

CRFCA

Council of Reserve Forces'
and Cadets' Associations

THE UNITED KINGDOM RESERVE FORCES

EXTERNAL SCRUTINY TEAM

ANNUAL REPORT 2016



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EXECUTIVE SUMMARY

1. In this, our second statutory report, we have concentrated mainly on the MOD's progress towards completing its Future Reserves 2020 (FR20) programme, as this lies at the heart of regenerating a healthy Reserve. Hitherto, as with most commentators, we have focussed mainly on the Services achieving growth in the numbers recruited into the Reserve. This year it is clear that increasing the size of the Reserve is substantively on track: the Royal Navy looks set to hit its targets and the Royal Air Force has effectively done so already. Although the Army seems unlikely to meet its trained strength targets, its recruiting inflow is far healthier than in recent years and it should meet its trained strength targets albeit a year or two late. Given the other major changes that will still be underway in the Army over the same period, it seems unlikely that a short term deficit of about 3,000 trained Reserves for a year or so will have significant material impact on operational output.
2. Against that backdrop we are increasingly turning our attention to the Services' ability to convert Reserve numbers into viable and integrated capability. In this report we have looked at three general areas which we feel merit attention by MOD and the Services in order to do so more effectively: Reserves manning; Reserve utility; and enabling measures to make the Reserve more effective.
3. Initiatives to draw in new recruits and to attract former Regular Servicemen have been impressive. They have called for significant energy and diverted resources but they have paid dividends. We feel this commendable effort at times disguises underlying flaws in the formal processes. We point to several which are especially pertinent to the Army, the most worrying of which is the further delay in achieving full operating capability of the Recruiting Partnership; we recommend an urgent contract review. Unless the Partnership can deliver as a matter of routine and without frequent unit interventions, there is a strong probability that numbers would soon fall away. For this reason we also recommend that all the Services examine which temporary FR20 expedients, such as Army Op FORTIFY measures, should be retained in core to support the Reserve once FR20 has run its course. One manning issue stands out as a particular risk: the ability to attract quality young officers to the Reserve. Although officer inflow is improving, there are noticeable capability areas which are failing to attract them and we recommend that they be examined to ensure they are appropriate Reserve roles.
4. The new paradigm for Defence calls for a more integrated Reserve, which will sometimes provide the bulk of certain skills and capabilities not fully vested in the Regular component. The Reserves will also provide not just niche skills but the balance of necessary mass as well. It is clear that the senior leadership of the Services recognise the importance of this and intend that evolving strategies and plans should assume it. It is equally obvious that this clear intent has not percolated through all elements of the Services. Too many established practices at lower levels of authority are failing to adjust to this paradigm. For example, while in some capability areas there has been very good progress, in others inappropriate course phasing, course timing and course content are indicative of little more than a superficial make-over that causes them to remain Reserve unfriendly. Too often we find that the

multi-activity contracts previously set up to reduce support costs at establishments are the excuse for inertia, with units fixed by them rather than Defence renegotiating them. We also occasionally detect nervousness amongst some Regulars involved in some niche capabilities that their Reservists' expertise will eclipse their own; we caution that such attitudes must not be allowed to stifle fresh initiatives which are Reserve-grown. Finally the new paradigm calls for the Reserves to be available when needed by commanders for routine activity; we urge that a process be put in place which allows this without being constrained by budgetary pressures that do not similarly affect Regulars.

5. Almost all the enabling measures set out in the White Paper have now been implemented to some degree, with many enshrined in legislation. Some have been introduced as policy but have yet to be fully delivered. We commend the MOD and Services for the speed and thoroughness with which the great majority have been rolled out and urge them to sustain this effort to see the remainder through to full delivery. Progress with improving personnel management for Reserves has been generally good but a few initiatives which promised much appear to have slightly stalled. One such, the Army's Reserve officer career pathway, merits being reinvigorated. Experience over the last four years of FR20 suggests to us that changes to the Future Employment System are timely; if not already under consideration we suggest that the future efficacy of Full Time Reserve Service (FTRS) and Additional Duty Commitment (ADC) terms of service are also reviewed. Infrastructure optimisation for the Reserve estate still requires considerable work and we have been briefed on the strategy development to do so. Nevertheless limitations to the short-term improvement (and maintenance) of this estate poses a risk to delivering FR20 as, in the Army especially, commanders feel impotent to close with key aspects of their change programmes. This will become a greater issue if short-term fixes are precluded because they sit uncomfortably with the eventual strategy, notwithstanding that the strategy may not plan to deliver for a decade or so. Finally a paucity of Defence Information Infrastructure (DII) across the Reserve estate is an emerging problem, as is the speed with which it can be addressed.
6. Overall a great deal has been achieved in the last two years which gives increased confidence that FR20 will be substantially achieved. We pay credit to the strong and effective leadership which has thus far carried the programme; its successful conclusion will require a similarly sustained level of commitment. Although we point to areas which can be improved, our general sense is that many of our observations could be addressed by a more conscious approach to continuous improvement and sharing of best practice, underpinned by building on the governance and benefits tracking already in place but running it on beyond the programme life. Our assessment is that cultural resistance remains the main risk to sustained delivery; cultural change is essential and it must be achieved more deeply and quickly than is currently the case.



R V Brims
Lieutenant General (Retired)
24 June 2016



H.M.S. CAMBRIDGE

INTRODUCTION

1. Having provided annual reports on the progress of Future Reserves 2020 (FR20) at the request of the Secretary of State for Defence¹ in 2013 and 2014, on 1 October 2014 the Reserve Forces' and Cadets' Associations (RFCA) had a statutory duty placed on them to report annually to Parliament on the state of the United Kingdom's Reserve Forces.² This, our second report in that guise, builds on the three earlier reports. Notwithstanding the wider reporting mandate specified in the Defence Reform Act, the context for current reporting remains mainly driven by the implementation of the FR20 Commission's report and we have continued to be heavily guided by its key recommendations, a digest of which is at Annex C.
2. As well as providing a snap-shot of the current well-being of the UK's Reserves, our report last year also covered the purposes for which Reserves might be used; a précis of the circumstances which led to the FR20 programme being introduced; and some historical context to explain how the early stages of FR20 had been managed. This year's report does not repeat that more comprehensive detail, which was intended to provide background information for those less familiar with the Reserves. Instead it concentrates on the progress that the Services are making in delivering FR20, in part by examining how Defence has responded to our earlier recommendations.
3. Importantly, since the earlier reports were raised, a Strategic Defence and Security Review (SDSR)³ was conducted in 2015. This review reaffirmed the Government's intention to make better use of Reserves as conceived in the FR20 Commission's report, re-growing the size of the trained Reserve to some 35,000 personnel. This report takes account of the SDSR decisions and has specifically looked at possible implications for the Reserves arising from them.

PREVIOUS RECOMMENDATIONS

4. We submitted our last report through the Secretary for State for Defence on 23 June 2015; a digest of its recommendations (for completeness with recommendations from the two earlier reports) together with our proposals for further work, are shown respectively at Annex D and Annex E. The Secretary of State placed a copy of that report in the Library of the House on 21 July 2015. On 7 January 2016 he responded⁴ to our report, updating us on progress and commenting on our recommendations. We have been extremely encouraged to note the positive manner in which the recommendations have been received and taken this into account in this year's work.
5. This reporting year has capitalised strongly on last year's performance with continued growth across all Service Reserve communities, underpinned by significant enhancements to Reserve terms and conditions of Service now being introduced more fully. In very large measure the greatly improved performance within FR20 is a direct consequence of the Ministry of Defence and the Service Commands putting in place comprehensive and robust governance arrangements and even more so the firm commitment and strong leadership of Ministers and the Service Chiefs to see the project through in its entirety.

1. MSU 4/4/2/10 dated 31 July 2012; for convenience these Terms of Reference are at Annex A.

2. Defence Reform Act, 14 May 2014, Chapter 20 Part 3 Paragraph 47. Extract at Annex B.

3. A Secure and Prosperous United Kingdom; Cm9161 dated Nov 2015.

4. Ministry of Defence 4.4.2.10 dated 7 January 2016 (copy placed in the Library of the House and attached at Annex F).

6. From the outset of the FR20 programme, the size and capability of the Reserves has attracted intense political and media interest. We therefore monitor closely Defence Statistics reports on strength, albeit we are becoming more concerned with capability delivery as numbers grow. 2015/16 has demonstrated a sustained increase in the number of Reserves in all three Services, notably at well above the rate of increase for previous years. To some extent this is undoubtedly attributable to inflow into the Reserves from ex-Regulars leaving full-time service but it is also clear that efforts to attract and recruit *ab initio* Reservists are also paying dividends. The Royal Air Force has this year already reached its FR20 target for trained strength and continues to recruit strongly as part of its mainstream manning activity. The Royal Navy has exceeded its 2015/16 targets for inflow and trained strength and looks well set to achieve its FR20 goals. The Army has also reached its targets for 2015/16 but will struggle to meet its ultimate manning and trained strength targets by 1 April 2019; the likelihood is that under current criteria it will not reach full trained strength until one or two years later, because the increased annual targets over the next two years probably exceed the Army's capacity to convert sufficient basic recruits to trained strength.
7. While the early years of the FR20 programmes have rightly been driven by personnel numbers, there has been a raft of other outcomes necessary within the programme to demonstrate that Reserves are genuinely integrated to the Whole Force as 'valuable and valued' (the FR20 strap-line). We have seen tangible evidence over the last year that many of these have come to fruition or are well on track to maturity. Many of the 40 measures judged necessary to underpin the programme were already in place last year and this year we have seen the benefits being experienced at unit and personal level. Some of these, such as support to employers, leave entitlements and pension rights, are now enshrined in legislation and regulation and are fully in effect. Other measures, such as the provision of occupational health care⁵ and re-provision of estate, while benefiting from amended policy, still wait to be properly rolled out because of capacity limitations. Only one measure – typified by the continued delay to the introduction of a bespoke recruiting Management Information System – causes the Army Recruiting Partnership to remain frustratingly sub-optimal as it slips still further behind schedule.
8. Inevitably, as the programme reaches its conclusion and as other external factors come into play, some aspects of the original FR20 concept will need adjustment, redefinition and/or enhanced effort. In our judgement the recent Service stock-takes (which we recommended in our last report and which have been undertaken this year) have brought more focus to this requirement. In some areas this is now happening in the context of wider Service business, for example where the Royal Air Force, having reached their manning targets, have now been more able to manage Reserve business within normal mainstream working practice. In others, for example coordinating prolonged delays to Army basing plans and/or estate enhancements with changes of unit role, structure, readiness and equipment provision will continue to need special attention so as not to fall backwards in continuing to attract, recruit and retain Reserve personnel. We cover a number of issues below which relate to this and might need attention both as part of the FR20 programme and for the longer term sustainability of the Reserves.

5. We are told that of the 2,145 courses of treatment that been funded only about a third of that have so far been delivered; of the 60.5 posts funded only 22 had been recruited, of which only 4 are clinicians.

THE SERVICE ENVIRONMENTS

9. As we mention above, while all three Services have exceeded their annual recruiting and manning targets this year, we can only have confidence that the Royal Navy and Royal Air Force look set to achieve and sustain these numbers on time and into the longer term. Both have made impressive and largely successful efforts to deliver to target and are well down the road to integrating their Reserves within a Whole Force concept. There remain some areas in which, for the general well-being of their respective Reserves, continuous development will still be necessary, with generational culture change as a consistent underlying theme.
10. By contrast the Army still faces two more years of significant recruiting and retention challenge to make its target numbers. This is compounded by a large number of organisational changes still to come and limited ability to deliver quickly on a pressing need for estate rationalisation. Moreover, further structural changes identified in the 2015 SDSR; associated efficiency measures; equipment shortfalls; and wider-Army moves, such as the recovery from Germany, continue to contribute risks to full programme delivery. We have been briefed in outline how the General Staff are addressing this through what they call 'Army 2020 (Refine)' work; while fully recognising the necessity of undertaking this work, until it is completed, announced and fully understood, at the moment it adds to risk within those units and formations that anticipate change but do not yet know what it holds. To give substance to this point, some units within the Army Reserve are working to instructions made in 2012 but which have not yet been endorsed by implementation orders and seem likely to be dropped. For these reasons we doubt that the Army Reserve will meet its full trained strength targets on time in a manner which will provide the Army with the complete degree of utility it needs for its SDSR tasks (although the shortfall should not have any material impact on the Army's readiness). We are, though, confident that the current trajectory suggests it could do so within one or two years of the original target, and be more capable still if Army 2020 (Refine) develops in an evolutionary sense and is not interpreted as a change of direction or a complete reset.
11. The balance of this reports looks at issues which have come to our attention during the 2015/16 reporting year. In the main they are applicable to the Army but, not least to encourage best practice, they deserve consideration by all three environments.

RESERVE MANNING

12. **Reserve Numbers.** MOD's tables showing inflow and outflow, overall strength and trained strength are in Annex G and its appendices. We have no means of validating these consolidated figures independently but have no reason to doubt their accuracy. They fully reflect the much improved manning situation we see on the ground when we visit units.

