

**Sector Insight**

# UK Armed Forces Charities

**An overview and analysis**

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# Foreword

*by Sir Andrew Ridgway, Director of Forces in Mind Trust and Chair of Cobseo  
- The Confederation of Service Charities*



The publication of this report marks a significant step forward for the armed forces charities sector. The very welcome and widespread public interest in armed forces charities has on occasion led to assertions being made about the sector, including about the number of charities, duplication of effort, inefficiency and size of disbursements, without clear substantiation. The aim of Forces in Mind Trust is to 'provide an evidence base that will influence and underpin policy making and service delivery in order to enable ex-Service personnel and their families to lead successful civilian lives'. For the first time, it will now be possible for those working at all levels in this area to base their decisions upon an independent and credible source of information.

Much of the report is drawn from publicly available information; the added value comes from the collation, comparison and analysis conducted by our highly skilled partners in the Directory of Social Change (DSC). We are making this report widely available, at no cost, as we firmly believe that it will improve the understanding of the armed forces charities sector, and thus the quality of decision-making and the accuracy of media and other commentary.

It is no coincidence that this report draws extensively on The Royal British Legion and other commentary, comparison and analysis conducted by our partners at DSC. Understanding the environment in which armed forces charities operate is at least as important as understanding those charities themselves, and we are determined to continue to search for evidence and to shine a light into those areas often masked simply by 'the fog of war', and not, as is occasionally suggested, through deliberate obfuscation.

Accompanying this report, and launching at the same time, is the innovative [www.armedforcescharities.org.uk](http://www.armedforcescharities.org.uk) website, an easily accessible source of information on around 500 armed forces charities. Without, I hope, labouring the point, such a directory will provide independent and credible information about the sector, and for the sector.

Together, DSC's work, originally inspired by and conducted in partnership with Cobseo, will inform the debate on such topics as how many charities is enough, how well they cooperate and collaborate, what the benchmark is for an effective charity, and, crucially, what else needs to be done to ensure that the best possible level of support is provided to the beneficiaries. Answering these questions is rightly the responsibility of the policy makers and service deliverers themselves; Forces in Mind Trust hopes simply to inform that debate from a sound evidence base.

Finally, I know that colleagues from right across the Confederation of Service Charities are greatly anticipating this report and are looking forward to using it to improve their service delivery. Ultimately our shared interests lie with the armed forces community, and we can now move forward, not from a position of conjecture, but from a position of broad knowledge and sound evidence.

# Preface

*by Debra Allcock Tyler, Chief Executive of the Directory of Social Change*



Armed forces charities are very close to my heart as I come from five generations of armed forces servicemen and women on both sides of my family. We have medals dating right back to the Boer war, covering every single major conflict or theatre of operation since. So I have personal experience of the incredible sacrifices armed forces servicemen and women, and their families, make in service of our country.

Inevitably, some of these sacrifices involve a great deal of human cost and our armed forces charities play an absolutely critical role in supporting the diverse needs of millions of serving and ex-Service personnel and their families, both within the UK and overseas. My family have experienced first-hand the vital services and support they provide. It is hard to imagine how our armed forces would cope without them. However, until now, there has been a significant gap in knowledge about the armed forces charity sector as a whole. Beyond a few high-profile names, there has also arguably been little wider public recognition – and understanding among policymakers – about the full depth and breadth of organisations within and causes served by the sector.

This is why I am so proud of this unique report and the accompanying online database, [www.armedforcescharities.org.uk](http://www.armedforcescharities.org.uk), which offer the first ever comprehensive analysis and data about UK charities that specifically serve the UK armed forces family. It gives policymakers, commentators, funders, beneficiaries and other interested parties an unbiased and independently researched source of information about armed forces charities.

Armed forces personnel, their dependants and their service to this country have seldom been the subject of such high levels of political, public and media interest. However, there is much misunderstanding about the nature of armed forces charities: their work, their beneficiaries, their funding and their impact. There is an element of myth-busting which needs to be done – which this report specifically addresses – for example in dedicated chapters on donations and how new entrants to the sector in recent years have changed the picture.

Given the challenges currently faced by nations around the world, this new analysis comes at a crucial time. DSC undertook this research in part because we believe it is imperative to map support for the armed forces community (and ex-Service community in particular) in detail, so that potential sources of the right support are easily identifiable. Public support, especially for prominent armed forces charities, is at a current high. But that position is immensely volatile and subject to public and media perceptions and to the political landscape. The timing of this project is therefore critical, both in terms of the impact of changes on the armed forces community who will continue to need support and possibly new services, and the potential for an accompanying decline in donations.

