy and the RFCA H&S Manual;
Environmental Management System Ch1 and Ch2;
Register of H&S legislation;
Induction and Awareness Training;
Document Management System (Draft – to be issued in 2015/16);
RFCA Standing Administration Instructions;
RFCA Finance Standing Instructions;
WMI Guidance;
SYMPHONY SOP, Instructions and Permission & Access Matrix.

### Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Directors within the CRFCA who have responsibility for the development and maintenance of the internal control framework and comments made by the Audit Risk and Assurance Committee, external auditors MacIntyre Hudson LLP, National Audit Office, Defence Internal Auditors and DIO Compliance Auditors, in their management letters and other reports.

I have received signed Statements of Internal Controls from all individual accounts that make up the consolidated account for FY2014/15.

A plan is in force to continually review the effectiveness of the system of internal control and as a result address weaknesses and ensure continuous improvement of the system. This includes the recommendations arising from the work of the CRFCA Audit Risk and Assurance Committee, external audit comments and observations, risk management training, a training needs analysis and direction from the Army HQ Performance and Risk Management Committee.



**AVM P D Luker CB OBE AFC DL**

Chief Executive and Accounting Officer



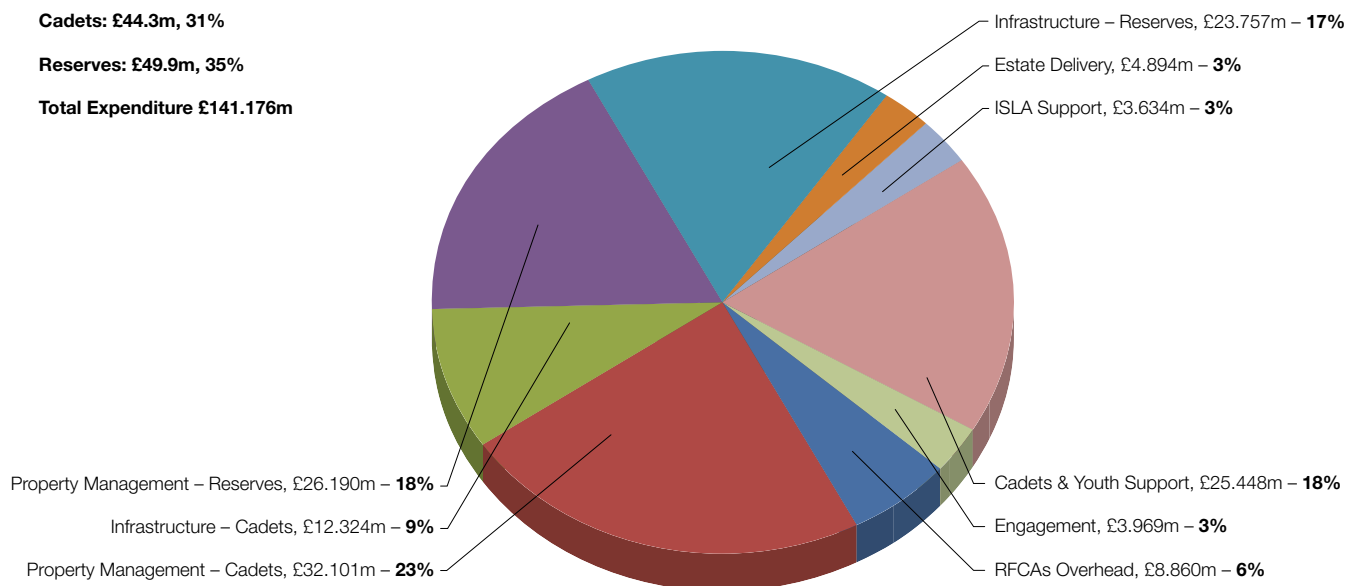
## FY2014/15 Accounts Consolidated Expenditure of RFCAs

2014/2015 Consolidated Expenditure of RFCAs for Year Ended 31 March 2015  
(including Funded Outputs and expenditure from RGI)