13. **Army Recruiting.** Throughout the year we have seen widespread effort to draw in more Reserve recruits. The innovation, energy and resource involved has been considerable, although in the latter half of the year we suspect that efforts to redress manning shortfalls in the Regular Army have been diluting the capacity of the Recruiting Partnership⁶ in Upavon to process, monitor and adjust individual Reservist progress through the recruiting pipeline. Without exception, units we visit tell us that recruit numbers would quickly fall away if they (the units) did not actively track each applicant's progress and shadow the National Recruitment Centre's (NRC) work. Consequently we continue to question the efficiency of some of this effort, most especially at the amount of unit resource that is expended on what should be managed on their behalf through the partnership contract. Although time of flight is reducing, it still takes too long to progress recruits through the pipeline with the attendant risk that too many applicants still lose faith and walk away. Over the past three reports we have tended to give the Army's Recruiting Partnership the benefit of the doubt as it has found its feet and implemented temporary fixes. However, we are increasingly convinced that it is beset by flawed contract design and management, unduly slow delivery of a full operating capability and consequential systemic weakness. The current arrangements are sub-optimal for FR20 and will remain so in steady state after FR20 targets are achieved, with the attendant risk that Army Reserve numbers will then fall away. **We recommend an urgent contract review.**
14. **Manning Balance.** We believe that as the three Services' recruiting efforts culminate it will be necessary to become far more focussed on identifying where critical shortages of talent and capability remain and on assessing the likelihood of them ever being appropriately filled. Medical services probably set the pace here; we have been impressed with the gap analysis work undertaken by 2 Medical Brigade to determine where the Army (and by extension Defence Medical Services) will have problems in filling specialist Reserve medical posts and then identifying specific hospital trusts that lend themselves to targeted recruiting effort to redress them. And ultimately this might need some review of whether particular specialisations can be met from the Reserves or might instead need to be home-grown in the Regular component. **We therefore recommend that the Services undertake more granular analysis within their data gathering, to reduce the risk of specialist manning gaps in the final years of FR20 and beyond.**
15. **Medical Entry Standard.** Last year we recommended that medical entry standards be reviewed to ensure that the bar was set appropriately and was not too stringent for Reserves, especially those in less physically demanding roles. The MOD tells us that this review is completed and that they are satisfied that the entry standard is correct – and that they have tested the implications of relaxing the entry standard (for example, by pointing to a consequential rise in losses during training from musculoskeletal injuries). They acknowledge the need for relaxation of the standard for some specialist and niche roles but prefer to manage these potential Reservists through the application of individual waivers rather than by introducing a number of different entry standards. We accept that this principle can be made to work, albeit we suspect that it might need to be more widely advertised and applied than as at present. However, in many of those units which routinely seek waivers and usually have them agreed, the process is again too long; we have been told by units this is again because of a limited capacity in the NRC to process bids.

6. The joint Army/Capita partnership which has responsibility for both Regular and Reservist recruiting.

16. **Medical Deferrals.** By far the greatest number of complaints we hear from recruits relates to medical deferral. We commented on this last year but, despite acknowledging the problem, the incidence of deferrals and the time taken to resolve them remains a major concern. MOD has told us that it is implementing change and continues to look at further improvement⁷. **The two issues - high incidence of deferrals and time to resolution – remain firmly on our radar and we strongly recommend that they are prominent on MOD's as well.**
17. **Retention.** With such intense focus on recruiting we sense that the Services' eye has slightly drifted from the importance of retention in keeping Reserve strength growing and capable. To some extent this might seem an unfair statement, given the excellent improvements they have made in delivering the Reserve proposition and the impact that has on motivating Reservists. However, at unit level there is a slight weariness with the amount of recruiting and engagement tasks they are given (known in the Army as Op FORTIFY) at the expense of undertaking other activity which has traditionally had a strong retention impact. Many Reserve unit commanding officers make the point to us that they see themselves “in the entertainment business”; they compete with clubs, gyms, sports teams, social activities and family commitments to attract and keep their people. They therefore need to use a wide variety of equivalent activity to do so successfully, often with limited resource and in the face of higher headquarters that keep them stretched with tasks and regimes more appropriate to a full-time Regular unit. We have a particular concern that junior officers and SNCOs are probably feeling this pressure most acutely, as it is their work that is most diverted to these tasks and their job satisfaction that is too easily eroded. Equally, last year we commented positively on the retention benefits of activities suited to this cohort, such as those provided by the UK Reserve Forces Association (UKRFA). It is therefore disappointing to discover that Headquarters Army is considering cutting (already modest) funding to the UKRFA, which in turn might also prejudice the Royal Navy's and Royal Air Force's ability to access the UKRFA's full effectiveness.
18. **Officers.** While young officer recruiting is at last improving, there is still a long way to go both to fill an already large deficit and to replace long-serving officers who will retire from the Reserves in the next decade. This is critically important, as young officers not only energise and administer the activities of Reserve units but they also self-evidently are the seed-corn for the future senior leadership of the Reserves. The Royal Navy and the Army have made significant inroads into the problem, the first through the introduction of Project HERMES which offered concentrated courses for those candidates able to devote time to them and the second through a similar scheme run by the Royal Military Academy Sandhurst – both as alternative commissioning pathways to more traditional processes which also remain in place. **Both now need to absorb these approaches into their core officer development activity, as the issue will require sustained attention well beyond the timeframe of FR20.** Because of its operating model and current strength the RAF has less of an issue with officer recruitment at the moment. **Nevertheless we would encourage greater cross-pollination, shared practice and coordination between the three Services in the officer recruiting environment, particularly in the area of achieving greater penetration of the Higher and Further Education (HE and FE) recruiting hinterland.** As a side-bar we would also point to the HE and FE areas as a talent pool not just of potential officers but also of non-commissioned specialists.

7. Toward the end of the reporting year we have seen some evidence of this, such as the introduction in the Maritime Reserves of occupational health measures and the provision of dedicated staff to track recruit progress.

19. **Recruiting Resources.** All three Services have injected considerable resource into recruiting activity. The Royal Navy and Royal Air Force appear to have embedded that additional resource into their unit establishments and budgets. Within the Army some of the additional resource has been embedded but a significant amount has only been added under the provisions of Op FORTIFY, which is funded only within the time-frame of FR20. But the Army will still need to find an additional manning margin of some 8,000 personnel continuously beyond April 2019 to fill the recruiting and training 'hopper', in order to ensure that the trained strength does not drop through natural outflow at steady state. **If not already in hand, we recommend that the Services keep under review the impact of losing the Op FORTIFY enhancements (or Service equivalents) and, where appropriate to sustain recruiting beyond 2019, bring relevant elements into their core activity.**
20. **Individual Training.** We have reported before on the limitations of current course design to meet the training needs of Reservists, exacerbated by the restrictions of many multi-activity contracts at training establishments. We continue to hear evidence of this, while accepting that some high profile changes have been made such as the contract adjustment at Sandhurst to now permit training during the summer break months. In many cases this typifies the sort of cultural change that is needed to better integrate the Reserve and Regular component. Courses which were designed for Regulars many years ago made the assumption that students would only attend during the working week and support costs were therefore trimmed by excluding weekends and holiday periods from the contract coverage period. These are the very periods when most Reservists are available to undertake training. Thereafter, the contracts seem incapable of adjustment leaving Reservists either without support when they attend 'out-of-hours' training or with unmanageable impositions on their availability – and this then becomes a disincentive to overhaul courses more radically to make best use of the Reservist's time. We suspect that there is also a disinclination to offer more modular course alternatives compared to established Regular courses for similar reasons. **We shall look more closely at this in the coming year to substantiate the observations made to us.**

THE OFFICER PROPOSITION

21. The ability to attract and retain high calibre individuals rests strongly on the quality of the proposition made to them. The proposition defines what they can expect from Reserve service in return for what the Services expect from them. It encompasses how they will be used; how they will be trained; and how they will be rewarded. For most Reservists **a meaningful and rewarding role** for which they are offered **high quality and challenging training** is sufficient and often greatly overshadows other terms and conditions of service (although if not handled equitably with their Regular counterparts these can act as a push factor in retention). For enlisted personnel we remain convinced that the current proposition is as strong as it has ever been and far stronger than in the last 30 years.
22. The position for officers is variable. Here the issue hinges on the role of the officer in their Reserve unit, especially where it does not match up to the high grade training which has fired their expectation. In some capability areas – notably those relating to Army combat and combat support and their equivalents in the other Services – the proposition is exceptionally strong.

Young officers are immersed in exactly the same range of activity as their soldiers with a similar opportunity to be used on collective training exercises or operations. In other areas, notably within the combat service support arena, despite the same quality of professional training given to them, young officers can find their role confined to little more than the administration of soldiers in barracks without the reward of leading them in special-to-arm training or deployment.

23. We are increasingly aware that the role of the unit is therefore a major influence on whether units are able to recruit young officers because of the consequent absence of a meaningful officer proposition. A particular example is the Postal & Courier capability vested in a Royal Logistic Corps regiment; soldier manning in its two Postal & Courier squadrons is sound and improving but by contrast young officer manning is virtually non-existent. We are told that the reason is quite simply the situation described above: soldiers are in frequent demand but in small groups that do not require being officer-led; officers are restricted to administration. Clearly there are other activities to engage the young officer but little compensates for the absence of a meaningful personal role. We have also recently learnt that the Royal Marines Reserve is suffering young officer shortfalls, apparently for a similar reason.
24. **We recommend that the Services look at units which have a significant young officer deficit to determine whether a poor proposition might be the cause and, if so, to assess whether it can be legitimately improved.** If not there may be a case to reallocate the role to a Regular unit (where Regular officers have an opportunity to move between different roles over the course of their career). Alternatively, there might be a case for the Reserve sub-unit to be subsumed into a hybrid Regular/Reserve unit, where young officer shortfalls can be better managed.

RESERVE CAPABILITY AND UTILITY

25. **Training Standards.** The narrative on Reserve utility has deliberately and helpfully softened in tone over the last year, with less emphasis on compulsion to be mobilised and more of a shift towards a commitment to train and be used in appropriate circumstances. This is particularly the case within the Army Reserve, where the wider Army is now adjusting its structure, the nature of its capabilities and its readiness profiles. It seems eminently sensible that the Army Reserve should be considered in and contribute to these changes. A clear benefit which we identify within this work is to try to achieve greater utility from Reservists (and Regulars for that matter) at an earlier stage in their training, particularly for resilience tasks⁸. If it were possible to create greater availability at lower levels of capability earlier in training, it would still be highly desirable to keep Regular and Reserve training standards in kilter, so that when required to be interoperable the utility of both was fully understood. It would also be essential to have equivalent and appropriate systems in place to then progress both cohorts quickly to more advanced levels of capability in times of higher sustained operational tempo. In a way this concept is analogous to current arrangements for pre-deployment training for operations, albeit with more lead time required. **We would like to have continued visibility of how this work develops, especially if it leads to formal redefinition of training phase standards.**

8. Here we have in mind operations such as flood relief, where disciplined manpower is in urgent demand but not the full range of war-fighting capabilities.

26. **Specialist Utility.** This year we have had ample opportunity to visit units and formations which are now beginning to draw more heavily on Reservists' civilian talents. These Reservists bring much needed added capability to Defence which cannot easily be replicated within the Regular component. In the main we are most encouraged at the innovation here. One commander commented that in, say, infantry units, it should be expected that the Regular unit would be 'better' than its Reserve counterpart, whereas in many specialist areas we should hope that the Reserve unit was the better of the two. He makes an excellent point which we doubt would be understood in many parts of the Armed Forces; it plays strongly to our own concerns about the manner and speed of cultural change. In these niche and specialist capabilities the Services will need to guard consciously against the Regular component stifling the inventiveness and energy of a Reserve component that, while less well versed in Service procedure, nevertheless is far more adept at using the specific skill required because the Reservists are more at the cutting edge in their civilian lives. Typically medical, cyber, maritime trade, information warfare and intelligence functions sit at the sharp edge here, but others will also emerge, not least as the Defence Engagement role develops.
27. **Auxiliaries.** The organisation and management of the Maritime Reserves and the Air Reserves shines a spotlight on the utility of Reserves as Auxiliaries.⁹ The clear-cut nature of how Reserves are used in this regard seems to have helped their recruiting effort and it certainly shows in their recruiting campaigns. Within the Army we sense an antipathy towards recognising that this can also be a legitimate function for some of the Army Reserve, with a natural default to unit-centric organisation and activity. Important as this is in many roles, there seem to be others in which it is not the optimal means of employing some Reservists – and it potentially precludes some Reserve output now that the nature and tempo of operations has changed. Linked but not limited to our point on specialist utility, **we suggest that more can be learnt from the blue Services in respect of developing a better understanding of Auxiliaries in the Army Reserve and that such analysis could also help shape policies for the future employment system.**
28. **Medical.** The medical services of all three Services have been generally successful at attracting new recruits albeit mainly as generalists. As they approach full manning they recognise that the real challenge will be in filling the detailed requirement for a broad spread of medical specialisations within the overall numbers, in order to deliver a coherent comprehensive capability. The challenge to a large extent reflects the larger problem the NHS faces in recruiting and retaining clinicians who have been required to become increasingly specialised themselves. We have been briefed by Defence Medical Services on concepts to achieve this mix of specialisation and of the relationships they have built with the NHS; we have also seen the enhanced planning by 2 Medical Brigade to target particular geographical areas where there are specialists in sufficient numbers to improve recruiting results. Inevitably this could well result in a mismatch of specialists when balanced against the locality and unit establishment tables of individual medical units. It is reassuring that the Services have therefore taken some flexible and pragmatic steps to share liability between units, with those that can recruit holding numbers above their liability offset by the liability of those units that cannot recruit. We believe that more could be done in this area, perhaps

9. Our 2015 report describes the auxiliary role.

sharing liability with other Services' units as well, but for the moment the approach has good chances of success. **Tri-service medical capability found from the Reserves is so important to delivering overall medical capability on operations that we will keep progress under review.**