In this context this report will be a valuable new resource for anyone wishing to understand the armed forces charity sector better - whether government policymakers, other researchers, media, members of the public considering starting up new charities, existing charities wishing to benchmark or coordinate their services with other providers, or those seeking help for particular groups. But more importantly perhaps, the data and findings within this report will enable armed forces charities to further develop the vital services they provide to beneficiaries.

They deserve it.

# Executive summary

## KEY OBSERVATIONS

- The main purpose of this research was to develop a better understanding of the size and nature of support provided by the UK armed forces charity sector. Armed forces charities are defined as those whose primary purpose is to support past and present members of the UK armed forces, their dependants and cadets. Armed forces museums and other heritage organisations were also included in the analysis.
- Over 2,200 UK-registered armed forces charities were researched intensively as to purpose, function and finances. The results show a complex but on the whole well-coordinated sector with a fine-tuned division of labour.
- Armed forces charities have enjoyed a period of financial growth and high publicity following recent conflicts in Iraq and Afghanistan, but this is now showing signs of waning. Many armed forces charities have been preparing for this slowdown by building up their reserves. However, these are finite resources and without continued public support, armed forces charities providing welfare support in particular face a challenging future.

## BACKGROUND

- Armed forces charities cater for the needs of a potential beneficiary population comprising, according to recent estimates, between 6.5 and 6.7 million people. This includes 198,810 serving personnel in the UK armed forces and 270,963 dependants (as of 1 April 2014), 2.8 million ex-Service personnel and 3.1 million dependants, and a 'hidden' ex-Service community of around 190,000 to 290,000 people residing in communal establishments such as care homes.
- These charities are there to supplement the infrastructure of support provided by the Ministry of Defence (MOD) and other public services. In this regard, the MOD has the primary responsibility for the health, wellbeing and welfare of Service personnel during their service and also helps Service leavers with their transition into civilian life up to a point. After that, the provision of support hands over to mainstream public services (such as the NHS) and private providers (for jobs and housing, for instance).
- While the majority of Service leavers experience very few difficulties with transitioning and life after the armed forces, a significant minority require specialist support (such as with education and re-training, employment, housing, physical health and mental health needs).
- This need for specialist support is ongoing and indications are that it will rise as a result of the increased number of personnel leaving the Service in the context of the armed forces restructuring, plus the increase in the numbers of Service and ex-Service personnel with additional needs caused by recent conflicts.

- This increased need will put extra burden on public services and charities, which will need to boost, or at the very least maintain, their current provision and funding levels.
- Data on the demographics and support needs of the armed forces community (serving and ex-Service personnel, and their dependants) needs to be improved. While The Royal British Legion and Compass Partnership have done an excellent job of profiling the community, statutory bodies such as the MOD should work with the sector to introduce better systems to identify the community and its needs.

## OVERVIEW OF THE ARMED FORCES CHARITY SECTOR

- The UK's armed forces charity sector comprises 1,818 registered charities in England and Wales, 419 registered charities in Scotland and 25 charities in Northern Ireland.<sup>1</sup>
- The armed forces charity sector can be categorised into the following groups.
  - 1 Charities that cater for the needs of the armed forces community, including:
    - **service funds** to improve the morale and wellbeing of Service personnel and their families;
    - **welfare charities** for relief-in-need purposes;
    - **armed forces associations** (including hundreds of local association branches) to maintain and foster the bonds of comradeship forged in service. Many associations also provide benevolent grants and other welfare services to those in need.
  - 2 **Armed forces heritage organisations**, including armed forces museums, heritage preservation trusts and public memorials, among others.
  - 3 **Cadet forces organisations**, including the umbrella bodies of the main UK cadet forces as well as hundreds of local cadet forces units.
- Over half of registered armed forces charities in Great Britain are local association branches and local cadet units.
- There are 409 armed forces charities (18% of the total) which provide welfare support either in the form of provision of services to those in need, grants to individuals and/or grants to support the work of other organisations.

## FINANCES OF THE ARMED FORCES CHARITY SECTOR

- The armed forces charity sector in Great Britain generated an income of £872 million in 2012.
- The financial resources of the armed forces charity sector are highly concentrated in a relatively small number of organisations. In 2012, the top 122 armed forces charities commanded 84% of total sector income (including high-profile charities such as The Royal British Legion, Help for Heroes, SSAFA, Combat Stress, Blind Veterans UK and many others).

<sup>1</sup> Unfortunately, detailed information for Northern Irish charities is not available; therefore they are not analysed in this report.

