

Committee	Date
Policy & Resources Committee	22 March 2013
Subject: Funding of the City of London Reserve Forces' and Cadets' Association	Public
Report of: Town Clerk	For Decision

Summary

The City's agreed funding of the City of London Reserve Forces' and Cadets' Association comes to an end this month, and it is now necessary for Members to consider future funding of the Association. The Association exists to provide a link between the civil community of the City and the Reserve Military Units.

The previous funding arrangement was £42,000 per annum (plus the proceeds of the "Trophy Tax" of £4,666) for three years. If Members are minded to continue to fund the Association, it can be met from the Policy & Resource's City Cash Contingency. Funding options include continuing at the present level, a reduction in funding or a tapered reduction in funding over several years. Members could consider withdrawal of funding but this is not recommended due to the historical connection and reciprocal support provided by the City of London Reserve Forces' and Cadets' Association and the Ministry of Defence to key City ceremonials and activities such as the Lord Mayor's Show.

Recommendation

1. Members are asked to decide on future funding arrangements for the City of London Reserve Forces' and Cadets' Association for the next three years, which if Members are minded, can be funded from Policy & Resource's City Cash Contingency.
2. The Remembrancer, Private Secretary, Chamberlain and the Town Clerk give further consideration to future sources of funding for the City of London Reserve Forces' and Cadets' Association and present a report to the Policy & Resources Committee and other Committees as appropriate in advance of any future further funding proposals.

Main Report

Background

1. The City of London Reserve Forces' and Cadets' Association (City RFCA) is a sub-association of the Greater London Reserve Forces' and Cadets' Association (GL RFCA). It is the only such sub-association in the country. The main policy objectives are described by the City RFCA as being:

- a. To provide a link between the civil community and the City of London's Reserve Military Units and to maintain the centuries-old connection between the Mayoralty and the volunteer forces thereby enabling the Pageantmaster to deliver the Lord Mayor's Show to the City's expectations.
 - b. To foster the widest measure of support for the Reserve Forces within the community of the City of London and to create the most favorable climate in which units may conduct their recruiting activities.
2. The Lord Mayor is the President of the City RFCA. The Association maintains links with major City firms, City of London Police, Livery Companies, Magistrates' Court and the Central Criminal Court, the Stock Exchange and Lloyds of London. The Court of Common Council also appoints three Members to the Association. The current representatives are Simon Duckworth, Deputy Edward Lord and John Spanner.
3. The City of London has funded the City of London Reserve Forces' and Cadets' Association in various forms since 1989. Since 1998 the funding has been met by the Finance Grants Sub Committee.

Current Position

4. Funding for the City RFCA was last approved in 2009 by the Finance Grants Committee which approved £42,000 per annum over three years. This arrangement comes to an end at the end of this month. At that time, the Finance Grants Committee questioned whether it continued to be appropriate to fund the City RFCA from the City's charitable funds as the City RFCA is not a charity, its purposes are not charitable and it is difficult to assess the outcomes of their activities due to the overlap with the Greater London RFCA and SaBRE (Support for Britain's Reservists and Employers – a Ministry of Defence marketing and communication's campaign), and suggested that the Policy & Resources Committee consider this matter.
5. To enable Members to give consideration to the funding of the City RFCA, the City RFCA has submitted a formal request for funding which is appended to this report. An officer from the Town Clerk's Department also met with Lieutenant Colonel Willis to discuss the activities of the City RFCA and their role within the City. It was noted at this meeting that that the City RFCA make a number of important contributions to the Mayoral year, including:
 - a. The Lord Mayor's Show
 - b. The Remembrance Service at St Paul's Cathedral
 - c. The newly introduced Lord Mayor's Defence and Security Lecture
 - d. Briefing of the Lord Mayor and the Sheriffs prior to their taking office
6. Members may also like to consider the relationship that the City has with the Ministry of Defence, and the fact that this positive and supportive relationship yields many reciprocal benefits including military support of key City ceremonial events.

Connections between the City of London and the City of London Reserve Forces' and Cadets' Association

7. The relationship between the City and the City RFCA goes back to 1908 when the City formed its own City of London Territorial Force Association, established with the aim of supporting the Reserve Force units with City of London connections
8. The Association is now part of the Greater London Reserve Forces' and Cadets' Association but the special City connection has been maintained. To this end, the Lord Mayor is president of the City RFCA. The City RFCA provides support to the Lord Mayor's show, the raising of flag at Guildhall during Armed Forces Week and provides briefings to the Lord Mayor and Sheriffs prior to their taking office. In addition to the connection between the City RFCA and the City of London – in particular through the Lord Mayor, the City RFCA has a strong connection to the broader City of London and has been fostering enhanced relationships with future business leaders. A number of events to promote reservists to City businesses have been held at both Mansion House and Guildhall:
9. The Livery Companies of the City of London have extensive connections with the armed forces and reserve units. The support they provide manifests itself in many different formats, although financial assistance and sponsorship is a common thread. Mansion House are aware that in 2011, the Livery supported 216 regular and reserve units, and 101 cadet units. Development of these links has been encouraged by successive mayoralities as part of a wider programme to enhance the image of the City and encourage greater philanthropic engagement across the square mile. Should the City of London Corporation cut its funding to the reserve forces, especially at this crucial time when more is being asked of them, it could undermine its position as a champion of philanthropy.
10. **The Lord Mayor's Defence and Security Lecture**