29. **Joint Force Utility.** Although Joint Force Command (JFC) commands a small number of Reservists, it draws mainly on the single Services for much of its Reserve support. It is therefore highly dependent on being able to use them on joint training activity, which is recognised as an essential pre-requisite to effectiveness on operations. Much, if not all, of this training is budgeted for and conducted under single Services full command arrangements. But for maximum integrated effect, some training must also be conducted within the Joint Force framework. This potentially creates a tension between those charged with delivering the capability and those charged with using it – a tension which will grow as man training day budgets are fully used once full manning is reached. Additionally, some of the best continuity training available is likely to come from on-the-job training, where Reservists actually contribute to real-time output within Joint Force Command, conducted as routine activity. Although single Service examples, the Reserve movements unit at RAF Brize Norton and the Royal Naval Reserve Air Branch are used for front-line delivery as part of their training routine and provide good exemplars of how this can be done. More thought needs to be given to the means by which Reservists designated to support JFC can meet single service training standards but at the same time can be used to deliver real output as a part of their budgeted activity.
30. **Unit Tensions.** Following recent organisational changes it is now more often the case that a unit is held administratively under one chain of command but operationally managed and directed by another. Indeed, within Army units whose sub-units are geographically spread around the UK's regions a commanding officer may have to deal with several headquarters within whose brigade boundaries the sub-units sit, answering to separate Divisional headquarters for different aspects of his unit's performance. This is not unique to the Army, albeit relations are usually less complex in the Royal Navy and Royal Air Force. Most units we visit manage these relationships well but many point to the tensions they create. The more remote the headquarters from the unit in command terms, the less empathetic the headquarters staffs are likely to be with the balancing act the unit's staff face. Equally, the more unitary the chain of command relationship, the more sympathetic the headquarters is likely to be to unit needs. These more complex command and control relationships are emerging as the new normal and we recognise that over time they will mature and improve. However, as they do so we make the following observations:
- a. Supervising Headquarters need to take care that assurance and inspection regimes applied to Regular units should not be the automatic default setting for Reserve units, most of which have significantly smaller permanent staff to manage them and cover much wider geographic dispersion. Without compromising safety, more flexible arrangements are necessary. For example, could some inspections be managed on an as-required basis rather than a calendar basis or could inspections be planned in conjunction with a paired Regular unit in order to pool expertise and resources?

b. Headquarters need to be aware of competing priorities, especially where the using (and budget holding) headquarters has little or no responsibility for routine unit support and well-being. We have made this observation before, in the context of the Maritime Reserve, where we were concerned that capability managers were often demanding too much effort on individual training such that unit commanders had no resource left to support unit activity. We continue to see evidence that the tensions are not much reduced but, as importantly, we see significant potential for this to become an issue for the Army Reserve as well.

31. **Army Reserve Equipment Support.** We remain concerned that the decision to withdraw unit Light Aid Detachments (LAD) and re-brigade them into REME units in their own right has caused problems within units, seemingly outweighing the perceived capability benefit originally envisaged. On paper the alternative solution might have worked; in practice it does not. The theory that equipment support could be wholly provided under civilian arrangements has not proved practicable under current rules. We are often told that civilian staff cannot be recruited and, where they cannot, it can take in excess of 15 months to get through the Civil Service process before being allowed to move to direct recruitment. There have been other detrimental effects as well. Some former REME soldiers have re-badged to their original unit, rather than move to a new unit at a different location; others have merely left the Reserve. Commanding Officers make the point that they have also lost the experienced hands who previously could cope better with the assurance regime and oversee civilian staff. **If not already under consideration in Army 2020 (Refine) work, we recommend that the decision to withdraw LADs to create REME battalions be revisited.**

A USABLE RESERVE

32. When the FR20 Commission reported they recommended that a contingency fund be set up for the purpose of providing a pool of additional man training days (MTD) which would enable the Reserve to be employed routinely on national tasks, such as resilience operations in response to national disasters. Ultimately the Ministry of Defence opted not to do so, preferring instead to fund improvements to Reserves' terms and conditions of service as a higher priority. We understand and accept the rationale for doing so. But, for as long as core funding for Reserve activity is limited predominantly to training (other than when mobilised for large scale operations), this presents a significant impediment to realising the utility of Reserve units as a matter of routine. Operational planners are disincentivised from mobilising Reserves because they incur additional costs, when compared to using Regular personnel, who are technically funded for 365 days annual availability. And our visits to Headquarters have made clear that post-SDSR efficiencies and savings measures are likely to bear down even harder as a disincentive.

33. We continue to be concerned that despite political and military intent to draw more routinely on Reserve talent and manpower, systemic barriers to doing so have not yet been sufficiently demolished. It is important that they are for three reasons:

- a. First, commanders have an entirely justifiable expectation that Reserves will be available for use; a fundamental construct of Army 2020 was that Reserves serve and commanders manage and command their forces on this basis. Not only are many key skills and specialist knowledge only found in the Reserve but also commanders rightly assume that they should be able to draw on all areas of their orders of battle, in which Reserves provide an increasingly large part.
 - b. Second, the Reservists expect to be used. On every occasion that we interview recruits going through the training pipeline they make very clear their ambition to be used on all forms of operation. Given the reduction to the large-scale mobilisations of the last decade, if this ambition is not realised it will become a retention issue for the Reserve.
 - c. Third, and more widely playing to our concerns on the key risk to the FR20 programme, in an integrated force if the Reserve does not pull its weight alongside its Regular component it will exacerbate the current problems of effecting cultural change.
34. Within the Royal Navy and the Royal Air Force there is some evidence that more use is being made of Reservists for routine tasks, often to cover gapping in Regular establishments. Frequently this is managed not through additional MTD being provided but instead through the use of Full Time Reserve Service (FTRS) or Additional Duty Commitments (ADC) contracts where greater longevity is necessary. This, of course, restricts the field to only those Reservists whose careers do not need the legal protection afforded by mobilisation. However, the fundamental point is that short-term mobilisation of units, sub-units and individuals is much more the exception than the norm – and therefore the best use of Reserve capabilities is being missed. Subtle changes to the narrative may also have in part contributed to planners taking this stance. **We strongly recommend that the manner in which Reserves can be routinely employed on national operations or for back-fill be revisited. We further recommend that the Reserve narrative be reviewed to ensure it cannot be interpreted as intent to prevent use of Reservists for routine mobilisation and on national operations.**

TERMS AND CONDITIONS OF SERVICE

35. **Career Pathway.** In previous reports we have flagged our interest in Reserve career management and have previously been briefed on significant improvements being initiated by the Army Personnel Centre (APC). On our visit this year we have been reassured that the main elements of these changes are now well advanced and the benefits are now being felt. One major facet of this work lies beyond the authority of the APC and appears to be less well advanced: the creation of a career pathway for Reserve officers. Briefly this sets out a commonly understood set of alternative career routes along which officers who have ambition to reach higher rank can travel, mapped to specific job appointments which will provide them with the right competences for their selected pathway. This is a mature model for Regular officers but barely exists in any recognised form for Reserves. For example, it is unclear whether sufficient career development posts exist, especially in staff posts that would deliver the competencies appropriately or, indeed, whether there would be sufficient Reserve personnel willing to fill them. Furthermore, it is the wider Army that is responsible for creating and defining the posts (not APC) and we see little evidence that this is in hand. **We recommend that work on defining the Army Reserve officer career pathway be re-invigorated.**

36. **Field Officer Career Management.** APC also told us that they now planned to move career management of senior captains from units to APC. We were told that their purpose was to improve their ability to identify junior officers fit to fill field grade appointments (i.e. majors' appointments) as they came into scope for promotion. On face value this appears to have merit. However, members of our team with considerable experience of unit service in the Army Reserve expressed doubts that this would work well for regimental appointments, especially when selecting sub-unit commanders.
37. **Senior Appointments.** The recent creation of a number of new senior posts is most welcome and demonstrates a clear intention to integrate Reservists at all levels. It is particularly reassuring that some of these posts now enjoy attendance at or membership of the respective Services' most senior Boards – ensuring that Reserve issues have exposure at the highest level. Welcome as these initiatives are, we have two slight concerns:
- First, structurally only the Army is well positioned to compete for the Assistant Chief of Defence Staff (Reserves and Cadets) post – the senior Reserve appointment in the policy area. This is both because the Army now has two other established two-star Volunteer Reserve posts to draw from whereas Royal Navy and Royal Air Force Reservists are currently 'capped' at Commodore and Group Captain respectively.
 - Second, we understand that some of these senior appointments place significant demands on incumbents with disproportionate amounts of time away from home. In these instances, especially where traditional support facilities for messing are less available (such as London and Glasgow) headquarters budgets need to be uplifted or adjusted to cover the travel, food and accommodation needs of these Reservists. It seems that while the posts have been established formally, the full cost of introducing them has not.
38. **Employment Models.** The Services are able to draw on additional ex-Regular and Reserve support using a variety of temporary employment expedients. This is particularly useful in making use of specific military skills and experience not found easily in a civilian workforce but crucially where the individual may not be able to sign up to the full range of service commitment. During visits across the three Services' headquarters and units we have noticed that the rules for the employment of personnel on FTRS and ADC appear to be applied very differently between Service, locality and service background (i.e. whether from former Regular or current Reserve service). This has caused us to look more closely at the purposes for which FTRS or ADC is used and consider the long term efficacy of either system as Whole Force and Future Employment System work progresses. We wonder whether the terms of FTRS and ADC engagement have outgrown their time, especially when considering how some of the specific terms actually act as a disincentive to recruiting (for example, the consequences of pension abatement and the marked loss of other benefits such as accommodation in some of the categories). **If not already in hand, we recommend that Defence reviews whether a more flexible range of employment terms should be considered, to better incentivise recruitment and to provide more agility within a Whole Force approach to employment.**

ESTATE

39. **Condition.** In common with the rest of the Defence estate, that used by the Reserves has suffered in recent years from inadequate investment. It tends to be old, designed and built for a Reserve that was significantly different from that envisaged in FR20. Some 10 to 15 years ago it was managed within a balanced programme of maintenance, condition improvement and re-provision (although even then the trend was that re-provision requirements increasingly outstripped available funding). Over the last decade funding reduction has meant that, with very few exceptions, the Reserve estate is maintained to no more than a basic statutory and mandatory compliance standard; almost no preventative maintenance is funded. Any enhanced level of work is only achieved through small single Service budget injections to provide minor betterment in support of specific objectives, such as enhancements to improve the front-of-house for recruiting. One notable exception is the investment made by the Royal Navy, whose FR20 plans made comprehensive budgetary provision for an optimised Maritime Reserve estate, which is now well on the way to completion. Most Air Reserve accommodation sits behind the wire and is managed as part the Main Operating Base infrastructure provision; those few that sit outside are at a satisfactory state but, in common with other Reserve Centres, will progressively degrade at current funding levels.
40. **Strategic Optimisation.** In SDSR 15 the government set out its intention to dispose of a significant tranche of Defence estate: some 30% of the built estate. This is likely to impact on Reserves. MOD's Defence Infrastructure Organisation (DIO) has briefed us on its approach to optimising the Reserve estate within this work. We judge the approach to be sound and understand the methodology. And the inclusion from the outset of the Reserve Forces' and Cadets' Associations (RFCAs) in the work has been welcome. That said, work on the estate footprint strategy has been protracted and complicated by decisions on recovery from Germany and other major muscle moves on Regular basing. Some parallel work on the Reserves footprint has been possible but remains greatly dependent on Regular estate decisions. There is also something of a disconnect between resolving relatively small FR20 basing issues and harmonising them with strategy work, which would not see strategic decisions implemented until at least the 2025 timeframe.
41. **Shorter-term Optimisation.** As a result, at both headquarters and unit level, there is uncertainty and disquiet about whether and when any identified major FR20 estates work will be completed and the attendant risk of FR20 infrastructure planning blight if it slips closer to firmer footprint strategy decision points. One Commanding Officer succinctly summed up the sentiment of many others: "Actually, the lack of any [infrastructure] plan is far worse to manage with my people than working in lousy accommodation". And we can confirm that the accommodation challenge that the CO faces is profound. We are acutely aware that this concern is shared by senior Army commanders who are frustrated that they appear unable to optimise the estate to cope with today's issues, unlike their Royal Navy and Royal Air Force colleagues who were able to programme change on a smaller scale from the outset of FR20. **Separately, as options are considered for disposal of Regular estate we counsel against making decisions before their current or potential usefulness to Reserve capability-building has also been taken into account.**¹⁰

10. For example, we are aware of proposals to dispose of two large sites in the East Midlands both of which have been extensively used for Reserve training in the past and retain the potential for use in the future.

42. **Defence Information Infrastructure (DII).** For those units that have benefitted from FR20 infrastructure work to modify their centres to be fit for role or to have moved from one centre to another, we are now seeing a new frustration. All Reserve Centres require essential access to DII to manage many aspects of their business. Some, such as Military Intelligence units and sub-units, require considerably more than others and they are one of the main growth areas within the Army Reserve. DII provision in the pre-FR20 era was never generous; any subsequent additions or adjustments to the originally specified layout are costly. But perhaps the greatest impediment is the capacity of the contractor to deliver the changes in reasonable time.¹¹ We cannot make judgements on the efficacy or value for money of the DII contract. We can report that the poor availability of DII within the Reserve estate is a major friction on delivering FR20 capability.