- Only welfare charities (i.e. the ones that provide services and/or benevolent grants to those in need) typically fundraise from the general public. For other charities such as Service funds, associations or local cadet units, their income is mostly self-generated through membership subscriptions and/or other charges paid by beneficiaries themselves.
- Armed forces welfare charities raised £4.37 for every £1 spent on fundraising and publicity in 2012.<sup>2</sup> This compares to an average of £4.86 for the UK voluntary sector as a whole in 2011/12 (latest year available).
- The level of free reserves held by armed forces welfare charities was estimated to equate to 10.9 months' expenditure at the end of 2012. The average level of free reserves across the UK voluntary sector was estimated to equate to 15.4 months' expenditure in 2011/12 (latest year available).
- Grants to individuals in need are the most common charitable activity amongst armed forces welfare charities. However, the costs of direct service provision such as care homes, healthcare, housing and so on takes the lion's share of the money (approximately three-quarters of charitable expenditure).

## WHERE SUPPORT IS AVAILABLE

- The majority of support provided by armed forces welfare charities is estimated to be spent within the UK (92%), with 8% of charitable expenditure benefiting those resident overseas.
- The bulk of charitable expenditure of armed forces welfare charities registered with the Charity Commission for England and Wales is spent in England and Wales (81%). An estimated 10% benefits Scotland and 10% Northern Ireland. These percentages do not include data for charities registered in Scotland and Northern Ireland.
- At present, data on armed forces charities registered in Scotland and Northern Ireland is limited by the lack of comparable regulatory systems and standards to England and Wales, particularly access to information in charity reports and accounts. Further data would help to complete the funding picture across the UK.
- Within England, two-thirds of support is estimated to be available nationwide, while one third is estimated to be spent regionally.
- A greater concentration of charitable spending in England appears to pool around London and the South East, at the potential expense of other English regions. This could have a knock-on effect on the significant population of ex-Service personnel and dependants living in the North.
- In order to be able to judge the overall UK allocation of support versus need, there needs to be better data available on the location of the armed forces community.

<sup>2</sup> Ratio based on data for the top 45 armed forces welfare charities only, which collectively commanded 53% of total sector income in 2012

## GRANT-MAKING PRACTICES OF ARMED FORCES CHARITIES

- There are 239 registered armed forces charities that award benevolent grants to members of the armed forces community who are in need, hardship or distress.
- The relatively high number of benevolent grant-makers operating in the armed forces charity sector is to a large extent explained by the historical decentralisation of benevolent funds to the level of corps and regiments within the British Army. Indeed, over half of benevolent grant-makers in the sector are charities connected to corps and regiments of the British Army.
- The benevolent grant-making process in the armed forces charity sector involves a great deal of collaboration and cooperation. Only a few charities directly deal with the casework (which is usually routed through SSAFA or Royal British Legion caseworkers) and different charities will work together to ‘almonise’ funds if necessary to meet an individual’s needs.<sup>3</sup>

## MYTHS AND TRUTHS ABOUT THE SECTOR

- There appear to be a number of myths that have been created regarding the armed forces charity sector which have been explored in this research. These include:
  - 1 **there are too many armed forces charities;**
  - 2 **new entrants into the sector have created unwarranted competition and have taken income away from more established charities;**
  - 3 **there is little or no coordination in the sector.**
- The summary findings of our research surrounding these are as follows.
  - 1 Claims about there being too many charities are partly driven by a lack of understanding of the huge diversity of armed forces charities operating in the sector. These claims have also been boosted by a perception that the armed forces charity sector has undergone a large expansion in recent years. Contrary to this, our research shows that the sector has actually contracted over the last few years.
  - 2 New entrants into the sector are having a generally positive effect, creating new growth which benefits the sector as a whole.
  - 3 The armed forces charity sector shows greater collaboration and cooperation than other charitable sub-sectors we have examined for this research. We have come across many examples of partnership working in welfare services’ provision as well as examples of financial support provided by armed forces charities to other armed forces charities. The benevolent grant-making process in particular appears to be highly coordinated and flexible in responding to the needs of beneficiaries, with most of the casework generally routed through SSAFA or The Royal British Legion.

<sup>3</sup> Almonisation is the process of sourcing and combining funds from different benevolent organisations to pay them as a single grant to the beneficiary.

## CURRENT HEALTH OF THE SECTOR AND FUTURE CHALLENGES

- The income of armed forces welfare charities has been growing steadily between 2008 and 2012 (a 14% real terms, adjusting for inflation, increase over the period). Expenditure levels have also increased over the period, although a share of income has been retained for future use to fund capital projects and build up reserves.
- The armed forces charity sector enjoyed a period of growth during the recession at a time when the rest of the infrastructure of welfare services and support available to the armed forces community through public services and other charities was struggling financially. The increased expenditure levels of armed forces welfare charities over the period may have helped to offset the impact of cuts elsewhere.
- It should be noted that in 2012 the income of the majority of armed forces welfare charities fell for the first time in years and only the income of newly-established charities allowed the sector as a whole to continue to grow (in particular the £35 million start-up endowment received by the Forces in Mind Trust from the Big Lottery Fund).
- Armed forces welfare charities were able to increase their levels of assets and reserves by 26% in real terms between 2008 and 2012. This growth has been motivated by different factors. For instance, some of the largest welfare services' providers (such as Combat Stress) have built capacity to be able to better respond to both existing demand for services and anticipated future need. Many of the large and medium-sized benevolent funds have also built up their reserves in order to be better positioned to face an uncertain future.
- The increased levels of assets and reserves of these funds might help to offset an expected fall in future income. However, the use of reserves is not a strategy that can be maintained indefinitely if support to the armed forces community is to match need in the years to come.

