



Ministry of Defence

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MINISTER FOR VETERANS AND PEOPLE

MINISTRY OF DEFENCE
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Dear Lord Peach,

I am most grateful to the External Scrutiny Team (EST) for its 2025 report and for the considerable work that goes into its publication.

This year's report coincides with the publication of the Strategic Defence Review (SDR), which reaffirms our commitment to increase Active Reserves by 20% when funding allows and to strengthen links with the Strategic Reserves. This aligns with the Government's pledge to raise defence spending to 2.5% of GDP by April 2027, and to 3% in the next Parliament, when fiscal conditions permit. A proportion of this uplift will directly benefit the Reserves. The MOD is simplifying Reserve structures, enhancing visibility of their roles, and expanding awareness of specialist opportunities such as law, engineering and cyber. These measures will ensure specialist expertise can be scaled and mobilised when required.

The Strategic Defence Review set out the need for Defence Readiness legislation this Parliament to give the Government more robust or additional powers to make the UK safe. We are currently working closely across Government through the Cabinet Office-led Home Defence programme to shape our key requirements.

As the EST provided no new recommendations in 2025, I have looked to address the most significant issues raised.

Royal Navy Reserve Strength and Structure

The Royal Navy (RN) and other stakeholders highlighted the need to replace outdated Future Reserves 2020 (FR20) figures, which conflate different Terms and Conditions of Service (TCOS). We expect the use of FR20 targets will be replaced in the near future which will support a better understanding of workforce trends.

The RN notes that the 'MyReserves' element of the 'My Navy' App has been rolled out successfully to the Royal Naval Reserve, with extension to the Royal Marines Reserve planned by the end of 2025. The RN also clarifies that the term "Army Reserve Centre" should not be used generically to describe the Volunteer Estate (VE), which is tri-Service in nature.

Air Chief Marshal (Retd) The Lord Peach KG GBE KCB DL
Council of RFCAs,
Holderness House,
51 Clifton Street, London EC2A 4EY

Army Reserve Development

The Army Reserve Future Force Design, reporting in 2026, will reinvigorate purpose, structures, training and equipment across the force. Recruitment remains below target, but work with Capita and Reserve units is seeking to understand improved ways of addressing this problem. Barriers such as medical processes are being reviewed; improvements include a simplified medical questionnaire, harmonised fitness standards and relaxed tattoo policy. Efforts continue to shorten recruitment timelines and enhance candidate experience. Furthermore, work is underway to ensure the new contract for which Serco are the prime contractor delivers for Reserve recruiting.

While challenges remain in delivering War Fighting Increment (WFI) through the Army Reserve, alternative models are under consideration, with focus on the 1st but predominantly 2nd wave warfighting roles. Future Force Design and the 2025 Army Wargame will test new balance options between Regulars and Reserves and provide the evidence to support the Operational Design. The outcome will be an Army Reserve which has purpose (crisis to conflict), a role (warfighting and home defence) and is structured, trained and equipped appropriately.

Skills and Equivalence

Corps Colonels now have the delegated authority to determine equivalence between civilian qualifications and Army trade training, promoting parity between Regulars and Reserves. The new Reserve funding model, which provides transparent control totals and accountability for Reserve Service Day (RSD) expenditure has improved both confidence and financial management.

Royal Air Force Reserves

The RAF reports notable progress:

- 609 Royal Auxiliary Air Force (RAuxAF) Squadron now holds a Counter-UAS capability.
- Reserve personnel are operating new Autonomous Collaborative Platform systems.
- Space Command and RAF Digital are expanding to leverage specialist civilian expertise.

The RAuxAF Structures Review proposes multi-disciplinary units to enhance regional recruitment, while Transition to Conflict (TtC) activities will strengthen Reserve support to Main Operating Bases. Integration between Regular and Reserve forces continues to improve, with comparable equipment and effective RSD utilisation. Collaboration with Allied Reserves, including joint work with the United States Air Force Reserve (USAFR) Partnership Plan, RAF Medical Reserves joint exercises with USAFR including use of USAFR C-17s and German forces has enhanced morale, retention and interoperability.

Strategic Reserve Initial Operating Capability (IOC) is planned for Exercise STEADFAST DEFENDER 2027 (STDE27).

Defence Healthcare Group

The Defence Healthcare Recovery Group highlights the need for a clear readiness requirement to guide medical deployability and resource allocation. Work is underway with single Services to define demand signals and ensure regional parity across the Occupational Health Reserve workforce.

Estate Infrastructure

The Volunteer Estate (VE) remains a Defence Infrastructure Organisation (DIO) responsibility, managed through a Service Level Agreement (SLA) with the Council of RFCAs. £22.7M is being invested in capital projects to support Army Reserve and Cadet capabilities. The Reserve Estate Optimisation Programme (REO) has successfully demonstrated modernisation concepts and submitted scalable options for consideration in the Defence Investment Plan (DIP).

Strategic Reserve and Readiness

The Military Strategic Headquarters, in partnership with the Military Commands, is leading work to plan the reinvigoration of the Strategic Reserve. This includes scoping how to increase engagement through annual training opportunities, exercises and exploring a digitised approach to Reserves management.

The Strategic Reserve is a key focus at Defence and Service level and is central to mobilisation. The SDR direction is to deliver digital solutions. The Army has completed activation planning and continues work on re-engaging former Regulars. These efforts will be tested during STDE27, advancing a more flexible and integrated Reserve model. To raise awareness with employers, there is now provision within the Defence Relationship Management SLA to inform Armed Forces Covenant and Employer Recognition Scheme members about the Strategic Reserve and the liability Ex-military employees may hold.

Future Engagement

For future reports, my officials recommend the EST's visit programme begin and conclude with MOD briefings to ensure alignment with current policy and context. Including the Vice-Chief of the Defence Staff in the visit programme would also be beneficial.

Reserve Forces ambition in the face of barriers to change

We acknowledge Professor Vincent Connelly's essay in Annex D. It explains clearly the cultural position that needs to be in place to deliver success.

Conclusion

We remain fully committed to preparing the nation for a new era of warfighting readiness, backed by the largest increase in defence spending since the Cold War. The SDR sets out our intent to expand the Reserve by at least 20 per cent and the forthcoming Defence Investment Plan will detail the delivery of these ambitions.

The MOD value external and impartial evidence based scrutiny to support our accountability, oversight and decision making; particularly where it seeks to improve the service life, morale and retention of our welfare of our Armed Forces. The EST provides part of that support function, and we are grateful to the EST team for their contribution through this report.

A handwritten signature in black ink, appearing to read "Louise Sandher-Jones".

LOUISE SANDHER-JONES MP