

Annual Report



2022/23

CHAIR'S REPORT

INTRODUCTION

This year has been one of high tempo activity as our recovery from Covid concluded and normal business resumed.

In this Annual Report you will note that the Association's output has been significant, with each department working hard under the tireless leadership of our Chief Executive Brigadier Mark Dodson to continuously deliver to the highest standard across the Highlands.

Of particular note is the condition of our Cadet estate. In 2018 we designed a betterment programme which the Estates team have since been implementing. Whilst funding levels have not improved, through the careful allocation and use of Non Domestic Rate (NDR) rebate and the Estate team's agility in securing funding from wider MOD underspend, there has been a significant improvement in the overall fabric of the Cadet infrastructure. That work continues as we strive to modernise, renew, upgrade and maintain the infrastructure necessary for the training and welfare of our Cadets.

As announced at the Annual Meeting in April, the



HRFCA Chair Nick Dorman.

implementation of the Sullivan Review recommendation to centralise the Associations through a Non-Departmental Public Body (NDPB) has been paused. The Council Board continues to engage with Defence to assure them that there is no future need to centralise as the rest of the Review's recommendations are being delivered and our financial governance, which was singled out by Sullivan, is robust and fit for purpose. Whilst this discussion is primarily between the Council Board, MOD and RF&C, all members can contribute to this, and I would urge you to do so, particularly with decision makers, in order to seek their influence and ongoing support to retain our empowered membership led arms length body status.

Going forward, the pace of activity will remain as we work to shape and implement programmes such as the RFCA Estate Optimisation Programme, the Future Defence Infrastructure System, manage the ever growing and popular Employer Recognition Scheme and work with the single services over a range of exciting and challenging plans, whilst also continuing our advocacy and support to the Reserves and Cadets in the Highlands of Scotland.

HIGHER LEVEL CONTEXT

All three Services have been heavily involved with training and supporting the Ukrainians in their fight to defeat the Russian invasion of their country.

The bulk of the impact felt by HRFCA has been around the revised priorities for the use of the training estate, which has mainly affected the Army Cadet Force.

The outcome of the Integrated Review Refresh, commissioned by the Government in the wake of Russian aggression in Ukraine, was announced by the Prime Minister on 13 March 2023. It recognised that systematic competition between states now represents the most immediate and substantial threat to UK interests and that this will require an increasing proportion of national security resources. It announced an immediate increase in funding for Defence of £5Bn over the next two years, £3Bn for the defence nuclear programme and £2Bn to replenish stockpiles in line with a reassessment of appropriate levels, and investment in the resilience of the UK munitions industry. It indicated that the Government will respond to the lessons from Ukraine, focussing increasingly on those force elements most likely to make the decisive difference in future conflicts. It said this will be most pertinent in the land domain.

A further Command Paper is expected from the MOD in June outlining more detail. Over the longer term the Government indicated an aspiration to invest 2.5% of GDP on defence as fiscal and economic circumstances allow.

Meanwhile, some of the changes arising from the 2021 Integrated Review and Command Paper are under way in Scotland. The merger of the permanent staff for HMS SCOTIA and HMS DALRIADA has been completed. Both units are now being supported by a single team that moves between Rosyth and Glasgow to deliver the necessary training and support. The role, responsibilities and training requirements of the Royal Marine Reserve are again being examined by Navy Command with any changes not expected before 2025. In the meantime RMR recruiting and basic training has resumed for 2023. The recent MOD decision to retain MOD CALEDONIA and re-name it HMS CALEDONIA has removed basing uncertainty for HMS SCOTIA, HQ Royal Marine Reserve Scotland and a number of cadet organisations located within the Rosyth base.

The merger of 205 Field Hospital and 225 Medical Regiment to form 215 Multi-Role Medical Regiment will be completed by the end of 2023. The new regiment will have its headquarters in Glasgow, sub units in Glasgow, Edinburgh, Aberdeen and Glenrothes, and outstations in Inverness and Dundee.