**Cadets: £44.3m, 31%**

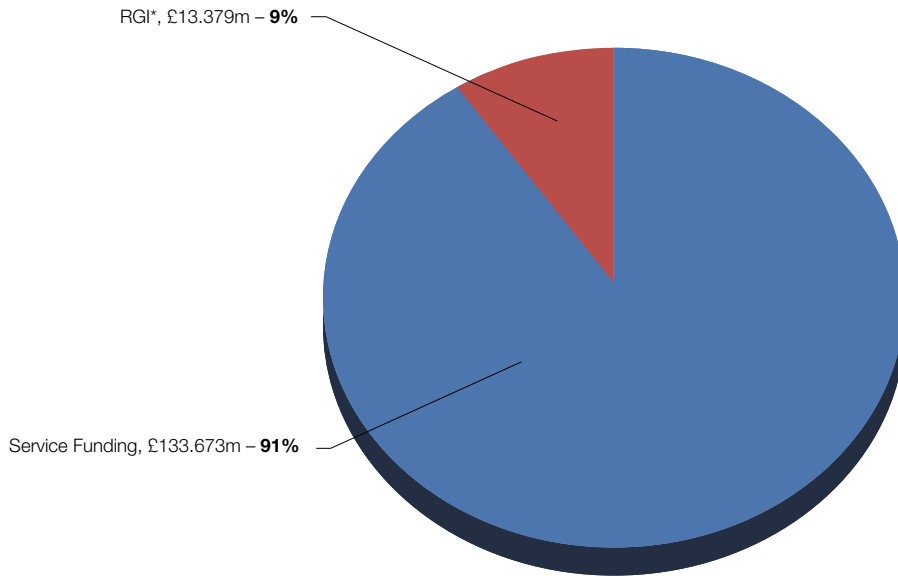
**Reserves: £49.9m, 35%**

**Total Expenditure £141.176m**

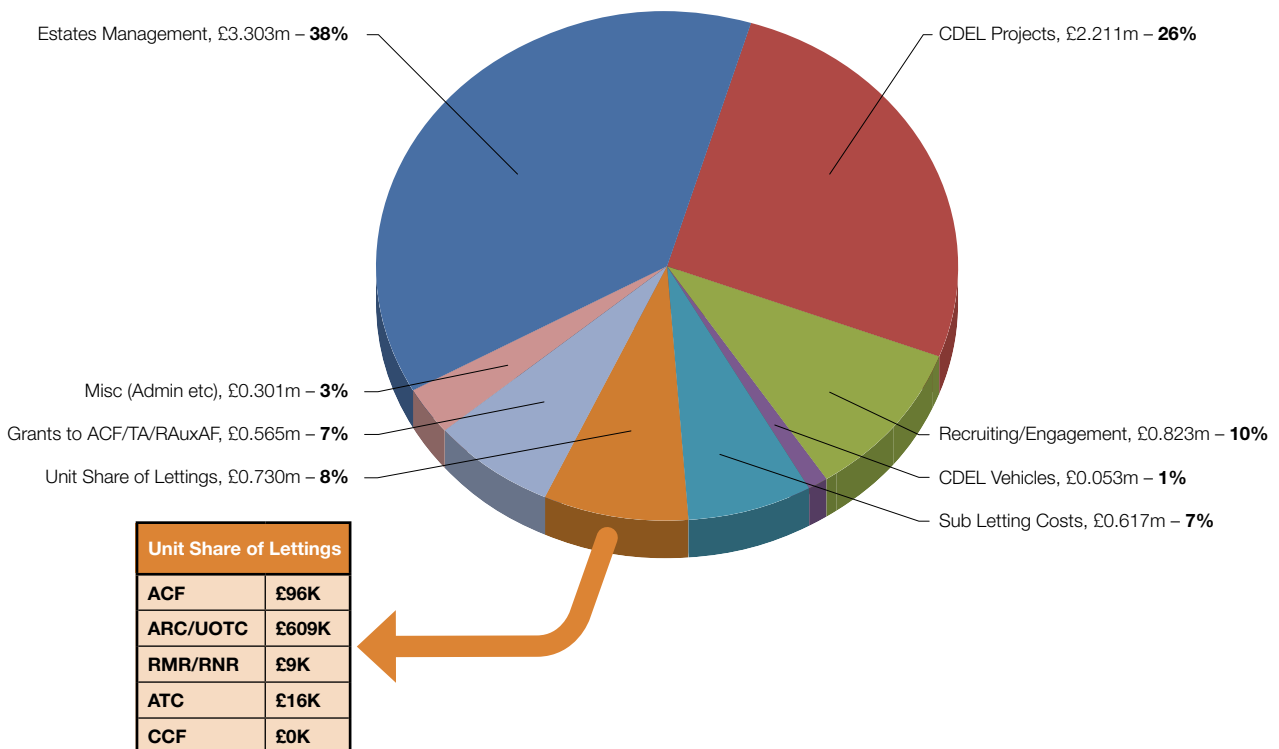


Graph Expenditure Area,	What this covers in the Accounts
Property Management Reserves	The Estates Management and Capital Expenditure costs (Hard FM) attributed to the Reserves Volunteer Estate.
Infrastructure Reserves	The Infrastructure costs (Soft FM) attributed to the Reserves Volunteer Estate.
Property Management Cadets	The Estates Management and Capital Expenditure costs (Hard FM) attributed to the Cadets Volunteer Estate.
Infrastructure Cadets	The Infrastructure costs (Soft FM) attributed to the Cadets Volunteer Estate.
ISLA Support	The project costs of works on injured servicemen's living accommodation (detailed in the account as Payments to Welfare Association).
Estates Delivery	The Staff, Administration, IT & Comms, Transport & Movement and HR Support costs related to the delivery of the above five Estates related delivery areas.
Cadets & Youth	The Staff, Administration, IT & Comms and Transport & Movement costs of ACF support staff along with the ACF Consolidated & Travel grant, Band grant, RAuxAF Admin & PR grant and Recruiting Support expenditure.
Engagement	The Staff, Administration, IT & Comms, Transport & Movement and HR Support costs related to the delivery of Employer Support activities along with the costs of these Employer Support (SaBRE) activities.
RFCAs Overhead	The Staff, Administration, IT & Comms, Transport & Movement and HR Support costs related to the delivery of RFCAs outputs (including the admin costs of CRFCA - CRFCA Payment) along with the Hard and Soft FM costs of RFCAs offices/buildings.

### 2014/2015 Income Breakdown



### 2014/15 RGI Spend Breakdown



\*Note: RGI figures have been adjusted to take into account actual vehicle sales rather than the gains and losses as recognised in the accounts.



FY2014/15 Accounts

Consolidated Financial Statements  
for the year ended March 2015

**RESERVE FORCES' AND CADETS' ASSOCIATION**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**Contents**

	Page
Information	1
Chartered Accountants' Report	2 to 3
Chairman and Chief Executive's Report	4
Consolidated Income and Expenditure Account	5 to 7
Consolidated Balance sheet	8
Notes to the Consolidated Accounts	9 to 17



# RESERVE FORCES' AND CADETS' ASSOCIATION

## CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2015

#### Information

##### Association Headquarters

Council of RFCA  
Holderness House  
51-61 Clifton Street  
London  
EC2A 4EY

##### Bankers

Lloyds Bank TSB  
Cox's & King's  
PO Box 1190  
7 Pall Mall  
London  
SW1Y 5NA

##### Chartered Accountants

MHA MacIntyre Hudson  
New Bridge Street House  
30-34 New Bridge Street  
London  
EC4V 6BJ

##### Top Level Budget Holders

HQ Support Command  
Steele's Road  
Aldershot  
Hants  
GU11 2DP

## RESERVE FORCES' AND CADETS' ASSOCIATION

### FOR THE YEAR ENDED 31 MARCH 2015

#### REPORT OF FACTUAL FINDINGS TO THE COUNCIL OF RFCAs BOARD

We have performed the procedures agreed with you and enumerated below with respect to the consolidated accounts of Reserve Forces' and Cadets Associations for the year ended 31 March 2015. Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in evaluating the validity of consolidated accounts of Reserve Forces' and Cadets Associations for the year ended 31 March 2015, and are summarized as follows:

1. Obtain the audited accounts and agree the accurate inclusion within the consolidation workings of the following:
  - RFCA Highland
  - RFCA Lowland
  - RFCA North of England
  - RFCA Yorkshire and the Humber
  - RFCA North West of England & Isle of Man
  - RFCA Wales
  - RFCA West Midlands
  - RFCA East Midlands
  - RFCA Wessex
  - RFCA East Anglia
  - RFCA Greater London
  - RFCA South East
  - RFCA Northern Ireland
2. Agree the mathematical accuracy of consolidation calculations.
3. Agree the accuracy of the consolidation accounts from the underlying calculations.