The Lord Mayor's Defence and Security Lecture was established last year and had as its inaugural speaker the Director General of the Security Service. The event, which was hosted at Mansion House in the Egyptian Hall, was exceptionally well attended by a distinguished City audience. The Home Secretary was also present – and the event made front page news in the national papers. The event was led by the City RFCA in partnership with Mansion House. The City RFCA secured the guest speaker. This year the Chief of the Defence Staff has agreed to deliver the address.
11. **RFCA AGM**

The City RFCA's AGM is held each year at Mansion House and the Lord Mayor usually attends. This provides an excellent opportunity for the Lord Mayor to receive an update on the Association's work over the last twelve months.
12. **City RFCA Reception**

This event is held annually at Mansion House and provides an opportunity for the Lord Mayor to meet with many of the reservists and deliver key messages on behalf of the City via the medium of a speech. It also provides a platform

for employers to be encouraged to release employees for reserve service, as well as recognising those reservists who have been mobilised.

13. Remembrance Sunday

The City RFCA are responsible for arranging the entire event.

14. Lord Mayor's Aide de Camps

The City RFCA are responsible for appointing the Lord Mayor's ADCs, who accompany the Lord Mayor to relevant events.

15. Lord Mayor's Show Weekend

Military participation in the Lord Mayor's Show is very significant with approximately 1800 military personnel involved, making it one of the largest military events in the calendar. This participation is coordinated by the RFCA and the City Secretary. This coordination involves close liaison with London District Headquarters and all participating units of the regular and reserve forces. It also covers the marshals and movement controllers whose support is vital to the Show's successful delivery, as well as all other support to the civil power, including Royal Military Police support to the City of London Police.

16. Armed Forces Flag Day

The annual Armed forces Flag Day, which takes place at Guildhall and is attended by the Lord Mayor and Members of the Courts of Aldermen and Common Council, is part organised by the City RFCA. This event helps to show the City's commitment to and support for our armed forces.

17. Future Reserves 2020 Consultation

Part of the MOD's consultation on the future use and deployment of the reserves was hosted at Mansion House, attended by the Lord Mayor and organised by the City RFCA. The consultation sought the views of City businesses and attracted participants from ICAP, Lloyds Banking Group, Santander and Herbert Smith.

City of London Reserve Forces' and Cadets' Association activities and use of funding

18. The City RFCA's principal activities utilising the City's funding are:

- a. Provision of grants to units to support operational welfare, adventurous training and recruiting & retention projects
- b. Reception for Reservists held at Mansion House to recognise the contribution made by mobilised Reservists
- c. Influencing and promoting activities:
 - i. Influence Dinner with key national business policy makers and influencers to demonstrate the value of Reservists and prepare the ground for the MOD's drive to strengthen the Reserve Forces
 - ii. City Briefing Dinner with future leaders from HR departments of City companies and organisations in order to broaden the

knowledge of those who would management staff who are a Reservists

- iii. Ex Sharpe Shooter – a competition including City firms to illustrate the skills and training taught to Reservists, and to represent the value of volunteering as a Reservist or Cadet instructor.
19. All applications from Reserve and Cadet units for grants are scrutinised by the RFCA's City Executive Committee which awards grants, and awards are made to those applications considered to be of greatest merit. Grants may not be spent on any facility provided by the MoD. To enable the Committee to consider grants a common application form is used. An example of a bid for a grant is provided in the appendix.
20. It is also important to note that the City RFCA has a strong involvement with London's Cadet Movement. This has further developed in recent years, and is hugely important in helping to ensure the responsible engagement of many of London's teenagers in worthwhile socially beneficial activity.
21. The commitment of the City Secretary, who undertakes the work of the City RFCA, to the promotion and support of the Reserve Forces and the celebration of their contribution was apparent at the Town Clerk's meeting with him.

Finance

22. The City RFCA is a sub-Association of the Greater London Reserve Forces' and Cadets' Association (GL RFCA). The GL RFCA meets all the staff costs and overheads incurred in the running of the City Association. The City Association receives no further funds from the GL RFCA and relies on the finances provided by the City to support its activities.
23. A breakdown of the City RFCA's use of the City's grant is provided in the table below:

	2010/11	2011/12	2012/13 as at 20 Feb
	£	£	£
<u>Promotion & retention of Reservists</u>			
Briefing events	11828	14727	11723
LM's reception for mobilised Reservists	8248		7838
Shooting competition	546	582	585
Lord Mayor-Elect and Sheriffs briefing	836	903	722
Recruitment of cadets - Note 1	1343		
Lord Mayor's Show - Note 2	2150	1000	1000
Total (A):	24951	17212	21868
<u>Direct grants to units</u> - of which:	20453	24988	17100
Op welfare	2450	4608	850

Adv trg/sport	12003	12666	13075
Battlefield studies	2000	1900	2625
Community engagement		600	500
Cadet activities	3200	3528	
Training support		1686	
Other	800		50
Total (B):	20453	24988	17100
Total (A+B):	45404	42200	38968

Notes.