A year-long trial of a hub and spoke system of supporting Royal Air Force Reserves from two air stations in England was successful and a further three, including one for Scotland and Northern Ireland, will be rolled out this coming financial year. These Reserve Support Wings are intended to improve the administrative support for both

formed RAF Reserve units and individual reservists within each area of responsibility.

As at 1 October 2022 the trained strength of the Volunteer Reserve was 31,030, down 1,040 (or 3.2%) since 1 October 2021. The total strength of the Volunteer Reserve was 34,760, a decrease of 2,300 (or 6.2%) since 1 October 2021. 3,720 people were recruited for the Reserves in the 12 months to 30 Sep 22, a decrease of 34.8% compared with the previous 12 month period. All reserve forces are affected to some degree.

Two separate strands of RFCA Estate Optimisation Programme (REOP) work continue. Tranche 1 (Quick Wins) has been funded and is under way. In our area this is the disposal by the Defence Infrastructure Organisation of eight already vacated HRFCA sites and the creation of three Joint Cadet Centres at Alness, Dingwall and Nairn. Preliminary scoping is under way for the Joint Cadet Centre adaptation work to be carried out in FY23/24.

Tranche 2 is focussed on sub unit-sized reserve sites (all Army in our case) to establish which could be centralised to achieve estate efficiencies. Three costed options have been submitted to MOD for consideration ranging from the creation of three new centralised sites across the UK to twenty three. Members should note that, as currently scoped, none of the REO Tranche 2 options will impact on the Army Reserve Centre laydown within our area of responsibility.

Nearly all the regular forces sites are now managed under the Future Defence Infrastructure System (FDIS) by four Hard Facilities¹ Management (Hard FM) prime contractors. The Scottish contractor is Mitie. These new contracts and system of estate management are part of a wider pan-Government initiative that has been rolled out over the last 24 months. The final part of the MOD element of FDIS is to examine if it is better to move the Volunteer Estate (reserve and cadet) onto the new system or deal with it in some other way.

A DIO-led value for money study started formally

on 3 October 2022 and will report on 30 June 2023 with a planned in service date for any change in estate management of August 2024.

It is worth pointing out that the new Hard FM contracts are to a much higher and exacting standard than is currently the case for the RFCA managed estate, so continuing exactly as now is most unlikely. However, the new contracts on the regular estate are not without their initial problems and the volunteer estate is very different from its full time counterpart; one is complex and concentrated whilst the other is highly dispersed, relatively simple and only used part time.

The ability of the prime contractors to expand their operations to cope with both types of estate is a key area of focus for the MOD stakeholder board. Current thinking is that only a large commercial company can deliver Hard FM to the FDIS standard, but that there is an important role for the RFCAs as an intelligent customer and as an assurer, who checks and confirms that a suitable service is being delivered. The study team are also of the view that the RFCAs will continue to manage soft FM and continue to interact with local councils to negotiate Non Domestic Rate rebates, overseeing the reinvestment of that money on the cadet estate.

One of the key recommendations of the Sullivan Report in 2019 was that the thirteen RFCAs and Council of RFCAs should merge to become a single Non Departmental Public body run from London with thirteen regional delivery teams and advisory boards. To achieve this needs an Act of Parliament, but the MOD has not secured a place in the final session of Parliament to achieve this. MOD officials have therefore directed a pause and the dismantlement of the Reform Team. It is still MOD's intention to return to this in the new Parliament, in either 2025 or 2026 when the Armed Forces Act next needs updating.

In the meantime we carry on as is, albeit with a larger Council of RFCAs team providing support to the Association.

¹ Hard Facilities Management includes Planned, Preventative, Reactive and Grounds Maintenance and Billable Works.



July 2022 – 225 Medical Regiment medics preparing for the Nijmegen Marches. 225 and 205 Field Hospital will merge to form 215 Multi-Role Medical Regiment.

