



Ministry  
of Defence

# RFCA Reform

## Regional Boards Briefing Pack

### Reserve Forces' & Cadets' Associations (RFCAs) Reform in brief February 2022

**Defence recognises that the RFCAs play a crucial and very valuable role in connecting Defence with the Nation through their work with employers, promoting the Armed Forces and Reserves & Cadets.**

In 2019<sup>1</sup>, MOD undertook a tailored review of the RFCAs in response to a National Audit Office (NAO) report into the quality of Departments' oversight of Arm's Length Bodies (ALBs). The Review identified a number of legal, financial, governance concerns – particularly those impacting on the MOD Permanent Secretary's ability to assure regularity and propriety in his role as Principal Accounting Officer. The Review recommended the creation of a Non-Departmental Public Body (NDPB) and internal Defence governance changes to address these issues.

MOD is now working with the representatives from the RFCAs and colleagues across Government to implement the review recommendations and to ensure that the RFCAs are on a sustainable footing for the future in order to continue to deliver for Defence. The reforms will deliver a new Executive NDPB with clear, streamlined and accountable governance structures which will continue to operate within government policy, deliver essential military support and regionally focussed community engagement on behalf of Defence. The NDPB will:

- Create greater transparency and governance, with improved corporate support functions in a national office;
- Preserve the current regional footprint and volunteer membership to account for regional differences, including in the devolved administrations.
- Create a single auditable legal entity through primary legislation that is compliant with Cabinet Office and Office of the Commissioner for Public Appointments (OCPA) guidelines;
- Strengthen the management of the current RFCAs financial, legal, safeguarding and estate safety risks.
- Support improvements to ways of working, diversity and inclusion and potentially enable the RFCAs to take on additional tasks to support Defence in the future.

<sup>1</sup> [Review of the Reserve Forces' and Cadets' Associations 2019](#)



## Implementation

A team has been established within the Reserves Forces & Cadets area of the MOD's Head Office to implement the recommendations from the Sullivan Review 2019 as part of a programme focusing on RFCA Reform. The team is working closely with the CRFCA Strategy Subgroup and other stakeholders within Defence and across Government to deliver the key programme outcomes including establishing the new NDPB.

### Who will be affected?

It is intended that all CRFCA and RFCA staff will be transferred to the new NDPB when it is established. It is not intended that any jobs will be lost as a direct consequence of the transition to the NDPB. There will be additional posts recruited and small changes in portfolios at the more senior levels of the organisation. However, the vast majority of salaried roles will not be affected by the transition to the NDPB, and functional delivery will remain the responsibility of the regional offices who are best placed to deliver Defence outputs taking account of regional variance and circumstance.

Recruitment of new key executive personnel to the CRFCA is underway currently and these posts will help to strengthen the organisation's corporate functions (such as HR and Finance) and will provide greater access to coherent and coordinated expert advice for those staff working in the regions.

### Effect on staff terms and conditions

It is our intention that staff will be transferred to the new organisation on existing terms and conditions.

### When will it happen?

Primary legislation is required to amend the current Reserves Forces Act 1996 (which underpins the RFCAs) and to introduce new legislation to establish a new NDPB. Despite best efforts, the MOD was unfortunately unable to secure a slot to stand up the new NDPB in the third session of Parliament (which runs from spring this year to spring 2023) due to various competing parliamentary priorities across Government. The Department will now aim to secure a slot in the fourth parliamentary session, starting in spring 2023, which would enable the NDPB to be formally stood up in legislation in 2024. While this this seems like it may be a long way off, there is still plenty that the RFCA Reform team will be working on with the CRFCA in the meantime to progress the 2019 Review Recommendations to ensure a smooth transition to the new NDPB status.

### What will be the extent of the changes?

Defence will work with the RFCAs to develop an appropriate operating model for the new organisation and to help to set the conditions for the NDPB to succeed, however, once established, it will be for the NDPB Board to determine how best to deliver against key Defence priorities on behalf of Government.