## SUGGESTIONS FOR FURTHER RESEARCH

- Further research is necessary to monitor how the armed forces charity sector evolves in numbers and financial performance: is it a good thing or a bad thing that the sector is contracting and evolving? Will further rationalisation efforts be needed in a changing fundraising landscape? Will charities use their reserves in the near future?
- Further research is also necessary to assess the extent and effectiveness of cooperation and coordination arrangements in the sector: is it enough? What are the views of the beneficiaries? Do they feel their needs are well-served? What are the views of donors? Does the complexity and diversity of the sector undermine its fundraising capacity? Is there a need for further rationalisation of provision? Are there any gaps in provision? If so, who is better positioned to fill them?
- While the analyses presented in this report go a long way towards helping us to understand the armed forces charity sector, the Directory of Social Change (DSC) believes that further analysis in the areas outlined above would help to guide the sector and those who engage with it in the challenging years ahead.

## CHAPTER ONE

# About the data

## 1.1 THE ARMED FORCES CHARITIES ONLINE RESOURCE CENTRE

The analysis presented throughout this report draws on detailed information from a comprehensive database of UK-registered armed forces charities developed by the Directory of Social Change (DSC). The database was developed as part of a twin-strand research project conducted between December 2013 and November 2014. The project was funded by the Forces in Mind Trust (FiMT).

### **Twin-strand research project:**

- 1 Database development**
- 2 Analytical report**

DSC's armed forces charities database (available at: [www.armedforcescharities.org.uk](http://www.armedforcescharities.org.uk)) includes 1,818 armed forces charities registered with the Charity Commission for England and Wales (CCEW); 419 armed forces charities registered with the Office of the Scottish Charity Regulator (OSCR) and 25 armed forces organisations which have been granted charitable tax exemptions in Northern Ireland.

### 1.1.1 Armed forces charities registered in England and Wales

The list of armed forces charities included in DSC's database was compiled using the following sources and procedures (in chronological order).

Harvey Grenville, CCEW's lead specialist on armed forces charities, provided DSC with an initial list of 1,844 armed forces charities registered in England and Wales as of May 2012.

This original list had been used as the basis for Grenville's article 'The Armed Forces Charity Sector' published in *Pennant: The Journal of The Forces Pension Society* in May 2013. This article is, to the best of our knowledge, the only previous piece of literature concerned with the size and shape of the armed forces charity sector in the UK.

Grenville defines armed forces charities as those charities: 'established specifically to support past and present members of the Armed Forces, their dependants and cadets'.

This original list also included armed forces museums, memorials and other heritage organisations related to the armed forces which were registered as charities. Although the benefit of armed forces museums and other heritage organisations is not restricted to past and present members of the armed forces, their dependants or cadets (they are open to visitors from the general public), they are intrinsically connected to the armed forces. Moreover, they benefit past and present members of the armed forces and their families and cadets by inspiring future generations of armed forces personnel and by honouring the memory of all those who served or are serving in the armed forces. In addition, a number of armed forces museums and heritage organisations benefit from regular financial support provided by other armed forces charities (in some cases, also from the Ministry of Defence (MOD)), which supports the case for including them as part of a wider armed forces charity sector.

Armed forces heritage organisations were therefore preserved as part of the armed forces charity sector in both our database and analytical report.

DSC then conducted a comprehensive review of the charitable objects and activities of each individual armed forces charity included in Grenville's list using public records available for consultation in CCEW's website as well as other public sources of information (such as charities' websites).

During the review process, we identified over 100 charities in the list which had been removed from the Charity Commission Register. We also identified a small number of charities which did not have a primary armed forces remit (as they serve a much broader beneficiary population). These charities were removed from the original list.

Next, we searched the CCEW online database for new registrations of armed forces charities between May 2012 and June 2014. This was done using the advanced search function of the CCEW online database.

Keyword searches were also conducted to identify armed forces charities which may have been missing in the original list, using keywords such as 'military', 'Army', 'Navy', 'naval', 'marines', 'seafarer', 'Air Force', 'RAF', 'veteran', 'armed forces', 'British Legion', 'poppy', 'cadet', 'air training corps', 'regiment' as well as the individual names of current and former regiments and corps of the British Army and the main branches and units of the Royal Navy and the Royal Air Force.