ESTATES

We have delivered a number of improvements on the Army Reserve estate as a result of injected funding by the Army and bids for funds placed by HRFCA.

These include £54K of Army Local Infrastructure Improvement Funds which were used to deliver shower room improvements in Stornoway, new lighting in Arbroath, kitchen improvements at Cumbernauld and Gordon Barracks and enabling works for new carpets at Inverness. We also successfully bid for £256K to replace the failed heating system in Oliver Barracks, Dundee. Invergowrie ARC is currently undergoing a £550K refurbishment with work due to be completed in April.

The rebuild of Dunfermline Army Reserve Centre (ARC) was first proposed in 1999 and was included in the FR20 rebuild programme. After nearly a quarter of a century of delay the £9.6M contract was signed on 1 February 2023. Breaking of ground is due in August and the new building is planned to be completed in September 2024, followed by demolition of the old building and creation of the new car park, with final completion due in January 2025.

We have continued our Non Domestic Rates (NDR) Rebate funded improvements across the cadet estate. This year Benbecula received a £30K upgrade and on South Uist Daliburgh received a £46K upgrade.

The official opening of the new ACF hut in Banff by Andrew Simpson, Lord-Lieutenant of Banffshire, took place on 13 March 2023. The fourth and final new modular build cadet hut in Mastrick, Aberdeen, is just about completed. The total cost for the four new cadets huts was circa £1.4M.

February 2023 saw the completion of a £1.6M NDR funded project at Boddam Cadet Training Centre (CTC) which will provide 2nd Battalion The Highlanders ACF with a bespoke training space to deliver the cadet syllabus.

The project included the conversion of an accommodation block into a training wing, the building of a four lane tube rifle range, and the creation of a drill square to allow parades, outdoor training and musical performances.

In the latter stages of the project, and in conjunction with the REOP team, it was decided to add on additional stores and a drill hall to enable the ACF to move out of the former Peterhead ARC. This £350K extension was funded by the REO programme.

Using HQ RAF Air Cadets funding we have carried out many improvements to the RAF Air Cadet estate ranging from £200 to install new electrical sockets at one site to a £100K upgrade at Craigiebarn Road in Dundee and similar works in Montrose for £46K.

We also proposed some late in-year wins which the Estates team then turned around extremely quickly to ensure in year spend. This included £88K improvements at Dumbarton and £18K of energy reducing upgrades at Falkirk.

HRFCA are working closely with Army and the REOP team to deliver the programme in our area. We have been developing designs for a new extension at Dingwall Cadet Training Centre which will allow the closure of the two nearby ACF and RAFAC huts. We have come up with a net zero solution and now await an inspection in May to confirm if the CTC is home to nesting bats or not, which will determine when building may take place.



April 2023 – The completed drill hall and stores at Boddam CTC.



February 2022 – The Ken Masson Learning Suite at Boddam.



February 2022 – The new four lane tube range at Boddam CTC and (right) the completed parade square.



March 2023 – The new cadet building in Banff (above) was officially opened by (right) Lord-Lieutenant for Banffshire Mr Andrew Simpson.



May 2022 – The refurbished shower room at Stornoway ARC.



September 2022 – Improvements to the RAF Air Cadet estate at Montrose (left) and Craigiebarn Road, Dundee.



May 2022 – Improvements at the Daliburgh ACF building.



October 2022 – Modular buildings being lowered and (right) secured into place in Mastrick.



CADETS AND YOUTH



June 2022 – Sea Cadets being inspected at the tri-service cadet parade at Gordon Barracks.



June 2022 – A Youth Spectacular was held in Kelty, compered by TV personality Stephen Mulhern.



March 2023 – Angus and Dundee Battalion ACF cadets attended a wellbeing event at Dundee International Women’s Centre.

As shown on the charts, over the last year there has been a decline in adult volunteers and a small increase in cadets thanks to a good recovery in Air Cadet numbers.