### Want more information?

Please talk to your regional Chief Executive in the first instance if you have any questions about the Reform Programme. The RFCA Reform team will also be engaging with Regional Senior Leadership Teams to understand any further questions that need to be addressed.



## Establishing the NDPB

### **What is a Non-Departmental Public Body?**

A non-departmental public body is a classification applied by the Cabinet Office, Treasury, the Scottish Government and the Northern Ireland Executive to public sector organisations that have a role in the process of national government but are not part of a government department. They assist government departments in making decisions on policy and practice, especially in areas where specialist knowledge might be needed. Ministers are ultimately responsible to Parliament for the effectiveness of the NDPB's decisions.

### **Why is this change needed?**

Classification of the 13 RFCAs and their Council into a single NDPB is required by Government policy. Cabinet Office and HMT guidance is to reduce the number of public bodies where possible, and to ensure those that remain are appropriately classified. Establishing the RFCA NDPB will enable the key legal and financial risks associated with the existing RFCA arrangements to be addressed at the national level, and key health & safety risks to be better understood and managed at the regional level.

### **Will there be any changes to the geographical laydown of the RFCA regions?**

There will be no changes to the geographical laydown of the RFCA regions as a result of the Reform programme. The proposals seek to preserve the regional footprint and delivery model, including for the devolved nations.

### **How will the Programme take into account regional differences in the Devolved Nations?**

The RFCA Reform programme team is engaging closely with the RFCAs in the Devolved Administrations (including carrying out regional visits) to understand and take into account any differences. The Reform team is also in close contact with the Territorial Offices to ensure the Reform programme does not impact RFCA activity in the devolved nations, and to take account of any political sensitivities.

### **Will the proposals lead to centralisation?**

Core functional delivery in the areas of estates, youth/cadets and engagement will continue to be carried out at the regional level. Recruitment of new key executive personnel to the CRFCA is underway currently and these posts will help to strengthen the organisation's corporate functions (such as HR and Finance) and will provide greater access to coherent and coordinated expert advice for those staff working in the regions.

### **What will the new NDPB be called?**

Work is ongoing to determine the best name for the new NDPB.

### **Will there be new branding for the NDPB?**

A common NDPB brand image will be designed for all marketing activity alongside regional branding.



## **What progress has been made to date?**

Formal approval has been received from MOD, Cabinet Office and Treasury Ministers for the business case to establish the NDPB. This enabled MOD to put a bid forward for a legislative slot. Although the Department has been unsuccessful in securing a slot in the third session, it will now turn its attention to bidding for a slot in the fourth session (starting in spring 2023). The MOD RFCA Reform team has also established a strong working relationship with the CRFCA Sub strategy group and have agreed the new executive structure for the NDPB and the Advisory Council model which will allow the role/voice of the membership to be preserved. The MOD team is continuing to work on the internal MOD changes which will enable Defence to interact correctly with the NDPB.

## Regional Delivery

### **How will regional delivery be impacted by the new NDPB?**

Functional delivery will remain the responsibility of the regional delivery offices who are best placed to deliver Defence outputs taking account of regional variance and circumstance.

It is intended that the recruitment of key personnel to the National Office will help to strengthen the organisation's corporate functions (such as HR and Finance) and will provide greater access to coherent and coordinated expert advice for those staff working in the regions.

The new NDPB will be given appropriate executive authority to deliver on behalf of Defence. The exact arrangements for the Regional Delivery offices will be for the NDPB to determine once it is established.

## Pay and Conditions

### **Will the role of the RFCAs change?**

The transition to the NDPB will not impact the regional delivery functions of the RFCAs. Functional delivery will remain the responsibility of the regional offices who are best placed to deliver Defence outputs taking account of regional variance and circumstance. There will be additional posts recruited and small changes in portfolios at the most senior levels of the organisation. However, the vast majority of salaried roles will not be affected by the transition to the NDPB.

### **Will the RFCA salaried staff pay be affected?**

No, it is not intended that pay will be affected as a direct consequence of the transition to the NDPB.

