

Annual Report



2020/21

CHAIR'S REPORT

INTRODUCTION

This has been a unique year of unimagined challenges which our Association has worked tirelessly to meet; the exemplary manner that the staff, lead so very ably by Brigadier Mark Dodson, reacted to those challenges ensured that we continued to provide an effective service in support of the reserves, cadets and employers in the Highland Region.

A significant amount of time, capacity and effort has been used to shape the Ministry of Defence's direction that the RFCA become a Non-Departmental Public Body (NDPB), a contentious recommendation of the Sullivan Report on the Tailored Review of the RFCAs published at the beginning of the lockdown in March 2020.

We lobbied Government, which included our President sponsoring a debate in the House of Lords, to explain how we worked, the benefits to Defence and Society of our empowered Membership and that our current structure is demonstrably fit for purpose in delivering effectively and efficiently.



HRFCA Chair Nick Dorman.

We were unsuccessful and MODs Executive Committee endorsed the Report, and particularly that we become a NDPB.

We are engaging with a RF&C sponsored Civil Service implementation team to deliver MOD's direction, although progress has been slow through focus being on reacting to the pandemic combined with some personnel changes to the MOD team.

I remain unconvinced that becoming a NDPB, essentially a centralised organisation with regional offices and executives appointed through government appointing methods, will increase our effectiveness and efficiency.

You will note later in this report that additional DIO process is undermining our agility, and this is a cautionary reminder of the consequence that centralised Government control has on enterprise and local mission command.

Our focus going forward is to try to protect the Membership's voice, perhaps through national and regional advisory groups, preserve the Association's roots in the community and ensure that the volunteer spirit is retained.

HIGHER LEVEL CONTEXT

This has been a year of reviews. In addition to the MOD formally adopting the recommendations of the Tailored Review of the RFCAs shortly before the first lockdown, and directing that an Implementation Team be established to take the recommendations forwards, we have also directly contributed to the Reserve Forces 2030 Review led by Brigadier The Lord Lancaster and the RFCA Estate Review led by Army Basing and Infrastructure on behalf of the MOD.

We await the outcomes of the latter two reviews, which sit with their sponsors in the Ministry of Defence. Their recommendations may well be shaped by the Integrated Defence, Security and Foreign Policy Review and the Defence Command Paper which have determined how the Armed Forces will change to meet the new and emerging threats over the next decade. CRFCA sponsored reviews of the roles, responsibilities and organisation of the Professional Support Staff of the Army Cadet Force and the RFCA Estates Teams are also under way.

Covid-19 and its impact have dominated everything that Defence and the RFCAs have done throughout the year. Reservist mobilisation and de-mobilisation last spring/summer occurred with only a very small number of issues. We provided locations and facilities for the mobile testing teams to operate from last year and were ready to provide locations for mass testing and vaccination programmes this year but in the event they were not required. Early decisions were also taken by the

MOD and single services to cut the funding of certain activities for this financial year.

The areas particularly affected were the full range of employer engagement events and activities, as well as the rebuild of the Army Reserve Centre in Dunfermline, which was paused for a year.

As mentioned in the introduction, there has been little progress to report with the implementation of the Tailored Review. Covid, the mobilisation of large numbers of reservists and contributing to the various aforementioned reviews have taken a priority for the reserves and cadets staff within the MOD and it was not until March this year that the Implementation Team leader was appointed. We await to see what impact this delay will have on the implementation timetable. Council Chairs have met a number of times to agree the RFCA approach to implementation, agree red lines and a Project Team has been appointed to represent the RFCAs in working with the MOD to shape and deliver the implementation work.

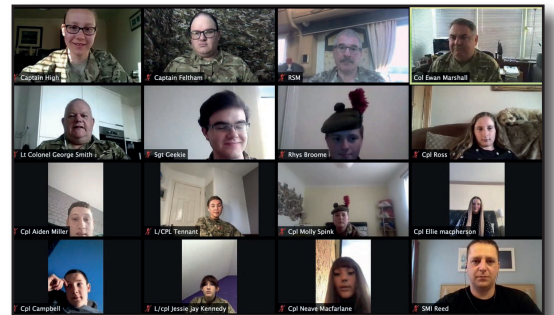
We have been through extraordinary times and looking after our staff has been of paramount importance. Many of our staff do not live in homes that are well suited to home working, and a number have been concurrently contending with home schooling for their children or looking after a vulnerable or shielding relative. After a wait of eight months for IT stock to arrive from the Far East all office based staff have been issued with laptops and are now able to work properly from home, something which will provide us with great flexibility and organisational resilience going forward.



