

CRFCA

Council of Reserve Forces'
and Cadets' Associations

Annual Report and Accounts
2013/14

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ANNUAL REPORT
AND ACCOUNTS
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Background

The Reserve Forces' and Cadets' Association's (RFCA's) are a Central Government body with Crown Status¹. They are established in accordance with the provisions of the Reserve Forces Act 1996 Part XI (RFA96 Pt XI) and Schedule 4 (RFA96 Sch 4).

The following is an extract from the RFCA Regulations 2009

RFCA's: Constitution, Composition, Appointments, Duties and Governance

- 1.4 An RFCA has been established for each of thirteen administrative areas. A list of the Associations and the administrative areas they serve is at the back of this report. RFA96 s112 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.
- 1.5 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 RFA96 s111 and Sch 4. Each five-year Scheme will be reviewed during its final year of operation.
- 1.6 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.
- 1.7 With the exception of regular officers commanding units, each Association is composed of serving members of the Volunteer Reserve Forces and civilian voluntary members drawn from the community. 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.
- 1.8 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 General Resources Land Forces, Army HQ (DG Res LF).
- 1.9 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 DG Res LF's prior written approval of the Association Chairman's formal recommendation.
- 1.10 Ultimate responsibility for membership appointments rests with the Defence Council. DG Res LF 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 appointments, DG Res LF may delegate the task of approving membership appointments to individual Chairmen of CRFCA and RFCA's. Once confirmed, notification of Chairman and CE appointments is to be passed to ACDS(R&C). DG Res LF may ask for or insist on the resignation of a member following consultation with the President of the Association and ACDS(R&C).

¹Cabinet Office Propriety & Ethics Team direction DTG 041322 October 2007.

The Council of the Reserve Forces' and Cadets' Associations (CRFCA)

- 1.11 The Council of Reserve Forces' and Cadets' Associations (in these Regulations referred to as the 'Council' or CRFCA) is a joint committee established under the provisions of RFA96 s116 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 and the budget, 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 LFFF and SLAs with the customer Top Level Budget Holders (TLBs).
- 1.12 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.

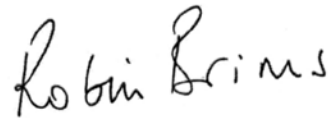
To work with the Chains of Command of the three Services.

To establish and maintain links with the community.

The RFCAs deliver in line with 5 SLAs established with each of our primary funders. These are all subject to review during the course of 2014 in order to better inform the 2015/16 Planning Round and will reflect the changes inherent across Defence: many of which are altering 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 Management Plan as a statement of strategic intent. Internally, direction and accountability is overseen by the CRFCA Board led by Colonel Tim Richmond, a former RFCA Chairman.

The RFCAs are fundamentally volunteer membership organisations. Over and above the membership identified within the Schemes of Association (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.

2013/14 has been a year of considerable progress. The delivery of the FR20 White paper and subsequent activity to deliver that across all three services has impacted on every facet of the RFCA including the development of an embryonic Defence Relationship Management (DRM) organisation under the Council of the RFCA which will see every element of Defence's engagement with the Business and Employer communities drawn together into a single organisation. It reached IOC in April 2014 and will be at FOC by April 2015. The RFCA role as an External Scrutiny Team has been further underpinned as a statutory role within the Defence reform Bill and the second report will be made to Ministers in June 2014. This role indicates the unique contribution that the RFCAs can offer defence and has been a very welcome additional task for us. In addition to the clear function of assessing progress from an informed and independent perspective, we also see the role as 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

Chief Executive's Introduction

The overwhelming context for this year's report has been that of working in an environment of extensive and continuing change across defence. Operationally this has manifested in a slowing down of activity specifically targeted at preparation for mobilisation and deployment, as numbers in Afghanistan reduced in line with the planned drawdown. Elsewhere, in almost every aspect of RFCA work, there has been a significant ramping up of activity. Our close involvement in such change at every level has been most welcome, whether working at the policy level in MOD and Service headquarters or providing advice and services on the ground locally.

I will not attempt within this introduction to précis the following detailed narratives within the body of the annual report, made against individual objectives, other than to draw out some themes which I believe play to the strengths of these closer relationships.

First, I would point to the large number of ways in which we have been able to respond to late notice requests, often for support and services that are neither routinely covered in our Service Level Agreements (SLAs) nor originally funded through our control totals. Good examples of this are found in the extensive work we have completed on housing adaptations for injured service personnel; front-of-house face-lifts of Reserve Centres in order to assist recruiting and retention; engagement of professional staff to kick start cadet expansion into schools; and work on cadet armouries to mitigate security risks. There are many more. But the common theme in all these projects is that they have been quickly and effectively undertaken by the RFCAs because of our well-established understanding of the stakeholders' requirements and the working situation on the ground. In this way we have been largely able to off-load work from already hard-pressed headquarters staff, who themselves are increasingly diverted to managing other aspects of change related to Future Force 2020.

Second, the fact that the RFCAs are so well embedded in the communities has provided an additional agility and responsiveness. For example, conversion of signage following the renaming of the Army Reserve has required extensive engagement with local authorities, many of which are structured in different ways and whose processes therefore require individual attention. The RFCAs already have established ties with many of these authorities to facilitate routine activity and community engagement – indeed they were extensively used to enable much of the successful Community Covenant work. Consequently the Services were able to confidently hand off the liaison to the RFCAs, acting on their behalf, which would otherwise have been a nigh-on impossible task for them within the required timelines.

Third, the RFCAs have again generated additional income which has been used to supplement Service funds regionally and locally. Although relatively modest at £8M, it constitutes some 6% of our overall budget. Of this the majority has been used to meet statutory and mandatory and other revenue work on the volunteer estate [some £3M, in addition to DIO funding of £17M]. The balance, albeit a far smaller proportion, has been used in many instances to keep vital reserve and cadet activity afloat: local recruit marketing, retention-positive activities, employer engagement and the like have all benefited a very large number of units which would otherwise have been wholly reliant on, for example, national campaigns that were not serving them well. The key here is that the management boards of the RFCAs deliberately include representatives of the regional chains of command; collaboratively they are able to target where the support is most needed and ensure that it is used most effectively. Last year the RFCA Customer Board agreed high-level priorities for the use of our regionally generated income; it will be important that they continue to do so in future years, to ensure we work within 'Defence intent'. However, it is equally important that the detailed application of such funding continues to be delegated to the Association Boards, not just to ensure the most effective targeting but also to incentivise further income generation and to give purpose to our Board members.

Finally, as a theme, I point to the contribution of our volunteer membership. We, and in turn Defence, benefit hugely from the RFCA network of networks which our membership brings. Superficially this might be seen as little more than the RFCA membership defined in our Schemes and providing effective governance in each Association. In fact it delivers far more. Many volunteer members contribute pro-bono professional support and advice – and give freely of their time to assist our own professional management, estates, finance and cadet staff in delivering their work. Their greater value is that their networks connect us, on behalf of Defence, with areas within which it would be extremely difficult for the Services to build and sustain relationships. Throughout this year, for example, we have used them to open doors with employers and to provide invaluable feed-back on how they are responding to intensive recruiting efforts for the Reserves. Elsewhere we have also been able to work with minority communities to grow relationships that will assist in some of our cadet expansion programmes. These relationships take time to establish and take continual effort to nurture; our volunteers manage much of this apparently effortlessly, routinely playing the role of third party advocate for the Armed Forces.

During the year the RFCAs have also taken on two new roles from MOD: the delivery of our first external scrutiny report on Future Reserves 2020, which was laid before Parliament in July 2013, and the task to create a Defence Relationship Management organisation, which achieved an initial operating capability on 1 April 2014. To my mind these new roles have consciously come to the RFCAs in anticipation of drawing on many of the characteristics I outline above. Such has been progress in both, that we are already seeing them morph into more substantive tasks. I am highly confident that both will be delivered as intended and have the potential to evolve further.

Looking ahead, as Defence continues to evolve new structures and ways of working, it is now timely that the RFCAs review how we manage our business within the new Defence construct. In doing so it will be important to register – and have registered by all our stakeholders – how best these characteristics can continue to benefit Defence. Within our own organisation there will be nervousness at speculative change, as there will undoubtedly be within the two constituencies we mainly support. This needs to be seen in a balanced perspective. A contrasting view would be that the MOD and the three Services will find it increasingly difficult to maintain all of their traditional roles and tasks and will therefore need to look externally to manage many of their support functions for them. Typically, many will see this as a commercial alternative. I see it as RFCA opportunity – underpinned by the experience of having watched us evolve effectively in the past.



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

Colonel T S Richmond MBE TD DL
Deputy Chairman Council of RFCAs

Captain I M Robinson OBE RD RNR

Colonel R A Hooper MA DL

Air Vice-Marshal M D Smart DL

Major General S Lalor CB TD

Colonel A I Taverner MA MCIPR

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
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



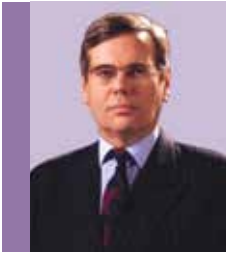
**Colonel T S Richmond
MBE TD DL**

Chairman of the Board

Tim Richmond is a Chartered Accountant and Business Adviser. He spent 32 years in the accounting profession with a major international firm serving as both UK managing

Partner and Chairman of the International firm. In the public and voluntary sector he chairs Nottingham and Nottinghamshire Futures which provides support services to young people and has served as a Competition Commissioner and a non-executive chairman or director in Higher Education, Further Education, Healthcare and Social Housing and a number of other voluntary and charitable organisations. He is an adviser in strategic business direction and a non-executive chairman or director of a number of private companies including business to business, training, professional services, construction and logistics. His reserve service has included commanding an independent OP Battery, a UOTC and as deputy commander of a home defence brigade, a regional brigade and subsequently as Commandant of a County ACF. He is Vice Lord-Lieutenant of Nottinghamshire.

VICE CHAIRMEN



Major General S 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 I M Robinson OBE RD RNR

*(Chairman Yorkshire &
The Humber RFCA)*

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.



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.



Colonel A Taverner MA MCIPR

*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. Trustee of the Army Families Association.

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.



Lieutenant Colonel C T Hillock RD* DL

(Chairman North West & Isle of Man RFCA)

Management Consultant based in the North West, previously a Director of Lloyds Brokerage and Director of a clearing bank subsidiary.

Commissioned in 1968 into the Royal Marines Reserve he ended his service as Commanding Officer RMR Merseyside in 1994 when he received the clasp to his Reserve Decoration. After leaving the RMR he became a member of the Council for St John's Ambulance Brigade. A member of the Association since 1994 and was a member of the Merseyside County Employers Liaison Team (now Merseyside Employer Engagement Group) for 10 years. Appointed Association Vice Chairman Marines in 2000, a position held until his appointment as Chairman in 2008. In 2009 he was appointed as a Deputy Lieutenant for Merseyside.



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 (V) and Northumbrian Universities Officers Training Corps. He is also Chairman CRFCA Council.



Lieutenant Colonel D G Clarke OBE TD DL

(Chairman Wales RFCA)

Guy Clarke is a solicitor specialising in the property and charity sectors. He was managing partner at regional firm Morgan Cole, with offices across South Wales and the M4 corridor, for ten years.

A former President of the Cardiff Law Society and member of the CBI Wales Council, he is currently Treasurer of Legal Wales. Outside the law, Guy takes an interest in a number of charitable and third sector bodies including Cardiff University (where he chairs the audit committee) and the Institute of Welsh Affairs think tank of which he is a trustee.

He is deputy chairman of the Governors at Christ College Brecon and a trustee of Wales' largest cancer charity, Tenovus. For over 30 years Guy was a member of the Territorial Army latterly as a Battery Commander, CO of the Brigade Specialist Training Team and as the SO1 responsible for establishing the employer support function in Wales.



Colonel M Colville TD DL

(Chairman East Midlands RFCA)

Col 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 H N D Gill TD JP

(Chairman East Anglia RFCA)

A former Regular Officer, on settling in Norfolk, he joined the TA and filled a number of Regimental and staff appointments before command of 6 RA. Post command, he went on to be Comdt Norfolk ACF for 6 years and

then the first President of Cadet Force Commissions Board, Westbury. He is now semi-retired but as well as running his

BOARD MEMBERS

wholesale company and property management business, he has a range of other interests including School Governorship, a local Magistrate and is currently on the faculty of the UCLH sponsored NHS Staff College. Colonel Gill brings a depth of experience and understanding of Reserve and Cadet service, a detailed knowledge of the Region and a long association with EA RFCA.