CULTURE

43. Cultural change in relation to how the Reserves are perceived by and integrated with their Regular counterparts and, to a lesser degree, vice versa lies at the heart of successful delivery of FR20 and the future well-being of the Reserve. There is much to applaud in what has been achieved already, especially in the attitudes of the Services' most senior officers. Where change can be driven hard we can see that happening; new personal equipment, more training opportunities, focussed budgets and resource allocation are all making their mark. Our attention is on more subtle manifestations of intransigence (at worst) or unthinking indifference (at best), what some call the 'Frozen Middle' – those personnel too entrenched in old ways of working, often with a mistaken belief that they will return. This is not only damaging from the perspective of Reserve and Regular integration. It is also worrying because of how the 'Frozen Middle' might see the UK Forces' responsibilities within the emerging security environment, an altogether more important major change activity.
44. Small examples abound of how this manifests itself. In pairing and parenting, Regular units can and do bend over backwards to assist their Reserve unit to achieve FR20 goals. But this is invariably subordinated to their own programmes; frequently stops short of out-of-hours support; sometimes relies on Reservists moving to Regulars' bases when the more cost effective approach would be small numbers of Regulars moving the Reservists' centres; and too often concentrates on the training activity when supporting work would be far more valuable (such as equipment preparation and recovery). More worryingly we see institutional resistance. Now that FR20 delivery has been underway for some 3 years or so, we suspect that new personnel coming into staff branches are more influenced by their own experience than by the new norms that are required. Such an example might be in capability, trade or branch sponsors/managers where the old normal is reintroduced to course design, output standards and training currency requirements – all perfectly suited to Regulars' performance but setting impossible hurdles for Reservists within their annual commitment. And we have covered other examples within this report, such as the assurance regimes within which Reserve units are expected to operate. Bluntly, a better 'systems design' for many of these issues would be to approach them from the Reserve perspective from the outset, rather than then introducing patches as an afterthought.

¹¹. Some units had been waiting 9 months for new installation and had no forecast for completion.

45. Our collective experience of working in the Services tells us that overcoming this institutional resistance to change tends to be protracted and, unless deliberately addressed, can otherwise rely upon a generational change. We assess that Defence cannot wait that long; it needs to change attitudes more quickly. We also believe that insidious resistance responds best to nuanced measures to inculcate change rather than relying solely on strong direction that attitudes must change. An unrelated but actual example might help make the point. In the late 1990s UK deployed a fair number of training teams around the world to build capacity in other nations' Armies where UK felt they could contribute more to international peace-keeping. Some other Government Departments were insistent that these teams also taught the Law of Armed Conflict and respect for human rights. Anticipating the likely reaction of soldiers to such dry subjects led to the teams delivering English language training modules (well received and necessary for most international operations) but using the medium of texts which covered both topics (largely unnoticed by the soldiers but subliminally implanted). The messages were far more effectively delivered. We commend this approach to cultural change and in that spirit recommend that, for example, staff training at all levels uses exercises that rely on understanding of the Reserve for their resolution. In this way rising officers and SNCOs have to learn about the Reserve and its environment to succeed in their training exercises, rather than having the messages pressed upon them.
46. Ultimately though, Reserves and Regulars are different and occasionally need separate treatment. But they nevertheless still need to be considered together when developing strategy, policy and plans. Although the three Services each use their Reserves in different ways and for different purposes this point remains valid for all of them. From a policy stance we still see too many examples of Reserve issues being remembered and addressed as an afterthought rather than being included in processes from the outset. The current experience of major Defence initiatives peripheral to FR20 suggests that occasionally consideration of Reserve issues should also lead thinking.
47. We know that the MOD takes this issue seriously and has measures in development to track cultural change. But fundamentally this work is about measurement of change, not measures to effect change. In sum, the senior leadership of the Services must retain focus on delivering FR20 and therefore must sustain pressure on delivering cultural change in all areas. This is much more than merely achieving the right numbers. This is about making the new model effective. **We strongly recommend that the MOD and the Services recognise incomplete cultural change will be the main impediment to FR20 delivery and long-term Reserve sustainability, and introduce specific measures to inculcate cultural change.**

LOCALISM IN LEADERSHIP

48. Pulling some of the foregoing points together, we have commented in previous Reports on the importance of effective leadership and command at sub unit level which, particularly in the Army Reserve, forms the basis of its successful manning and future scalability. The majority of Reservists who hold command positions as officers and NCOs in sub-units will be local people with successful civilian careers or businesses, (although some will be self-employed or have portfolio careers which give them greater flexibility in their Reservist service) with a real commitment to the Reserves albeit **with limited but adequate time** to build and maintain strong sub-units. Notwithstanding their limited availability their impact on successful recruitment and retention is very significant and they will expect to mobilise in appropriate circumstances. We have commented on the differences between Regular and Reserve service and the cultural issues which exist and are often not well understood and continue to have concerns that in an understandable wish to achieve greater integration the ability of having talented Reservists leading other Reservists at the local level will be lost. **We recommend that this matter is kept under review, simplifying systems where possible, providing adequate permanent staff support and keeping training requirements at practical levels to enable such individuals to serve and continue as the back bone of a well recruited and expanding Reserve.**

MENTAL HEALTH

49. The Act specifically requires us to report on mental well-being of the Reserves. We are ill-equipped to do so. Indeed, given the composition of the RFCAs we could provide little more than a layman's assessment or, worse, a report overly influenced by special interest groups. Last year we made the same point and recommended that MOD commissioned more work to contribute to this report.

50. This year MOD tells us that it is making some progress. The MOD draws on work commissioned by King's College, principally the Health and Well-being Survey of UK Armed Force Personnel. This is on-going work which has been underway since 2003 and in its 2012 newsletter reported that there is little apparent difference between the incidence of mental illness between Regulars and Reserves (4% and 6% respectively). The referral rate of Reservists seems to support this (an average annual rate of 29 cases). That said, there is little empirical evidence to be sure of these facts, given that once they return from operations Reservists are probably more likely to turn to local/civilian referral routes, rather than go through Service routes, where civilian practitioners may not be aware of the Reservist's service background. Nevertheless Defence Medical Services have made funding available for 9 additional mental health nurses to be established at some of the 16 military-run Departments of Community Mental Health across the UK and overseas, although many of these posts had still to be filled when they briefed us. **Mental health provision for Reserves remains a standing area of interest for us.**

THE COST OF RESERVES

51. We have again received an updated briefing on the Land Environment Cost of Capability (LEMCOC) work and believe that this data will be important in tracking and comparing the costs and benefits of Reserve units in defence as well as providing a key management information tool to commanders, including at unit level. As far as we are aware this work is mostly confined to the Army but we believe that it has far wider tri-Service applicability, especially should further options be necessary on how Defence and Service roles are allocated in the future. We will continue to review and better understand this information in the coming years. At the outset of the FR20 programme it was agreed that we would not track how the additional £1.8bn allocated to the programme was used and would instead concentrate on whether and how the benefits were being achieved. Thus far we remain satisfied that MOD's tracking of spend has been effective. As the programme reaches its final years – and as programme activity migrates to normal business, in which savings and efficiencies are already having an increasing impact – it will be important for MOD to continue this monitoring to ensure that the final balance of the ring-fenced £1.8bn is fully spent for the purposes intended.

ASSESSMENT

52. After a faltering start to FR20, the Reserves of all three Services are now set on a far more reassuring trajectory to meet their respective trained strength targets – indeed, the Royal Air Force has already done so ahead of schedule and the Royal Navy seem set to do so within the target date. This year has seen impressive gains in manpower numbers across the board, such that the recruiting hopper is sufficiently full to engender confidence that next year's targets for inflow will meet be met as well.
53. The FR20 programme has now met almost all of the policy and enabling objectives set out in the White Paper and there should be no material impediment to retaining a well-motivated and committed Reserve into the long-term.
54. Without losing sight of the numerical targets, especially those for the Army's manning and training margin on top of the trained strength, attention needs to increasingly turn to converting personnel numbers into usable capability – with the ability to use it more flexibly. The enthusiasm to do this within Reserve units is palpable. It will be important that the Reserve and the Regular components work together with better mutual understanding to realise capability synergies.

55. There is still much to be done to complete the programme in other ways. Some policies still need to be institutionalised in peoples' everyday thinking and working. Stratagems that have been approved and funded now need to be enacted, posts filled and delivery improved. The body of this report sets out issues that we believe should be addressed. It is not for this team to find the solutions; today's Services are perfectly capable of addressing them themselves and would probably do so better. However, if many of the issues go untreated we assess that the programme will stall in important areas. Crucially, as we made clear last year, the overarching purpose set out in the FR20 Commission's report needs to drive the programme to the end, scrupulously avoiding stove-piped solutions on the way. There is much more scope to examine best practice within and between the Services. Overall we assess that the programme will be delivered in most respects and in workable form to target date and, provided there is no relaxation, to full capability by perhaps 2021 or 2022.
56. It will be important for the senior leadership of MOD and the Services not to take their eye off the FR20 ball. The programme needs to be seen through to completion, despite other pressures coming to bear; they need to keep in mind how the parlous state of the Reserve in 2010 came about and ensure that through continuous improvement there is a much reduced possibility of it reoccurring. Amongst other measures to do so, the benefits tracking procedures which have already been put in place should be retained beyond the programme life, to have measurable visibility of its enduring effectiveness. The strong governance put in place for the FR20 programme is proving its worth and there would be great merit in carrying aspects of it through into steady state oversight of the Reserve after 2020.
57. In our view the biggest enduring risk to the programme and the future stability of the Reserves is the slow speed and limited penetration of cultural change, some of which contributes to the issues we raise in this report. Unless the culture changes deeply and more quickly, many of the FR20 benefits will be thwarted and realisation of the full potential capability of the Whole Force will be frustrated.

Annexes:

- A. FR20 Implementation External Scrutiny – Council of Reserve Forces’ and Cadets’ Associations External Scrutiny Team Terms of Reference.
- B. External Reporting Provisions of the Defence Reform Act 2014.
- C. Summary of the FR20 Independent Commission's Main Recommendations.
- D. Previous Report Recommendations.
- E. Previous Proposals for Further Work.
- F. Secretary of State for Defence Response to 2015 EST report.
- G. MOD Targets for Strength and Recruitment.
- H. Defence Statistics – Reserve Manning Achievement & Trends.
- I. 2016 Report Main Recommendations.
- J. Summary of Priorities for 2016/17 Work.
- K. External Scrutiny Team – Membership.

FR20 IMPLEMENTATION EXTERNAL SCRUTINY – COUNCIL OF RESERVE FORCES' AND CADETS' ASSOCIATIONS SCRUTINY TEAM TERMS OF REFERENCE

INTRODUCTION

1. The FR20 Report¹² was commissioned by the Prime Minister in October 2010 in recognition of the relative decline and neglect of Reserve Forces. The Independent Commission concluded that the state of some elements of the Reserve was so fragile that resources and action were required immediately to arrest their decline; also, it sought to promote a wider vision to be realised over several years.

PURPOSE

2. The Commission identified¹³ a requirement for an annual report on the overall health of the Reserve Forces. It recommended that the Council of Reserve Forces' and Cadets' Associations (CRFCA) was best placed to meet this requirement given its existing provision by (non-discretionary) statute to provide independent advice to the Defence Council and Ministers on Reserve Matters.

ROLE

3. The CRFCA External Scrutiny Team is to report to the Secretary of State for Defence on implementation of the Future Reserves 2020 (FR20) Programme and provide independent assurance to Parliament.

MEMBERSHIP

4. Lt Gen (Retd) Robin Brims CB CBE DSO DL is appointed to chair the CRFCA External Scrutiny Team to provide external assurance on the implementation of the FR20 Programme.
5. Membership of the External Scrutiny Team should comprise no more than six, to be decided by the Chair after consultation with the MOD through VCDS. It should provide representation from the three single Services, appropriate Regular and Reserve experience and independent expertise. Whilst its composition may change over the course of the five years, the External Scrutiny Team must retain the expertise that enables the Chair to perform his duties effectively.

SCOPE

6. The External Scrutiny Team's work is to be set in the context of the ability of the Reserves to deliver capability required by Defence, and is to assess:
 - a. Progress against delivery of the FR20 Mandate¹⁴And in the context of the Recommendations of the FR20 Report:
 - b. The condition of the Reserves.

12. Future Reserves 2020: The Independent External Scrutiny Team to Review the United Kingdom's Reserve Forces. July 2011.

13. Para 104 (p. 43)

14. DCDS Pers/RFC/FR20/5/09 dated 5 Jun 12.

BASELINE AND METRICS

7. 1 April 12 is to be taken as the baseline date from which progress will be assessed, and anniversaries of this date thereafter, to baseline their findings.
8. The FR20 Programme Management Office (PMO) will undertake coordinating activity with the single Services to ensure that the External Scrutiny Team has the assistance it requires to enable them to assess trends based on monthly manning and demographic information (such as age). Metrics to be routinely monitored are to be agreed in consultation with the MOD but may include:
 - a. Outflow rate and return of service;
 - b. Fit for Employment; Fit for Role; Fit for Deployment;
 - c. Percentage achieving bounty;
 - d. Gapping levels of Regular, Reserve, FTRS and Civilian Permanent Staff who support the Reserve community.

ASSESSMENT

9. The External Scrutiny Team's report should assess the state of the programme including:
 - a. Progress against the Plan and milestones;
 - b. Risk management and corporate governance;
 - c. Definition of benefits and progress in delivering them;
 - d. Communication with key stakeholders;
 - e. Effectiveness of application of resources under the Programme.
10. CRFCA will be involved in the development of the Plan through the Reserves Coordination Group and the FR20 Programme Board.

ACCESS

11. The FR20 PMO will assist in facilitating access to serving military personnel, sites and furnishing additional data as required.