November 2020 – The new Angus and Dundee Battalion cadet hut at Newport was officially opened by Lord-Lieutenant of Fife, Robert Balfour. The Lord-Lieutenant also had the opportunity to meet cadets.



July 2020 – 1297 (Stonehaven) Squadron of the ATC took delivery of a new gazebo, flags and a branded table. HRFCA contributed £1200 towards the cost of the equipment.



2020 – Cadets and adult volunteers taking part in online training.



August 2020 – Second Lieutenant Daisy Burnside and Sergeant Major Instructor Stuart Taggart of 1 Highlanders were awarded the Commander's Coin for their efforts to boost cadet morale during lockdown.

CADETS

Cadet face-to-face training ceased in March and partially resumed in September before ceasing again in December as a result of the Scotland-wide lockdowns.

HRFCA professional support staff centralised and secured arms, ammunition and vehicles and commenced a routine of fortnightly security checks of all accessible cadet properties. Some detachments on the islands, where ferry use was restricted, were not accessible to us, however the local adult volunteers stepped in to help and checked that those buildings and their contents were secure.

As preparations to come out of lockdown gathered pace, Professional Support Staff planned and prepared ACF and Joint cadet huts and cadet training centres for re-occupation, including building-by-building risk assessments, deep cleaning, signage, floor marking, provision of Covid-related personal hygiene and cleaning materials. This was a major task delivered over a number of weeks. They also provided online safeguarding training to ensure volunteers were prepared to resume training.

The cadet organisations themselves have been enormously resourceful and inventive in finding ways to conduct training and other activities online so as to keep the flame alive.

The HRFCA Board agreed a number of financial grants that were outside of the normal scope as well as a one-off Covid recovery grant to each cadet organisation so as to assist them as they come out of lockdown.

Following a series of unrelated incidents, HRFCA and HQ 51st Infantry Brigade staff took the lead in establishing a working group to improve the relationships between the Professional Support Staff and adult volunteers.

With the involvement of Lowland RFCA this has become a Scotland-wide initiative and is now receiving national attention.

As a result of a review of ACF shooting policy the new requirement has resulted in a reduction in number of ranges and the alarming of their associated Benewald weapon cabinets. This will bring an increased requirement to respond to alarms, which cannot wholly be met by the Professional Support Staff. The details for this have yet to be agreed with the Army.

THE ESTATE



July 2020 – The new Bo’ness modular cadet hut was dropped into place.



March 2021 – The building was completed.



November 2020 – Refurbishment work at 1192 (Kirkcaldy) Squadron ATC hut was completed.



December 2020 – A new, efficient NGF boiler was installed at Gordon Barracks, Aberdeen.

So as to keep the estate safe and compliant for any Covid contingency operations, it was decided quite early on that statutory and mandatory inspections and tests were deemed essential activity.

Contractors confirmed that most inspections and checks could and would go ahead as planned, and this has continued throughout the lockdowns. But from March to July 2020 all routine maintenance and construction activity was suspended. Our estates team switched their focus to doing the preparatory work to ensure that when the construction industry was allowed to return to work, we would have a series of projects ready for them to get on with. A significant piece of work was also required by the estates staff to ensure that all cadet facilities were safe and ready to re-open, including legionella flushing and testing.

The construction industry got back to work in July and our new modular cadet hut at Bo’ness was dropped into place in the course of a day late that month. Planning permission has been given for the next one at Banff to be completed later this year.

Since the return to more normal construction activity in July we have completed the Non Domestic Rate (NDR) rebate funded cadet hut refurbishment programme, renovating 14 cadet huts this year and 57 over the last three years. With only two sites on the Western Isles to be completed in the coming financial year our attention has now switched to improving Cadet Training Centres and creating further Joint Cadet Centres.

The RAF Air Cadets were able to allocate circa £500K of additional funding in year to fund improvements on eight separate ATC locations. Some of these sites are shared by the ACF, so both had mutual benefit of the improvements. This additional funding replaced the need for some of the planned

NDR rebate-funded work, the money for which will be carried forward for use in 2021/22.