There has been a steady inflow at the bottom end of the adult pipeline, but this has been matched by a loss of more experienced adults for a variety of reasons. This has created an experience gap, which cadet organisations are adapting to cover while they train new adult volunteers.

Recovery is uneven and it has been difficult to re-establish standalone cadet detachments in some rural areas so the hub and spoke model continues. Of note is the successful formation of the newest cadet detachment in the Highlands, 102 (Lerwick) Detached Flight, which stood up last autumn after completing its probationary period.

Cadet music had been impacted by Covid and consequently there was no Beating Retreat at Edinburgh Castle in 2022. However, military band and P&D band performances have resumed with a static performance taking place in Edinburgh Castle in September, an HRFCA-sponsored concert in Alloa in October, and in other smaller events. The Beating Retreat returned to the Esplanade at Edinburgh Castle on 29 April.

Wider cadet engagement last year included a celebration of Her Late Majesty’s Platinum Jubilee with a tri-service cadet parade (alongside Aberdeen Universities’ OTC) at Gordon Barracks. As part of that Open Day music was provided by the Pipes and Drums of Robert Gordon’s College CCF. A Youth Spectacular with significant support

from The Black Watch Battalion ACF took place in Kelty, Fife with RAFAC and CCF contingents also participating.

2022 saw a return to a more normal Annual Camp cycle. However, there was considerable disruption as a result of UK support for Ukrainian Army training in the UK.

Two of our five battalions had their camp bookings cancelled at short notice but through the Herculean efforts of staff and volunteers alternative arrangements were made. This was largely invisible to cadets who had a great time, whether they were based at their Cadet Training Centre or on Defence training estate. The Sea Cadets have found the proximity of Boddam CTC to Peterhead Lido a very convenient location for their Northern Area central camp and the Air Cadets were able to restart their centralised camp at Lossiemouth and at adventurous training centres.

The creation of a centralised cadet safeguarding system for the Army has had a bumpy start, due in large part to staffing shortfalls and an initial significant underestimate of the demand. This is being resolved including ensuring that the nuances of safeguarding in a devolved nation are fully incorporated by the MOD.

Both of the high-quality cadet linked detachments in schools in our area have either closed or are about to close this year due to the departure of the Linked Detachment Instructor with no replacement found. This is a reminder of the fragility of this popular programme, however the benefits of the model still make it attractive to schools and a new linked detachment is scheduled to open at Hermitage Academy in Helensburgh in May.

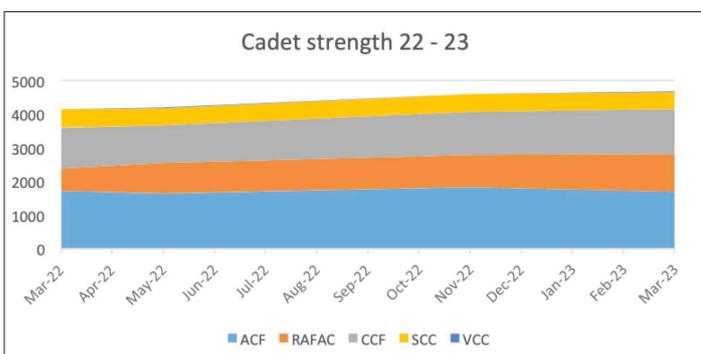


Figure 1 – Cadet strength 22-23.

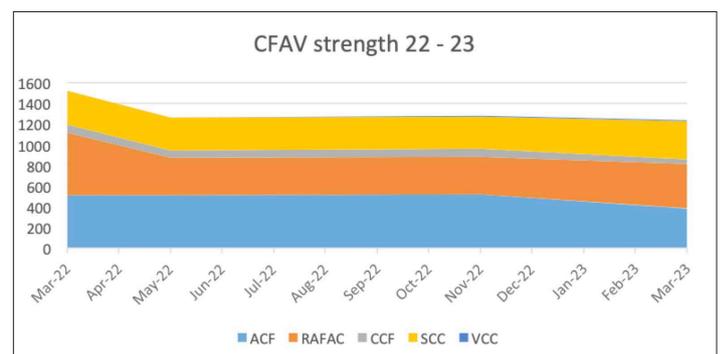


Figure 2 – CFAV strength 22-23.