1. This description should more properly be called recruitment of adult instructors. Expenditure in 2010 relates exclusively to the Cadet 150 involvement in the Lord Mayor's Show.

2. Some of the direct grants to units have been in respect of applications that related to their involvement in the Lord Mayor's Show.

24. It is noted that the application submitted by the City RFCA does not request a particular allocation of funding but rather suggests that the type of activities undertaken hitherto will continue. It is therefore difficult to assess the application as the City would usually in the case of a grant request. However, it can be noted that of the funding provided by the City, none is spent on overheads and the money goes directly to support the activities of the City RFCA. Mansion House and the Remembrancer advise that this generate significant goodwill and support between the City, the military and the government.

Options

25. Members are asked to consider what level of funding should be provided to support the Association in their activities. Potential options include:
- a. Fund at the same level - £42,000 per annum
 - b. Fund at a reduced level
 - c. Fund at a tapering reduction – for example, £42,000 for 2013/14; £38,000 for 2014/15, £34,000 for 2015/16
 - d. Cease funding
 - e. Increase funding
26. Assuming that Members are minded to continue funding, a three year funding arrangement is proposed as this allows the Association to plan with a degree of certainty. A more frequent renewal would place an unnecessary burden on the Association and administratively for the City.
27. In previous years, the funding of the City of London Reserve Forces' and Cadets' Association has been met from Finance Grants and the "Trophy Tax". The use of the City's charitable funds is no longer felt to be appropriate, and it is suggested that the cost of funding the Association could be met from the Policy & Resources City Cash Contingency fund.

Proposals

28. It is proposed that Members consider continuing funding of the City of London Reserve Forces' and Cadets' Association at a level within the current order of magnitude. Members may want to consider whether it would be appropriate to apply the 12.5% cut which was applied across the City in the last financial year. This would equate to a £5,250 cut. Due to the historical connection between the City RFCA and the importance of the relationship with the military, ceasing to fund the City RFCA is not recommended.

Corporate & Strategic Implications

29. The City's funding of the City RFCA is an important plank in our relationship with the Ministry of Defence. The City receives support and assistance from the MoD including staff and ceremonial events which are not charged.
30. The Mayoralty has developed strong links with the GL RFCA and particularly the City RFCA of which the Mayor is president. The relationship between the City and the City RFCA is mutually beneficial as in return for the City's financial support to the City RFCA, significant support is provided by the City RFCA and Ministry of Defence to Lord Mayor's Show and other significant events such as Armed Forces Flag Day and Remembrance Sunday in the City.
31. Politically, the City's support of the City RFCA and reservists and cadets more generally is important in our relations with the military and with government.

Implications

32. In the past the City of London Reserve Forces' and Cadets' Association has been funded through the Finance Grants Committee. However it was questioned in 2009 whether this continued to be an appropriate channel due to the charitable nature of Finance Grants and the non-charitable nature of the City RFCA. In particular concerns were expressed about the ability to measure the impact the grant given has on recruitment and retention as this is responsibility shared by the GL RFCA and SaBRE. In particular it was felt that the City Association's aims overlap with those of SaBRE.
33. Provision of funding for the COL RFCA can be met from the Policy & Resources Committee's City Cash Contingency along with the "Trophy Tax".

Conclusion

34. The City of London Reserve Forces' and Cadets' Association provides a valuable link between the City of London Corporation and the work undertaken to support London's reservists and cadets. The Association also provides significant support to the City of London in their activities in support of the Lord Mayor's Show, Remembrance Day and Armed Forces Flag Day. Given the strong historical links between the City and the City RFCA, and the important relationship the City has with the military, it is recommended that the City continue funding the City RFCA and Members decide the level of this funding over the next three years.

Appendices

City of London Reserve Force application for funding:

- Application for a Policy & Resources Committee grant
- Financial Statements for the current year as at 22 February 2013
- City Association audited accounts for the year to 31 March 2012
- City Association audited accounts for the year to 31 March 2011
- A breakdown of resources allocated for the financial years 2010/11, 2011/12 and 12/13 to date
- Example of a unit application for support from the Corporation Grant
- City RFCA brief to the GL RFCA Management Board on 25 February 2013
- Briefing points for the Lord Mayor-Elect David Wootton November 2011

Background Papers:

- City of London Reserve Forces and Cadets Association – Funding report to Policy & Resources Committee, 4 February 2013

Esther Sumner

Policy Officer, Town Clerks

T: 020 7332 1481

E: esther.sumner@cityoflondon.gov.uk