The HRFCA Board and Army has recently endorsed the User Requirement Document for improvements to the cadet training centre at Boddam, near Peterhead, for 2nd Battalion The Highlanders Army Cadet Force. This circa £1.8M project, funded entirely by NDR rebate, will go through the detailed planning and commercial sign off stages this year for construction in FY 22/23.

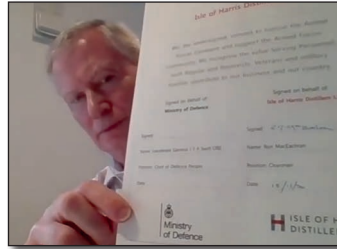
On the Army reserve estate six sites have received minor improvements using the Local Infrastructure Improvement Funds. In addition Dumbarton and Stirling reserve centres have had aged boilers replaced using late notice army underspends. Work commenced right at the end of the financial year to deliver a £250K repointing programme on some of the listed buildings in Gordon Barracks, Aberdeen.

A business case has been submitted to apply for additional funding to restart the £4.4M project for a new army reserve centre at Bruce House, Dunfermline. It is hoped that funding is granted early in the new financial year to allow re-tendering of the halted project and progression to construction later in FY 21/22; it will be with great pleasure to all those involved with Highland RFCA for the past couple of decades to see the Bruce House project completed!

Lastly, it is worth recording that we have come under much more intense scrutiny on the estate management side, as the Defence Infrastructure Organisation’s role has moved from a delivery role into an assurance one. Whilst this has some benefits in terms of accountability and commercial assurance, it has also significantly slowed down project planning and delivery and our trademark agility in the estates area.



November 2020 – Isle of Harris Distillers Ltd signed the Armed Forces Covenant with (right) chairman Ron MacEachran signing for the distillery and (above) Chief of Defence People Lieutenant General James Swift co-signing for Defence.



June 2020 – Mayor of St Valery Jean-François Ouvry (right) and his deputy Benjamin Gorgibus hold the HRFCA flag (also seen flying, inset) at the memorial to the fallen of 51st Highland Division as part of commemorations to mark the 80th anniversary of the Battle of St Valery.

ENGAGEMENT

All face-to-face engagement activity ceased when the first lockdown started and has remained suspended throughout the year and employer engagement relating funding was cut.

The Engagement team has therefore adapted to interaction by other means, whilst also remaining sensitive to employer priorities during these difficult times. The use of social media platforms has grown substantially as we tried to keep reserves, cadets and ourselves on the map and a number of Zoom-based events have taken place in conjunction with Chambers of Commerce and others.

June saw the 80th anniversary of the Battle of St Valery and a range of virtual events in support of Armed Forces Week. The Communications team excelled in the challenges of publicising and contributing to these events, which generated a significant increase in social media viewings and audience.

In August we received details of the 2020 silver and gold Employer Recognition Scheme awards. More than 50% of the employers who had been in the pipeline for the scheme pulled out when the first lockdown began, so we were satisfied with the four golds and 9 silvers awarded with a further 31 gaining the bronze award. Our Head of Engagement, Michelle McKearnon, was part of a national working group that contributed to the Employer Recognition Scheme Review last autumn. Several improvements were made to the application and awards processes and to the criteria for gold and silver level awards. We are pleased to report that eight organisations have submitted applications for the Gold Award this year.

Now that we have a reasonable number of Gold Award winners in our area a Gold Association has been set up with 15 initial members, who will provide invaluable advice and support for the Engagement team as well as mentoring others and advocating on behalf of the Armed Forces.

48 Armed Forces Covenants were signed during the course of the year which continues the year-on-year growth in this area, and is a particularly good number given the difficulties businesses and organisations are going through. Two of these were co-signed virtually: Nae Limits with Lt Col Duncan Mackinnon, Commanding Officer of 7 SCOTS; and Isle of Harris Distillery with Lt Gen James Swift, Chief of Defence People.