Colonel S J Cartwright TD MBE
(Chairman West Midland RFCA)

Colonel Stamford Cartwright spent much of his early career in the FMCG market. In the mid '80s he launched a business to supply products to housebuilders & developers which grew to become the largest supplier

to this market. He was also a main board director of a Plc and on the editorial panel of a national monthly magazine. He joined the TA in 1965 and filled a number of regimental & staff appointments before command. In retirement he maintains his links with the armed forces as chair of several service charities & trustee of several benevolent funds. He is also chair of a local military museum trust.



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 among others.



Colonel H K McAllister OBE TD
(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 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 appointed Hon Colonel 2nd NI Battalion Army Cadet Force. Currently Chairman ABF The Soldiers Charity NI, Chairman The Royal Irish Rangers Trustees and a member of the Board of Governors of Lurgan College.



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.



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 the Council of RFCAs and 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-year increases in postage and market price fluctuations, in particular for utilities negotiated through the MOD contract and other non-negotiable costs such as non-domestic rates. This is further compounded by opening control totals not including previous financial year Winter Supplementary risk buyouts. 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 delivery of WMI Guidance and increased use of the events booking system and sales ledger on SYMPHONY, combined with a more effective and corporate marketing approach through Alternative Venues, has assisted further on the management of sales and debtors.

Liquidity Risk

The RFCAs liquidity risk is also low due to the planned disposal of assets. Vehicles are disposed of 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 has however been significantly reduced by 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 is sent out to each RFCAs 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 more than 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.



FY2013/14 Key Achievements

Output One Alpha

Advice and Support to the Defence Council

The principal achievement has been the extensive engagement across the Reserves Forces of the External Scrutiny Group that is charged with providing an annual report to the Secretary of State for Defence on the process of implementation of FR20, and also providing assurance to Parliament. The group visited a cross section of units across all three Services providing observations and advice through direct feedback and the summary of this work will be captured in their second report that is due to go to Ministers in June 2014 and will be laid in the Houses of Parliament. During the implementation phases the RFCA accepted considerable additional responsibility to support single service recruiting through an increased Employer Support structure that saw them taking on enhanced secretariat roles for the regional Boards and a considerable uplift in support to primarily Army activity under Op FORTIFY, funding this through Regionally Generated Income where necessary. The close relationships between RFCAs with devolved governments have remained particularly relevant, especially where devolved representatives were 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 FR 20 programme Board providing insight into the delivery process.

CE CRFCA continues to be an important member of 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 have engagement with Community Covenant initiatives which are planned to be absorbed into the DRM.

The voluntary membership of the Associations and the CRFCA are now in the fourth of their five year Schemes of Association and will be reviewed during 2015. 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 and has supported delivering the messages of the FR20 announcement to the Reserves and their employers. Moreover linkages to local MPs have strengthened through regional briefings and visits to the Palace of Westminster.

Key Successes:

Defence Relationship Organisation IOC (funded by RF&C).

Expanded ES structure across RFCA regions in support of regional Brigades (within resources).

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

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

Delivered RFCA Strategic and Business Plans in accordance with Strategic direction (a significant step forward in underpinning operational output through the Customer Board).



Output One Bravo

Provide Support To Operations – ‘Home And Away’

Despite the drawdown of forces in Afghanistan, the support to operations, particularly to all our mobilised volunteer reserves, remains a high priority. RFCAs have continued to provide suitable VE for regional authority Resilience demands where requested.

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 routine work of supporting reservists in dispute resolution has also continued albeit at a reduced quantity commensurate with the reduction in mobilisations. In addition to our increasing close links to Service welfare charities, the RFCAs have expanded their role in adapting the homes of injured servicemen with single Service direct grant funding now being the norm. The RFCA support to welfare and in particular to injured servicemen has continued throughout the year² 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: a role that will be further enhanced through the DRM. 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 81 ISLA projects to time and cost totalling £3,636,552 (Direct funding from DInfra and charities for tasks sitting outside the formal SLAs).

Reorganising of the RFCA ES structures to accommodate Op Entirety surge of Army recruiting providing formal secretariat to REEBs (multiple in some regions).

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

£4M of Regionally Generated Income invested into the VE and cadet estate.



²A 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

Sustainability Reporting was introduced in 12/13 in order to meet the public sector requirements for FReM reporting, and follows the guidance laid down in HM Treasury Sustainability Reporting 12/13 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 2014

Sustainable Procurement and Construction. RFCAs are required to meet the BREAAAM Excellent (Defence DREAAM 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. Surveys of the VE are now underway to assess risk, introduce controls and monitor progress against targets.

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). RFCAs are deemed to be competent to manage their own utilities procurement, verification and bill payment for the medium term. ASUs are moving to e-billing and e-tariffs, loaded automatically into ACCOMMODATE, which should result in faster invoice receipt, validation and payment.

Transport. RFCAs remain responsible for the procurement, operation and disposal of the Army Cadet Support Vehicles. There is an expectation that a trial for Project Pheonix (the MOD white fleet delivery) will be conducted under the control of HQ Sp Comd during 2014/15. RFCAs have been given assurances that any transfer to central contract would be subject to a thorough trial and Investment Appraisal.

Energy generation and saving measures at Altcar Training Camp.

EDF Energy - Energy Services team recently managed the installation of a 49.9 kilowatt peak (kWp – the rate at which a solar module generates energy at peak performance) Solar PV (Photo Voltaic panels) and the upgrade of the external lighting system at the Altcar Training Camp. The 49.9 kWp array and external LED lighting upgrade (both pictured) are expected to reduce the energy bill of the site by around £17,000 a year, taking into account energy savings from this system and the associated feed-in tariff payments. The payback for the project is expected in less than 10 years.

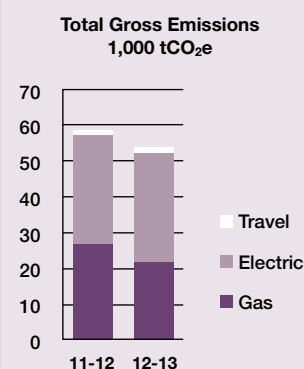


We wanted to lower the energy bill, to reduce the carbon footprint and to give additional security of energy supply. In April last year B2B's Energy Services team undertook a two day survey at Altcar to help identify different energy efficiency measures to suit these needs.

GREENHOUSE GAS EMISSIONS

		FY10/11	FY11/12	FY12/13	FY13/14
Non-Financial Indicators (1000 tCO ₂ e)	Total gross emissions	–	55	50	49
	Total net emissions	–	–	–	–
	Gross emissions Scope 1 direct	1.5	1.5	1.5	1.8
	Gross emissions Scope 2&3	–	–	–	–
Related Energy Consumption (million kWh)	Electricity: Non-renewable	–	45.2	44.5	46.2
	Electricity: Renewable	–	–	–	–
	Gas	–	162.9	136.7	124.7
	LPG	–	–	–	–
	Other	–	–	–	–
Financial Indicators (£million)	Expenditure on energy	11.2	11.8	13.6	13.9
	CRC Licence expenditure	–	–	–	–
	Expenditure on accredited offset	–	–	–	–
	Expenditure on official business travel	1	0.9	0.9	0.8

ANALYSIS



Performance Commentary (inc. measures)

RFCA has adopted the MoD target to reduce greenhouse gas emissions by 25% on 2009 figures by 2015. 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 460,000m³/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

This year we have, once again, by whatever metrics are applied, either achieved or surpassed the established requirements for the administration and delivery of support to the Cadet Forces under the terms of the Service Level Agreements with each of the single Services but primarily with the Army and Air Cadets. The significant support provided to the Sea Cadet Corps is not underpinned by an SLA or MOU but work is underway to have a formal agreement in place in the next reporting year.

Defence Youth Engagement Review – Implementation

The establishment of the Defence Youth Engagement Review (DYER) Implementation Team, last autumn, has resulted in a significant amount of interaction in the committees and workshops associated with each of the work streams. The degree of consultation has been extensive and it has become clear that even in the areas where it might have been anticipated that ‘quick wins’ could be achieved, the many vagaries involved with the dealing with the requirements of the MOD sponsored voluntary youth organisations has meant that progress has been, understandably, measured.

Cadet Expansion into Schools

The Cadet Expansion into Schools Programme (CEP) continues to be the area for which the RFCAs, in England, have been delivering a ‘valued added’ service which does not formally sit within our SLAs. Yet this area has experienced an almost unprecedented level of ministerial attention by both the Department for Education and the Ministry of Defence.

The RFCA employed School Cadet Expansion Officers (SCEOs) together with the RFCA employed ‘MOD representative’ in the Joint MOD/DforE Team have been at the very vanguard in the delivery of the target of 100 new units in schools. Acting in the capacity of the MOD Agent the SCEOs visit and guide the schools, which have expressed an interest in having a cadet unit, through the application process. These posts are funded until 31 Mar 2016 but political expectation may make it necessary for the CEO posts to run beyond the period for which they are currently funded.

The SCEOs function has been far from easy as the whole issue of developing new units, on this basis, has necessitated modifications to the original scheme of manoeuvre as issued in the initial Cadet Expansion Directive.

It can be reported that the achievement of the target is on track although there are concerns that the unintended consequences of accommodating the expansion requirement could have an effect on the current operating model for the existing CCFs. It is highly likely that the current arrangements, most specifically to the funding model, will need to evolve to meet the expansion into state schools.

A separate initiative in Scotland has been piloted in collaboration with 51 Brigade as part of an ‘intervention programme’. In 3 schools ACF linked detachments have been established. The school detachments Broxburn, Hawick and Kilmarnock are now well into their second academic year. The pilots had hoped for their cadets/students to achieve their 1-2* Army Proficiency Certificate (APC) by Easter 2013 at the earliest or by annual camp in the summer. This plan has however proved to be ambitious and so the achievement of 1* and some of 2* in Year 1 and completing 2* in Year 2 is the revised plan. Pupils, however, did complete the SQA Intermediate 1 qualification in Uniformed and Emergency Services as planned. A fresh cohort is now embarked on the programme at Hawick and at Broxburn; and both schools have selected a number of pupils from the 12/13 course to undertake a further year of cadet training so that they achieve more qualifications and greater benefit from the experience. This extension to the programme is being funded by Scottish Government.

West Lowland Battalion ACF have established a relationship with Carrick Academy through which out-of-school cadet achievement is blended with in-school subjects so that the cadets qualify for SQA Level 4 Uniformed and Emergency Services at school. In this pilot, most of the cadets attend Carrick Academy rather than a range of schools. The Detachment CFAVs teach the APC syllabus during evenings and weekends thus there are no additional costs. It is anticipated that up to 26 cadets at Carrick Academy will attain Uniformed and Emergency Services National 4 Certificate award in the Spring.

Example Successes:

The Cadet Expansion into Schools Programme is on track to achieve 100 new cadet units in schools by Autumn 2015 with the RFCA employed School Cadet Expansion Officers delivering face to face liaison with all schools expressing an interest to join the initiative.

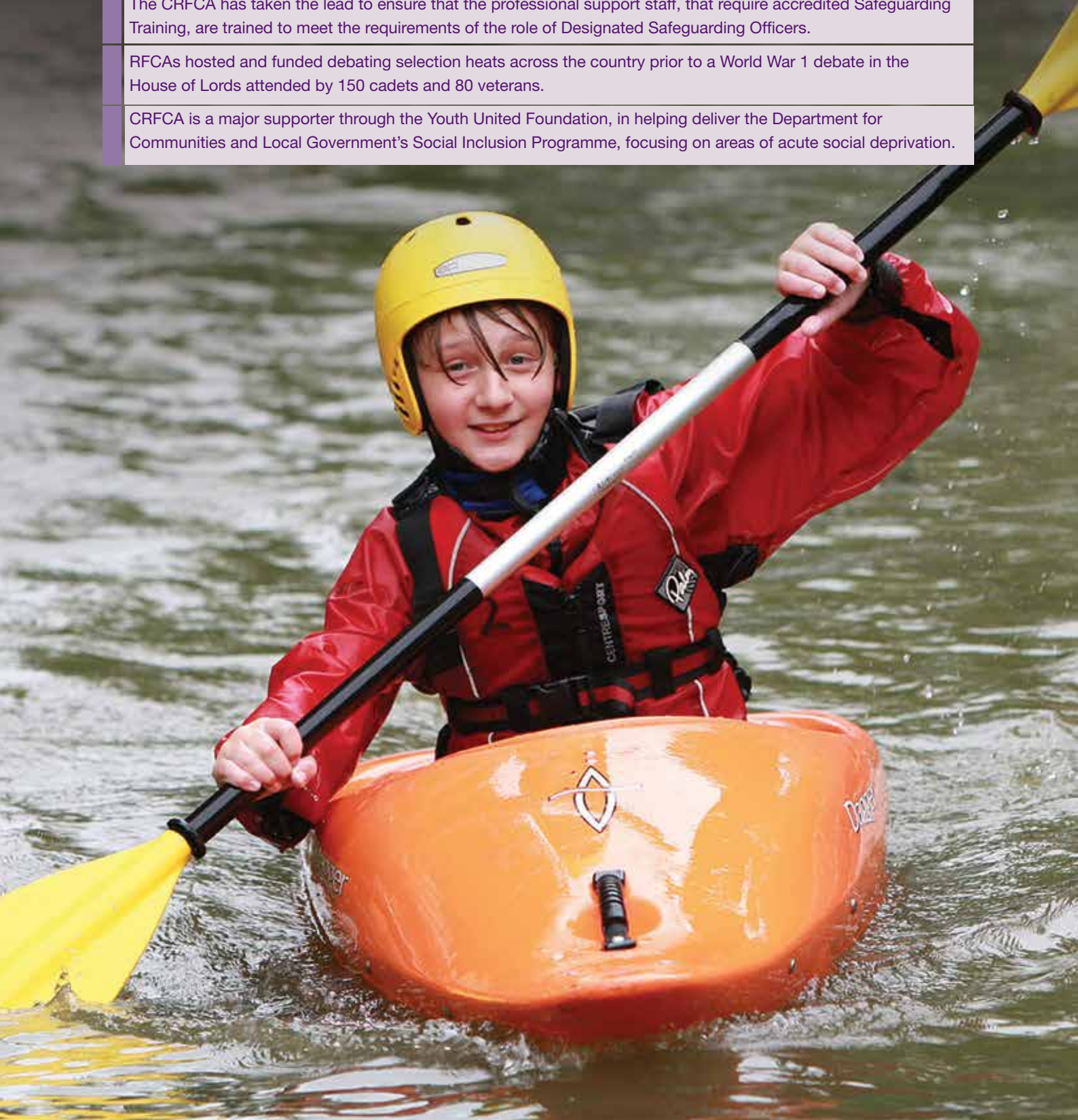
Scottish schools Cadet Intervention Programme funding through the Scottish Government obtained by Lowland RFCA.

