

**LETTER FROM MINISTER FOR VETERANS AND PEOPLE TO MAJ GEN(RETD.)  
SIMON LALOR, CHAIR OF THE EST – 2024 REPORT**

Maj Gen(Retd.) Simon Lalor  
Council of RFCAs, Holderness House, 51 Clifton Street, London EC2A 4EY

17 December 2024

I was most grateful to receive the External Scrutiny Team's (EST) 2024 report, and I would like to thank the team for their hard work. I have set out comments on the specific recommendations in the report at the Annex to this letter, but I also want to take the opportunity to make some more general observations concerning the Reserves and respond to some of the issues raised in the EST report.

The EST report reflects a year in which Defence has provided continued support to Ukraine following Russia's illegal invasion. In the face of ongoing challenges, Reservists continue to make an invaluable contribution to Defence. The Russia-Ukraine war has reminded NATO how Reserves, industry and society provide the Armed Forces with depth capability and resilience. NATO's new Reserves policy recognises how 'the utilisation of Reserves is gaining an increasingly prominent position to enhance the Alliance's and Allies' ability to deter and defend, while strengthening individual and collective resilience and technological edge'.

The Strategic Defence Review (SDR) has been launched to take a new approach to determining the requirements for the UK's Defence in the short and longer terms. We have embarked on a programme of initiatives and improvements to increase recruitment and retention. These will focus on three main goals initially: removing recruitment barriers, increasing retention, and supporting our personnel and their loved ones. We will tackle the crisis in Armed Forces recruitment by ending outdated and unnecessary entry requirements and improving the path into the forces for new recruits. Early retention measures include one of the best pay awards in recent times, recognising the demands of service and the value of our people's experience. The Government accepted the Armed Forces' Pay Review Body's and Senior Salaries Review Body's (SSRB) recommendations in full for the 2024/25 Pay Round, which was backdated to 1 April 2024 and paid in September salaries. Most personnel up to and including 1\* rank received an overall 6% increase. The SSRB's headline recommendation for senior officers (two-stars and above) was a 5% consolidated increase to base pay. This year's pay award aligned our initial offer with the National Living Wage for the first time, making a military career more attractive to potential recruits and helping to address recruitment

challenges. Our aim is to fix the foundations of our offer and of the lived experience. At the same time, by focussing on skills and using emerging technology, we are developing a systems approach to how we attract and retain the best people possible to create a sustainable and flexible workforce, meeting the challenges of a rapidly evolving labour market.

Turning to some of the specific issues raised in the EST report which states at paragraph 16 that ‘the health of the Reserve has not improved; it is still poor, and worse, and continues to decline’. This Government is committed to our Reserves, and I have set out my intent to review and enhance the role of reserves. It is imperative that we recognise and leverage the importance and unique contributions of our reserve forces, particularly in light of recent global events.

The Army is currently enacting a wide-ranging package of measures aimed at improving the Army Reserves. There are eighteen proposed measures aimed at improving inflow (improving the attract for Soldiers, recognise the commitment through the enlistment and training process, as well as rewarding service and commitment in the light of the cost-of-living crisis, noting the disparity in the cost vs benefit of service) and to date eleven have been delivered and seven continue to be developed. There are nine measures aimed at improving retention of which five have been implemented and are now complete, with the others in progress. The current rate of decline has reduced and returned to that of pre-COVID lockdown levels. Project WAVELL will review the requirement to re-set the demand on the Army Reserve and re-organise around attracting, recruiting and retaining the people with the skills we need, to deliver Defence outputs.

The report acknowledges and agrees at paragraph 26 that the Strategic Reserve should be brought out of abeyance but does not understand why timing/funds have not been explored. This is a known issue and work to support the Home Defence Plan is currently researching these options.

Among its observations, the EST report provides a description of the Active and the Strategic Reserve. The Reserves Policy Team has been working with the Front Line Commands to agree the meaning of the descriptors *Active* and *Strategic* and these have recently been set out in the Defence Instruction Notice 2024DIN01-100-UK Armed Forces Reserve Definitions – Active and Strategic Reserve.

In broad terms, the Active Reserve is likely to comprise all those who are filling an active role, up to and including full time reserve service, while the Strategic Reserve will include people with a residual call out liability as a result of previous Regular service and also individuals liable for recall. The terms Active and Strategic align with the Commitment Types set out in RFA96, which is, of course, the legal authority under which the Reserves are constituted and utilised.