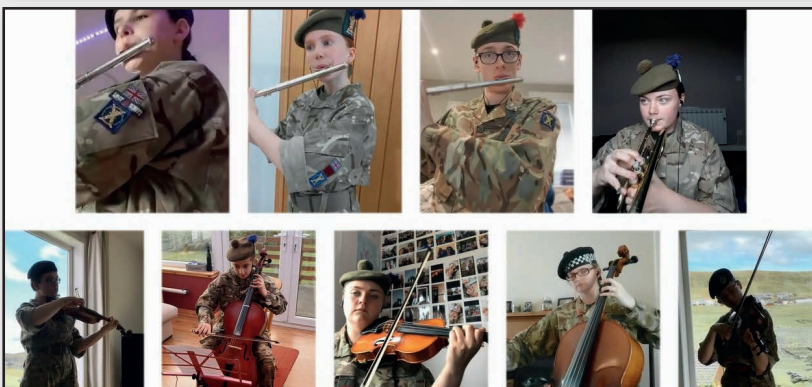
On the communications side, the website has had 6,300 users with 17,000 web page views over the last year. Almost 90%

of those users were new visitors to the site. Our social media platforms continue to perform strongly and have seen growth over the last 12 months of around 9% on Facebook and 8.6% on Twitter. We have also added Instagram, TikTok and LinkedIn accounts to broaden our offering across social media. Successful campaigns have included our coverage of the St Valery 80th anniversary commemorations which featured several videos from St Valery, reaching a total of 8,000 Facebook users, and gaining more than 22,000 Twitter impressions.



June 2020 – Nae Limits Director Dale Strang with the Armed Forces Covenant.





FINANCE AND HUMAN RESOURCES

Cuts in funding were imposed for engagement and estates projects at the start of the financial year and, whilst there have been no in-year savings taken directly against the RFCA grant in aid this year, we saw a significant fall in expenditure, particularly in the cadet support area and travel and subsistence, due to Covid restrictions affecting some activities.

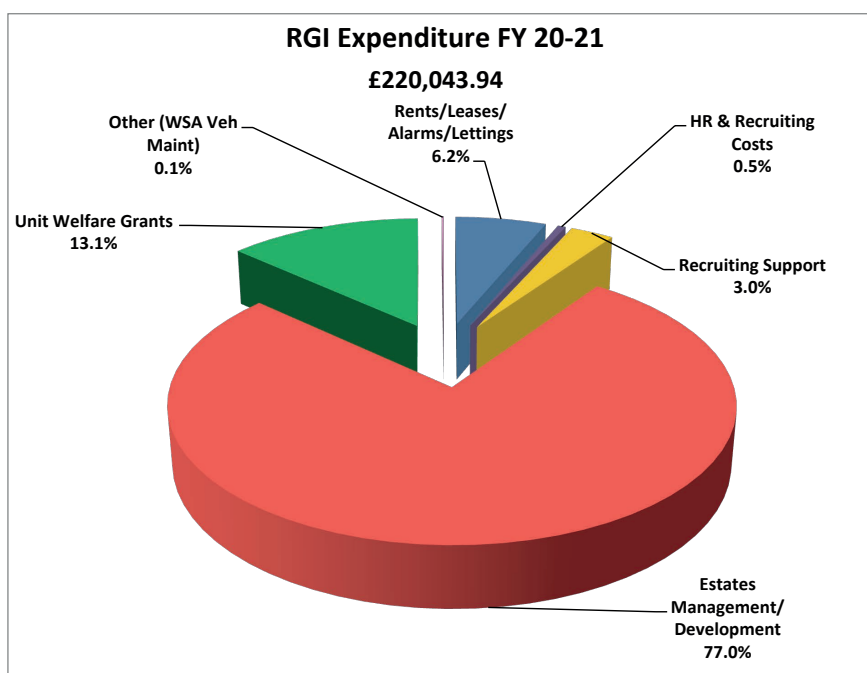
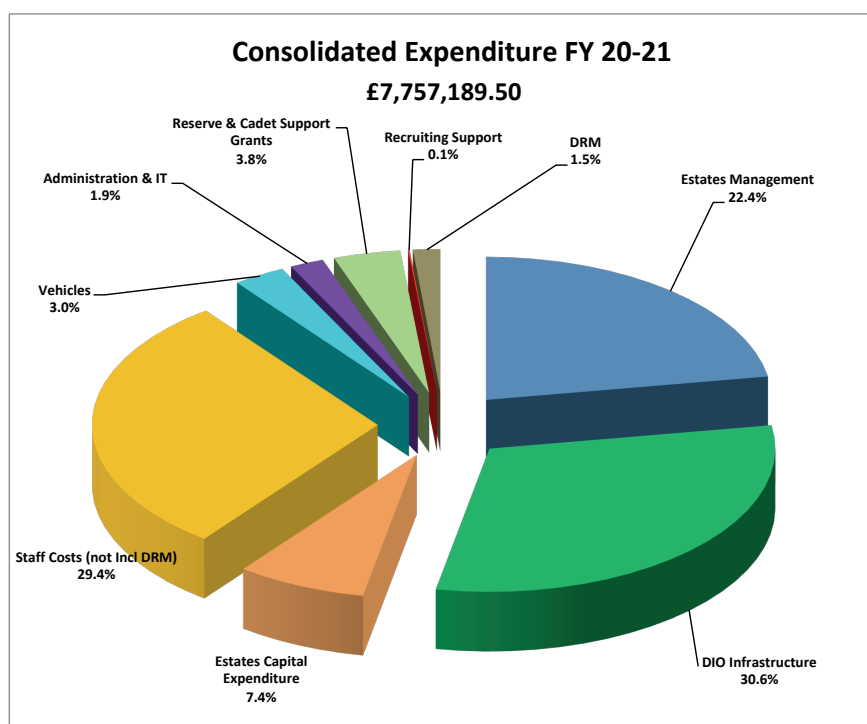
Given that the Army had to find £0.5 Bn of in-year savings, and Home Command £40M of that, all RFCAs offered up these underspends early to help the effort to balance books. Our offer was £179K of which £148K was taken and the remainder carried forward.