West Lowland Battalion ACF in partnership with Carrick School has blended out-of-school cadet achievement with in-school subjects so that cadets can get SQA Level 4 Uniformed and Emergency Services at school.

The CRFCA has taken the lead to ensure that the professional support staff, that require accredited Safeguarding Training, are trained to meet the requirements of the role of Designated Safeguarding Officers.

RFCA's hosted and funded debating selection heats across the country prior to a World War 1 debate in the House of Lords attended by 150 cadets and 80 veterans.

CRFCA is a major supporter through the Youth United Foundation, in helping deliver the Department for Communities and Local Government's Social Inclusion Programme, focusing on areas of acute social deprivation.



Designated Safeguarding Officers

The importance placed upon the RFCAs in the pursuance of the duties assigned within the SLAs can be demonstrated in no better fashion than to point to one of the roles to be undertaken by the Army Cadet Force Professional Support Staff and in particular the Cadet Executive Officer (CEO). Within the general responsibilities placed upon the CEO the following is found within one sub paragraph of the ACF Manual:

'Implementation of and compliance with legislation and regulations for all matters relating to security, SHEF and duty of care towards children.'

In order to be compliant with just one aspect of the above, the RFCAs have ensured that the CEOs have received NSPCC accredited training as Designated Safeguarding Officers. In this capacity it is the CEO that ensures the statutory responsibility to make Referrals, to the Disclosure and Barring Service, on the occasion of any safeguarding breaks that result in the removal of adult volunteers (and where it occurs, employed staff) from the Army Cadet Force as the organisation falls within the parameters of a Regulated Activity.

It should also be noted that this training was first undertaken a full 2 years before the Army had developed its own safeguarding policy document. In July 2013 refresher training took place with the CEOs with the delivery of training provided by the Director of Cadets and Youth in collaboration with the NSPCC. In addition to the refresher training a separate half day session was spent with the CEOs to run through the newly introduced safeguarding training presentation which is now delivered by the County Commandants or CEOs to all adult volunteers. The CEO as the Designated Safeguarding Officer is at the very heart of all matters relating to safeguarding and their ability to effectively deliver this requirement has only been possible through the vision and foresight of the Council to ensure that the staff members are trained and able to provide the best possible service to our customers; once again demonstrating our ability to react to the requirement and be proactive in delivery.

Cadet Highlights

Every year, The Lord Speaker of The House of Lords invites young people from across the UK to take part in a debate event. For 2013, the seventh annual event, the theme was Defence and Remembrance. On Friday 29 November, 150 tri-Service cadets and 80 veterans were asked to debate, 'One hundred years after World War One, what is its legacy for the UK and how does it shape the nation today?' Regional talking days and selection heats were held in the run up to the event.

These events were hosted and funded by the RFCAs in facilities that ranged from Town Halls University debating chambers across the UK. The Regional events gave the cadets and veterans from the Royal British Legion (RBL) the chance to meet, share experiences and discuss issues central to the debate. The events were supported by the English Speaking Union and ensured that all participants, whether they went on to the House of Lords event or not, were fully engaged in the whole piece.

Cadets continue to be very active within their local communities and it is notable that the County of Kent has been able to establish a specific Cadet Community Covenant Initiative in partnership with Canterbury College which, as a 'National First', has enabled a firm base to advertise the Movement's spirit of fun, excitement, adventure and community service. This is typical of the activities that enhance the reputation of Cadet Forces across specific RFCA regions and nationally. The RFCAs not only support but promote the cadets, from all 3 Services, in activities that range from working within the local community to the provision of refreshment stands at major sporting events. Many of these activities are formally recognised at the Lord Lieutenants' events which are organised, managed and delivered across the UK, in consultation with the Lieutenancy, by the respective RFCAs.

New Joint Cadet Centres (JCCs)

In order to realise the intent of the MOD, DIO and the single Services, every opportunity is being made to develop joint cadet centres and move '2 into one' whenever possible. Over this reporting period several JCCs have been commissioned including Blairgowrie in the Highlands and Gillingham in the South East.

Youth

The CRFCA has played a major part in supporting the delivery of programmes managed by the Youth United Foundation on behalf of both the Army and Air Cadet organisations. The targets established for increasing cadet participation as part of the of the Department for Communities and Local Government (DCLG), Social Inclusion Programme (SIP) are all on line to be achieved. These increases have specifically be made within the DCLG nominated areas of high social deprivation which we have been able to employ Development Officers to support work in Manchester, Birmingham and the North East.

Output Three

Support to Recruiting

For a further year, activity levels continued to be constrained by a lack of direct resourcing. However, Associations have continued to develop a close working relationship with their respective RPP Regional Operations Managers and as such have been better able to focus their support, within the context of Op FORTIFY. Despite this, the situation has remained largely unchanged with Associations reporting that much more could have been achieved had they received relatively small cash injections to prime the pumps of their 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 RPP Regional Operations Managers, this activity has included typically, local PR campaigns, financial support to unit level local 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 proportionally high impact. That said, as a rule Associations have only funded items/events that cannot or will not be funded through Capita RPP. Meanwhile, in an effort to bottom out how the RFCA's support (and resources) can continue to be deployed post RPP FOC, negotiations with the RPP/Capita staff have continued. The team at Upavon have recognised that the RFCA's intimate knowledge of the Volunteer Estate, past experience, cost effectiveness and flexibility play a key role at the local and regional levels and that the RFCA's existing Recruiting Support Output can complement, as well as dovetail safely into the RPP's Operating Solution without causing a conflict of interest. This remains an unfunded activity within the SLAs.

Example 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.

London City Briefing Dinner: 45 'future leaders', aged between 25-35 from FTSE top 100 hosted by Reservists of the same age group.

Cardiff Business Club opportunity provided for CAS to address key business leaders in Wales sponsored by WA RFCA.

Y&H RFCA provision of media agency to assist unit PROs in supporting recruiting for cadets and reserves utilising RGI.



Output Four

Assistance to Community Engagement & Representation

The emphasis for Community Engagement has shifted extensively towards providing the envelope within which the expanded community relationships, that have been demanded by the recruiting challenge, have operated. An intensive tempo driven largely by Army recruiting through Op FORTIFY has resulted in multiple events sponsored by RFCAs or jointly with Regional Brigades with RFCA 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.

Significant work on the future of Community Engagement is being driven by the Army, through HQ Support Command, which is developing the new Eight Point Civil Engagement Model, the Understanding Community Engagement (UCE) IT programme, which records activities, and methods by which the success of Civil Engagement can be measured more effectively. RFCAs are providing valuable assistance to these developments.

The exploitation of the good messages within the White Paper were the medium for coordinated networking across the regions, and RFCAs are now actively seeking to review their membership to ensure that they are able to better support the functional areas inherent in the RFCA strategic direction. This is already being achieved by proactive targeting of co-opted members to support specific strategic outputs.

Example Successes:

Input of £80,000 of RGI in support of CE events nationwide.

County briefings organised for every RFCA to brief members and co-opted invites with specific regard to the WP messaging.

A Drumhead Service, funded by GL RFCA, was held at The Royal Hospital Chelsea on 28 June in the presence of HM the Queen, HRH The Duke of Edinburgh and HRHs Prince Edward, Prince Michael of Kent and Princess Alexandra, attended by over a 1,000 guests with over 500 youngsters from all of the YOU organisations.

Employer engagement event in Mansion House, hosted by the Lord Mayor and funded by GL RFCA from RGI. Attended by 50 City senior managers and led by Hd DRFC with input from GOC LONDIST.

Continued support for Veterans Associations including accommodating SPVA and numerous service charities at no loss cost.

Support service presentation teams with venues and RGI for events

165,910 SERFCA web hits in 2013/14 and significantly boosted due to high use of Social Media.

Online newsletter forwarded to all digital channels and email distribution lists. Currently 3,712 hits last quarter of FY.

4,874 followers on Twitter; 2,724 hits on YouTube, with 6 videos uploaded in last quarter; 4,170 followers on Facebook within last 3 months of FY with a weekly reach of 5,400

Regional support to the chains of command continues to increase across a widening spectrum; facilitating 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 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. The use of the RFCA contact database has proved invaluable in these areas.



Air Vice-Marshal Paul Luker, Chief Executive CRFCA, and General John Crackett, Assistant Chief of Defence Staff (Reserves & Cadets), mark the signing of the RFCA Corporate Covenant

Output Five

Personnel and Financial Management

At the strategic level, the Customer Board's 4 Year Strategic Plan 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 2013/2014 was based on the extant SLAs. However these have been subject to review throughout the period aiming to be complete in order to inform planning for FY 15/16.

Internal governance continued to improve with programmed activities of the CRFCA Audit Committee which examined the RFCAs capability to manage fraud and error. This identified a number of areas for clarification and improvement that are being addressed through management response plans and reassured the AC of the current good practices in place. The legal status of the CRFCA remains unresolved although the Customer Board had stated the intent to resolve this issue in order to allow the consolidated accounts to proceed to NAO audit for FY13/14. This has not been resolved and therefore we still await the move to NAO audit. RFCA Regulations 2009 are awaiting ratification by the DMB including the final version of section 4 (Estates). The Financial Framework was finalised and signed by HQ Army and the CE CRFCA and became the RFCAs governance document for FY13/14 onwards. We continue to meet the NAO requirements to be FReM compliant.

In resource planning and budgetary terms, we again experienced late provision of budgets, particularly prevalent in the last quarter of the FY, in which an excessive amount of minor new works (MNW) tasks were placed onto our account, a high proportion of which had to be receipted into the following year. Despite the continued reduction in the budget for Estate management, an increase in ad-hoc project work including Betterment and ISLA projects saw our funding income increase from FY2012/13 by 10%, £11 million to £122,427,831. Despite the continued difficult commercial market, regionally generated income added a further £7,785,872 to the budget realising a final income budget of £130,213,703. Total expenditure was £129,754,150 producing a narrow variance of £459,553 income over expenditure. We remained within our 2% GiA operating reserve figures.

Significant Achievements:

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 only notable changes being the reinstatement of the Employer Support AOs in line with Op FORTIFY and an increase in cadet expansion staff as covered in Output 2. The RFCAs maintain a very lean staff, never more than two deep in an effort to drive fixed 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 been particularly challenged especially in the face of a hugely expanded Army recruiting effort that has meant that existing RFCA RSCDs have face an exponential increase in contacts and a major coordination role. Project HALDANE2 (PH2 completed migration to the 13 RFCAs and SaBRE on target in March 2014) and the cadet element will deliver a single networked capability to the County HQs permanent support staff. This cutting-edge tech cloud based network has provided new ways of working particularly for estates staff. The accreditation has seen the RFCA solution leading the MOD in technological development and this has demanded proof of concepts at every stage however the MOD is now looking to adopt some of these proven options as a result.

Key Successes:

Delivery of PH2 on time and with additional capability as a result of dynamic Rapid Application Development.