ENGAGEMENT

The exponential growth of the Armed Forces Covenant (AFC) and Employer Recognition Scheme (ERS) continues with 32 AFCs and 47 ERS Awards made in our area in the last year.

The Silver Awards event for 2022 was held at Scone Palace with General Officer Scotland, Major General Bill Wright, presenting the awards. As well as the fifteen awards presented on the night, seven revalidations were presented later in the year. The Gold Awards were held at Stirling Castle in a combined event with Lowland RFCA with nine Gold Awards presented to Highland businesses on the night. The ERS success, and the resultant number of accounts we now manage, brings considerable challenges in resources and the Associations, RF&C and DRM are considering how this will be managed going forward.

We now have 28 Gold ERS Award winners in the HRFCA area, and these employers form the Highland Gold Network. Chaired by Stephen Massetti of the Scottish Ambulance Service, they meet quarterly to support the Regional Employer Engagement Directors and to mentor upcoming Bronze and Silver holders. They feed in our regional successes and channel ideas into the national Gold Alumni Association in London, and ensure our voice is heard.

A wide range of both Community and Employer Engagement events took place over the last 12 months in all parts of our area. Gun Salutes were delivered at both Stirling Castle in April and at a Feu de Joie at Fort Charlotte

in Lerwick as part of the Platinum Jubilee Celebrations. Employers enjoyed visiting RAF Lossiemouth for a briefing on latest developments at the base, and more recently a visit aboard HMS Montrose generated some excellent engagement.

Our electronic newsletter, launched in 2022 to complement the existing biannual hardcopy *High-Light* magazine, has been a success and is now being distributed to a wider range of stakeholders.

A new Association Members' Handbook has been produced and other recent electronic and hardcopy products include flyers for employers and quarterly adverts in Business Scotland and the Institute of Directors' magazines.

Our presence on social media has continued to grow steadily with views and followers up across all of our platforms with particular growth on our LinkedIn platform. In line with Government direction we recently deleted our TikTok platform due to its potentially harmful links with the Chinese state. Over the last year our website has had 21,500 users, with 43,000 page views, and 140 news items have been published. The interactive website map showing unit, AFC and ERS holder locations has been viewed more than 1,600 times since its launch. There is no doubt that social and electronic media has increased HRFCA's reach through the Communications team's hard work in making the content relevant and interesting.



November 2022 – ERS Gold Award recipients at Stirling Castle.



June 2022 – The ERS Silver Award winners at Scone Palace.

March 2023 – Employers visited HMS Montrose.



April 2022 – A Royal Gun Salute was fired at Stirling Castle.



March 2023 – The Highland Gold Network met in Aberdeen.



June 2022 – Feu de Joie at Fort Charlotte, Lerwick.

FINANCE AND HUMAN RESOURCES

The consolidated account sheet for FY 22/23 is shown on the opposite page.