EXTERNAL REPORTING PROVISIONS OF THE DEFENCE REFORM ACT 2014

The Defence Reform Act 2014 placed a responsibility on Reserve Forces' and Cadets' Associations to submit an annual report on the state of the UK's Reserve Forces under the following provisions.¹⁵

113A Duty to prepare report on volunteer Reserve forces

- (1) An association must prepare an annual report on the state of the volunteer Reserve forces so far as concerns the area for which the association is established.
- (2) A report on the state of the volunteer Reserve forces is a report that sets out the association's assessment of the capabilities of the volunteer Reserve forces, having regard to the duties that may be imposed on members of those forces by or under this Act or any other enactment.
- (3) The assessment referred to in subsection (2) must, in particular, include the association's views on the effect of each of the following matters on the capabilities of the volunteer Reserve forces -
 - (a) the recruiting of members for the volunteer Reserve forces;
 - (b) the retention of members of those forces;
 - (c) the provision of training for those forces;
 - (d) the upkeep of land and buildings for whose management and maintenance the association is responsible.
- (4) A report under subsection (1) must also set out the association's assessment of the provision that is made as regards the mental welfare of members and former members of the volunteer Reserve forces.
- (5) An association must send a report under subsection (1) to the Secretary of State -
 - (a) in the case of the first report, before the first anniversary of the day on which the last Future Reserves 2020 report prepared before the coming into force of this section was presented to the Secretary of State, and
 - (b) in the case of subsequent reports, before the anniversary of the day on which the first report was laid before Parliament under subsection (6).
- (6) On receiving a report under subsection (1), the Secretary of State must lay a copy of it before Parliament.
- (7) The duties under this section may, instead of being performed by an association, be performed by a joint committee appointed under section 116 by two or more associations in relation to their combined areas.
- (8) Where by virtue of subsection (7) a joint committee has the duty to prepare a report -
 - (a) references in subsections (1) to (5) to an association are to be read as if they were to the joint committee, and
 - (b) section 117(1)(a) (power to regulate manner in which functions are exercised) has effect as if the reference to associations were to the joint committee.
- (9) In subsection (5)(a), 'Future Reserves 2020 report' means a report prepared by the External Scrutiny Group on the Future Reserves 2020 programme.

¹⁵ Inserted in Part 11 of the Reserve Forces Act 1996 (reserve associations), after section 113



SUMMARY OF THE FR20 INDEPENDENT COMMISSION'S MAIN RECOMMENDATIONS

Stabilisation and Betterment. Resources are needed immediately to arrest the severe decline in the state of the Reserves. Included in this is the need for a revised Proposition which provides the challenge and reward that makes Reserve service worthwhile and sustainable. This will require enhancements to individual, collective and command training. It will also require increased command opportunities, in peacetime and on operations. The Reserve will require new roles, more viable structures and better mechanisms to integrate with the Regular component. We estimate that a betterment package, when coupled with the need to abate other savings measures against Reserves, will cost £590m over four years.

Revised Roles. The National Security Council should examine the breadth of roles which Reservists undertake. We recommend that Reservists should play a greater part in Homeland Security (for example maritime coastal protection) and UK Resilience. We are not advocating a third force, rather that Reserves should have a more formal role in support of specific security tasks and their local civil communities. More widely, specialist tasks should expand, specifically in areas such as cyber, stabilisation and medical roles in humanitarian crises. Beyond individual operational augmentation, Reserves should be able to meet some operational tasks as formed sub-units and units. And our Reserves must form the framework around which military regeneration can be effected.

Enablement. The availability of a larger and more usable Reserve has to be guaranteed. Such a guarantee has to be underpinned by legislative changes which permit greater ease of mobilisation, better employee protection and greater recognition of employers, perhaps through a nationally endorsed Kitemark. We should exploit the potential for innovative partnerships between Defence, Education and Industry to optimise the sharing and development of human talent. And we need modern administrative systems for enlistment, processing and transfer between the Regular forces and the Reserves.

Adjusting the Regular/Reserve Balance. Defence should adopt a Whole Force Concept which optimises the most cost-effective balance of Regular, Reserve, Contractor and Civilian manpower. Within this, the Reserve element should proportionately increase. By 2015, the trained strength of the Reserves should be: Royal Navy Reserves/Royal Marine Reserves 3,100; Territorial Army 30,000 and Royal Auxiliary Air Force 1,800. Thereafter the size of the Reservist component should increase further to maximise the cost effectiveness of having a larger Reserve component within the Whole Force. The Commission's view is that, in the future, the trained strength of the Army – Regular and Reserve – should be about 120,000.

Force Generation. In order to improve the efficiency of Force Generation, the Reserve estate should be rationalised in a way that is sensitive to maintaining geographically dispersed local links whilst providing access to training. Once we have rebuilt the officer and non-commissioned officer structures, and in the context of more effective Regular/Reserve twinning, the requirements for Regular Permanent Training Staff should be reviewed. And the overall Force Generation ratio within the TA should be optimised so that, if required, a 1:8 ratio of mobilised to non-mobilised Reservists could be sustained.

Governance. A revised governance structure for the Reserve is recommended to: first, oversee the implementation of recommendations arising from this Review; second, to provide an independent mechanism to report to the Ministry of Defence and Parliament on the state of the Reserves; and third, to help ensure the appropriate influence of certain Reserve appointments. The Commission believes that, if these recommendations are carried through, then the overall capability, utility and resilience of our Armed Forces will be enhanced, in a way that meets the security, financial and societal challenges of the day, and in a way that maintains continuity with historic British practice.



PREVIOUS REPORT RECOMMENDATIONS

SUMMARY OF 2013 REPORT RECOMMENDATIONS

Recommendation 13.1. (Link to the Commission's recommendations 3, 4 & 8)

As a matter of priority the Department should issue a plain-English narrative which sets out the Reserves proposition: a narrative which is commonly adopted across all the Services and, as a minimum, covers the purposes of the Reserves; the manner in which they are likely to be used; and individual levels of obligation.

Recommendation 13.2. (Link to the Commission's recommendations 6 & 12)

FR20 manpower metrics should be more granular for the period to 2018 to demonstrate changes within the recruit inflow pipeline and should not concentrate solely on the achievement of Phase-2-trained Reservists.

Recommendation 13.3. (Link to the Commission's recommendation 26)

Priority must be given to fund and introduce quickly an effective management information system which accurately captures Reservists numbers; states of training, preparedness; availability; attendance; and skill sets.

Recommendation 13.4.

More analysis is undertaken to determine the causes of 'manning churn', to better inform how retention measures could be better targeted.

Recommendation 13.5. (Link to the Commission's recommendations 2 & 21)

In parallel to development of pairing/parenting responsibilities, further analysis is needed for scaling of equipment and vehicle holdings at Reserve unit level, including the provision of low-tech simulation alternatives.

Recommendation 13.6. (Link to the Commission's recommendations 5, 6, 17, 18 & 23)

FR20 Army basing should take account of regional capacity to recruit, not just to facilitate proximity, and should also be phased to initially preserve current TA manpower until such time as alternative inflow is more fully developed.

Recommendation 13.7. (Link to the Commission's recommendations 8, 22 & 23)

That work is initiated to look at the potential to employ Reserves with critical skills, where their employment was best served in a reach-back rather than deployed role; and that their TACOS be examined for appropriate adjustment.

Recommendation 13.8. (Link to the Commission's report, Annex C, paragraph 8)

That senior military and political leadership initiate a comprehensive information campaign with the Services' middle management to address the cultural change necessary to secure FR20, drawing on the narrative we recommend above.

SUMMARY OF 2014 REPORT RECOMMENDATIONS

Recommendation 14.1. Further work on Whole Force and the New Employment Model, coupled with the desirability of easier transfers between Regular and Reserve service, suggest that the necessity of merging the Armed Forces' Act and the Reserve Forces' Act should be kept under review.

Recommendation 14.2. The narrative developed for the White Paper should be updated to take account of FR20 delivery to date and used more extensively to market the value of Reserve service and the recruiting offer. It should also be used more extensively cross-government.

Recommendation 14.3. FR20 measures which seek to bring down the average age of Reservists should be phased to follow those measures which will rely heavily on Reservist knowledge and experience for their introduction.

Recommendation 14.4. The single Services should examine the scope to apply a 'special measures approach' to turning round those units and sub-units most in need of assistance in reaching FR20 targets.

Recommendation 14.5. The single Services should examine a range of measures which better preserve the corporate memory of their Reserve components, including procedures for recording whether and how savings measures are planned to be restored during programming.

Recommendation 14.6. Recruiting processes should be subject to continuous improvement measures, with recognition that central marketing and advertising campaigns must be complemented by appropriately funded local/unit activity to nurture and retain applicants through the process.

Recommendation 14.7. Final decisions on Reserve Centre laydown and unit/sub-unit closures should be re-tested against local recruiting capacity and retention factors.

Recommendation 14.8. In order to ensure that necessary differences between Regular and Reserve service are appropriately managed, the single Services should consider the reintroduction of a dedicated Reserve career management staff branch (predominantly manned and led by Reservists) within their Personnel Headquarters.

Recommendation 14.9. Command appointments of Reserve units should continue to provide opportunity for part-time volunteer officers. When part-time volunteers are appointed, command team manning of the unit should be reviewed to ensure that the commanding officer is fully supported with no gapping in key headquarters posts.

Recommendation 14.10. The MOD should consider the option to restore the FR20 Commission's proposal that a contingency reserve fund should be established to be available for short duration domestic operations making use of Reserves.

SUMMARY OF 2015 REPORT RECOMMENDATIONS

- 15.1.** The MOD give further consideration to how it will safeguard the ability of Reserves to play a proportionate part in resilience operations, especially once the Reserves are at full manning and would otherwise have to dilute funds for annual training to offset costs.
- 15.2.** Working within the existing governance system, build more inter-Service cooperation on experimentation and best practice on recruiting and retention, whether or not initiatives are universally adopted.
- 15.3.** The three Services should review the separate roles played by the national call centres, the Armed Forces Careers Offices, the recruiting field forces and Reserve units to ensure that they are clearly optimised for Reserve recruiting.
- 15.4.** The MOD and the Services should review the medical entry standards required of recruits and ensure that the screening contracts are appropriately incentivised and assured to achieve success.
- 15.5.** The Services should initiate work to determine the recruiting resources necessary to ensure steady state manning of the Reserve beyond the FR20 period.
- 15.6.** The Services should examine what more could be done to enhance manning through retention-positive measures, at least in the short-term, including bespoke extra-mural activities targeted at the Reserve.
- 15.7.** FR20 planning and risk mitigation should increasingly turn more attention to the growth of capability within the Reserve component, rather than a slavish pursuit of numerical growth.
- 15.8.** Army Reserve basing requirements should be revisited as a consequence of availability of funds to deliver the original basing concept and on the evidence of other FR20 achievement; link to Recommendation 15.10.
- 15.9.** DIO and the Services should review their multi-activity and support contracts and, where relevant, explore ways in which they can be amended to ensure that they are Reserve-friendly.
- 15.10.** The Services should conduct a command-led stock-take on all aspects of FR20 implementation by the end of FY 2015/16 and share lessons learned; link with recommendation 15.8.



PREVIOUS PROPOSALS FOR FURTHER WORK

2013/14

- Medical Reserves, to ensure coherence with single Service plans.
- Manpower metrics.
- Manpower MIS.
- Unit and sub-unit leadership and management.
- The recruiting & training pipelines and process effectiveness.
- Development of integrated training and (where relevant) pairing mechanisms.
- Harmonisation of training directives and resources.
- Enhanced measures for engaging with employers.
- Improved relationships with employers
- Families' welfare.
- Terms and Conditions of Service.
- Cost of Reserves.

2014/15

- Terms and Conditions of Service for Reserves.
- Medical screening process and regional performance.
- Maritime Reserves pipeline improvement pilots.
- Reserve officer recruiting, training and development.
- The Reserve recruiting and training pipeline to Phase 2.
- Concepts of employment and manning for the Medical Reserves.
- Contractual constraints.
- Single Service arrangements for personnel and career management of Reserves.

2015/16 WORK

Review

- An assessment of the conclusions and implementation of adjustments arising from the Army Reserve stock-take; parallel reviews within the other Services; and arrangements to share findings.
- Progress with the Reserve Footprint Strategy.

Funding

- Costing and cost comparison modelling.
- Governance and assurance arrangements for the £1.8bn FR20 funding.

Capability

- Development and growth of Reserve capabilities. Initial points of interest:
 - › Joint and single Service progress with Medical capability.
 - › Arrangements for Reserves use within employing formations.
 - › Development of defence engagement and resilience roles for Reserves.
 - › Refinement of the proposition, with particular attention to officers.
 - › Achievement of mandated collective training at unit and sub-unit level.

Manning, Recruiting and Training

- Progress towards FR20 manning levels.
- Sustainability of long-term support arrangements for Reserves, particularly to maintain inflow once measures such as Op FORTIFY have run their course.
- Effectiveness of retention positive activity.
- Capacity of Phase 2 and 3 training arrangements.

Management

- Progress with personnel management change implementation.

Betterment

- Provision and availability of unit equipment.
- Provision and availability of individual and collective training opportunity.

Infrastructure

- Progress with FR20 basing.



**SECRETARY OF STATE FOR DEFENCE RESPONSE
TO 2015 EST REPORT**

SECRETARY OF STATE FOR DEFENCE RESPONSE TO 2015 EST REPORT



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4.4.2.10

7th January 2016

Dear General Brims,

In my letter of 20 July 2015, I said I would write to you again after I had taken some time to consider in detail the recommendations made in the External Scrutiny Team's 2015 report. Specific comments on each of the recommendations are at the Annex to this letter but I should also like to respond to some of the other observations the team has made.

The report provides a timely reminder of the reasons for the Future Reserves Programme. It is important to remember why we are making these changes: to create a modern, flexible and financially sustainable Reserve that can deliver the capabilities we require in a cost effective way as part of an integrated force.

The report covers a year in which we have continued to deliver the proposals set out in the 2013 Reserves White Paper. The Defence Reform Act has enabled us to call out reservists for a wider range of tasks than was possible before; we have made good use of these new call-out powers, providing interesting and challenging opportunities for reservists. They have supported Defence engagement activity, including providing training to indigenous forces in Afghanistan and Ukraine; they have been deployed as formed elements to our permanent base in Cyprus; they have taken part in counter terrorist and counter piracy operations and in maritime security operations. All told, around 600 reservists have been called out since October 2014. While we cannot predict the future, it seems likely that this tempo will at least be maintained in coming years as the use of reservists becomes increasingly commonplace.