Our accounts were externally audited in April and presented to the Executive Board in late May. Details are contained in the pie charts and income and expenditure summaries. Income from our stakeholders (MOD for employer support, DIO for estates management and the three Services for reserve and cadet

administration and some estate projects) totalled £8.039M, a decrease of £158K on the previous year.

Our regionally generated income (RGI) amounted to £1.3M with all less £149K coming from rate rebate on cadet properties. The Association disbursed £29.1K of welfare grants from RGI, £14.3K to reserve units and £14.8K to cadet units. As the pie chart shows, overall RGI expenditure was considerably lower this year, mainly due to us gaining funding from the single Services and DIO for much of the planned work on cadet estate facilities. Consequently the balance has been carried forward and will enable us to fund a major upgrade to a Cadet Training Centre in the coming year.

We now await decisions on when and how those in the public sector will return to work (likely not before the end of June), when and how the cadet organisations ramp up face-to-face training, and how we will re-engage in an appropriate fashion with employers. Once given the green light from the Scottish Government we will operate a mixed system of home and office working until physical distancing rules are reduced or removed, which we have planned for, so as to ensure we continue to deliver our service and output.



INCOME AND EXPENDITURE 2020/2021

INCOME			
RAC	Detail	£	£
REGIONALLY GENERATED INCOME			
RMB001	Rent Receipts - Land	0.00	
RMB002	Rent Receipts - Buildings	146,185.91	
TPA001	Bank Interest	3,595.33	
RNA003	Receipts - Misc	1,124,139.11	
	Sub Total		<u>1,273,920.35</u>
REGIONALLY GENERATED INCOME			
RAA000	Sale of Land & Buildings	0.00	
RBA001	Sale of Vehicles & Other Equip	0.00	
RLB017	Receipt - Employer Support Events	0.00	
RLB018	Receipt - Recruiting	0.00	
RAA004	Gains on Sale of Vehicles	22,526.37	
	Sub Total		22,526.37
	TOTAL INCOME		<u>1,296,446.72</u>