We also reviewed the membership list provided by Cobseo (The Confederation of Service Charities), our partners in this research.

Using these processes a list of 1,818 armed forces charities registered with CCEW as of 30 June 2014 was generated.

### 1.1.2 Armed forces charities in Scotland and Northern Ireland

The same keyword searches were conducted in the online database of charities registered with OSCR. We also reviewed the membership list available in the website of Veterans Scotland, the central umbrella body for armed forces charities operating in Scotland.

A list of 419 armed forces charities registered with OSCR was gathered as a result. This figure excludes 29 armed forces charities which are registered with both CCEW and OSCR. This group of dual-registered charities comprises some of the largest armed forces charities in the UK, such as SSAFA (formerly the Soldiers', Sailors' and Airmen's Families Association), Help for Heroes, Blind Veterans UK and the Royal Air Force Benevolent Fund. These dual-registered charities only make up 1% of armed forces charities registered in Great Britain; however, they commanded more than 25% of total sector income in 2012 (£226 million). Dual-registered charities submit the same set of accounts to both charity regulators without allocating shares of their total income and spending to the different countries where they operate. Thus, in order to avoid double-counting, these 29 charities were allocated to England and Wales (where their main headquarters are) and are excluded from Scotland's figures presented throughout this report.

The registration process with the Charity Commission for Northern Ireland (CCNI) began in late 2013 and it was still at very early stages of development when we conducted our initial research with the aim of compiling a comprehensive list of UK-registered charities. As stated in the regulator's website:

In order to work with and regulate charities in Northern Ireland, the Commission first had to categorise which organisations were charities. Until the Commission began charity registration in Northern Ireland in late 2013, this was technically not possible.

In the interim period, the law in Northern Ireland deemed charities to be organisations granted charitable tax exemptions through Her Majesty's Revenue and Customs (HMRC). The most up to date 'deemed list' of Northern Ireland charities, created on 18 August 2013, covers over 7,000 charities.

#### **CCNI 2014**

This 'deemed list' was available for download on CCNI's website, and it was used to conduct keyword searches through which at least 25 armed forces organisations were identified which had been granted charitable tax exemptions. Unfortunately, no detailed information or financial accounts were available for these charities; therefore they are not covered in the analysis presented throughout this report.

## 1.2 DSC CLASSIFICATION OF ARMED FORCES CHARITIES

The universe of registered armed forces charities in Great Britain is quite complex and diverse. It comprises a wide range of organisations with different charitable objects, activities, operating models and beneficiary groups.

Grenville (2013) classified armed forces charities into eight different categories as shown in table 1.1. As lead specialist on armed forces charities at CCEW, Grenville has a profound inside knowledge of the sector and thus DSC used his initial classification as a reference point.

Table 1.1

<b>Typology of armed forces charities devised by Grenville (2013)</b>	
<i>Type of armed forces charity</i>	<i>Percentage of total number of armed forces charities (as of May 2012)</i>
Military associations	34%
Cadets	18%
Relief in need and benevolence support	17%
Service and military efficiency funds	14%
Heritage and memorials	11%
Regimental trusts	5%
PTSD and mental health	0.50%
Other	0.50%