I am pleased to see the team's recognition of the progress that has been made in recruitment. Inflow has greatly improved, with 8,520 people joining the FR20 Volunteer Reserve in the year to 30 September 2015, an increase of 65% compared with the previous 12 month period. Over the same period, outflow decreased by around 26%. All three Services have already exceeded their April 2016 trained strength targets. That does not, of course, mean that they are reducing their efforts; it is imperative to maintain momentum on recruitment, if we are to achieve the strengths required of the Reserves in the future.

Lt Gen (Retd) Robin Brims CB CBE DSO
 Chairman of the External Scrutiny Committee

Enclosure(s)

On the subject of officer recruitment, I believe the Services do have a clear understanding of the issues they face. They have begun to put measures in place to help address these, including the use of targeted financial incentives where necessary and schemes like the Army Reserve CC+ and the Royal Navy Reserves' Project Hermes, which aim to shorten the training pipeline for officers.

I understand the continuing concerns about the recruiting process, particularly medical screening. This is an area to which we continue to pay attention. A review of medical entry standards is under way, to enable us to be sure that we are setting the appropriate standard for the role for which a candidate is applying. We do, however, need an effective medical screening procedure if Defence is not to take on unacceptable or unbounded medical risks. By necessity, this may at times be slightly protracted. Moreover, the potential benefits of making changes to current Reserves standards must be carefully weighed against the risk of creating a perception that Reserves are somehow 'second-class' to Regulars.

While on this subject, I would like to address any misconception that medical contractors are somehow being incentivised to introduce delay to the screening process. The contracted medical staffs implement the medical standards the MOD sets out. Under the contract, the contractor is not paid by MOD until a candidate commences Phase 1 training, so there is no incentive for them to cause delay.

I concur with the observations in the report about the increasing importance of retention and the need to develop capability in the Reserves. Retention for volunteer reservists is a complex issue, given that Reserve service is, in the vast majority of cases, a vocation and not a main occupation. In this context, it is pleasing to see that satisfaction with life in the Reserves is high, with 77% of reservists reporting themselves as very satisfied in the most recent Reserves Continuous Attitude Survey and more than nine out of ten saying they are proud to be in the Reserves. It will be crucial to maintain this level of motivation, by continuing to provide challenges and opportunities. We are making progress in this area. As well as the wider use of call-out powers that I have already mentioned, which has given reservists the chance to use their skills on operations, the Services have planned more than 50 overseas training exercises involving the Volunteer Reserves in the current training year.

We have also put more measures in place to recognise the contribution the Reserves make. The inaugural Reserves Day took place on 24 June. It provided an opportunity for the whole of the UK to celebrate our Reserve Forces, and for reservists to show pride in their service. Volunteer Reserves are also now able to use the post-nominal letters "VR" after 10 years of continuous service. This will allow them to identify publicly their contribution to the Armed Forces and the skills and experience they have gained as a reservist, if they choose to do so.

Cultural issues are another factor that can affect retention and the White Paper acknowledged that there would be a challenge for Regular personnel to recognise and value the contribution of reservists and for reservists to feel valued by their Regular counterparts. This remains an issue, but I do not see it as insurmountable. For instance, although only 30% of reservists have said they feel valued by

Regulars, it is encouraging to see that almost two thirds of Regulars who have worked alongside Reserves rate them as professional, and almost as many rate their contribution as valuable. As Regulars and Reserves work alongside each other more, I believe that more of them will come to acknowledge the benefits that each can bring to and gain from the relationship.

I should like to return briefly to the team's 2014 recommendation that we keep under review the possibility of merging the Armed Forces and Reserve Forces Acts. We have already done a great deal to bring Terms of Service for Regulars and Reserves closer, which we expect to make transition between the two groups easier, and we are initiating the Flexible Engagements System¹ to make it simpler for Service personnel who want to reduce or increase their commitment. As this work continues, we are considering at every stage how legislation either impedes or could facilitate transfer. Any legislative change arising from that work would be based on the effect required rather than a starting point of merging the Acts, which would be a major undertaking in its own right, although all options will be kept under review.

As I have said before, I do support the general approach of the team's recommendations and I place great value on the independent scrutiny that the team brings to the Reserves programme. I hope that during this reporting year we will be able to make more progress on helping the team to meet its remit to report on the provision that is made as regards Reserves' mental welfare. I have asked my officials to do all they can to assist.



THE RT HON MICHAEL FALLON MP

¹ SDSR 2015 Defence Factsheets – SDSR Factsheet 7, *People*

Annex to MSU 4.4.2.10
Dated 7 Jan 16

**FUTURE RESERVES 2020 - EXTERNAL SCRUTINY TEAM
RESPONSE TO SPECIFIC RECOMMENDATIONS**

15.1 The MOD give further consideration to how it will safeguard the ability of Reserves to play a proportionate part in resilience operations, especially once the Reserves are at full manning and would otherwise have to dilute funds for annual training to offset costs.

We recognise and agree the value of the use of Reserves on resilience operations. The recent SDSR stated that the Armed Forces will play an increasing role in resilience operations. All three services have re-iterated that reservists are key to delivering this.

We have consistently said that, as part of a whole force approach, Reserves, who often can bring specialist civilian skills, will be used when and where appropriate, including resilience operations. Matters of cost for the deployment of Reserves are considered on a case by case basis and are usually included as part of the overall cost of an operation, which is accounted for separately. Therefore we would not expect the use of reservists on operations to dilute those funds allocated for training.

15.2 Working within the existing governance system, build more inter-Service co-operation on experimentation and best practice on recruiting and retention, whether or not initiatives are universally adopted.

We agree with this recommendation. We maintain a best practice document and the centre-led Reserves Co-ordination Group exists specifically to share best practice on reserve matters. Across the wider MOD members of all three Services routinely attend joint events and the three Services discuss issues regularly between themselves. For example, it was through this sharing of best practice that the RAF identified the value in the Royal Navy's early attestation process and applied it to great success in their own service.

15.3 The three Services should review the separate roles played by the national call centres, the Armed Forces Careers Offices, the recruiting field forces and Reserve units to ensure that they are clearly optimised for Reserve recruiting.

We agree with the spirit of this recommendation but, given that the Services each adopt a whole force approach to recruiting, it is not practicable, nor cost effective, for systems to be optimised solely for the Reserves.

The Services have done a great deal to improve the recruiting process and experience for candidates wishing to join the Reserves. There has been a considerable strengthening of working relationships between Reserves units, careers centres and the teams who deal with initial on-line approaches. The improvement in these relationships is reflected in increased numbers being recruited and reduced time elapsing between application and enlistment in the vast majority of cases. We will continue to monitor the recruitment process and examine any opportunity to improve it.

15.4 The MOD and the Services should review the medical entry standards required of recruits and ensure that the screening contracts are appropriately incentivised and assured to achieve success.

We agree with this recommendation. Working with professional advice from the Surgeon General's department, we constantly review our medical entry standards to ensure that we are not putting unnecessary barriers in place whilst maintaining a capable force.

We currently have a process that allows people who are graded below Medically Fully Deployable to join the Reserves. This is regularly used at the moment for people with key specialist skills such as Cyber experts and Doctors. It also allows for other exceptions to be made on a case by case basis to ensure that we are recruiting the best people for the Reserve.

15.5 The Services should initiate work to determine the recruiting resources necessary to ensure steady state manning of the Reserve beyond the FR20 period.

We agree with this recommendation and this work is under way. The Services are now working on how they can continue to develop their Reserves post the FR20 period. This includes creating structures to maintain adequate recruitment to sustain personnel levels. The further measures include work to ensure that the training pipelines are able to maintain the required support levels so that those joining can transit through the training pipeline as quickly as possible.

15.6 The Services should examine what more could be done to enhance manning through retention-positive measures, at least in the short term, including bespoke extra-mural activities targeted at the Reserve.

We agree with this recommendation and the work is under way. All three Services have seen improvements in their retention rates and this has contributed to the growth of trained strength. The Services have continued to open up the training and wider operational opportunities to reservists, which enriches the offer to those trained reservists who wish to, and are able to make use of these. The single Services are also constantly evolving their wider offer to reservists, and they are actively encouraged to join in with many of the extra mural activities offered to the regular forces (e.g. participation in adventurous training or service level sport). We will continue to look for opportunities to further expand retention positive measures.

15.7 FR20 planning and risk mitigation should increasingly turn more attention to the growth of capability within the Reserve component, rather than a slavish pursuit of numerical growth.

The development of effective Reserve Forces is at the heart of the Future Reserves programmes. Achieving growth and developing momentum in recruitment has been essential in order to provide the foundation on which to build capability and experience.

We agree, however, that this must not be at the expense of capability and the single Services will continue to focus on delivering the training required to create widely deployable reservists. Capability development is regularly monitored by the Services' programme boards and considers a wide variety of factors (e.g. the number completing training, the number of man training days taken up and the general fitness for deployment

of units and individuals). All of this contributes to the services being able to being able to make an assessment of the capability that Reserve units provide to the whole force. In addition reservists are now routinely factored in when conducting our regular capability stocktakes.

15.8 Army Reserve basing requirements should be revisited as a consequence of availability of funds to deliver the original basing concept and on the evidence of other FR20 achievement; link to recommendation 15.10.

We agree with this recommendation and the work is under way. The Army Basing and Infrastructure Directorate are reviewing the Army Reserve Basing requirements to take into account the emerging findings of the Army's stocktake into progress with their Reserve Programmes. The Royal Navy and RAuxAF continue to progress their infrastructure investment plans. It is important that Defence continues to utilise its estate in the most efficient way possible and in the SDSR we committed to reducing our built estate by 30%. It is too early to state what, if any, impact this might have on the Reserve estate, but we will consult with stakeholders.

15.9 DIO and the Services should review their multi activity and support contracts and, where relevant, explore ways in which they can be amended to ensure that they are Reserve-friendly.

We agree with this recommendation and this work is under way. We are working with the Services to ensure that Reservists get the access and support they require, especially outside normal working hours. The multi activity and support contracts are often complex and subject to contractual undertakings. However we are exploring with the Services whether there is room to negotiate better access. Often this is done better at a local level although we are also exploring different estate contracting mechanisms to see if a more multisite approach might be better.

15.10 The Services should conduct a command-led stock-take on all aspects of FR20 implementation by the end of FY2015/16 and share lessons learned; link with recommendation 15.8.

We agree with this recommendation and the work is under way. The individual services are constantly assessing where they are against their project plans. These are in turn assured at quarterly meetings chaired by VCDS and then further examined on a regular basis by Secretary of State. Lessons learnt are shared through the Reserves Co-ordination Group.



MOD TARGETS FOR RESERVE STRENGTH AND RECRUITING

This paper sets out the planned growth of the trained strength of the Reserve Forces, together with the enlistment targets for the next five years to support that growth. Recruitment figures have, historically, shown significant short-term variation but, across the five year time horizon, we are confident that we have the measures to deliver this growth.

Maritime Reserve

The Maritime Reserve plans to deliver a modest growth in trained strength between now and Financial Year (FY) 2015, which will be achieved by maintaining current output from the training pipeline, whilst improving retention, and increasing the number of personnel transferring to the Reserves after completion of Regular service. More rapid growth in trained strength from FY 2016 will be achieved by enhanced recruitment activity and initiatives to reduce both the length of, and drop out rate during, training.

Army Reserve

As anticipated, recruitment in FY 2013 has been well below historic levels. We currently expect 2,500 enlistments this year made up of circa 1,750 untrained recruits and 750 former Regulars. Our estimates for this year are informed by the difficulties experienced in the recruiting organisation as the Army moves to a new recruiting structure in partnership with Capita and, in particular, the problems with the IT system supporting the application and enlistment process. These issues are being addressed with a range of initiatives that will make it progressively easier and quicker for an applicant to enlist. In 2014 these include:

- the introduction in January 2014 of a new Army recruitment web application;
- a simplified on-line application form;
- more streamlined medical clearance processes; and
- greater mentoring of recruits by local Reserve units through the application, enlistment and training process.

From early 2015, the management of the recruitment process will be further improved with the introduction of the advanced IT system currently being developed in partnership with Capita.

Currently those in the target recruitment group have a low awareness that the Army Reserve is expanding. The general impression of the Army is one of restructuring and downsizing. Whilst the Regular Army has had a redundancy programme, both the Reserves and Regulars are actively recruiting. It will take some time after the redundancy process ends in 2014 to reverse this perception. A focus on strategic communications will help during FY 2014, but the targets reflect the likely residual impact of this perception through 2014 and into 2015.

The Army is already improving the experience for Reservists through better and more challenging training, the pairing of Army Regular and Reserve units, increased access to modern equipment, improved administrative support and enhanced terms and conditions of service. This new offer will underpin the growth in the Army Reserve that is required between FY 2014 and FY 2018 and will be promoted through a recruitment campaign that will be launched in January 2014. The trained strength of the Army Reserve is expected to fall to 18,800 at end FY 2013, before reversing the long-term trend with an increase by end FY 2014. The target for recruits to the Army Reserve in FY 2014 is 4,900 made up of 3,600 new recruits and 1,300 former Regulars. Recruitment is expected to improve through the year, as the measures set out in this paper progressively take effect. Enlistments of new recruits in the first quarter of the year are expected to be around 600, rising to around 1,200 in the final quarter.

Refinements to the training regime and the introduction of an accelerated stream, providing more flexible courses that allow those who are able to do so to complete their training and join the trained strength more rapidly, will make an important contribution to enlistments. If required, targeted incentives – both to Reservists and to employers – could be used to encourage increased accelerated training in later years of the programme.