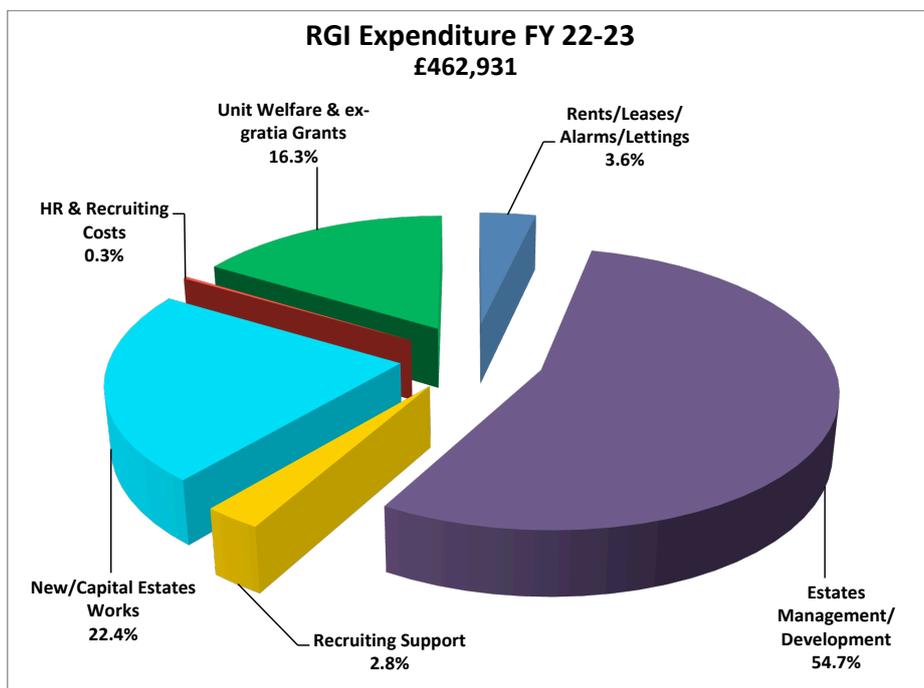
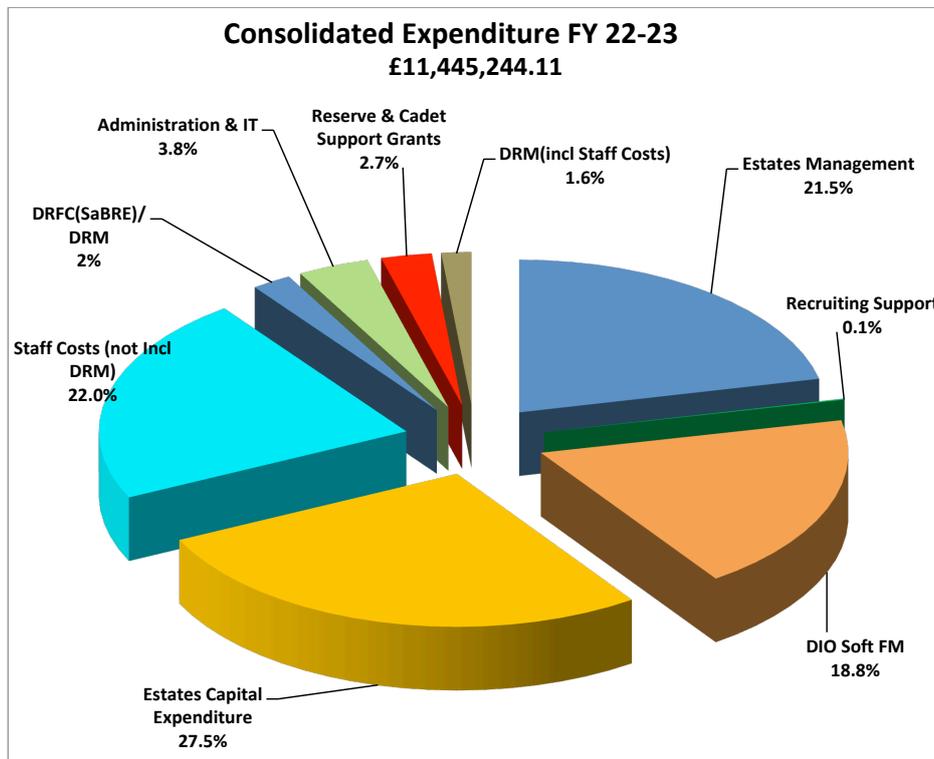
Income from our stakeholders (MOD for employer support, DIO for estates management and the three Services for Reserve and Cadet administration and certain estate projects) totalled £10.411M, an increase of £220K on the previous year. Pie charts show in which areas Grant-in-Aid and Regionally Generated Income (RGI) was expended.