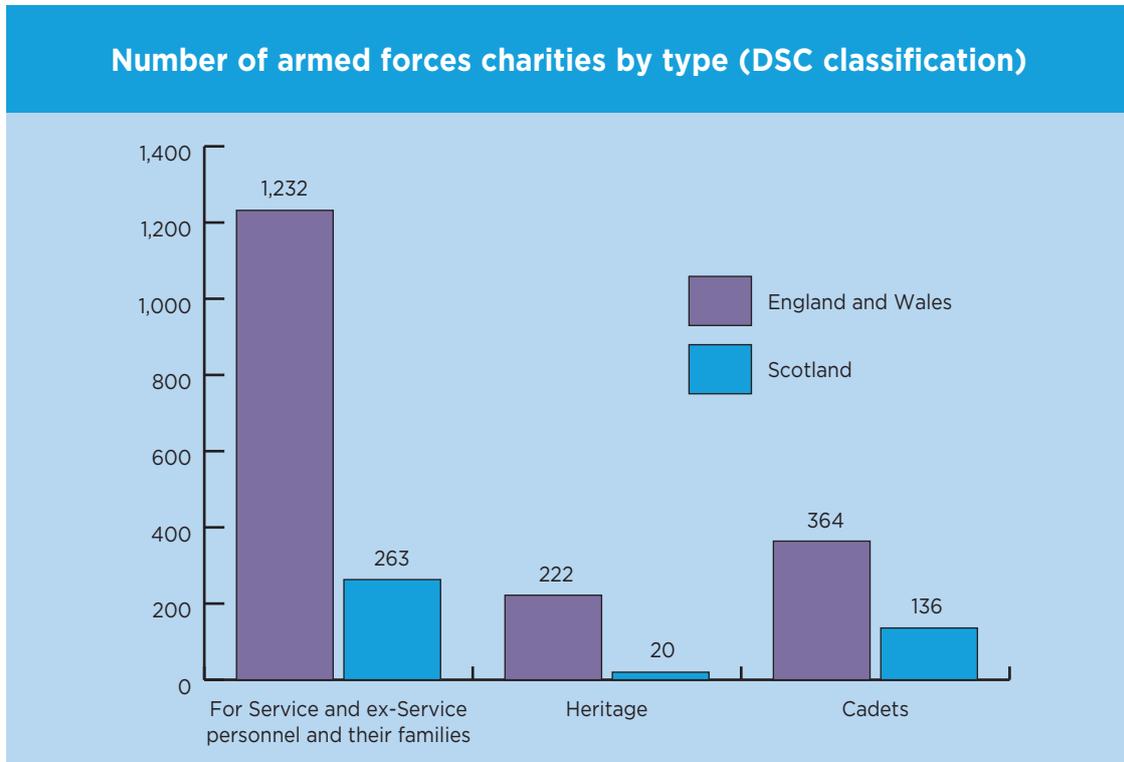
However, following our comprehensive review of charitable objects and activities for each individual armed forces charity, DSC decided to introduce some substantial changes to Grenville's initial classification system. This was done in order to improve consistency in the criteria used to classify armed forces charities and also to develop a typology which could be more intelligible to those without previous knowledge of the sector. For instance, while the category 'Relief in need and benevolence support' informs the reader about the charitable objects (relief in need) and activities (benevolence support) of these charities; the concept 'Regimental trust' does not tell the uninitiated reader anything about the charitable objects and activities of these trusts.

The first major division we imposed on the armed forces charity sector was to categorise organisations into three main types according to beneficiary groups, as shown in table 1.2 and figure 1.1.

Table 1.2

<b>Main types of armed forces charity, by beneficiary group</b>	
<i>Main types of armed forces charity</i>	<i>Beneficiary group</i>
Charities that cater for the needs of Service and ex-Service personnel and their families	Past and present members of the armed forces and their dependants
Armed forces heritage organisations	General public
Cadet forces units and organisations	Cadets (youth movement with strong connections to the armed forces)

Figure 1.1



The category 'Charities that cater for the needs of Service and ex-Service personnel and their families' was further divided into five sub-categories according to their charitable objects and activities:

- welfare charities;
- service funds;
- associations;
- local and regional branches of parent associations;
- mixed-type charities.

A summary of the charitable objects and activities for each of these sub-categories is provided in table 1.3.

Table 1.3

### Sub-categories of charities that cater for the needs of Service and ex-Service personnel and their families

#### *Welfare charities*

**Objects:** Relief in need.

**Activities:** Provision of services and/or grants to alleviate need, hardship or distress among past and present members of the armed forces and their families including:

#### *Service provision*

- Housing and other accommodation services to Service leavers, ex-Service personnel and their dependants who are in need.
- Care homes for disabled and elderly ex-Service personnel and their dependants.
- Healthcare and rehabilitation services for injured Service personnel, medically discharged ex-Service personnel and other ex-Service personnel.
- Disability support services to ex-Service personnel.
- Mental health support services (including post-traumatic stress disorder (PTSD)) to Service and ex-Service personnel, veterans and their dependants.
- Education and training services to Service leavers and ex-Service personnel to help them with their transition and adaptation into civilian life.
- Employment and career services to Service leavers, ex-Service personnel and their partners.
- Provision of respite breaks, adaptive sports and other recreational activities to individuals with particular needs, such as injured or disabled ex-Service personnel and bereaved families.
- General advice, advocacy and support services to Service and ex-Service personnel and their families.

#### *Grants*

- Grants to individuals in need (i.e. benevolent grants).
- Grants to other organisations to contribute towards the costs of welfare services' provision (such as housing, care homes and so on).

## Sub-categories of charities that cater for the needs of Service and ex-Service personnel and their families

### *Service funds*

**Objects:** Promotion of the efficiency of the armed forces.

**Activities:** Provision of facilities, services and/or grants to improve the morale, social and physical wellbeing of active Service personnel and their immediate families.

Main areas of support include:

- adventure training, sports, social and/or recreational activities for active Service personnel and their immediate families;
- education and vocational training services to active Service personnel;
- religious activities and pastoral support for active Service personnel and their immediate families;
- services and support to the immediate families of active Service personnel (such as childcare and community facilities in or near their duty stations).