Extension of the PH2 programme to embrace all ACF PSS across 57 counties.

Employment of Schools Cadet Expansion Officers and also Central Staff (3 within HQ Sp Comd) on behalf of the DoE 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 Project (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 laydown, development and maintenance of the estate. DIO has come to the end of its radical reorganisation referred to as the Enhanced Operating Model and we are still feeling our way into those affects for the Reserve Estate. Most practices remain unchanged; the Capital build programme, Forward Maintenance Register and Statutory/ Mandatory Inspections, Tests and Works remain the same irrespective of the overarching structure. The DIO initiative Next Generation Estates Contract has until now left the Reserve Estate unaffected, but in itself it presents a number of improvements in carrying out the more fundamental maintenance tasks. The more we can streamline our practices and align to the NGEC model used on the rest of the Defence Estate, the more able we are to secure funding and the more able 'One Army' (Navy/Air) will understand how to use the estate to its best advantage. This work is against the backdrop of discussions around a new 5 year Service Level Agreement with DIO and most of these reporting and Key Performance Indicator changes will be captured therein.

In line with the NGEC model, our funding structure has now changed. Previously the Reserve Estate was funded as 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 fracture of a single Control Total into several budgets from which to bid 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 by Brigades/Wing/Navy Cmd 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 is in order 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 Estate as viewed by those new recruits we are trying to attract and consider life as a Reservist. The consequence of which is an additional £7.5m spent on planned maintenance

on redecoration or improved ablutions that would not otherwise have received funding. That accounts for 331 tasks on 161 Army Reserve Centres at an average cost of £22.5k. This represents a huge amount of work with late in-year funding, approved in September, to achieve a significant advance for the Estate and the FR20 recruitment targets.

Future Reserve 2020 also saw a change in nomenclature; Territorial Army was replaced with Army Reserve. One impact of which was the removal of all existing TA Centre street signage and the addition of large red background 'Army Reserve Centre' signage to all 377 sites. Another in year task that amounted to £780k of expenditure and a whole new understanding of the vagaries of local authority procurement processes; a task to which the RFCAs rose with considerable success and that was significantly enabled by their intimate stewardship of the VE and close connections with the LA.



In recognition of an intolerable 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 upgrades to the building fabric, racking and alarm systems. We have a current budget of 2.74m but this is conservatively estimated to reach £5m+ over the next two years of the project.

Around the UK there were a number of capital projects worthy of special mention:

East Midlands RFCA

Yardley Chase Cadet Training Centre

In July 2013, work started on one of the most impressive Capital build projects of the last year at Yardley Chase Cadet Training Centre, Northamptonshire. On the shoulder of the Training Area the CTC has, for the last ten years, been limited to dishevelled accommodation and a series of expensive portacabins. Due to open in September 2014, the Centre, comprised of 4 buildings and the refurbishment of 3 others, will accommodate 230 people – 185 cadets and 45 adults. From an initial concept in 2004 the £7.3m project, designed by Maber architects of Nottingham, is of steel frame, precast concrete and brick construction with timber rain screen cladding and has been designed to achieve a DREEAM excellent rating for its high quality environmental standards. It has been scaled in height to fit the local skyline and incorporates innovative air source heat pumps to heat the buildings and reduce utility costs and is in accordance with Government Carbon reduction commitments.

Although the home of Leicestershire, Northamptonshire and Rutland ACF, the CTC will be used extensively by local Sea and Air Cadets. The centre will also be used as supplemental accommodation for regular and reserve soldiers using the Yardley Chase Training area throughout the year. In all a fabulous new asset for Defence delivered by East Midlands RFCA, their design team and built by GF Tomlinson's of Derby.



West Bridgford Air Cadet building

The new Air Cadet building in West Bridgford, Nottinghamshire is a testimony to local collaboration. East Midlands RFCA were approached 5 years ago by West Bridgford Council who needed to develop the town centre including using the existing ACF and ACO site. After protracted discussions funding and a new site were secured for the new 420m² building on a prominent piece of land on a major road leading into Nottingham. The £1.1m project built by JM Hoyes of Lincoln is due for completion in November 2014 and will be the new home for a Detachment of West Bridgford Army Cadet Force and 209 (West Bridgford) Squadron ATC, each parading in excess of 30 Cadets.



Lowland RFCA

Kirknewton VGS

The Volunteer Gliding Schools perform a vital function in introducing new skills for young Air Cadets. Unfortunately the VGS at Kirknewton suffered neglect over a number of years due to paucity of funding. In particular the two runways had developed extensive potholes and the herringbone pattern 'French drains' had become overgrown with weeds and ceased to function. The two runways, one 1000m long the other 800m long, were replaced with parallel grass runways. Lowlands RFCA appointed Dougall Baillie, Civil Engineers, as lead Consultants and, with advice from DCRE at RAF

Leuchars, Souter Sports were appointed as the main Contractor. This extensive refurbishment programme was commenced in February 2013, using new and reclaimed top soil, laid, compacted and seeded with special, durable grass varieties; and largely completed by August of the same year at a cost of £967,000.

In tandem with this contract, the male accommodation blocks were replaced with new, to-scale, modular buildings designed and built by Elite Systems at a cost of £473,000.



Wing Activity Centre, CTC Gilbertfield

The new WAC for West Scotland Wing ATC was built on an existing ACF site for both ACF and ACO use. The accommodation, designed by Lowlands RFCA, provides accommodation for 18 Cadets in 6 bedded rooms with en-suite facilities and 4 Adults in 2 bedded rooms with en-suite facilities. The main contractor was Fleming Buildings Ltd. In addition to the overnight accommodation, the building provides classroom, flight simulator, radio and IT facilities along with the use of the extensive Dechmont Training Area and range.

Greater London RFCA

JCC Parkhurst Road

The new Joint Cadet Centre at the former TAC site in Parkhurst Road was completed 28 February 2014, and ACF 23 Detachment and ATC 9F (Islington) Squadron moved into their new accommodation during March 2014 to meet the MOD's sale obligations.

The accommodation was completed to programme within a 15 week site operation using modular units built in a factory in Wakefield and clad in a brick outer skin.

The remaining former ARC site has been sold for residential development.



JCC Horns Road, Ilford

The major refurbishment and extension of an existing Joint Cadet Centre at Horns Road, Ilford. Work commenced on site in September 2013 and completed in April 2014.

The development refurbishes the old building interior with up to date office space and a new all weather drill hall. Designed in a contemporary style, the project creates a positive environment for 32 ACF Detachment and 4F ATC Squadron occupants and a modern environment in which to facilitate cadet activities.



South East RFCA

Project Seely

Project Seely, so named after the SE RFCA Headquarters building³, is an ambitious project to seize an opportunity and transform 5 separate cadet huts in their region in one go. In anticipation of a disposal receipt at the project conclusion, cadet huts in Gillingham, Gravesend, Sheerness, Canterbury and Caterham were all converted or re-built as Joint Cadet Centres releasing 5 sites for sale. In one step this has given Cadets a secure infrastructure for the next 25-30 years and halved the running costs for those new or refurbished sites. Project Seely will result in a saving of approximately £3.6m over 25 years.



Gillingham Joint Cadet Centre



Gravesend Joint Cadet Centre



Sheerness Joint Cadet Centre

³ In turn named after Firts World War Veteran, Maj Gen J E B Seely PC CB CMG DSO KStJ, 1st Baron Mottistone and Lord-Lieutenant IoW 1918-1947

West Midland RFCA

496 (Kenilworth-Balsall Common) Squadron ATC

Until recently the future for the 25 cadets of 496 Squadron seemed uncertain. Development of its previous location at Heart of England School in Balsall Common meant the Squadron faced finding a new location at relatively short notice. Thankfully we secured a site, which looks to be even better than the previous location, in the centre of the town of Kenilworth for the first time at Kenilworth School and Sports College. Not only do the Squadron from Balsall Common have a new location they can now benefit from increased recruiting potential within a larger conurbation and is a thriving addition to the local Community.

The 287m² building was designed by PD Architects of Lichfield and built by Three Pines Construction at a total cost of £391,000. It's a single story build brick and blockwork construction with pitched roof and, following an Energy Management policy common to the RFCAs, includes a number of Photovoltaic solar panels.



North of England RFCA

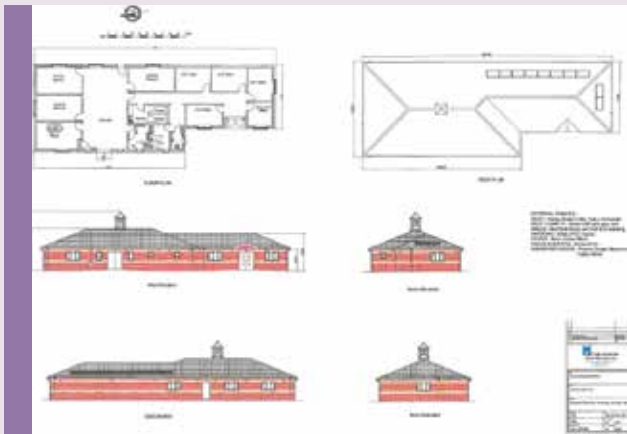
Consett JCC

A new Joint Cadet Centre is being built in Consett to provide modern, multifunctional facilities for the local Army and Air Cadet units.

Work on the Centre has already started, with the two old wooden huts that were previously home to the Cadets having been demolished at the start of June 2014. The Consett Detachment of Durham ACF and 1409 (Consett) Squadron ATC shared the previous site and were accommodated in two timber Spooner huts that were coming to their end of their life spans. The buildings were in poor condition and the site was run down. A lack of IT facilities in the ATC Squadron was also affecting the cadets' learning experiences. The new Centre is based on a tried and tested model used in other parts of the country, and will provide the Cadets with a combination of shared facilities, such as a Parade Hall, radio room, range and classrooms, and separate offices and storage space for each of the Cadet Units, to allow them to prepare and deliver a wide range of activities to the young people. Included in the build will be IT facilities to allow the Cadets and their Instructors to benefit from online resources and training packages, and a flight simulator room for the Air Cadets to use for flying training.

The Centre in Consett is the first of its kind to be built in the North East. Designed by Archlodge Construction Project Management Ltd, the finished internal floor space will be 280m² and is of a traditional construction on a freehold site. The build is expected to take 40 weeks, with the main contractor being McCarrick Construction.

It is hoped that the provision of new facilities, at a total cost of c. £475,000, will attract even more young people into the Cadet Units in Consett. Currently, numbers of Cadets at the ACF and ATC units stand at about 20-25 each, but it is hoped that the upgraded facilities, and improved access to activities and training for the Cadets will renew interest in the opportunities offered, and will attract many more young people, as well as adults who wish to support the units as volunteers.



Highland RFCA

New Joint Cadet Centre, Blairgowrie

A detailed building fabric survey in 2011 confirmed that the building occupied by Blairgowrie Detachment, Black Watch Battalion AFC and the 2519 (Strathmore) Squadron ATC suffered from serious building fabric defects requiring extensive and urgent repairs, and that the accommodation fell short of the standard recommended in JSP 315.

During the options study it became apparent that it would be too expensive to refurbish and alter the existing building to create a modern cadet centre, and Highland RFCA decided to pursue the preferred option to demolish the existing building and construct a new cadet centre on the Association's 697m² town centre site.

Located in the Blairgowrie Conservation Area, permission to demolish the existing traditional stone building was contingent upon the replacement building enhancing the appearance of the conservation area. Perth & Kinross Council insisted that the building should have a traditional appearance and that elements from the demolished building should be re-used, while Highland RFCA's focus was to create a robust, low maintenance and energy efficient building to reduce whole life costs to a minimum.



The design developed by Wellwood Leslie Chartered Architects in response to these constraints meets both requirements. The new cadet centre's traditional appearance with features including traditional stone work and lime render, historical ventilators and cast iron fencing, belies a thoroughly modern form of construction. Ground works started in January 2013. The pre-fabricated factory insulated timber frame wall and roof panels arrived on site in March and were erected in days, allowing a weather tight envelope to be created very quickly. The building is exceptionally well insulated and air tight to reduce energy requirements to a minimum. Additionally, solar panels on the south facing roof produce an income from electricity generated on site and exported to the national grid. Since completion in July 2013 the 292m² building constructed by Beveridge Builders Ltd, Perth, at a net cost of £430k provides a generous and bright environment with training hall, stores, lecture rooms, and offices for both cadets and adult instructors to enjoy.



Wales RFCA

2518 (Flint) Squadron ATC and Flint Detachment ACF – Joint Cadet Centre. Extension and Refurbishment and Demolition of ACF hut.