We report our findings below:

1. With respect to item 1, all listed entities audited accounts recorded above were accurately included with the consolidation workings.
2. With respect to item 2, consolidation calculations were mathematically accurate.
3. With respect to item 3, consolidated accounts were accurately prepared from underlying calculations.

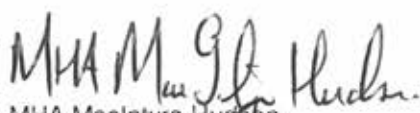
Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the consolidated accounts of Reserve Forces' and Cadets Associations for the year ended 31 March 2015. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

RESERVE FORCES' AND CADETS' ASSOCIATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the consolidation process as specified above.



MHA MacIntyre Hudson  
Chartered Accountants  
New Bridge Street House  
30-34 New Bridge Street  
London  
EC4V 6BJ

Date 31 July 2015 .....

**RESERVE FORCES' AND CADETS' ASSOCIATION**  
**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2015**

			2015		2014
	Note	£	£	£	£
<b><u>INCOME</u></b>					
Funding via Council of RFCAs	2	133,667,165		122,252,565	
Funding received direct from funders	2	5,402		175,266	
Receipts generated by the RFCA	2	<u>12,793,603</u>		<u>7,785,872</u>	
<b>Total Income</b>			146,466,170		130,213,703
<b><u>EXPENDITURE</u></b>					
<b>ESTATES MANAGEMENT</b>					
Statutory & Mandatory		7,395,055		8,269,262	
Planned Maintenance		1,202,092		2,010,101	
Reactive Maintenance		8,760,686		8,508,950	
Incidental Work		146,807		84,461	
Life Cycle Replacement		315,095		215,561	
Condition Grade Improvement		4,334,231		5,302,123	
Injections / Projects RDEL and MNW		13,002,653		10,315,436	
Works in Aid of Disposal		145,681		29,519	
Prof Fees/Ext Assistance		<u>248,520</u>		<u>258,349</u>	
Sub Total			35,550,820		34,993,762
<b>CAPITAL EXPENDITURE</b>					
Land & Buildings		3,178,339		4,208,392	
Assets in the Course of Construction		<u>19,707,081</u>		<u>8,949,755</u>	
Sub Total			22,885,420		13,158,147
<b>STAFF COSTS</b>					
	3				
LE NI Civ Staff Pay		21,931,574		21,260,691	
UK NI Civ ERNIC		1,655,588		1,621,504	
LE Civ Ind Staff Pay		915,894		937,056	
UK Ind Civ ERNIC		43,692		44,914	
Non PCSPS Pens Payments		2,657,378		2,486,343	
Redundancy Payment		<u>1,392</u>		<u>8,517</u>	
Sub Total			27,205,518		26,359,025

RESERVE FORCES' AND CADETS' ASSOCIATION

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

	2015	2014
£	£	£
<b>INFRASTRUCTURE</b>		
Heating Oil	281,546	379,856
Gas	5,078,392	5,500,034
Electricity	6,928,245	7,986,591
Water & Sewage	50,819	48,369
Estate & FMS Accom Stores	1,361,118	1,198,089
Energy Cons & Env Chge	2,299,515	1,902,689
Rates/NDR	16,345,579	15,402,203
Sub -Letting Costs	1,154,634	876,502
Rents/Leases/Alarms/Lettings	<u>3,267,779</u>	<u>3,220,080</u>
Sub Total	36,767,627	36,514,413
<b>IT &amp; COMMS</b>		
IT Minor Equipment HW/SW	522,182	736,399
IT Maintenance Services & Contracts	1,970,702	2,269,808
Line & Tel Rental	<u>409,978</u>	<u>310,530</u>
Sub Total	2,902,862	3,316,737
<b>TRANSPORT &amp; MOVEMENT</b>		
Lease of Vehicles	126,130	117,901
Vehicle Maint	181,355	191,574
Fuel (Non Utilities)	74,756	79,914
Depreciation	2,025,313	2,085,388
Loss on sale of vehicles	<u>90,434</u>	<u>75,825</u>
Sub Total	2,497,988	2,550,602
<b>RECRUITING SUPPORT</b>		
Employer Support (SaBRE)	868,600	875,190
Recruiting Support	<u>1,090,946</u>	<u>1,133,765</u>
Sub Total	1,959,546	2,008,955
<b>GRANTS</b>		
CRFCA Payment	883,845	850,815
Payments to welfare association	3,634,149	3,636,552
ACF Travel & Consolidated Grants	3,139,991	3,027,626
TA Establishment & Band Grant	379,306	333,915
RAuxAF Admin & PR	<u>35,367</u>	<u>40,644</u>
Sub Total	8,072,658	7,889,552

RESERVE FORCES' AND CADETS' ASSOCIATION

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

	2015	2014
£	£	£
<b>ADMINISTRATION</b>		
Office/General Administration	1,747,747	1,614,689
Education/Training	80,873	61,415
Professional Fees	566,083	461,585
Legal Costs	18,419	54,035
Insurance	97,459	91,662
Travel & Subsistence	580,335	560,250
Entertainment	-	-
Sub Total	3,090,916	2,843,636
<b>HR SUPPORT</b>		
HR & Recruiting - Civilian Assoc Staff	243,074	119,321
	243,074	119,321
<b>Total Expenditure</b>	<u>141,176,429</u>	<u>129,754,150</u>
<b>Excess income for the year</b>	<u>5,289,741</u>	<u>459,553</u>