FUNDING SUMMARY

QEA013	CRF - RFCA Grant-in-Aid	2,746,278.20
QCA003	CRF Grants To RF and Cadets (RDEL)	0.00
QFA007	CRF - Vehicles	276,687.76
QCA099	DIO - Infrastructure	2,162,330.17
RLB009	Defence Estates - Maintenance	1,483,942.05
RLB016/1	Defence Estates Projects - RDEL and	125,387.62
RLB016/1	Defence Estates Projects - CDEL and	827,724.05
RLB011	DRFC (SaBRE)	118,833.25
RLB012	Funding Sundry	58,038.46
RNA010	Fleet	0.00
RNC000	Fleet CDEL	0.00
RAF001	RAF RDEL	0.00
RAF002	RAF CDEL	0.00
RNA011	RAuxAF	978.62
RAF000	RAuxAF CDEL	0.00
QEB007	ATC (Input)	235,138.58
QEB008	ATC RDEL	0.00
RNA007	ATC CDEL	0.00
RNA012	Regionally Generated Income	0.00
NCA003	Dlnfra - RDEL	3,531.00
BWC080	Dlnfra - CDEL	0.00
FA0001	Fixed Assets	0.00
	TOTAL FUNDING	8,038,869.76

EXPENDITURE

NAC	Detail	£	£
ESTATES MANAGEMENT			
NDA002/S	Statutory & Mandatory Inspections	317,725.81	
NDA002/S	Statutory & Mandatory Tests	0.00	
NDA002/S	Statutory & Mandatory Works	180,624.09	
NDA002/P	Planned Maintenance - Preventative	0.00	
NDA002/P	Planned Maintenance – Grounds	76,215.14	
NDA002/P	Planned Maintenance – Life Cycle	7,800.17	
NDA002/R	Reactive Maintenance – Emergencie:	14,568.26	
NDA002/R	Reactive Maintenance – Routine	513,116.12	
NDA002/I	Incidental Work	0.00	
NDA002/L	Life Cycle Replacement	0.00	
NDA002/C	Condition Grade Improvement	0.00	
NDA002/N	Injections / Projects RDEL and MNW	626,565.57	
NPB025	Prof Fees/Ext Assistance	0.00	
NEA001	Works in Aid of Disposal	0.00	
Sub Total			1,736,615.16

CAPITAL EXPENDITURE

BAX000	Land & Buildings		0.00
BFN080	Purchase of Vehicles		0.00
BWC000	Assets in the Course of Construction	571,314.38	
	Sub Total		571,314.38

STAFF COSTS

LJC001	Non Ind Civ Staff Pay	1,814,604.73
LPA001	Non Ind Civ ERNIC	174,399.35
LJD001	Civ Ind Staff Pay	146,078.57
LPB001	Civ Ind ERNIC	7,993.29
LMZ001	Non PCSPS Pens Payments	242,232.80
LKC001	Redundancy Payment	0.00
	Sub Total	2,385,308.74

INFRASTRUCTURE

NAA000	Heating Oil	0.00
NAB000	Gas	80.94
NAC000	Electricity	110,725.95
NAD000	Water & Sewage	3,158.96
NCA010	Estate & FM Accom Stores	92,004.05
NLA001	Energy Cons & Env Chge & Trade Wa	94,937.35
NBA005	Rates/NDR	2,018,387.00
NPA003	Sub -Letting Costs	13,805.90
NBA001	Rents/Leases/Alarms/Lettings	41,757.62
	Sub Total	2,374,857.77

IT & COMMS

NNA010	IT Minor Equipment HW/SW	34,931.99
NNA002	IT Maintenance Services & Contracts	5,490.00
NNA004	Line & Tel Rental	61,153.33
	Sub Total	101,575.32

TRANSPORT & MOVEMENT

PSA002	Lease of Vehicles	4,500.00	
PVA007	Vehicle Maint	20,890.89	
PBA001	Fuel (Non Utilities)	93.73	
BTD000	Depreciation	197,172.58	
RAA005	Loss on Sales of Vehicles	6,751.84	
	Sub Total		229,409.04

RECRUITING SUPPORT

NFA002	Employer Support	4,045.68	
LBW005	Recruiting Support	6,611.40	
	Sub Total		10,657.08

RESERVE AND CADET SUPPORT

QCA002	CRFCA Payment	80,718.00	
QCA004	Payments to Welfare Assoc	3,531.00	
PDA002	ACF Operating Costs	194,538.88	
NKA002	AR Band Operating Costs	14,354.88	
QEB025	RAuxAF Admin & PR	978.62	
	Sub Total		294,121.38