Paragraph 14 of the EST report states that ‘the paucity of funding means that the VE, at best, is in managed decline’. However, paragraph 15 of the report does acknowledge

that the incorporation of the Volunteer Estate (VE) on 1 August 2024 into MOD Built Estates contracts, which already provide Hard Facilities Management services to Defence facilities across the UK, should help mitigate many of these issues and deliver a higher standard of service for users. My officials are confident that the incorporation of the Volunteer Estate into MOD Built Estates contracts will bring about positive changes, resulting in an improved level of service and enhanced maintenance standards.

A total of £36.6M is being made available for 'maintain and sustain' on the Reserve Estate this FY as included in DIO's AP05 forecast. Of course, the financial situation remains extremely difficult and the needs of the Reserves estate feature heavily in our discussions, including in the forthcoming spending review.

In terms of the wider financial position, The Army is piloting a new Reserve funding model which will ringfence a core budget for Army Reserve training for warfighting. This will ensure adequate resourcing for the Reserve, enabling it to continue to deliver key outputs on behalf of the Army and Defence.

This Government's priority will always be to ensure that this country is well defended. Having a strong Reserve Forces presence is fundamental to ensuring that in the face of growing threats we continue to do more to make Britain secure at home and strong abroad. Since the invasion of Ukraine, the Army has improved readiness through Op MOBILISE and re-organised to better meet its NATO Force Model commitments.

Work continues at pace across Defence. The Agile Stance Campaign Plan (ASCP) and Home Defence Plan (HDP) have set the direction of travel for warfighting and homeland protection. We intend to expand our Reserve Forces through reinvigorating the Strategic Reserve and creating a Contingent National Defence Force to meet Home Defence Plan taskings.

Thank you once again for the report.

A handwritten signature in black ink, appearing to read 'Alistair Carns', with a horizontal line underneath.

**ALISTAIR CARNS OBE MC MP**

## **EST RECOMMENDATIONS 2024**

**24.1 We would recommend that the Defence Review Team should ensure that it engages with those who have a sufficiency the knowledge, experience and radical perspective of what a volunteer part time reserve is capable of, if it is given a clear role, is properly structured, equipped and resourced.**

The Defence Review Team are currently engaging with personnel who have the knowledge and experience of what a volunteer part-time reserve is capable of and will ensure that future reserve forces are appropriately structured, equipped and resourced.

**24.2 We would recommend to Project Wavell that units of the Army Reserve should be structured to deploy and fight as units, as they were during the Cold War, to deliver collective capabilities as opposed to a WFI to regular units.**

Project WAVELL is considering how best to utilise our Reserve forces and will put Reservists (and Reservist units) at the very heart of the Operational Design Framework. In doing so Project WAVELL recognises and will support the essential role the Reserves will play in the regeneration of echelon forces.

**24.3 We would recommend that in this Defence Review, all three Services consider what warfighting capabilities and/or weapon systems can be held predominately in the Reserve.**

The Army is considering warfighting capabilities and weapon systems within Project WAVELL. They will be working with the other single Services and the Defence Capability Strategic team to understand which capabilities might best sit within the Reserve, whilst considering the need for Technical and Specialist accommodation.

**24.4 We recommend that the Army build on the success of 19 Infantry Brigade and create other functional brigades, or all arms Reserve brigades. The latter would allow more easily for all arms training.**

An additional Army Reserve Brigade is one option being considered within Project WAVELL's Force Design.

**24.5 We recommend that the RAF should consider creating multi-discipline units that deploy to provide the support to the aircraft and crews that have been dispersed from their Main Operating Bases to other airfields and landing strips across the UK.**

This recommendation relates to Air's Agile Combat Employment (ACE) activity and the Reserves role therein. This concept is developing but in principle the Royal Auxiliary Air

Force (RAuxAF) squadrons could hold a secondary/homeland protect function of either backfilling Main Operating Bases which have had their personnel dispersed or, supporting those dispersed locations which are near to them. The ongoing ACE Evaluation will help inform this model.

Aligned to this is the RAuxAF Squadron Structures review, starting soon, which will assess whether the squadrons are organised in a way which best meets the RAF strategy of ‘always ready to fly and fight’.

**24.6 We would recommend that the Royal Navy consider expanding its Reserve component for UK maritime security (UK waters and abroad) to augment the delivery of a range of capabilities being introduced by the new platforms and technologies such as the SEA-Class workboats.**

The Maritime Reserve already augments the capabilities of the Offshore Patrol Vessel (OPV) fleet. The statement ‘in recent years, the Maritime Reserve mobilised teams of sailors and marines at short notice to enable Border Force Cutters to regenerate and operate in UK waters’ is not technically correct – either in the Maritime Reserve mobilising ‘teams’ or that the Maritime Reserve enabled Border Force cutters to operate; The Maritime Reserve provided Immediate Action personnel to crew Rigid-Hulled inflatable Boats to support RN border protection operations under Op ISOTROPE.