The new Joint Cadet Centre at Flint is a combination of a refurbished existing (ATC HQ) building and an extension (ACF) building. The old ACF building was a smaller sized hut in a dilapidated state i.e. wooden window frames rotting away, holes in walls inside, wooden cladding on outside, all in very poor condition and the ATC Headquarters building was under scale. The building, designed by PMBC Architects Ltd and built by Williams Homes of Bala, Wales, is of traditional brick cavity wall and concrete tiled roof construction; to match the existing ATC building. It's footprint is 160m² and when it opens in September will have cost only £291,000 which represents very good value for Defence.

It has been agreed by ACF and ATC that the Cadet Centre will be named The Jim Hewitt Cadet Centre. Jim served a full career in the army in the Royal Welch Fusiliers rising through the ranks from Fusilier to Major. He then entered RFCA employ as the CEO of Clwyd ACF (4th Cadet Bn RWF) later Clwyd & Gwynedd ACF, a post he held for 11 years until his untimely death from cancer in August 2013.



Output Seven

Employer Support – National and Regional Delivery

The Government announced plans to increase the number of trained Reservists to around 30,000 as part of plans to restructure the Armed Forces. These changes will have a natural knock-on effect on employers as the number of Reservists increases and they become more integrated with the wider Armed Forces. The plans were set out in a white paper launched summer 2013 entitled 'Reserves in the Future Force 2020'. It outlined initiatives for both Reservists and their employers to enable these changes to take place.

After consultation with employers, the Government introduced a series of initiatives to make the process of employing a reservist easier. As part of this, the MOD plan to build a stronger, more mutually-beneficial relationship with employers and have therefore outlined a number of measures which they believe will enable this. These are listed below, along with commencement dates:



Units will notify employers when they have a Reservist working for them. They will also inform employers of their annual training requirements and calendar so employers can plan absences around their business.

January 2014

A National Relationship Management scheme (NRM) will be set up as a first point of contact for employers for all elements of Defence.

April 2014

In support of the NRM, a new employer recognition scheme will be implemented, which will build on the existing SaBRE Supportive Employer Certificates, and the Corporate Covenant.

July 2014

Through increased civilian accreditation and access to the Standard Learning Credit (SLC) scheme, improve both military skills and civilian employability.

April 2014

Introduction of a streamlined process for employers to apply for Financial Assistance to cover costs while their employee is mobilised. Regulations will be revised to improve financial assistance to employers and cap the level of Reservist award for non-specialist roles.

Late 2014

In addition, the Defence Reform Bill covers some of the proposals and measures for reform. It contains four early measures to strengthen and support the Reserve Forces and these are being implemented through the Defence Reform Bill which will receive royal assent on 14 May 2014.

These four early measures are:

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.

As the changes are rolled out in the run up to 2020, Defence will look to continue its engagement with employers to make sure the new initiatives are going to be sustainable and supported by employers. The SaBRE campaign will continue to keep employers up to date with these changes as they happen both through National and Regional communications, and face to face engagement through the central team and Regional SaBRE Campaign Directors. The focus of the SaBRE campaign over the past year has been in communicating the White Paper findings to employers. This has included email and hard copy communications supporting the launch of the White Paper, social media and website promotion, and providing employers for interviews to support national news reports and trade press publications. A SaBRE blog in HR Zone provided further information, and for the internal audience a UESO briefing pack was sent to all units. This was followed up 1-3 months post-announcement with an engagement programme including revitalisation of the SaBRE toolkit, regular HR Zone blog posts, and reservist profile pieces in regional and trade press. In the regions a number of thank you events and inform events were held to support the White Paper. 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 and thus the ability to engage and sustain supportive employers with limited resources has been somewhat constrained by this requirement. However, The RAF Reserves Course Guides were completed and distributed to RAF Reserve Squadrons.

In support of the new emphasis on employer engagement from the White Paper, it is anticipated that the number of ERG submissions for centrally coordinated marketing activity will increase, in order to support communications and messaging at National and Regional levels. Despite these challenges regional engagement has remained active and much credit for this falls to the perseverance of Regional SaBRE Campaign Directors (RSCDs). Reservist mobilisations have continued for Ops HERRICK (Afghanistan) and TOSCA (Cyprus).

The Government's White Paper on the Future of the Reserves has recognised the contribution employers make to supporting reserve service, and accepted the need for a new approach to assure the nation's future dependence on the Reserve Forces. A new pan-Defence framework for civilian employer engagement was announced, including a National Relationship Management scheme to establish strategic personnel relationships with major employer organisations, relevant trade bodies and the largest employers.

Looking ahead, the Council of RFCAs has been working to put some of the steps in place to provide the new National Relationship Management scheme (now known as Defence Relationship Management). The requirement for IOC in April 2014 was to have achieved IOC, and this included the need for a web presence, telephone and email contact, and a skeleton staff supplemented by the legacy SaBRE campaign staff along with a basic plan for growth, and initial engagement with a number of large organisations. IOC was achieved, with the requirement of a new Director Engagement in the Council of RFCAs to head up the delivery team. In place was AD Transition, working alongside the new AD SaBRE (at time of writing now AD Marketing and Communications). An initial pilot list of 14 large organisations was selected, and work commenced on the development of the organisation as well as commencement of engagement with the first group of employers. Defence Relationship Management has a vision that Defence is seen as a trusted partner with employers on personnel issues. It is anticipated that this will be delivered through three main business areas: key account management, marketing and communications, and employer research and intelligence. FOC is planned for April 2015 and there is a high level of optimism that this will be reached in order to deliver on the requirement from the White Paper.

Employer Attitudes

It is of note that 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 Reserves service benefits the development of employees, who gain valuable skills that could not be learned in their own jobs. 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. Employer awareness of their rights, financial packages including both existing measures and the new incentive introduced from October 2014, and overall support available in particular when employees are mobilised are key areas in which we aim to be more targeted with messaging, responding to indications that one in four employers become more supportive where their awareness of the measures is raised. We must take greater advantage of the opportunities offered by the number of employers who offer advocacy, and target this commitment towards our key aims, incorporating raising awareness and commitment to the Corporate Covenant and for the future Employer Recognition Scheme.

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. The SaBRE helpline received an average of 35 calls per month, which is a reduction on recent years. Information and advice was provided in a variety of areas 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 a most effective source of useful information and advice. Membership of SaBRE's social media channels – Facebook, LinkedIn and Twitter – continued to grow slowly. These channels have been used to share information and drive traffic to the SaBRE website and to other useful sources of information. 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 SaBRE Campaign Directors (RSCDs), who are embedded in the RFCAs

throughout the UK. RSCDs' work ranges from briefing groups of employers to providing advice and support to the chain of command. The Army's requirement for increased employer engagement with the start of Op FORTIFY has led to increased engagement by RSCDs with their regional Army Brigades, in particular with a focus on the use of employer data held on Salesforce to make approaches to employers for workplace recruiting. The level of resource invested by the Army in their employer engagement activities has led to a re-energisation of regional employer engagement.

Involvement in the development of workplace recruiting processes was initially facilitated by representation at the Employer Engagement Coordination Board by Lead CE Employer Support, and RSCD South East. RSCDs and CEs are represented at regional level in the Regional Employer Engagement Boards where many RFCAs provide the Secretariat. This representation is key and has assisted in raising awareness of RFCAs 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 provided valuable engagement with employers that may not currently employ Reservists. This engagement has been complemented by Lord-Lieutenants, politicians and senior officers who have been helpful in promoting the Employer Support message at events organised by the RFCAs. In advance of the new Employer Recognition Scheme (another White Paper commitment), the presentation of SaBRE Supportive Employer certificates in 2013-14 continued to provide a useful means to recognise the commitment of employers, and particularly those who have had experience of a mobilised Reservist. The RFCAs' Regional Employer Engagement Groups (REEGs) have continued to provide an employer-based focus for employer engagement advice and activities in each of the regions.

Employer Database

The accreditation of Salesforce was renewed on an interim basis. Work can now go ahead to invest in Salesforce and provide additional tools which with the improvements being made to the quality of employer data held and an expected improvement in the quality of employer data provided by the single Services, through JPA, will allow for more accurate targeting, follow up with employers, and provide additional reporting and insight capability.



Conclusion

Overall the Employer Support effort mounted by the RFCAs and SaBRE has helped to ensure that the vast majority of Reservists are mobilised when required by Defence and employers are broadly satisfied by the advice and support which they have received. This is supported by the Jigsaw research which was published shortly after the end of this FY. 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 White Paper. 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 the FR20 White Paper recognition that a new pan-Defence framework for civilian employer engagement is required, the RFCAs remain committed to ensure their contribution assists in meeting success as changes unfold.

Key Successes:

Largest event was launch of White Paper in July with associated communications activities

Bringing to life the National Relationship Management Scheme, with the new Defence Relationship Management team successfully reaching IOC in April 2014.

Regions playing an active role in new REEBs

The RAF Reserves Course Guides were completed and distributed to RAF Reserve Squadrons

Annual attitude and awareness survey was restarted (conducted in December 2013 and January 2014)

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 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 853 salaried Crown Servants, of whom 551 support the ACF across the UK and 302 work in the Regional RFCAs 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 & 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 & 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 & 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 2014 was £129.8m, up 10% from FY2012/13. Funding income totalled £122.4m and RGI totalled £7.8m which resulted in a minor excess of income over expenditure of £0.5m.

Of the £129.8m spend, 37% (£43.9m) was spent on the reserves estate and infrastructure, 26% (£30.1m) was spent on the cadets estate and infrastructure, 23% (£26.9m) was spent on support towards the ACF, TA, RAuxAF and ISLA, 2% (£2.3m) was spent on employer support and the remaining 12% (£14.5m) was spent on RFCAs' overheads.

Infrastructure costs rose by 5% largely due to the increase in prices on the MOD utility contracts. Property management expenditure decreased by 16% due to a marked decrease in funding of £3.5m. Revenue and Capital projects did however rise by 5% due to an increase in funding and the injection for FR20 Betterment works. Estate funding was again supplemented in-year by RGI, to the sum of £3.9m (£2.6m revenue and £1.3m capital).

RGI was also used in year to supplement recruiting/ employer support funding (£0.7m), Reserve and Cadet grants (£0.7m), IT & Admin (£0.4m), vehicle replacement funding (£0.8m) and sub-letting costs (£1.0m).

Further details of the outputs delivered within this expenditure can be found under FY2012/13 achievements.

Result for the Year

These are fully described in the preceding Report and the annual accounts.

Financial Risks and Uncertainties

During FY2013/14 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 £4m from last FY (19%) which amounts to over £7m in two years (30%). Additionally we faced risk within the grant-in-aid budgets which were bought out by the Winter Supplementary and by internal transfers.

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 FY2013/14 onwards are far greater. Our grant-in-aid control totals (from both Sp Comd and DIO) for FY2014/15 do not include the in-year supplementary buyouts that were required to fund actual requirement, in particular for utilities. We hope for these to be formally included within baseline CTs following the ABC15 meetings. Moreover, continued reduced funding and delayed notification of full year CTs by DIO of the VE estate maintenance budget (reducing from £27.7m in 2010 to £17.4m 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.

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 will further assist 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 5,546 days and short term sickness were 1,727 days being the equivalent of 8.5 days per employee. In comparison with national average within the public sector, the RFCA sickness absence rate is 3.3% days lost as opposed to 2.9% (2013 statistic) nationally.

Personal Data Related Incidents & 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 consolidated accounts in accordance with the Financial Reporting Manual are due to be audited by the National Audit Office (NAO) under the Financial Framework. However, there remain regulatory, legal and accounting issues that require resolution with the Treasury and the MOD before full NAO audit agreement can be given.

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 RFCAs are shown below.