RGI income amounted to £1.05M with all less £168K coming from Non Domestic Rate (NDR) rebate on cadet properties. The Association disbursed £75.4K of welfare and ex-gratia grants to units from RGI of which £46.9K went to reserve units and £28.5K to cadet units. NDR-funded estate expenditure

was notably less than anticipated due to in year grants received from the single services which reduced the call on NDR. The balance has been carried forward for cadet capital expenditure projects this coming year and next. Through these grants the Association continues to really make a difference to Cadets and Reservists in the Highlands.

Due to a larger-than-expected staff pay award of 3.6% against a forecast of 2% a number of budgetary areas were overspent. This was managed by balances brought forward from the previous financial year, something we will not be permitted to do from FY24/25 onwards.

In-year savings of £36,732 were taken in the Grant-in-Aid area and an underspend surrender of £28,831 in the DRM-area.



HIGHLAND RFCA BALANCE SHEET 2022/23

FIXED ASSETS	£	£
Investments	0.00	<u>0.00</u>
NON CURRENT ASSETS		
Vehicles (BFN081)	1,522,176.79	
Accumulated Depreciation (BTD001)	-831,329.30	
		<u>690,847.49</u>
CURRENT ASSETS		
Current Account	5,263,758.37	
Deposit Account	0.00	
Petty Cash	173.01	
Sundry Debtors	1,193,152.83	
Amounts Paid In Advance	90,395.01	
Due From MOD	0.00	
		<u>6,547,479.22</u>
CURRENT LIABILITIES		
Sundry Creditors	14,641.50	
Contras	0.00	
CIS Tax	0.00	
Accruals/Deferred Payments	762,855.82	
Advance Receipts	1,534,134.26	
Due to MOD	0.00	
		<u>2,311,631.58</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,926,695.13
FINANCED BY		
Capital Reserves Brought Forward	973,483.96	
General Reserves Brought Forward	3,935,150.88	
Excess Income/Expenditure	18,060.29	
Suspense	0.00	
		<u>4,926,695.13</u>



July 2022 – Angus and Dundee Battalion ACF held a successful Annual Camp at Barry Buddon. More than 80 cadets enjoyed a packed programme over the two weeks. It was the Battalion’s first full-scale camp since Covid-19 restrictions.



April 2022 – Employers enjoyed a great day out at Knockhill Racing Circuit. Knockhill is an Employer Recognition Scheme Gold Award holder.



April 2023 – The Boddam project was handed over by contractor Morrison Construction. From left: Fraser Kennedy (HRFCA Head of Estates); Stuart Eddie (2 Highlanders CEO); Margaret-Jane Malcolm (HRFCA Estates Officer North East); Gary Mennie (Site Manager/ Construction project manager – Morrison Construction); and Paul Guest (2 Highlanders Quartermaster).

CONCLUSION

This year has seen some changes to the Board with Commodore Angus Ross and Colonel Garry Stimpson standing down.



Garry Stimpson

I would like to thank them both for so willingly and graciously giving their time to contribute to the Association. In their place, I am pleased to welcome onto the Board Major Alec Rose and Lieutenant Colonel Duncan Mackinnon.



Angus Ross

This has been a challenging year with many frustrations, but it has also been one of significant achievement delivered by the dedicated team at Seathwood; through their exemplary hard work we have much to be proud of, and on behalf of the Membership and Board I wish to thank them for

all their efforts, many of which go unnoticed but are all intrinsic to our success.

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

Captain N R V Dorman RD,
Chair HRFCA



Alec Rose



Duncan Mackinnon

Highland Reserve Forces'
and Cadets' Association
Seathwood
365 Perth Road
Dundee
DD2 1LX

Telephone: 01382 668283
Email: hi-info@rfca.org.uk



www.hrfca.co.uk



@HRFCA



@hrfca



@highlandrfca



HighlandRFCA