The Army will also continue to encourage more former Regulars to join the Army Reserve. This is already showing early signs of success.

Royal Auxiliary Air Force (RAuxAF)

The RAuxAF's recruiting campaign has been successful to date, with applications currently running at twice the normal rate. We expect to maintain this over the next two years. The RAuxAF is also seeking to improve retention including by increasing adventurous training and offering more challenging operational training opportunities. Additionally, the RAuxAF intends to recruit more ex-Regulars.

Employer Engagement

Engagement and support from employers across the public and private sectors is key to the success of the Reserves agenda. We will continue to work with major employer organisations, such as the Confederation of British Industry, the Federation of Small Businesses and the Business Services Association. We will also encourage individual employers to support the Reserves agenda by signing the Corporate Covenant and working with us to recruit and manage Reservists in their workplaces.

During FY 2014, we will roll-out a programme of workplace-based recruiting initiatives that we expect will have an increasing impact on enlistments as the financial year progresses.

Projected Growth

The tables below set out the targets for trained strength and recruitment.

Table 1 shows trained strength targets for the Maritime Reserve, Army Reserve and Royal Auxiliary Air Force up to FY 2018.

Table 1	Target	End FY 13	End FY 14	End FY 15	End FY 16	End FY 17	End FY 18
Maritime Reserve	Trained Strength	1,780	1,790	1,900	2,320	2,790	3,100
Army Reserve	Trained Strength	18,800	19,900	20,200	22,900	26,100	30,100
Royal Auxiliary Air Force	Trained Strength	1,200	1,400	1,600	1,860	1,860	1,860
Total	Trained Strength	21,780	23,090	23,700	27,080	30,750	35,060

Table 2 shows recruitment targets for the Maritime Reserve, Army Reserve and Royal Auxiliary Air Force up to FY 2018. It also provides a breakdown between trained entrants (who immediately count against the trained strength – largely former Regulars) and new recruits.

Table 2	Target	FY 14	FY 15	FY 16	FY 17	FY 18
Maritime Reserve	Trained Entrants	100	120	170	230	230
	New Recruits	640	640	630	550	540
	Total	740	760	800	780	770
Army Reserve	Trained Entrants	1,300	1,270	1,270	940	910
	New Recruits	3,600	6,000	8,000	8,000	7,000
	Total	4,900	7,270	9,270	8,940	7,910
Royal Auxiliary Air Force	Trained Entrants	100	100	100	100	100
	New Recruits	500	420	380	380	380
	Total	600	520	480	480	480

Notes on Tables

- All Maritime Reserve, Royal Auxiliary Air Force targets and Army trained entrants targets are rounded to the nearest 10. Other Army Reserve targets are rounded to the nearest 100.
- The relationship between trained strength (Table 1) and recruitment (Table 2) is complex. Trained entrants will normally join the trained strength immediately. New recruits, however, will first need to undertake both phase 1 (initial) and phase 2 (specialist) training. It takes longer to train an individual for some roles than for others, but the norm is around two years, with the constraint typically being the availability of the individual to be trained. Inevitably some individuals will fail the training or drop out during it. Work is in hand to look at how to reduce both the length of, and the drop out rate during, training. Trained strength is also affected by the number of people who leave the Reserves.
- Progress against these targets will be reported as part of Table 9 of the Defence Statistics publication 'UK Armed Forces Quarterly Personnel Report' (QPR). The targets for Army trained entrants, in Table 2 above, refer only to those former Regulars who join the Army Reserve within six years of leaving Regular Service; the definition of trained entrant in Table 9 of the QPR is slightly broader and so the number reported may be slightly higher.



DEFENCE STATISTICS - RESERVE MANNING ACHIEVEMENT & TRENDS¹⁶

Headline Figures

Table 1. Total and trained strength of the Future Reserves 2020 (FR20) Volunteer Reserve Population¹

	2012 1 Apr	2013 1 Apr	2014 1 Apr	2015 1 Apr	2016 1 Apr	Change 2015/2016
All Services						
Total strength	30,070	29,390	28,150	30,810	34,760	+ 3,940
Trained strength	22,960	22,880	23,360	24,630	27,270	+ 2,640
Maritime Reserve						
Total strength	2,570	2,610	2,850	3,160	3,540	+ 380
Trained strength	1,830	1,760	1,870	1,980	2,350	+ 370
Army Reserve						
Total strength	25,980	25,240	23,580	25,440	28,670	+ 3,230
Trained strength	20,000	19,930	20,060	21,030	23,030	+ 2000
RAF Reserves						
Total strength	1,520	1,540	1,720	2,220	2,540	+ 320
Trained strength	1,130	1,190	1,430	1,620	1,890	+ 270

Source: Defence Statistics (Tri-Service)

Appendices:

1. Maritime Reserves
2. Army Reserves
3. RAF Reserves
4. Officer data
5. Qualifying notes

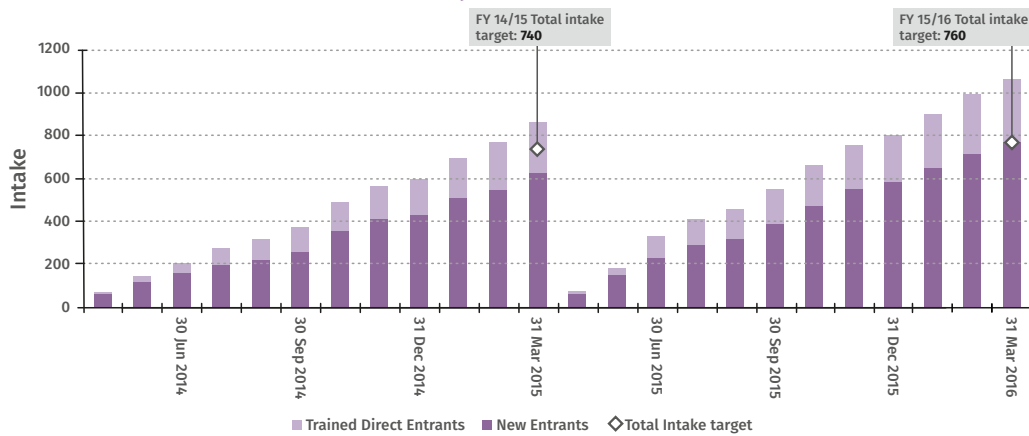
¹⁶. Data is drawn from the Defence Statistics Report as at 1 Apr 2016.