	Annual Emoluments: Salary and allowances --- Performance Pay/Bonuses	Non-cash benefits: Benefits in kind e.g. Company car	Real increase in Pension and related lump sum at age 60:	Value of accrued Pension and lump sum at age 60 at the end of the reporting year:	Value of the cash equivalent transfer value at the beginning of the reporting year:	Real increase in the cash equivalent transfer value during the year:	Value of the cash equivalent transfer value at the end of the reporting year:
Chief Executives:	FY2013/14 (£'000)	FY2013/14 (£'000)	FY2013/14 (£'000)	FY2013/14 (£'000)	FY2013/14 (£'000)	FY2013/14 (£'000)	FY2013/14 (£'000)
AVM P D Luker CB OBE AFC Council of RFCAs Appointed: 05/04/2006	85 - 90 - 5 - 10	6.6	-	35 - 40	143	81	225
Col (Retd) A K M Miller CBE Highland RFCA Appointed: 28/05/2007	60 - 65 - 0 - 5	4.7	-	20 - 25	91	14	105
Col R D Gibson MBE Lowland RFCA Appointed: 20/09/2004	60 - 65 - 0 - 5	2.3	-	25 - 30	137	23	160
Col J R M Hackett CBE North of England RFCA Appointed: 21/08/2006	50 - 55 - 0 - 5	3.9	-	20 - 25	99	13	112
Col (Retd) C E M Snagge Yorkshire & The Humber RFCA Appointed: 30/09/2009	55 - 60 - 0 - 5	4.5	-	20 - 25	108	17	125
Col G J O Wells-Cole OBE DL North West of England & Isle of Man RFCA Appointed: 07/02/2000 to 31/05/2013	15 - 20 - 0	0.8	-	35 - 40	184	2	186

Salaries and Pension Entitlements

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

	Annual Emoluments:	Non-cash benefits:	Real increase in Pension and related lump sum at age 60:	Value of accrued Pension and lump sum at age 60 at the end of the reporting year:	Value of the cash equivalent transfer value at the beginning of the reporting year:	Real increase in the cash equivalent transfer value during the year:	Value of the cash equivalent transfer value at the end of the reporting year:
	Salary and allowances --- Performance Pay/Bonuses						
Chief Executives:	FY2013/14 (£'000)	FY2013/14 (£'000)	FY2013/14 (£'000)	FY2013/14 (£'000)	FY2013/14 (£'000)	FY2013/14 (£'000)	FY2013/14 (£'000)
Col M C H Underhill OBE North West of England & Isle of Man RFCA Appointed: 08/04/2013	60 - 65 - 0	3.4	-	15	N/A	N/A	14
Col N R Beard TD Wales RFCA Appointed: 09/09/2002	60 - 65 - 0 - 5	5.0	-	30 - 35	175	14	189
Col T F L Weeks OBE West Midland RFCA Appointed: 09/08/2004	55 - 60 - 0 - 5	2.8	-	25 - 30	135	14	149
Gp Capt N D Sharpe East Midland RFCA Appointed: 01/08/2011	55 - 65 - 0 - 5	3.2	-	20 - 25	23	15	38
Brig T Dalby-Welsh Wessex RFCA Appointed: 28/04/2003	60 - 65 - 0 - 5	5.6	-	30 - 35	147	12	159
Col J D Lacey CBE DL East Anglia RFCA Appointed: 23/04/2003	50 - 55 - 0 - 5	3.3	-	30 - 35	152	13	164
Col H M Purcell OBE DL Greater London RFCA Appointed: 01/09/2009	60 - 65 - 0 - 5	-	-	15 - 20	81	16	98

Salaries and Pension Entitlements

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

	Annual Emoluments: Salary and allowances --- Performance Pay/Bonuses	Non-cash benefits: Benefits in kind e.g. Company car	Real increase in Pension and related lump sum at age 60:	Value of accrued Pension and lump sum at age 60 at the end of the reporting year:	Value of the cash equivalent transfer value at the beginning of the reporting year:	Real increase in the cash equivalent transfer value during the year:	Value of the cash equivalent transfer value at the end of the reporting year:
Chief Executives:	FY2013/14 (£'000)	FY2013/14 (£'000)	FY2013/14 (£'000)	FY2013/14 (£'000)	FY2013/14 (£'000)	FY2013/14 (£'000)	FY2013/14 (£'000)
Col S J Oxlade MBE South East RFCA Appointed: 29/01/2007 to 31/01/14	45 - 50 - 0 - 5	2.8	-	15 - 20	100	15	116
Col P T Crowley South East RFCA Appointed: 01/02/2014	10 - 15 - 0 - 5	0.6	-	15 - 20	N/A	N/A	2
Col J W Rollins MBE Northern Ireland RFCA Appointed: 14/03/2010	65 - 70 - 0 - 5	5.4	-	10 - 15	47	18	65

The ratio between the banded remuneration of the highest paid Chief Executive and the median remuneration of the RFCAs staff (£26k) was 1.82. 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	
	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13
<£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	-	-	-	-	-	-
Total Number of Exit Packages	-	-	-	-	-	-
	£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:

Designing 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.

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 Committee.

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 CRFCAs 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 risk is reported 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 FY2013/14:

The CRFCA has in place an improved 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 Committee Report on Governance and Structural Issues

The Audit Committee (AC) have had discussions with Council's auditors, following the completion of their work on the Consolidated Accounts and have reviewed each individual Association's Management Letter and the responses to such letters. The AC have reviewed the recommendations contained in Kingston Smith's review of the Estate and of the RFCA Capability of Preventing and Dealing with Fraud and Error. There were clearly a number of good practice measures being implemented across the Associations and no systemic control issues were identified.

They have no reason to think that there were during the financial year 2013/2014 governance or control issues that needed to be addressed by the Board. They are pleased too to be able to report that significant progress has been made, in discussion with Defence Internal Audit, towards procuring the resource that is needed to enable them to produce a three year strategic internal audit plan. This will strengthen the ACs ability to add value and to contribute to the efficiency and effectiveness of Council and the Associations.

Issues Raised During Audits

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

Comments made in the audit wash-up meeting at Wessex RFCA, regional auditors Francis Clark LLP highlighted the underfunding on estates maintenance: "This is a long term problem and WX RFCA have been using RGI income to cover some of the maintenance work in order that Cadet units can remain open. This is not a risk to Going Concern as units will simply be closed if they are not maintained to a certain standard."

This view was confirmed by regional auditors Wylie & Bissett: "From our review of the Estates management expenditure in the financial return we note that expenditure in this area (excluding project expenditure) amounted to £1.2m. This continues the reduction in spending in this area reported within our prior year letters. 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 in a back log of repair work being required for the Associations' estates. We recommend that this area is kept under close review going forward to ensure the Association has the ability to generate an overall surplus in future years."

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

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 Valuation and Lands, the Land Registry, the SPVA and CVQO.

During the year Highland RFCA entered into a material transaction with Mr S Bargeton, a Board Member, for political engagement strategies and media support.

Assurance Documents

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

MOD Documents

RFCA 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 (RFA96).
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 (FReM).
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 Ch.
Register of H&S legislation.
Induction and Awareness Training.
Document Management System.
RFCA Standing Administration Instructions.
RFCA Standing Finance 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 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 FY2013/14.

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 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

Chief Executive and Accounting Officer



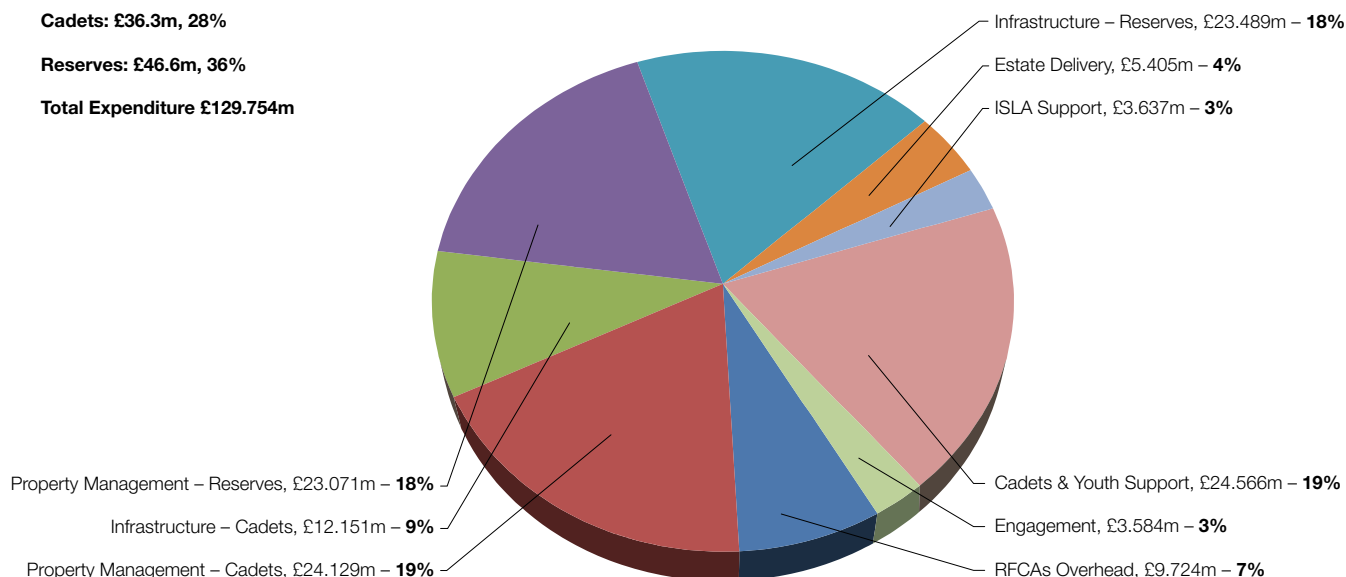
FY2013/14 Accounts Consolidated Expenditure of RFCAs

2013/2014 Consolidated Expenditure of RFCAs for Year Ended 31 March 2014
(including Funded Outputs and expenditure from RGI)

Cadets: £36.3m, 28%

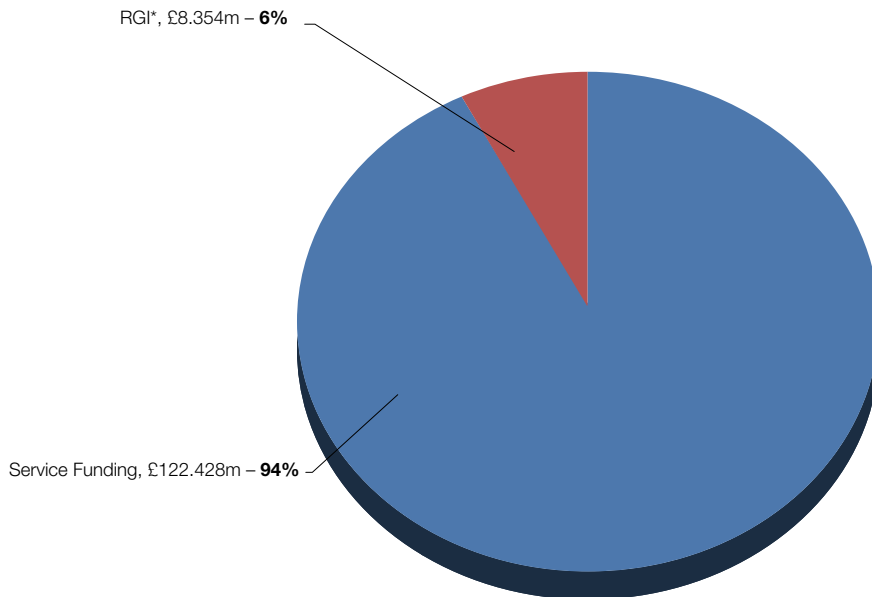
Reserves: £46.6m, 36%

Total Expenditure £129.754m

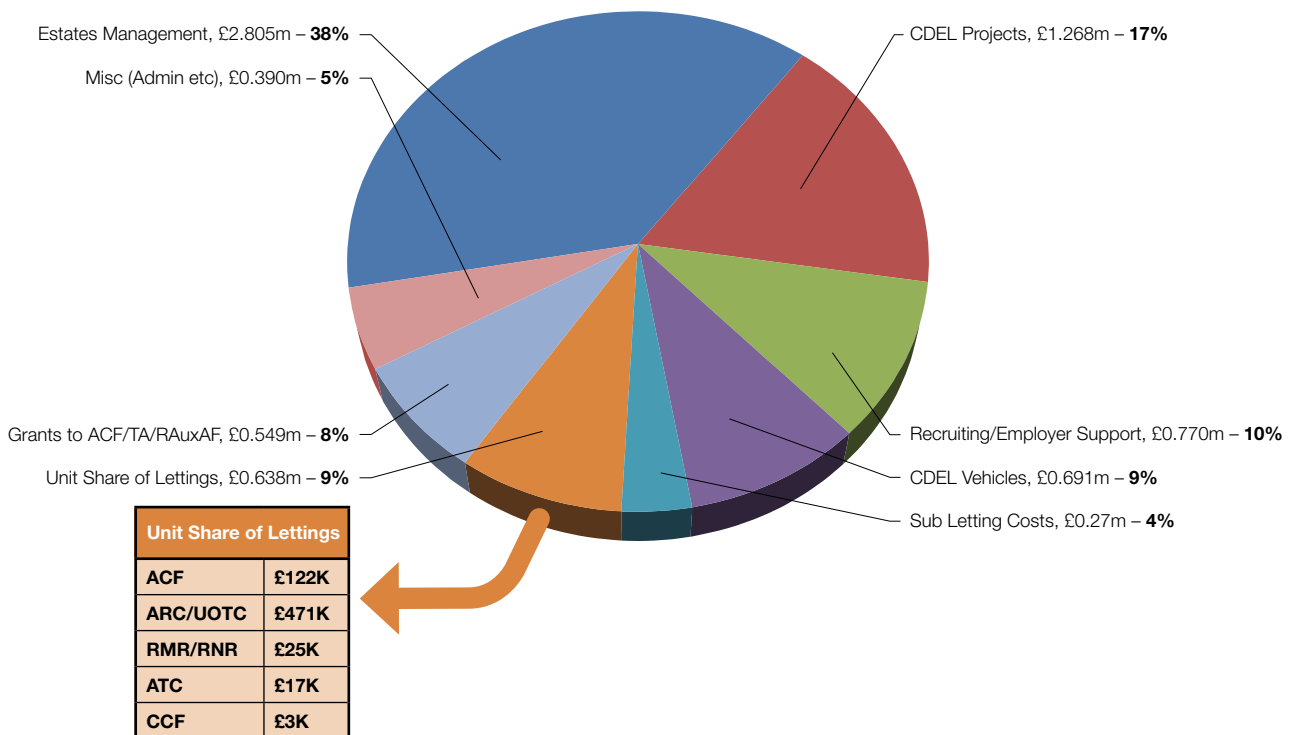


Graph Expenditure Area,	What this covers in the Accounts
Property Management Reserves,	The Estates Management and Capital Expenditure costs (Hard FM) attributed to the Reserves Volunteer Estate
Infrastructure Reserves,	The Infrastructure costs (Soft FM) attributed to the Reserves Volunteer Estate
Property 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.