**RESERVE FORCES' AND CADETS' ASSOCIATION**

**CONSOLIDATED BALANCE SHEET**

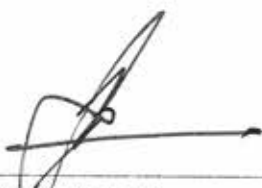
**AS AT 31 MARCH 2015**

		2015	2014
		£	£
<b>FIXED ASSETS</b>			
Motor vehicles	5	8,558,639	7,991,182
<b>CURRENT ASSETS</b>			
Bank	6	46,770,729	43,779,212
Petty Cash		9,580	10,831
Sundry Debtors	7	3,434,923	777,209
Prepayments & Accrued Income	7	<u>2,031,563</u>	<u>2,655,050</u>
		52,246,795	47,222,302
<b>CURRENT LIABILITIES</b>			
Sundry Creditors	8	2,114,756	1,666,824
Accruals/Deferred income	8	7,803,984	5,782,573
Advance Receipts	8	<u>33,686,394</u>	<u>35,854,340</u>
		43,605,134	43,303,737
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>		<u><u>17,200,300</u></u>	<u><u>11,909,747</u></u>
<b>FINANCED BY</b>			
General Reserves	10	<u>17,200,300</u>	<u>11,909,747</u>

The financial statements were approved by the CRFCA Board on 20 JULY 2015

and signed on its behalf by:

  
 \_\_\_\_\_  
 Chairman

  
 \_\_\_\_\_  
 Chief Executive

# RESERVE FORCES' AND CADETS' ASSOCIATION

## NOTES TO THE CONSOLIDATED ACCOUNTS

### FOR THE YEAR ENDED 31 MARCH 2015

#### 1 Accounting policies

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the Financial Memorandum and instructions from the Council of RFCAs. The following accounting policies set out the framework within which the RFCA conducts financial reporting and have been applied consistently in dealing with items considered material to the financial statements.

The financial statements are prepared on an accruals basis under the historical cost convention.

##### 1.2 Basis of preparation

These financial statements comprise a consolidation of Stakeholder Accounts (list detailed at 2.1).

##### 1.3 Vehicle Fixed Assets

Vehicles are accounted for at cost less accumulated depreciation. Depreciation is provided on a straight line basis over the estimated useful economic lives of the assets. Depreciation rates vary between the different associations depending on the estimated useful economic lives of the assets but typically fall within the range 10% to 25%.

##### 1.4 Net operating costs

Costs and expenses, including capital expenditure are charged to the Income and Expenditure Account in the period in which they are incurred and matched to any related recoveries. Recoveries are determined generally by reference to the cost of goods supplied and services rendered during the period, including attributable overhead costs.

##### 1.5 Investments

Investments may either be equity investments, held in the name of an RFCA, or medium or long term loans made with the intention of providing working capital or commercial support. Investments classified as fixed asset investments are stated at cost. However, for the year under review investments consisted of bank deposits.

##### 1.6 Provision for liabilities

Environmental Liabilities. Measurement of liabilities is based on current legal requirements and related extant technical knowledge. The provision for liabilities is regularly reviewed and adjusted, as appropriate, for changes in law or technical knowledge.

Restructuring Provisions. These provisions are only to be recognised when the entity has a detailed plan for, and is inextricably committed to reorganisation.

Provisions only include expenditure which is both necessarily entailed by a reorganisation and not associated with ongoing or new activities. Examples include redundancy and relocation costs.



## RESERVE FORCES' AND CADETS' ASSOCIATION

### NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2015

##### 1.7 Operating Leases

Operating leases are charged to the income and expenditure account on a straight line basis over the period of the lease.

##### 1.8 Reserves

Reserves comprise a general reserve.

#### 2 Income

2.1 Funding via Council of RFCAs	2015	2014
	£	£
CLF – Grant in Aid (CRFCA Payment)	45,029,108	43,898,630
CLF – Grants to RF and Cadets (RDEL)	702,924	16,368
CLF – Vehicles	2,600,834	1,714,649
Defence Infrastructure Organisation – Maintenance	15,198,916	17,395,764
Defence Infrastructure Organisation Projects RDEL	5,574,493	3,995,637
Defence Infrastructure Organisation Projects CDEL	15,899,162	8,525,527
RF&C (DRM)	3,398,178	2,072,523
Funding Sundry	400,923	599,966
HQNC	245,526	105,020
RAF RDEL	264,122	426,382
RAuxAF	274,122	155,611
ATC (Input)	2,955,459	2,966,750
DIO Infrastructure	32,721,194	32,143,308
DInfra - RDEL	3,922,538	5,115,187
DInfra - CDEL	4,479,666	3,121,243
	<u>133,667,165</u>	<u>122,252,565</u>

RESERVE FORCES' AND CADETS' ASSOCIATION  
NOTES TO THE CONSOLIDATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015

	2015	2014
	£	£
2.2 Funding received direct from funders	5,402	175,266
<hr/>		
2.3 Funding generated by the RFCA	2015	2014
	£	£
Sale of land and buildings	3,797,090	132,041
(Losses)/Gains on sale of Other Equip	1,660	(1,930)
Gains on sale of vehicles	183,308	241,208
Employer Support Events	15,210	9,540
Rent Receipts - Land	1,035,965	684,113
Rent Receipts - Buildings	2,849,223	2,565,808
Bank Interest	90,017	72,308
Receipts – Misc (inclusive of NDR relief/rebates)	4,821,130	4,082,784
	<u>12,793,603</u>	<u>7,785,872</u>

3 Staff numbers and costs

3.1 The average number of persons employed during the year was as follows:

	2015	2014
Civilian	859	853

3.2 The aggregate payroll costs of these persons were as follows:

	2015	2014
	£	£
Salaries – Civilian	22,847,465	22,197,259
Social Security Costs	1,699,283	1,666,906
Other Pension Costs	2,657,378	2,486,343
Redundancy Payment	1,392	8,517
	<u>27,205,518</u>	<u>26,359,025</u>

## RESERVE FORCES' AND CADETS' ASSOCIATION

### NOTES TO THE CONSOLIDATED ACCOUNTS

#### FOR THE YEAR ENDED 31 MARCH 2015

- 3.3 Salaries include, where appropriate, reserved rights to London Weighting or London Allowances, Recruitment and Retention Allowances and Private Office Allowances. Bonuses paid in respect of the year are also included.