### *Associations*

**Objects:** Fostering *esprit de corps*/comradeship.

**Activities:** Social gatherings and other membership activities.

Note: A considerable proportion of associations also take over responsibilities for welfare provision (particularly the management of benevolent funds for relief-in-need purposes). In that sense, the majority of associations are also welfare charities.

### *Local or regional branches of parent associations*

**Objects:** Fostering *esprit de corps*/comradeship.

**Activities:** Social gatherings and other membership activities.

Note: The scope of this report is limited to registered charities in Great Britain. There are several thousand unregistered association branches which are not included in this report.

## Sub-categories of charities that cater for the needs of Service and ex-Service personnel and their families

*Mixed-type charities* **Objects:** Promotion of the efficiency of the armed forces; relief in need; fostering *esprit de corps*/comradeship.

**Activities:** Mixed-type charities combine elements of some of the above categories. These charities may provide, among others:

- grants to support adventure training and sport activities amongst active Service personnel (as Service funds do);
- benevolent grants to individuals in need (as welfare charities do);
- grants to other organisations to contribute towards the costs of welfare services' provision (as welfare charities also do);
- grants to associations to contribute towards the costs of, for instance, annual reunions or remembrance events;
- grants to armed forces museums or towards the upkeep of other armed forces heritage assets.

Note: 86% of mixed-type charities are connected to regiments and corps of the British Army and the majority of them were classified by Grenville as 'Regimental trusts'.

### 1.2.1 Classification of armed forces charities registered in England and Wales

Based on the information published on the CCEW website, the 1,818 armed forces charities registered with CCEW were classified in categories and sub-categories as follows:

- Charities that cater for the needs of Service and ex-Service personnel and their families (N= 1,232)
  - Welfare charities (N= 278)
  - Service funds (N= 283)
  - Associations (N= 82)
  - Local and regional branches of parent associations (N= 515)
  - Mixed-type charities (N= 65)
  - Other (N= 9)<sup>1</sup>
- Armed forces heritage organisations (N= 222)
- Cadet forces units and organisations (N= 364)

<sup>1</sup> The category 'Other' includes: the restricted and endowed funds of the Royal Air Force Benevolent Fund (these funds are registered under a separate charity number with CCEW); four branch property trusts connected to The Royal British Legion (all four registered with their own charity numbers); one other property trust used for the benefit of ex-Service personnel and families; and three common investment funds connected to regimental charities of the British Army (all three registered with their own charity numbers).

We reviewed the following information for each individual charity:

- Charitable objects
- Summary of activities
- Charity's accounts and annual report (available as a PDF file for charities with an annual income over £25,000 only)

We also consulted charities' websites (when they had one) to corroborate the accuracy of information published by CCEW.

## 1.2.2 Classification of armed forces charities registered in Scotland

The 419 armed forces charities registered with OSCR in Scotland were classified as follows:

- Charities that cater for the needs of Service and ex-Service personnel and their families (N= 263)
  - Local and regional branches of parent associations (N= 205)
  - *Unclassified* (N= 58)
- Armed forces heritage organisations (N= 20)
- Cadet forces units and organisations (N= 136)

It has not been possible to classify into sub-categories a total of 58 registered charities in Scotland that cater for the needs of Service and ex-Service personnel and their families. Publicly available information for these charities was not detailed and accurate enough for these purposes.

Unfortunately, the OSCR online database does not publish charities' accounts or annual reports and other summary information provided for each individual charity was not as detailed as the information provided by the regulator in England and Wales.<sup>2</sup>

In this regard, it is important to bear in mind that the total number of welfare charities, Service funds, associations and mixed-type charities provided throughout this report refer only to charities registered in England and Wales and excludes a total of 58 unclassified armed forces charities registered in Scotland.

## 1.3 FINANCIAL DATA

### 1.3.1 Income and expenditure

Annual income and expenditure figures for each individual charity were extracted from:

- the data feed from CCEW to which DSC has access;
- data published in the OSCR website.

<sup>2</sup> This may change in the near future as a result of the 'Targeted regulation of Scottish Charities' proposal launched by OSCR earlier this year (Burne James 2014).

Charities have many different financial year endings, which makes it difficult to combine income and expenditure figures for any given period.

### **Armed forces charities registered in England and Wales (N=1,818)**

The majority of charities in our sample had financial years ending 31 December (40%). Income and expenditure data for the year ending 31 December 2012 was generally the latest available for these charities at the time of starting this research. Thus the year 2012 was adopted as the baseline for the analysis presented in this report.

A further 31% of charities had financial years ending 31 March. Income and expenditure data for the financial year ending 31 March 2013 was generally the latest available. This data (which covers nine months of 2012 plus the first quarter of 2013) was allocated to the year 2012.