2013/2014 Income Breakdown



2013/14 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.



FY2013/14 Accounts

Financial Statements
for the year ended March 2014

Consolidated
Reserve Forces' and Cadets' Association

RESERVE FORCES' AND CADETS' ASSOCIATION
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

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RESERVE FORCES' AND CADETS' ASSOCIATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

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 2014

CHARTERED ACCOUNTANTS' REPORT TO THE COUNCIL OF RFCAs BOARD ON THE PREPARATION OF THE CONSOLIDATED ACCOUNTS

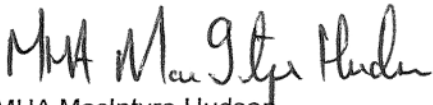
In order to assist you to fulfil your duties under Reserve Forces' and Cadets Associations Grant in Aid Financial Framework and associated correspondence dated 20 January 2014 Reference: Fin/EOY&Audit/FY1314, we have prepared for your approval the consolidated accounts of Reserve Forces' and Cadets Associations for the year ended 31 March 2014 which comprise the Consolidated Balance Sheet, the Consolidated Income and Expenditure Account and the related notes from the audited accounts provided by regional Associations.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/regulations.

This report is made solely to the Association's Board, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the consolidated accounts of the Reserve Forces' and Cadets Associations and state those matters that we have agreed to state to them in this report in accordance with AAF 2/10 as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Association's Board, as a body, for our work or for this report.

It is your duty to ensure that Reserve Forces' and Cadets Association has kept adequate accounting records and to prepare accounts in accordance with Reserve Forces' and Cadets Associations Grant in Aid Financial Framework and associated correspondence dated 20 January 2014 Reference: Fin/EOY&Audit/FY1314 that give a true and fair view of the Association's assets, liabilities, financial position and surplus.

We have not conducted an audit of the consolidated accounts, but confirm the accounts have been consolidated accurately from the underlying Regional Association accounts. For this reason, we do not, therefore, express any opinion on the consolidated accounts.



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


Date 4 August 2014

RESERVE FORCES' AND CADETS' ASSOCIATION
FOR THE YEAR ENDED 31 MARCH 2014

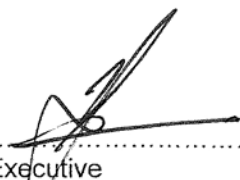
CHAIRMAN AND CHIEF EXECUTIVE'S REPORT

Statement of Chairman's and Chief Executive's Responsibilities

The Chairman, representing the Association and the Chief Executive are responsible for ensuring the keeping of proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the accounts comply with the requirements of Reserve Forces' and Cadets Associations Grant in Aid Financial Framework and associated correspondence dated 20 January 2014 Reference: Fin/EOY&Audit/FY1314. They are responsible for ensuring the assets of the Association are safeguarded and for ensuring reasonable steps are taken concerning the prevention and detection of fraud and other irregularities.


.....
Chairman

31 July 2014
.....
Date


.....
Chief Executive

31 July 2014
.....
Date

RESERVE FORCES' AND CADETS' ASSOCIATION
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014

			2014		2013
	Note	£	£	£	£
<u>INCOME</u>					
Funding via Council of RFCAs	2	122,252,565		111,285,240	
Funding received direct from funders	2	175,266		44,985	
Receipts generated by the RFCA	2	<u>7,785,872</u>		<u>7,687,303</u>	
Total Income			130,213,703		119,017,528
<u>EXPENDITURE</u>					
ESTATES MANAGEMENT					
Statutory & Mandatory		8,269,262		10,244,931	
Planned Maintenance		2,010,101		1,574,027	
Reactive Maintenance		8,508,950		8,766,791	
Incidental Work		84,461		149,376	
Life Cycle Replacement		215,561		333,612	
Condition Grade Improvement		5,302,123		1,634,102	
Injections / Projects RDEL and MNW		10,315,436		11,384,501	
Works in Aid of Disposal		29,519		34,524	
Prof Fees/Ext Assistance		<u>258,349</u>		<u>407,483</u>	
Sub Total			34,993,762		34,529,347
CAPITAL EXPENDITURE					
Land & Buildings		4,208,392		1,564,565	
Assets in the Course of Construction		<u>8,949,755</u>		<u>4,960,074</u>	
Sub Total			13,158,147		6,524,639
STAFF COSTS					
	3				
LE NI Civ Staff Pay		21,260,691		20,785,336	
UK NI Civ ERNIC		1,621,504		1,569,346	
LE Civ Ind Staff Pay		937,056		970,312	
UK Ind Civ ERNIC		44,914		45,698	
Non PCSPS Pens Payments		2,486,343		2,454,757	
Redundancy Payment		<u>8,517</u>		<u>-</u>	
Sub Total			26,359,025		25,825,449

RESERVE FORCES' AND CADETS' ASSOCIATION

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

	2014	2013
£	£	£
INFRASTRUCTURE		
Heating Oil	379,856	423,421
Gas	5,500,034	6,300,161
Electricity	7,986,591	6,888,489
Water & Sewage	48,369	64,876
Estate & FMS Accom Stores	1,198,089	1,050,740
Energy Cons & Env Chge	1,902,689	1,641,377
Rates/NDR	15,402,203	14,749,035
Sub -Letting Costs	876,502	731,542
Rents/Leases/Alarms/Lettings	<u>3,220,080</u>	<u>3,238,472</u>
Sub Total	36,514,413	35,088,113
IT & COMMS		
IT Minor Equipment HW/SW	736,399	384,059
IT Maintenance Services & Contracts	2,269,808	1,213,223
Line & Tel Rental	<u>310,530</u>	<u>258,392</u>
Sub Total	3,316,737	1,855,674
TRANSPORT & MOVEMENT		
Lease of Vehicles	117,901	99,735
Vehicle Maint	191,574	207,514
Fuel (Non Utilities)	79,914	95,686
Depreciation	2,085,388	2,119,153
Loss on sale of vehicles	<u>75,825</u>	<u>90,130</u>
Sub Total	2,550,602	2,612,218
RECRUITING SUPPORT		
Employer Support (SaBRE)	875,190	861,869
Recruiting Support	<u>1,133,765</u>	<u>947,816</u>
Sub Total	2,008,955	1,809,685
GRANTS		
CRFCA Payment	850,815	854,055
Payments to welfare association	3,636,552	2,705,295
ACF Travel & Consolidated Grants	3,027,626	2,944,254
TA Establishment & Band Grant	333,915	353,731
RAuxAF Admin & PR	<u>40,644</u>	<u>33,605</u>
Sub Total	7,889,552	6,890,940

RESERVE FORCES' AND CADETS' ASSOCIATION

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

	2014	2013
	£	£
ADMINISTRATION		
Office/General Administration	1,614,689	1,353,357
Education/Training	61,415	138,922
Professional Fees	461,585	323,506
Legal Costs	54,035	60,252
Insurance	91,662	96,104
Travel & Subsistence	560,250	542,803
Entertainment	-	12,461
	<hr/>	<hr/>
Sub Total	2,843,636	2,527,405
HR SUPPORT		
HR & Recruiting - Civilian Assoc Staff	119,321	34,947
	<hr/>	<hr/>
	119,321	34,947
Total Expenditure	<hr/>	<hr/>
	129,754,150	117,698,417
Excess income for the year	<hr/>	<hr/>
	<u>459,553</u>	<u>1,319,111</u>

RESERVE FORCES' AND CADETS' ASSOCIATION

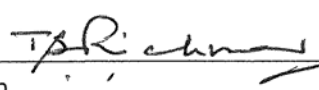
CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2014


		2014		2013	
		£	£	£	£
FIXED ASSETS					
Motor vehicles	5		7,991,182		8,176,565
CURRENT ASSETS					
Bank	6	43,779,212		37,898,503	
Petty Cash		10,831		7,735	
Sundry Debtors	7	777,209		768,730	
Prepayments & Accrued Income	7	<u>2,655,050</u>		<u>1,485,383</u>	
			47,222,302		40,160,351
CURRENT LIABILITIES					
Sundry Creditors	8	1,666,824		1,173,640	
Accruals/Deferred income	8	5,782,573		4,790,007	
Advance Receipts	8	<u>35,854,340</u>		<u>30,932,341</u>	
			43,303,737		36,895,988
TOTAL ASSETS LESS TOTAL LIABILITIES			<u><u>11,909,747</u></u>		<u><u>11,440,928</u></u>
FINANCED BY					
General Reserves	10		<u><u>11,909,747</u></u>		<u><u>11,440,928</u></u>

The financial statements were approved by the CRFCA Board on 31 July 2014

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 2014

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). Each underlying account is audited in accordance with Fin/EOY&Audit/FY1314. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Return. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Return, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and presentation of the Financial Return in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the Financial Return.

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.

RESERVE FORCES' AND CADETS' ASSOCIATION

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

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.

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	2014	2013
	£	£
CLF – Grant in Aid (CRFCA Payment)	43,898,630	68,601,172
CLF – Grants to RF and Cadets (RDEL)	16,368	80,961
CLF – Vehicles	1,714,649	2,077,000
Defence Infrastructure Organisation – Maintenance	17,395,764	21,349,031
Defence Infrastructure Organisation Projects RDEL	3,995,637	6,260,428
Defence Infrastructure Organisation Projects CDEL	8,525,527	2,996,174
RF&C (SaBRE)	2,072,523	1,951,294
Funding Sundry	599,966	271,316
HQNC	105,020	235,533
RAF RDEL	426,382	342,224
RAuxAF	155,611	150,882
ATC (Input)	2,966,750	2,795,088
ATC CDEL	-	7,257
DIO Infrastructure	32,143,308	-
DInfra - RDEL	5,115,187	3,100,423
DInfra - CDEL	3,121,243	1,066,457
	<u>122,252,565</u>	<u>111,285,240</u>

RESERVE FORCES' AND CADETS' ASSOCIATION
NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

	2014	2013
	£	£
2.2 Funding received direct from funders	175,266	44,985

2.3 Funding generated by the RFCA	2014	2013
	£	£
Sale of land and buildings	132,041	1,217,525
(Losses)/Gains on sale of Other Equip	(1,930)	510
Gains on sale of vehicles	241,208	253,511
SaBRE Events	9,540	9,640
Rent Receipts - Land	684,113	719,112
Rent Receipts - Buildings	2,565,808	1,940,178
Bank Interest	72,308	58,373
Receipts – recruiting	-	-
Receipts – Misc (inclusive of NDR relief/rebates)	4,082,784	3,488,454
	<u>7,785,872</u>	<u>7,687,303</u>

3 Staff numbers and costs

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

	2014	2013
Civilian	853	856

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

	2014	2013
	£	£
Salaries – Civilian	22,197,259	21,755,648
Social Security Costs	1,666,906	1,615,044
Other Pension Costs	2,486,343	2,454,757
Redundancy Payment	8,517	-
	<u>26,359,025</u>	<u>25,825,449</u>

RESERVE FORCES' AND CADETS' ASSOCIATION

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

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 2013/14 the employer contributions were 13% of pensionable payroll (2012/13: 13%) and employee contributions were 5% of pensionable salary (2012/13: 5%).