#### 4 Pensions

Present and past employees are mainly covered by the Council of RFCA Pension Scheme which receives contributions from employers and employees. For 2014/15 the employer contributions were 13% of pensionable payroll (2013/14: 13%) and employee contributions were 5% of pensionable salary (2013/14: 5%).

#### 5 Motor vehicles 2015

£

##### Cost

At 1 April	13,667,006
Prior Year Adjustment	(42,589)
Additions	3,267,885
Disposals	(2,647,132)
At 31 March	<u>14,245,170</u>

##### Depreciation

At 1 April	5,675,824
Prior Year Adjustment	(43,402)
Charge for the year	2,025,314
On disposals	(1,971,205)
At 31 March	<u>5,686,531</u>

At 31 March 2015 8,558,639

At 31 March 2014 7,991,182

RESERVE FORCES' AND CADETS' ASSOCIATION

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2015

<b>6</b>	<b>Cash at bank</b>	<b>2015</b>	<b>2014</b>
		£	£
	Net current account	32,893,274	35,705,175
	Deposit Account	13,877,455	8,074,037
		<u>46,770,729</u>	<u>43,779,212</u>

<b>7</b>	<b>Debtors</b>	<b>2015</b>	<b>2014</b>
		£	£
	Sundry debtors (note 7.1)	3,434,923	777,209
	Prepayments and accrued income (note 7.2)	2,031,563	2,655,050
		<u>5,466,486</u>	<u>3,432,259</u>

There are no debtors falling due after more than one year.

<b>7.1</b>	<b>Other debtors</b>	<b>2015</b>	<b>2014</b>
		£	£
	Due from MoD	2,597,698	23,814
	Sundry debtors	244,272	159,785
	Employees pension and AVC contributions	354,974	324,141
	Sub letting rent receivable	237,979	269,469
		<u>3,434,923</u>	<u>777,209</u>

RESERVE FORCES' AND CADETS' ASSOCIATION

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2015

7.2	Prepayments and accrued income	2015	2014
		£	£
	IT	70,833	65,074
	Pension contributions	829,536	927,851
	Rent	260,580	348,732
	Other prepayments	870,614	1,313,393
		<u>2,031,563</u>	<u>2,655,050</u>

8	Creditors (due within one year)	2015	2014
		£	£
	Sundry creditors (note 8.1)	2,114,756	1,666,824
	Accruals and deferred income (note 8.2)	7,803,984	5,782,573
	Advance receipts (note 8.3)	33,686,394	35,854,340
		<u>43,605,134</u>	<u>43,303,737</u>

8.1	Sundry creditors	2015	2014
		£	£
	CIS Tax	46,421	43,814
	Due to MoD	44,675	54,094
	Lettings due	435,882	485,577
	HMRC	183,347	211,800
	Sundry creditors	1,404,431	871,539
		<u>2,114,756</u>	<u>1,666,824</u>

## RESERVE FORCES' AND CADETS' ASSOCIATION

### NOTES TO THE CONSOLIDATED ACCOUNTS

#### FOR THE YEAR ENDED 31 MARCH 2015

<b>8.2</b>	<b>Accruals and deferred income</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Utilities	2,268,893	2,232,379
	Estate Management	3,367,855	1,442,719
	Legal and professional	84,454	80,760
	Other accruals	2,082,782	2,026,715
		<u>7,803,984</u>	<u>5,782,573</u>
<b>8.3</b>	<b>Advance receipts</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	AP01 Funding Received in advance	13,176,285	11,524,347
	In-year project balances authorised to carry forward	19,365,964	22,971,845
	RGI/Other deferred income	1,144,145	1,358,148
		<u>33,686,394</u>	<u>35,854,340</u>

RESERVE FORCES' AND CADETS' ASSOCIATION

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2015

9 Commitments under operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2015	2014
<b>Land and buildings</b>	<b>£</b>	<b>£</b>
Within one year	1,900,566	2,010,721
Between 2 and 5 years	5,165,357	5,953,478
Over 5 years	18,188,851	16,443,389
	<u>25,254,774</u>	<u>24,407,588</u>
<b>Other</b>	<b>£</b>	<b>£</b>
Within one year	24,226	26,033
Between 2 and 5 years	48,145	46,463
Over 5 years	-	-
	<u>72,371</u>	<u>72,496</u>

10.1	<b>General reserve</b>	2015	2014
		<b>£</b>	<b>£</b>
	Balance at 1 April 2014	11,909,747	11,440,928
	Prior Year Adjustment to vehicle fixed assets	812	9,266
	Excess income/(expenditure) for the year	5,289,741	459,553
	Balance at 31 March 2015	<u>17,200,300</u>	<u>11,909,747</u>