Maritime Reserve

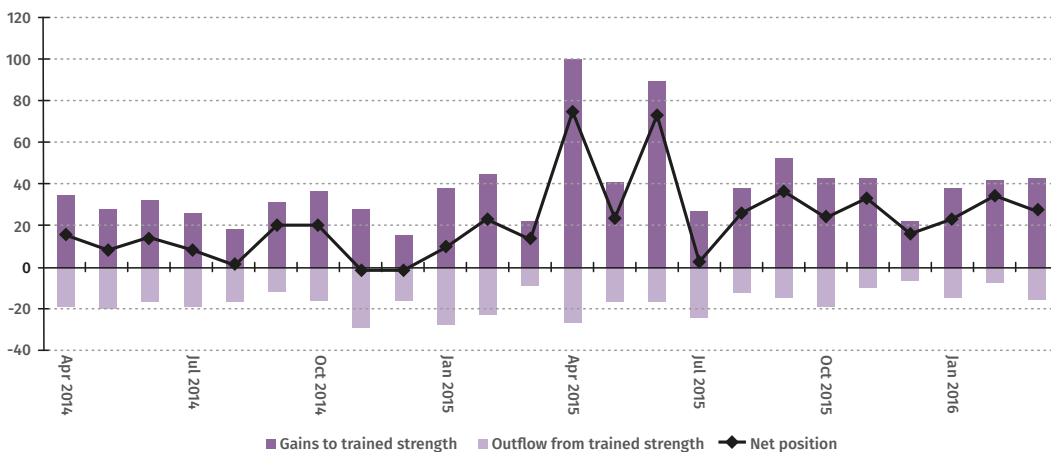
Maritime Reserve Strength



Maritime Reserve cumulative financial year to date Intake

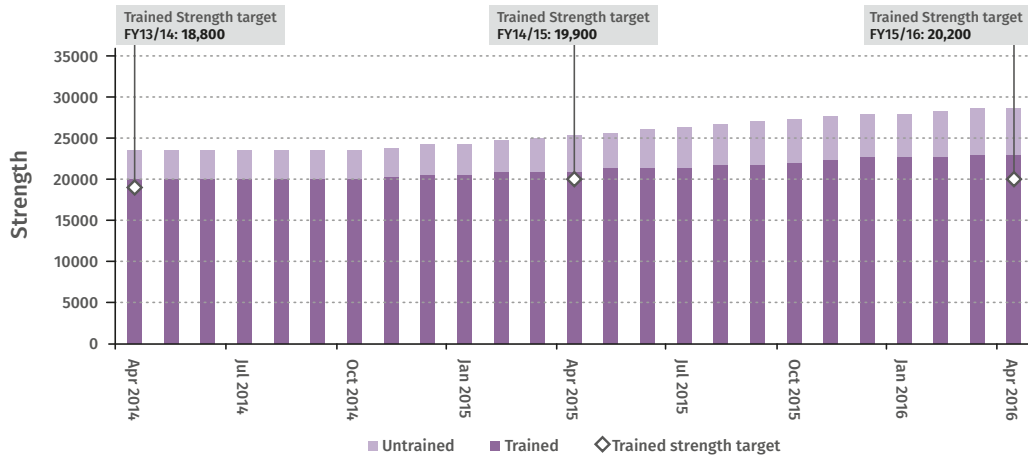


Maritime Reserve monthly gains to trained strength and trained outflow

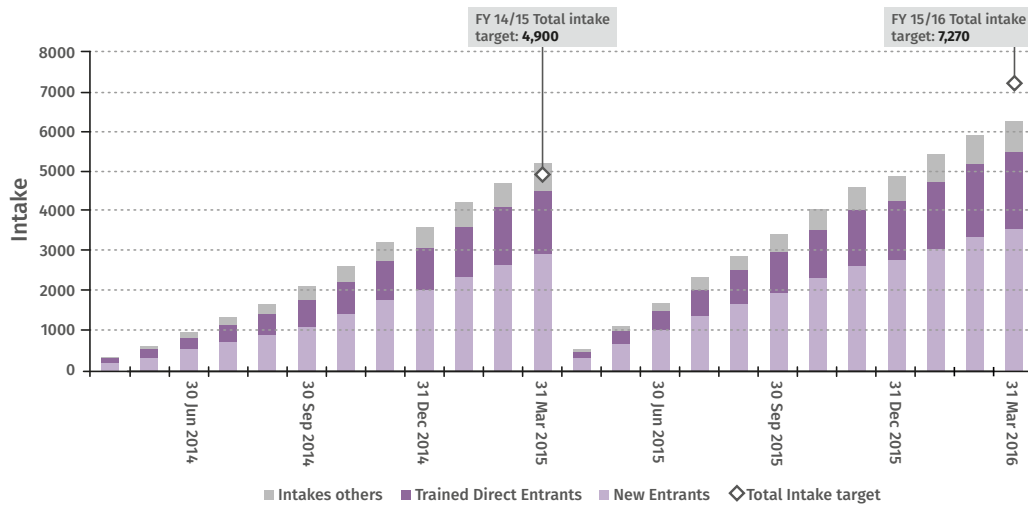


Army Reserve

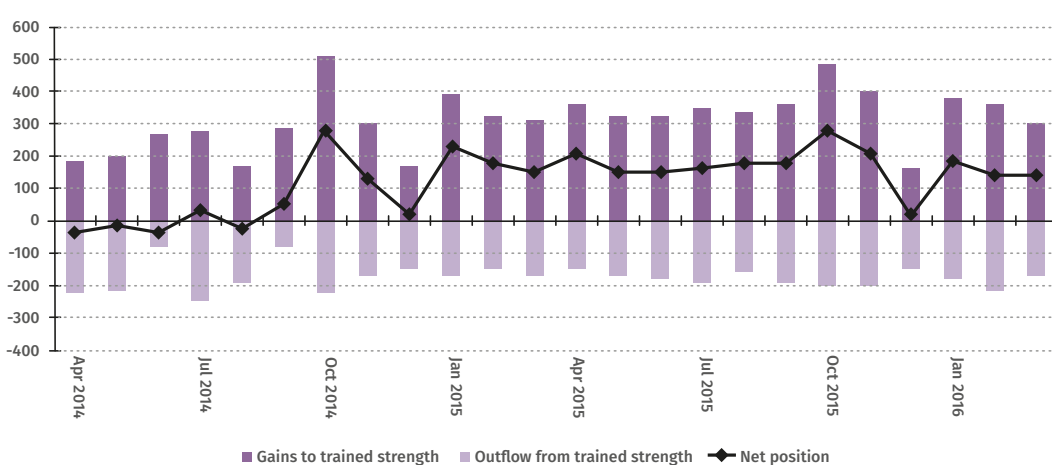
Army Reserve Strength



Army Reserve cumulative financial year to date Intake

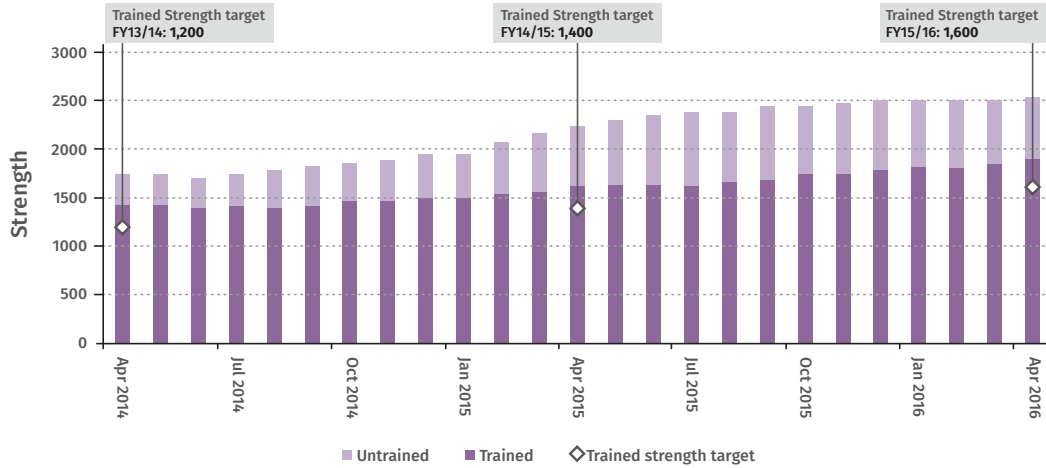


Army Reserve monthly gains to trained strength and trained outflow

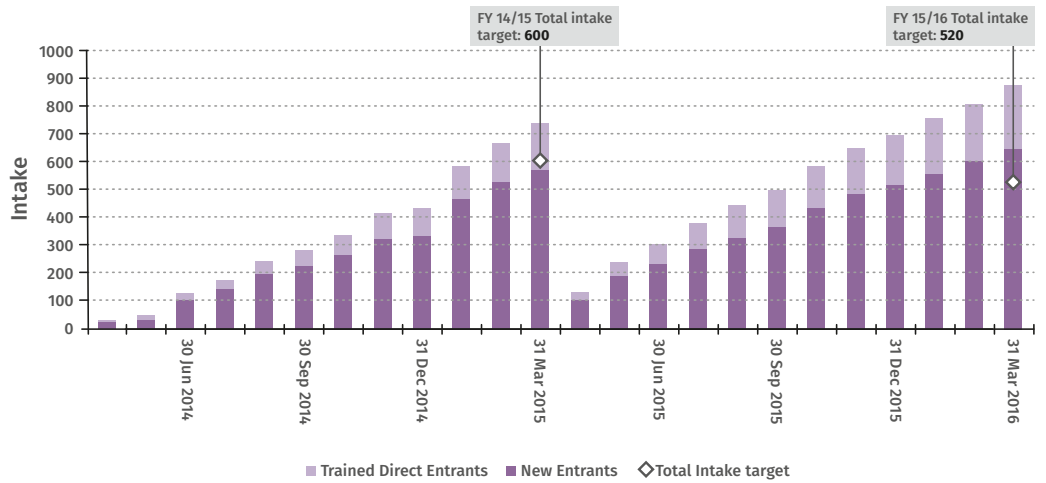


RAuxAF

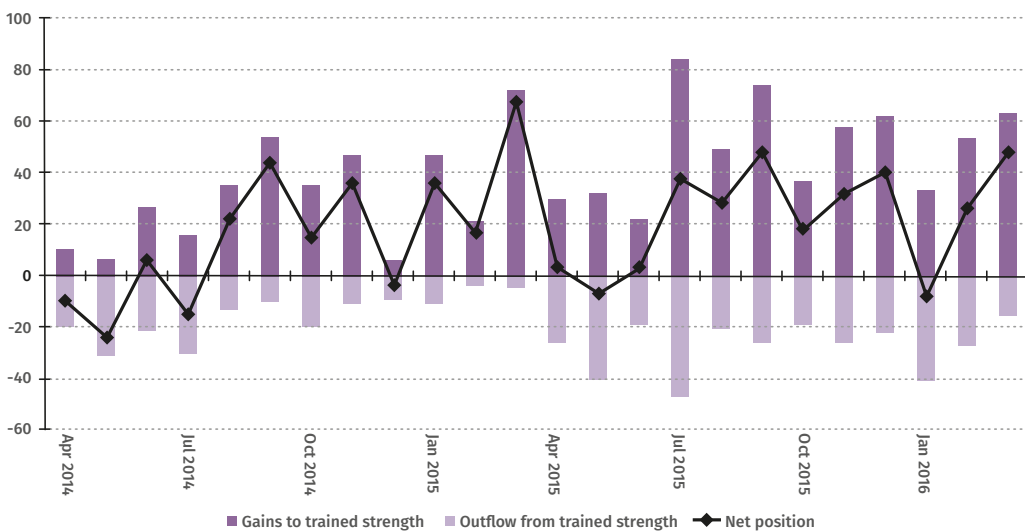
RAF Reserve Strength



RAF Reserve cumulative financial year to date Intake



RAF Reserve monthly gains to trained strength and trained outflow



Officers

Table 2a Intake to and Outflow from² Officers in the Maritime Reserve (Trained and Untrained)

	1 Apr 2012 to 31 Mar 2013	1 Apr 2013 to 31 Mar 2014	1 Apr 2014 to 31 Mar 2015	1 Apr 2015 to 31 Mar 2016
Officers strength at start of period	..	820	840	900
Intake to Officers¹	..	100	150	220
from ² Another part of the Armed Forces of which	..	90	140	210
Rank to Officer in the Maritime Reserve	..	20	30	80
Regulars ⁴	..	50	80	80
University Service Units ⁵	..	~	10	-
No previous service	..	10	10	10
Outflow from Officers¹	..	70	90	80
to ³ Another part of the Armed Forces of which	..	20	30	20
Regulars ³	..	~	10	~
Left the Armed Forces	..	50	60	60
Officers strength at end of period	820	840	900	1040

Source: Defence Statistics (Tri-Service)

Table 2b Intake to and Outflow from² Officers in the Army Reserve (Trained and Untrained)

	1 Apr 2012 to 31 Mar 2013	1 Apr 2013 to 31 Mar 2014	1 Apr 2014 to 31 Mar 2015	1 Apr 2015 to 31 Mar 2016
Officers strength at start of period	4300	4300	4350	4490
Intake to Officers¹	520	530	620	750
from ² Another part of the Armed Forces of which	480	490	540	640
Rank to Officer in the Army Reserve	150	120	80	100
Regulars ⁴	150	220	250	320
University Service Units ⁵	90	60	130	160
No previous service	40	30	70	110
Outflow from Officers¹	520	480	470	400
to ³ Another part of the Armed Forces of which	120	110	130	120
Regulars ³	50	60	60	70
Left the Armed Forces	400	360	340	280
Officers strength at end of period	4300	4350	4490	4840

Source: Defence Statistics (Tri-Service)

Table 2c Intake to and Outflow from² Officers in the RAF Reserve (Trained and Untrained)

	1 Apr 2012 to 31 Mar 2013	1 Apr 2013 to 31 Mar 2014	1 Apr 2014 to 31 Mar 2015	1 Apr 2015 to 31 Mar 2016
Officers strength at start of period	..	220	290	340
Intake to Officers¹	..	90	80	100
from ² Another part of the Armed Forces of which	..	90	70	90
Rank to Officer in the RAF Reserve	..	-	10	20
Regulars ⁴	..	50	40	60
University Service Units ⁵	..	-	~	-
No previous service	..	~	10	~
Outflow from Officers¹	..	30	30	50
to ³ Another part of the Armed Forces of which	..	10	10	20
Regulars ³	..	~	~	~
Left the Armed Forces	..	20	20	30
Officers strength at end of period	220	290	340	390

Source: Defence Statistics (Tri-Service)

Qualifying Notes

Notes to tables:

- 1 The FR20 Volunteer Reserve population includes Mobilised Volunteer Reserves, High Readiness Reserve (HRR) and Volunteer Reserves serving on Full Time Reserve Service (FTRS) and Additional Duties Commitment (ADC). Non Regular Permanent Staff (NRPS), Expeditionary Forces Institute (EFI) and Sponsored Reserves are excluded.
- 2 Intake and outflow statistics are calculated from month-on-month comparisons of officer strength data.
- 3 Intake to the FR20 population show the most recent previous service recorded on JPA including those serving in another reserve service. Personnel may have had a break in service and may have served in more than one role.
- 4 Outflow from the FR20 population include those personnel moving to another part of the Armed Forces within the calendar month. 'Left the Armed Forces' may include those who have a break in service before joining another part of the Armed Forces.
- 5 Intake and outflow from the Regular Forces includes transfers to another service.
- 6 University Service Units includes University Royal Navy Units, University Officer Training Corps, University Air Squadrons and Defence Technical Officer and Engineer Entry Scheme

Rounding

Figures have been rounded to the nearest 10, though numbers ending in 5 have been rounded to the nearest multiple of 20 to prevent systematic bias. Totals and subtotals have been rounded separately and may not equal the sum of their rounded parts.

Symbols

- e denotes estimate, and reports the best available data at the time, these figures are not expected to be revised.
- ~ 5 or fewer
- Zero
- .. Not available



2016 REPORT MAIN RECOMMENDATIONS

In summary the main recommendations from the 2016 report are:

- 16.1.** An urgent contract review of the Army Recruiting Partnership. (Paragraph 13)
- 16.2.** The Services undertake more granular analysis within their data gathering, to reduce the risk of specialist manning gaps in the final years of FR20 and beyond. (Paragraph 14)
- 16.3.** The high incidence of medical deferrals and time to resolution remain under close scrutiny in order to reduce both. (Paragraph 16)
- 16.4.** The Royal Navy and Army absorb recent innovations in officer Phase 1 training into their core officer development activity, as the issue will require sustained attention well beyond the timeframe of FR20. (Paragraph 18)
- 16.5.** Consideration be given to greater cross-pollination, shared practice and coordination between the three Services in the officer recruiting environment, particularly in the area of achieving greater penetration of the Higher and Further Education recruiting hinterland. (Paragraph 18)
- 16.6.** The Services keep under review the impact of losing Op FORTIFY enhancements (or Service equivalents) and, where appropriate to sustain recruiting beyond 2019, bring relevant elements into their core activity. (Paragraph 19)
- 16.7.** The Services examine units which have a significant young officer deficit to determine whether a poor proposition might be the cause and, if so, to assess whether it can be legitimately improved. (Paragraph 24)
- 16.8.** The Army consider how the Royal Navy and Royal Air Force use their Reserves in order to develop a better understanding of potential use of Auxiliaries in the Army Reserve; and that such analysis helps shape policies for the future employment system. (Paragraph 27)
- 16.9.** The Army revisits the decision to withdraw LADs from Reserve units to create REME battalions. (Paragraph 31)
- 16.10.** The manner in which Reserves can be routinely employed on national operations or for back-fill be revisited. (Paragraph 34)
- 16.11.** The Reserve narrative be reviewed to ensure it is not misinterpreted as intent not to use Reservists for routine mobilisation and use on national operations. (Paragraph 34)
- 16.12.** Work on defining the Army Reserve officer career pathway be re-invigorated. (Paragraph 35)
- 16.13.** Defence reviews whether a more flexible range of employment terms should be considered, to better incentivise recruitment and to provide more agility within a whole force approach to employment. (Paragraph 38)
- 16.14.** As options are considered for disposal of Regular estate, decisions are not taken before current or potential usefulness to Reserve capability-building has also been taken into account. (Paragraph 41)
- 16.15.** MOD and the Services recognise incomplete cultural change will be the main impediment to FR20 delivery and long-term Reserve sustainability, and introduce specific measures to inculcate cultural change. (Paragraph 47)
- 16.16.** The importance of localism for effective sub-unit command be addressed by simplifying systems where possible; providing adequate permanent staff support; and keeping training requirements at practical levels. (Paragraph 48)



SUMMARY OF PRIORITIES FOR 2016/17 WORK

In addition to the formal requirements set out in the Reserve Forces Act, the following themes will be subjected to particular scrutiny during the 2016/17 reporting period, many of which are inter-related:

Policy Review

- An assessment of the impact of Army 2020 Refine work on the Army Reserve.
- Progress with the Reserve Footprint Strategy.
- Applicability and application of the Reserves narrative.

Funding

- Costing and cost comparison modelling.
- Arrangements for final programme reconciliation of the £1.8bn FR20 funding.
- Impact of post SDSR 15 efficiency measures and budget pressures.

Capability. Development and growth of Reserve capabilities; points of interest:

- Joint and single Service progress with Medical capability.
- Arrangements for Reserves to be routinely mobilised and used.
- Development of defence engagement and resilience roles for Reserves.
- Refinement of the proposition, with particular attention to officers.
- Achievement of mandated collective training at unit and sub-unit level.
- Impact of efficiency measures on capability development.

Manning, Recruiting and Training

- Progress towards FR20 manning levels.
- Sustainability of long-term support arrangements for Reserves, post Op FORTIFY.
- Effectiveness of retention positive activity.
- Entry Medical deferrals and rates of resolution.
- Training output standards and provision for progression from Phase 1 to Phase 3.
- Coherence of statements of training requirements (SOTR) with future employability.
- Policies for establishing and maintaining the training and manning margin.

Management

- Progress with personnel management change implementation.
- Progress creating an Army Reserve officer career pathway.
- Measures to build on initiatives such as the Engineer Staff Corps.
- Arrangements for professional development for young officers and SNCOs.

Infrastructure

- Progress with FR20 basing and coherence with the Basing Strategy.

Cultural Change

- Measures to effect cultural change and measurement of their effectiveness.



EXTERNAL SCRUTINY TEAM – MEMBERSHIP

Chairman:

Lieutenant General (Retd) R V Brims CB CBE DSO DL

Members:

Major General (Retd) S F N Lalor CB TD

Brigadier P R Mixer (Retd) OStJ QVRM TD DL

Captain I M Robinson (Retd) OBE RD RNR

Colonel T S Richmond (Retd) OBE TD DL FCA

C N Donnelly CMG TD BA

Clerk:

Air Vice-Marshal (Retd) P D Luker CB OBE AFC DL



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