ADMINISTRATION

NKA001	Office/General Administration	20,017.94
NGB002	Education/Training	3,515.00
NPB001	Professional Fees	9,491.00
NPA001	Legal Costs	5,010.20
NQA001	Insurance	0.00
PDD003	Travel & Subsistence	8,845.84
NJA001	Entertainment	0.00
	Sub Total	46,879.98

HR SUPPORT

LKA011	HR & Recruiting - Civilian Assoc Staff	6,450.65	
	Sub Total		6,450.65

TOTAL INCOME	9,335,316.48
DIFFERENCE	1,578,126.98

TOTAL EXPENDITURE	7,757,189.50
	0.00

HIGHLAND RFCA BALANCE SHEET 2020/21

FIXED ASSETS	£	£
Investments	0.00	
		0.00

NON CURRENT ASSETS

Vehicles (BFN081)	1,874,183.61	
Accumulated Depreciation (BTD001)	-813,761.87	
		1,060,421.74

CURRENT ASSETS

Current Account	5,205,171.95	
Deposit Account	0.00	
Petty Cash	230.70	
Sundry Debtors	42,109.79	
Amounts Paid In Advance	85,359.37	
Due From MOD	0.00	
		5,332,871.81

CURRENT LIABILITIES

Sundry Creditors	7,438.24	
Contras	0.00	
CIS Tax	0.00	
Accruals/Deferred Payments	339,176.44	
Advance Receipts	1,768,053.97	
Due to MOD	0.00	
		2,114,668.65

TOTAL ASSETS LESS CURRENT LIABILITIES		4,278,624.90
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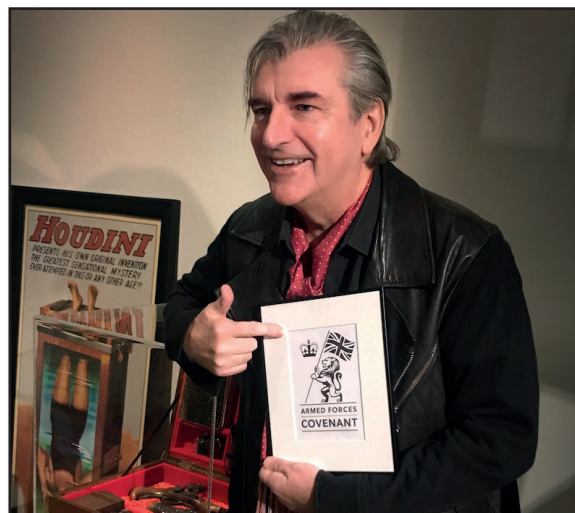
Capital Reserves Brought Forward	965,132.03	
General Reserves Brought Forward	1,735,365.89	
Excess Income/Expenditure	1,578,126.98	
Suspense	0.00	
		4,278,624.90



September 2020 – RAF Reserves from 2622 (Highland) Squadron during their Annual Training Camp at Barry Buddon.



November 2020 – A team from 7 SCOTS received the Ulysses Trust Prince of Wales Award for Best Volunteer Reserve Unit Expedition for Exercise NORTHERN SCAPA TARTAN 2019 from Stephen Leckie, Lord-Lieutenant of Perth and Kinross.



January 2021 – Digital branding company IDEAS was the first Armed Forces Covenant signatory in the Highland RFCA-area in 2021, with Don Jack signing for the Falkirk-based firm.

CONCLUSION

It has been a busy year of notable achievement set against an unprecedented backdrop; the team at Seathwood have worked hard and we are rightfully proud of their efforts. Very well done.

Group Captain Alan Cowan stepped down from the Board during 2020 and I would like to thank Alan for his first-rate representation of the RAF Reserve and contributions to the Board.



Alan Cowan

I would like to welcome our new President, Robert Balfour Esq. Lord Lieutenant of Fife; once restrictions permit, we very much look forward to your meeting with the wider membership.

This year Rear Admiral Mike Gregory CVO OBE retired as our President; Mike has been a most distinguished, experienced and active

ambassador to the Association and has provided the Board with sound advice, guidance and wise counsel. On behalf of the Board, Membership and Executive, thank you Admiral for all that you have done for us, Godspeed in your retirement and tight lines!

Finally, thank you for your continued support, it is truly appreciated.

Captain N R V Dorman RD,
Chair HRFCA



Mike Gregory

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and Cadets' Association**
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