# RESERVE FORCES' AND CADETS' ASSOCIATION

## NOTES TO THE CONSOLIDATED ACCOUNTS

### FOR THE YEAR ENDED 31 MARCH 2015

#### 10.2 Reserve Memorandum

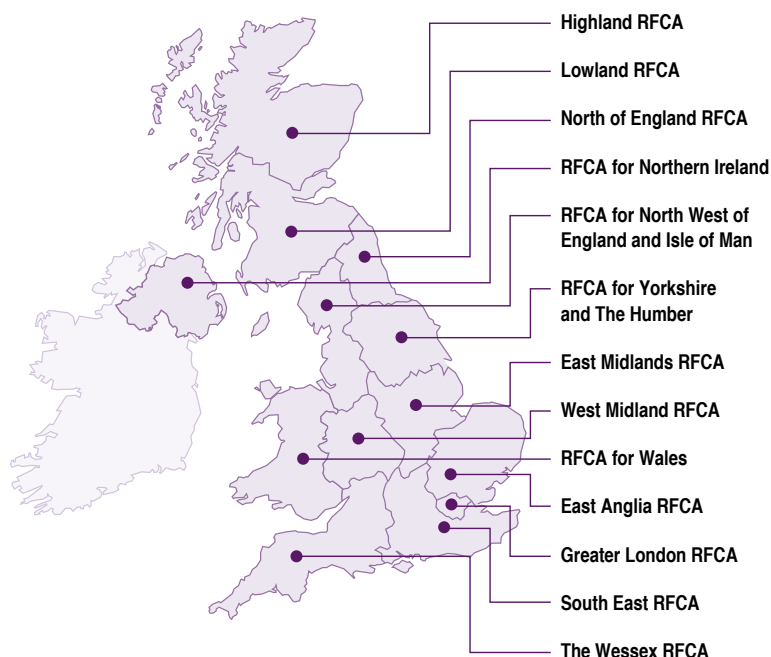
	Reserves carried forward	Current year's grant	Maximum Permitted Balance (2% of grant)
	£	£	£
CLF RFCA Grant in Aid	885,929	45,029,108	900,582
ATC (Input)			
ATC CDEL			
RF&C (DRM)			
Funding Sundry	5,024		
RAuxAF	61,242		
HQNC			
DIO Infrastructure	666,329		
DIO Maintenance	5,924		
DIO Projects CDEL			
DIO Projects RDEL			
DInfra CDEL			
DInfra RDEL			
CLF Vehicles	24,251		
RAF	2,861		
RGI	6,990,101		
Capital reserve	8,558,639		
<b>Total Reserves Balance</b>	<b>17,200,300</b>		

In both the current and preceding year, the reserves for CLF RFCA Grant in Aid are within the maximum permitted balance of 2%. All other funding sources are not currently subject to this limit on reserves. The RGI reserve relates specifically to RFCA Board approved projects that lapse financial years.





## RFCA Governance



### 1. HIGHLAND ASSOCIATION (HIGHLAND RFCA)

*President:* Rear Admiral M Gregory OBE

*Chairman:* Colonel A I Taverner MA

*Chief Executive:* Col A K M Miller CBE

*Deputy Chief Executive:* S Rawlings

The Lieutenancies of Aberdeenshire, Argyll and Bute (less the Island of Bute), Angus, Banffshire, Caithness, City of Aberdeen, City of Dundee, Clackmannanshire, Dunbartonshire, Fife, Inverness-shire, Kincardineshire, Larnarkshire (northern part less the former Monklands and Motherwell Districts), Moray, Nairnshire, Orkney Islands, Perth & Kinross, Ross & Cromarty, Shetlands Islands, Stirling and Falkirk, Sutherland and The Western Isles.

**Association address:** Seathwood,  
365 Perth Road, Dundee DD2 1LX.

**Tel:** 01382 668283 **Fax:** 01382 566442

**E-mail:** hi-offadmin@rfca.mod.uk

**Web:** www.hrfca.co.uk

### 2. LOWLAND ASSOCIATION (LOWLAND RFCA)

*President:* Mr Guy W N H Clark FCSI JP

*Chairman:* Colonel A C C Lapsley QVRM TD DL

*Chief Executive:* Colonel R D Gibson OBE

*Deputy Chief Executive:* Colonel T C Mathew

**Councils forming the Association:** The Scottish Borders, Dumfries and Galloway, East Lothian, City of Edinburgh, Midlothian, West Lothian, South Lanarkshire, that part of North Lanarkshire that formerly comprised Monklands and Motherwell Districts, East Ayrshire, North Ayrshire, South Ayrshire, Inverclyde, Renfrewshire, East Renfrewshire, City of Glasgow and that part of Argyll and Bute Council comprising the Island of Bute.

**Association address:** Lowland House,  
60 Avenuepark Street, Glasgow G20 8LW.

**Tel:** 0141 945 4951 **DFTS:** 94535 2014

**Fax:** 0141 945 4869

**E-mail:** lo-offman@rfca.mod.uk

**Web:** www.lowlandrfca.org.uk

### 3. NORTH OF ENGLAND ASSOCIATION (NORTH OF ENGLAND RFCA)

*President:* N Sherlock Esq OBE KStJ JP

*Chairman:* Lieutenant General R V Brims

CB CBE DSO DL

*Chief Executive:* Colonel J R M Hackett CBE

*Deputy Chief Executive:* Lieutenant Colonel I Clyde

**Counties forming the Association:** The counties of Durham and Northumberland. The metropolitan districts of Gateshead, Newcastle upon Tyne, North Tyneside, South Tyneside and Sunderland. The Unitary Authorities of Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton-on-Tees.

**Association address:** 53 Old Elvet,  
Durham DH1 3JJ.

**Tel:** 0191 384 7202 **DFTS:** 94721 6250

**Fax:** 0191 384 0918

**E-mail:** ne-info@rfca.mod.uk

**Web:** www.rfca-ne.org.uk

#### 4. YORKSHIRE AND THE HUMBER ASSOCIATION (Y&H RFCA)

*President:* The Hon Mrs E S Cunliffe-Lister  
 HM Lord-Lieutenant for the East Riding of Yorkshire  
*Chairman:* Brigadier D A Hargreaves  
*Chief Executive:* Colonel C E M Snagge  
*Deputy Chief Executive:* Lieutenant Colonel J D Bleasdale

##### Counties forming the Association:

The county of North Yorkshire. The metropolitan districts of Barnsley, Bradford, Calderdale, Doncaster, Kirklees, Leeds, Rotherham, Sheffield and Wakefield. The Unitary Authorities of the East Riding of Yorkshire, Kingston upon Hull, North East Lincolnshire, North Lincolnshire and York.