### **Will the RFCAs continue to work in the same way (i.e. IT, HR and Payroll systems)?**

The RFCA NDPB will ultimately look to use the same Shared Services Centre as MOD in accordance with the Government's Shared Services Strategy. This is a longer-term aim, however, and is being discussed between the MOD and RFCA teams. Further detail will be shared in due course, but it is not envisaged there will be changes to systems in the short-term.



## Impact on Membership

### **Will the membership still have a voice?**

Yes, ensuring this happens has been a key part of our work to date. The proposal is to establish a National Advisory Council fed by Regional Advisory Councils. These will comprise representatives of the wider RFCA membership who will also retain their advisory role at regional level. While these Councils will form part of the overall NDPB, they will be independent from the executive structure, with a formal role to advise and inform Defence as well as the NDPB Board.

### **How will the RFCA's volunteer ethos and support be maintained under the proposed NDPB? How will you continue to empower Regional Boards?**

One of the key programme outcomes is to preserve the current regional footprint and volunteer membership to account for regional differences, including in the devolved administrations. In establishing the advisory structure, the pro-bono membership of each region will be retained and furthered. They will provide advice into the NDPB Board and Defence and continue to conduct an ambassadorial role on behalf of RFCA NDPB.

### **Will classification lead to a disenfranchised membership?**

No. Close and constructive engagement between the RFCA and MOD teams has ensured that the expertise of the membership will be retained and nurtured, while ensuring compliance with Government policy and allowing the MOD Permanent Secretary to carry out his obligations as Principal Accounting Officer. It is proposed that the RFCA membership will carry on their key advisory role as part of Regional Advisory Councils.

## Functions of the NDPB

### **Will the RFCA NDPB retain the External Scrutiny Team (EST) function?**

The Defence Reform Act 2014 made it a statutory requirement of the RFCAs to provide an annual report to the Secretary of State for Defence on the state of the Reserve Forces – this is the External Scrutiny Team (EST). Defence considers the EST report to be a vital source of information, and crucial to Reserve Forces policy development. It is our intention that the Reform programme will not impact on RFCA functional delivery, including the EST.

### **Will the RFCA NDPB retain the Cadet Health Check Report function?**

The annual health check of Cadet Forces plays a vital role in providing the MOD with objective and independent observations on the overall health of the cadet forces, their ability to deliver MOD-endorsed outcomes, and any risks to their future well-being and sustainability. It is our intention that the Reform programme will not impact on RFCA functional delivery, including the Cadet Health Check Report function.



## **Will the work of DRM be affected?**

DRM will build on existing outputs to continue delivering employer engagement on behalf of Defence. A more coordinated approach to Social Media messaging will also be agreed with DDC and TLBs building on the DRM capability.

## **Will the RFCA Reform programme have an impact on Veterans support in Northern Ireland?**

The Government is fully committed to supporting veterans living in NI and continuing to build on the good progress in delivering the Armed Forces Covenant, in which RFCA (NI) has played a pivotal role. Whilst potential reform is challenging and not without its risks, it is important that veterans living in Northern Ireland have consistent access to the right support to enhance their health and wellbeing.

The MOD is working closely with RFCA(NI) and the Office for Veterans Affairs to look at how veterans support could be put on a sustainable footing for the future. The changes proposed as part of the RFCA Reform programme are linked primarily to the future governance and structure of the RFCAs and should not in themselves have an impact on veterans support going forwards.

## Communications

### **When will we receive any further communications around the programme?**

You will receive updates on the programme via your Chief Executive. The RFCA programme team will also ensure regular messaging over the next year across various digital platforms, as well as face to face engagement across the regions.

### **How will I receive this information? How will I be kept updated?**

The RFCA Reform team will continue to work with the RFCAs to ensure timely updates are communicated to all staff. Longer term, it is proposed that other communication products will be developed such as newsletters, webinars, and face to face briefing sessions to address any questions.

### **I can't find the answer to my question?**

This is an agile document that will be continuously updated as we receive new information and progress towards programme delivery. The RFCA Reform team will maintain communication links with Regional Senior Leadership Teams to understand any further questions that need to be addressed. Please address any questions to your regional Chief Executive in the first instance.