5	Motor vehicles	2014
		£
	Cost	
	At 1 April	13,721,112
	MHCA	-
	Additions	2,554,068
	Disposals	(2,612,379)
		<hr/>
		13,662,801
	Depreciation	
	At 1 April	5,544,547
	MHCA	-
	Charge for the year	2,085,388
	On disposals	(1,958,316)
		<hr/>
		5,671,619
		<hr/>
	At 31 March 2014	7,991,182
	At 31 March 2013	8,176,565
		<hr/>

RESERVE FORCES' AND CADETS' ASSOCIATION

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

6	Cash at bank	2014	2013
		£	£
	Net current account	35,705,175	33,515,360
	Deposit Account	8,074,037	4,383,143
		<u>43,779,212</u>	<u>37,898,503</u>

7	Debtors	2014	2013
		£	£
	Sundry debtors (note 7.1)	777,209	768,730
	Prepayments and accrued income (note 7.2)	2,655,050	1,485,383
		<u>3,432,259</u>	<u>2,266,022</u>

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

7.1	Other debtors	2014	2013
		£	£
	Due from MoD	23,814	53,244
	Sundry debtors	159,785	154,637
	Employees pension and AVC contributions	324,141	311,900
	Sub letting rent receivable	269,469	248,949
		<u>777,209</u>	<u>768,730</u>

RESERVE FORCES' AND CADETS' ASSOCIATION

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

7.2	Prepayments and accrued income	2014	2013
		£	£
	IT	65,074	35,887
	Pension contributions	927,851	915,289
	Rent	348,732	343,107
	Other prepayments	1,313,393	191,100
		<u>2,655,050</u>	<u>1,485,383</u>

8	Creditors (due within one year)	2014	2013
		£	£
	Sundry creditors (note 8.1)	1,666,824	1,173,640
	Accruals and deferred income (note 8.2)	5,782,573	4,790,007
	Advance receipts (note 8.3)	35,854,340	30,932,341
		<u>43,303,737</u>	<u>36,895,988</u>

8.1	Sundry creditors	2014	2013
		£	£
	CIS Tax	43,814	44,194
	Due to MoD	54,094	25,965
	Lettings due	485,577	361,049
	HMRC	211,800	219,416
	Sundry creditors	871,539	523,016
		<u>1,666,824</u>	<u>1,173,640</u>

RESERVE FORCES' AND CADETS' ASSOCIATION

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

8.2 Accruals and deferred income	2014	2013
	£	£
Utilities	2,232,379	1,973,858
Estate Management	1,442,719	1,100,377
Legal and professional	80,760	112,023
Other accruals	2,026,715	1,603,749
	<u>5,782,573</u>	<u>4,790,007</u>

8.3 Advance receipts	2014	2013
	£	£
AP01 Funding Received in advance	11,524,347	15,794,261
In-year project balances authorised to carry forward	22,971,845	14,775,996
RGI/Other deferred income	1,358,148	362,084
	<u>35,854,340</u>	<u>30,932,341</u>

RESERVE FORCES' AND CADETS' ASSOCIATION
 NOTES TO THE CONSOLIDATED ACCOUNTS
 FOR THE YEAR ENDED 31 MARCH 2014

9 Commitments under operating leases

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

	2014	2013
	£	£
Land and buildings		
Within one year	2,010,721	1,817,182
Between 2 and 5 years	5,953,478	5,629,579
Over 5 years	16,443,389	19,665,328
	<u>24,407,588</u>	<u>27,112,089</u>
Other	£	£
Within one year	26,033	68,271
Between 2 and 5 years	46,463	47,307
Over 5 years	-	-
	<u>72,496</u>	<u>115,578</u>

10.1 General reserve

	2014	2013
	£	£
Balance at 1 April 2013	11,440,928	10,016,427
Prior Year Adjustment to vehicle fixed assets	9,266	
MHCA adjustment	-	105,390
Excess income/(expenditure) for the year	459,553	1,319,111
Balance at 31 March 2014	<u>11,909,747</u>	<u>11,440,928</u>

RESERVE FORCES' AND CADETS' ASSOCIATION
 NOTES TO THE CONSOLIDATED ACCOUNTS
 FOR THE YEAR ENDED 31 MARCH 2014

10.2 Reserve Memorandum

	Reserves carried forward	Current year's grant	Maximum Permitted Balance (2% of grant)
	£	£	£
CLF RFCA Grant in Aid	799,901	43,898,630	877,973
ATC (Input)			
ATC CDEL			
RF&C (SaBRE)			
Funding Sundry	7,996		
RAuxAF	48,931		
HQNC			
DIO Infrastructure	191,937		
DIO Maintenance	7,257		
DIO Projects CDEL			
DIO Projects RDEL			
DInfra CDEL			
DInfra RDEL			
CLF Vehicles			
RAF	2,860		
RGI	2,859,683		
Capital reserve	7,991,182		
Total Reserves Balance	11,909,747		

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.

RESERVE FORCES' AND CADETS' ASSOCIATION

NOTES TO THE CONSOLIDATED ACCOUNTS

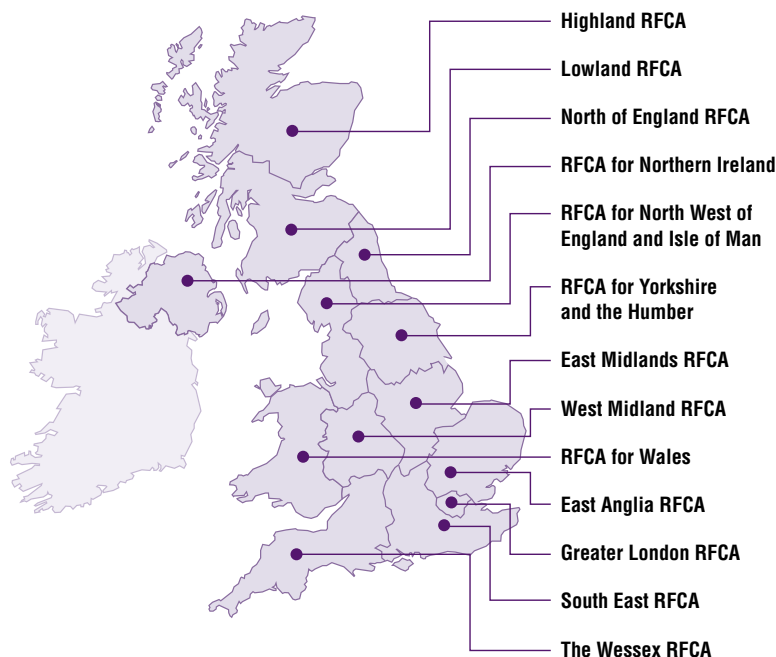
FOR THE YEAR ENDED 31 MARCH 2014

11 Misappropriation of funds

During financial year 10/11 fraud was committed by an employee at Hereford and Worcester ACF and West Midland RFCA funds estimated at a maximum of £15,000 were misappropriated. These funds were included in the 10/11 ACF Consolidated and Travel Grants line of £353,640.45. The employee agreed to reimburse WMRFCA from monies due to him on dismissal and funds, which were held by solicitors until the conclusion of the due legal process, were received by WMRFCA during 2013/14.

The funds will be made available to Hereford and Worcester ACF during 2014/15.

RFCA Governance



1. HIGHLAND ASSOCIATION (HIGHLAND RFCA)

President: Rear Admiral M Gregory OBE
Chairman: Colonel A I Taverner MA MC IPR
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: Captain Sir David Younger KCVO
Chairman: Colonel A C C Lapsley QVRM TD DL
Chief Executive: Colonel R D Gibson MBE
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 D R Summers (to September 2013)
 Lieutenant Colonel I Clyde (from September 2013)

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-genadmin@rfca.mod.uk
Web: www.rfca-ne.org.uk

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

President: Dr I M Roscoe BA, PhD, FSA,
HM Lord-Lieutenant

Chairman: Captain I M Robinson OBE RD RNR

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: admin@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

Chairman: Lieutenant Colonel C T Hillock RD* DL

Chief Executive: Colonel G J O Wells-Cole OBE DL

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

Chairman: Lieutenant Colonel D G Clarke OBE TD DL

Chief Executive: Colonel N R Beard TD DL

Deputy Chief Executive: Colonel P J Hubbard OBE DL

Counties forming the Association:

The 8 preserved Counties of Wales: Gwent, South Glamorgan, Mid-Glamorgan, West Glamorgan, Dyfed, Powys, Gwynedd and Clwyd.

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: Colonel A E H Heber-Percy
HM Lord-Lieutenant

Chairman: Colonel S J Cartwright MBE 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 Juliet Townsend LVO
 HM Lord-Lieutenant
Chairman: Colonel R M L Colville TD DL
Chief Executive: Group Captain N D Sharpe
Deputy Chief Executive: Lieutenant Colonel P S P Worsley

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

Association address: TA 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.eastmidlandsrfca.co.uk

9. WESSEX ASSOCIATION (WESSEX RFCA)

President: Captain E Dancer CBE JP RNR
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: H Duberly Esq CBE HM Lord-Lieutenant
Chairman: Colonel H N D Gill TD JP
Chief Executive: Colonel J D Lacey CBE DL
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-hq@rfca.mod.uk
Web: www.earfca.org

11. GREATER LONDON ASSOCIATION (GL RFCA)

President: Sir David Brewer CMG JP
 HM Lord-Lieutenant
Chairman: Colonel E G Cameron TD DL
Chief Executive: Colonel H M Purcell OBE DL
Head of Youth, Cadets and Community Engagement: Lieutenant Colonel R B Paddison MBE DL (to May 2013)
 Lieutenant Commander A Pringle (from August 2013)
City Secretary and Director of Commercial Lettings: 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-reception@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 S J Oxlade MBE
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 A J Keegan OBE
 HM Lord-Lieutenant
Chairman: Colonel N J P Walker OBE TD DL
Chief Executive: Colonel J W Rollins MBE
Deputy Chief Executive: Major R C W Chisholm

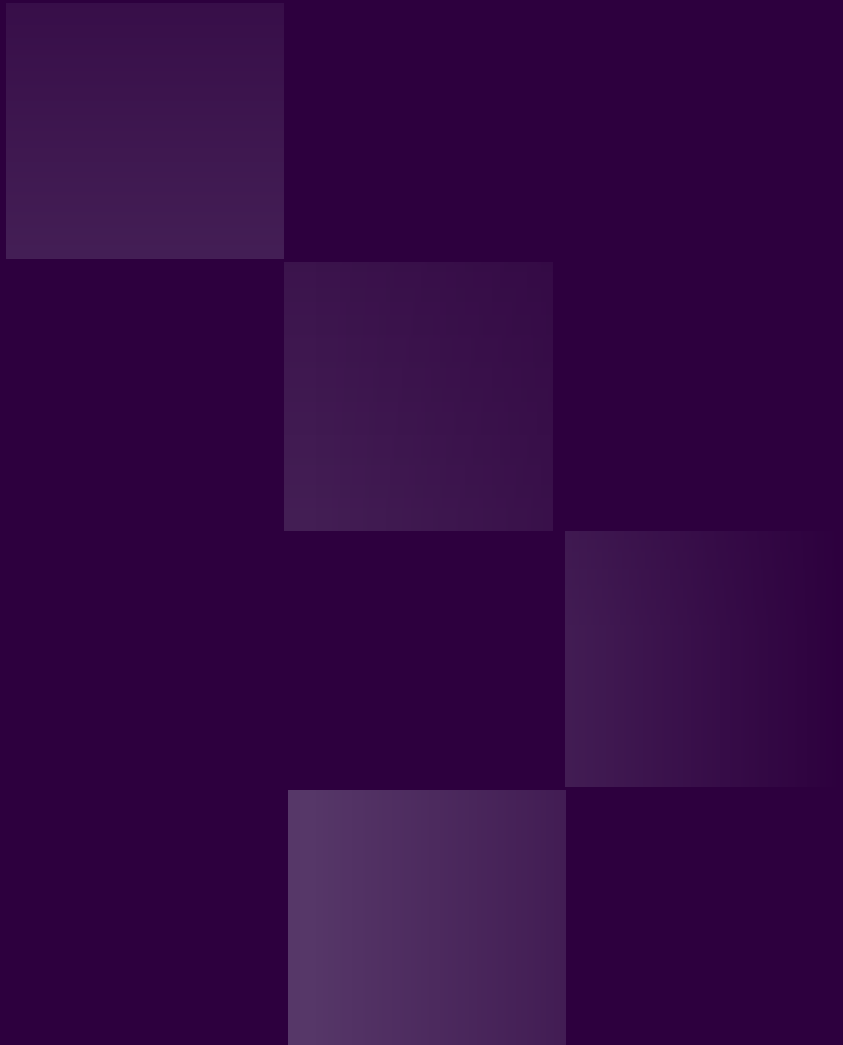
Counties forming the Association: The six counties of Ulster.

Association address: 25 Windsor Park, Belfast BT9 6FR.
Tel: 02890 665024 **Fax:** 02890 662809
E-mail: ni-offgenclk@rfca.mod.uk
Web: www.reservesandcadetsni.org.uk

Glossary

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





Council of Reserve Forces'
and Cadets' Associations

The Council of RFCAs

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