**Association address:** 20 St George's Place, York YO24 1DS.

**Tel:** 01904 623081 **DFTS:** 94777 2568

**Fax:** 01904 622245

**E-mail:** yh-info@rfca.mod.uk

**Web:** www.rfca-yorkshire.org.uk

#### 5. NORTH WEST OF ENGLAND AND ISLE OF MAN ASSOCIATION (NW RFCA)

*President:* Colonel The Right Honourable The Lord Shuttleworth KCVO, HM Lord-Lieutenant  
*Chairman:* Colonel N D O Williams TD JP DL  
*Chief Executive:* Colonel M C H Underhill OBE  
*Deputy Chief Executive:* Lieutenant Colonel I J Sawers

##### Counties forming the Association:

The counties of Cheshire, Cumbria and Lancashire. The metropolitan districts of Bolton, Bury, Knowsley, Liverpool, Manchester, Oldham, Rochdale, St. Helens, Salford, Sefton, Stockport, Tameside, Trafford, Wigan and Wirral. The Unitary Authorities of Blackburn with Darwen, Blackpool, Halton and Warrington and the Isle of Man.

**Association address:** Alexandra Court, 28 Alexandra Drive, Liverpool L17 8YE.

**Tel:** 0151 727 4552 **DFTS:** 94552 8164

**Fax:** 0151 727 8133 **DFTS Fax:** 94552 8133

**E-mail:** nw-admin@rfca.mod.uk

**Web:** www.nwrfca.org.uk

#### 6. WALES ASSOCIATION (RFCA FOR WALES)

*President:* The Hon Mrs S Legge-Bourke LVO  
 HM Lord-Lieutenant for Powys  
*Chairman:* Colonel K Davies MBE RRC TD DL  
*Chief Executive:* Colonel N R Beard TD DL  
*Deputy Chief Executive:* Lieutenant Colonel S M M Hughes

##### Counties forming the Association:

The Counties of Wales:

##### Association address:

Centre Block, Maindy Barracks, Cardiff CF14 3YE.

**Tel:** 02920 220251 **DFTS:** 94355 8205

**Fax:** 02920 224828 **DFTS Fax:** 94355 8313

**E-mail:** wa-offyandc@rfca.mod.uk

**Web:** www.wales-rfca.org

#### 7. WEST MIDLAND ASSOCIATION (WM RFCA)

*President:* Sir Algernon Heber-Percy KCVO KStJ JP  
 HM Lord-Lieutenant for Shropshire  
*Chairman:* Colonel The Honourable P S Seccombe TD  
*Chief Executive:* Colonel T F L Weeks OBE  
*Deputy Chief Executive:* Major M Young

##### Counties forming the Association:

The counties of Shropshire, Staffordshire, Warwickshire and Worcestershire. The metropolitan districts of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton. The Unitary Authorities of Herefordshire, Stoke-on-Trent and Telford and Wrekin.

**Association address:** Tennal Grange, Tennal Road, Harborne, Birmingham B32 2HX.

**Tel:** 0121 427 5221 **Fax:** 0121 427 8380

**E-mail:** wm-info@rfca.mod.uk

**Web:** www.wmrfca.org

#### 8. EAST MIDLANDS ASSOCIATION (EM RFCA)

*President:* Lady Jennifer Gretton JP  
 HM Lord-Lieutenant Leicestershire  
*Chairman:* Colonel R M L Colville TD DL  
*Chief Executive:* Group Captain N D Sharpe  
*Deputy Chief Executive:* Lieutenant Colonel P S P Worsley RA

**Counties forming the Association:** The counties of Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire. The Unitary Authorities of Derby, Leicester, Nottingham and Rutland.

**Association address:** Army Reserve Centre, Triumph Road, Lenton, Nottingham NG7 2GG.

**Tel:** 0115 924 8610 **DFTS:** 94451 5610

**Fax:** 0115 924 8629

**E-mail:** em-enquiries@rfca.mod.uk

**Web:** www.eastmidlandsrfa.co.uk

**9. WESSEX ASSOCIATION (WESSEX RFCA)**

*President:* Mrs S R Troughton  
 HM Lord-Lieutenant of Wiltshire  
*Chairman:* Colonel O J H Chamberlain QVRM TD FRICS  
*Chief Executive:* Brigadier T Dalby-Welsh  
*Deputy Chief Executive:* Lieutenant Colonel P G Adams AFC

**Counties forming the Association:** The City and County of Bristol and the counties of Cornwall, Devon, Dorset, Gloucestershire, Somerset, Wiltshire and The Channel Islands. The Unitary Authorities of Bath and North East Somerset, Bournemouth, North Somerset, Plymouth, Poole, South Gloucestershire, Swindon and Torbay.

**Association address:** Mount House, Mount Street, Taunton, Somerset TA1 3QE.

**Tel:** 01823 254571 **Fax:** 01823 259935

**E-mail:** wx-offman@rfca.mod.uk

**Web:** www.wessex-rfca.org.uk

**10. EAST ANGLIA ASSOCIATION (EA RFCA)**

*President:* R W Jewson Esq  
 HM Lord-Lieutenant of Norfolk  
*Chairman:* Major General G S Smith CB QVRM TD  
*Chief Executive:* Colonel R K Wilkinson QVRM TD  
*Deputy Chief Executive:* Lieutenant Colonel J A Allan TD

**Counties forming the Association:** The counties of Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk. The Unitary Authorities of Luton, Peterborough, Southend-on-Sea and Thurrock.

**Association address:** Springfield Tyrells, 250 Springfield Road, Chelmsford, Essex CM2 6BU.

**Tel:** 01245 244800/801 **DFTS:** 94660 4800/4801

**Fax:** 01245 492398 **DFTS Fax:** 94660 4823

**E-mail:** ea-info@rfca.mod.uk

**Web:** www.earfca.org.uk

**11. GREATER LONDON ASSOCIATION (GL RFCA)**

*President:* Sir David Brewer CMG JP  
 HM Lord-Lieutenant for Greater London  
*Chairman:* Colonel E G Cameron TD DL  
*Chief Executive:* Colonel H M Purcell OBE DL  
*Director of Youth and Engagement:*  
 Lieutenant Commander A Pringle MRA eS MCM1 MCGI  
*City Secretary:* Lieutenant Colonel P L d'A Willis

**Area forming the Association:** Greater London

**Association address:** Fulham House, 87 Fulham High Street, London SW6 3JS.

**Tel:** 020 7384 4640 **DFTS:** 94624 4640

**Fax:** 020 7384 4660 **DFTS Fax:** 94624 4660

**E-mail:** gl-offman@rfca.mod.uk

**Web:** www.glrfa.org

**12. SOUTH EAST ASSOCIATION (SE RFCA)**

*President:* Major General M S White CB CBE JP  
*Chairman:* Colonel W M J Partridge TD DL  
*Chief Executive:* Colonel P T Crowley  
*Deputy Chief Executive West/COS:*  
 Lieutenant Colonel C C S Booth  
*Deputy Chief Executive East:*  
 Lieutenant Colonel P G B Ellis QGM\*

**Counties forming the Association:** The Royal County of Berkshire and the Counties of Buckinghamshire, East Sussex, Hampshire, Isle of Wight, Kent, Oxfordshire, Surrey and West Sussex. The Unitary Authorities of Bracknell Forest, Brighton and Hove, the Medway Towns, Milton Keynes, Portsmouth, Reading, Slough, Southampton, West Berkshire, Windsor and Maidenhead and Wokingham.

**Association address:** Seely House, Shoe Lane, Aldershot, Hants GU11 2HJ.

**Tel:** 01252 357604

**Fax:** 01252 357620

**E-mail:** se-offman@rfca.mod.uk

**Web:** www.serfca.org

**13. NORTHERN IRELAND ASSOCIATION (NI RFCA)**

*President:* Colonel D Desmond CBE  
 HM Lord-Lieutenant for the County of Londonderry  
*Chairman:* Colonel H K McAllister OBE TD DL  
*Chief Executive:* Colonel J W Rollins MBE  
*Deputy Chief Executive:* Lieutenant Colonel A D Sykes MBE QGM BEM

**Counties forming the Association:** The six counties of Ulster.

**Association address:** 25 Windsor Park, Belfast BT9 6FR.

**Tel:** 02890 665024 **Fax:** 02890 662809

**E-mail:** ni-offman@rfca.mod.uk

**Web:** www.reservesandcadetsni.org.uk

## Glossary

<b>ACDS(R&amp;C)</b>	Assistant Chief of Defence Staff (Reserve & Cadets)	<b>P&amp;P</b>	Pay and Personnel
<b>ACF</b>	Army Cadet Force	<b>PAC</b>	Public Accounts Committee
<b>AMR</b>	Automatic Meter Readers	<b>RAuxAF</b>	Royal Auxiliary Air Force
<b>AO</b>	Accounting Officer	<b>RDA</b>	Regional Development Agencies
<b>ATC</b>	Air Training Corps	<b>REEB</b>	Reserves Employer Engagement Board
<b>BTEC</b>	Business and Technician Education Council	<b>RF&amp;C</b>	Reserve Forces and Cadets
<b>CCF</b>	Combined Cadet Force	<b>RGI</b>	Regionally Generated Income
<b>CE</b>	Chief Executive	<b>RMR</b>	Royal Marines Reserve
<b>CESO</b>	Chief Environment and Safety Officer	<b>RNR</b>	Royal Naval Reserve
<b>COBSEO</b>	The Confederation of Service Charities	<b>RPP</b>	Recruit Partnership Project
<b>CRG</b>	Commander Recruiting Group	<b>RSCD</b>	Regional SaBRE Campaign Director
<b>CS Res LF</b>	Command Secretary Resources Land Forces	<b>SaBRE</b>	Supporting Britain's Reservists and Employers
<b>CVQO</b>	Cadet Vocational Qualification Organisation	<b>SDSR</b>	Strategic Defence and Security Review
<b>DCSF</b>	Department of Children, Schools and Families	<b>SLA</b>	Service Level Agreement
<b>DE</b>	Defence Estates	<b>SPVA</b>	Service Personnel and Veterans Agency
<b>DII(F)</b>	Defence Information Infrastructure (Future)	<b>UOTC</b>	University Officer Training Corps
<b>DG Res LF</b>	Director General Resources Land Forces	<b>VE</b>	Volunteer Estate
<b>DIO</b>	Defence Infrastructure Organisation	<b>VEMT</b>	Volunteer Estate Modernisation Team
<b>DRM</b>	Defence Relationship Management	<b>VRF</b>	Volunteer Reserve Forces
<b>EMS</b>	Environmental Management System		
<b>ES</b>	Employer Support		
<b>ESG</b>	External Scrutiny Group		
<b>FF</b>	Financial Framework		
<b>FLC</b>	Front Line Command		
<b>FReM</b>	Financial Reporting Manual		
<b>FY</b>	Financial Year		
<b>IFRS</b>	International Financial Reporting Standards		
<b>ISLA</b>	Injured Serviceman Living Accommodation		
<b>JPA</b>	Joint Personnel Administration		
<b>MOD</b>	Ministry of Defence		
<b>MOU</b>	Memorandum of Understanding		
<b>NAO</b>	National Audit Office		







Council of Reserve Forces'  
and Cadets' Associations

## The Council of RFCAs

Holderness House,  
51-61 Clifton Street,  
London EC2A 4EY

Tel: 020 7426 8350

Email: [co-info@rfca.mod.uk](mailto:co-info@rfca.mod.uk)

Web: [www.rfcacouncil.org.uk](http://www.rfcacouncil.org.uk)