There were 20% of charities in our sample which had other financial year ends spread throughout the calendar year. Their income and expenditure data for periods ending at various points between 1 April 2012 and 31 March 2013 was allocated to the year 2012.

There was no income and expenditure data available for 9% of charities in our sample (N=164). Of these, 77 were newly registered charities still in their first year of operation at the time of gathering data for our research, and 87 charities had documents overdue with CCEW.

### **Armed forces charities registered in Scotland (N=419)**

The same criterion was applied to aggregate income and expenditure figures for charities registered in Scotland.

## 1.3.2 Other financial data

Detailed financial data for types of income and expenditure, assets and funds was only available for armed forces charities registered in England and Wales with a total annual income of over £500,000 in the period covered in this report (N= 122).

Only charities operating above this threshold are required to submit to the regulator the Part B (financial information) section of the Annual Return form as part of their reporting duties (see CCEW 2014 for further details). The Part B financial information for the top 122 armed forces charities was extracted from the data feed from CCEW.

Collectively, these top 122 armed forces charities commanded over 80% of total sector income in 2012.

## 1.3.3 Definitions

This report, particularly in Chapter 4, uses several financial concepts taken from the accounting and reporting framework of CCEW. These refer to types of income and expenditure, assets and funds (see CCEW 2014 for further details).

## Types of income

- **Voluntary income:** resources generated from donations from the general public, corporate donations, grant funding from other charities and organisations, gifts, legacies, endowments and so on.
- **Fundraising trading income:** resources generated by commercial trading activities carried out by the charity (or trading subsidiaries) specifically to raise funds. Examples include income raised through the organisation of lotteries, concerts and other events to raise money.
- **Income from charitable activities:** resources generated through activities promoting the charity's objects. For instance, income from care home fees in the case of a care home provider, or rents in the case of a housing provider.
- **Investment income:** resources generated from investment assets.
- **Other income:** any other incoming resources that cannot be accounted for in the categories above.

## Types of expenditure

- **Costs of generating voluntary income:** resources spent on generating voluntary income such as donations, legacies or grant funding. It may include, for instance, publicity costs and the costs of putting together funding bids.
- **Fundraising trading costs:** resources spent on commercial trading activities carried out by the charity (or trading subsidiaries) specifically to raise funds. For instance, the costs of organising fundraising events, fundraising lotteries and so on.
- **Investment management costs:** resources spent on obtaining investment advice, managing the charity's investment portfolio, etc.
- **Costs of charitable activities:** resources spent on meeting the charitable objects, for instance the costs of providing charitable services to beneficiaries, benevolent grants to individuals and/or grants to other charities and organisations. It also includes the proportion of support costs that the charity has allocated to charitable activities (for instance, administrative costs of providing benevolent grants to individuals such as dealing with applications).
- **Governance costs:** general costs of running the charity including, for instance, audit costs and trustee meetings.
- **Other resources expended:** any other resources expended that cannot be accounted for in the categories above.

## Assets

- **Total net assets:** total of all assets less all liabilities of the charity.
- **Total fixed assets:** assets held by the charity in the long term (more than one year) including:
  - tangible fixed assets (such as land, buildings, equipment and vehicles);
  - fixed investment assets (i.e. funds, property and other assets held for the long term to generate income or gains for the charity).
- **Total current assets:** assets which are expected to last or be used in the short term (less than one year) including:
  - cash (such as deposits with banks and other financial institutions);
  - current investment assets (i.e. investments held with the intention of disposing of them within the next 12 months);
  - other current assets (this includes the value of stocks and the amount due to be received from debtors within the next 12 months).

## Funds

- **Endowment funds:** funds which the trustees 'are legally required to invest or to keep and use for the charity's purposes' (CCEW 2010).
- **Restricted funds:** funds which must be expended on specific purposes as declared by the donor(s) or with their authority (such as a public appeal for a specific project or cause). Restrictions to the use of funds can also be created through a legal process.
- **Unrestricted funds:** funds that can be spent at the discretion of the trustees including:
  - designated funds (such as funds which have been designated by the trustees for specific purposes or future projects);
  - the value of unrestricted fixed assets and revaluation reserves (these funds can only be realised by the disposal of such assets, such as property sale);
  - free reserves (i.e. funds which are not legally restricted or designated by the trustees and are freely available to use at their discretion).

## 1.4 AREA OF OPERATION

Chapter 5 of this report analyses the geographical distribution of services and support provided by armed forces welfare charities registered in England and Wales. This geographical analysis relies on data reported by charities themselves to CCEW regarding their area of operation. CCEW defines area of operation as: 'The geographical area where the charity does its work or provides its benefit' (CCEW n.d.).

The analysis presented here is based on apportioning financial information from each individual charity between the areas of operation described by the charity.

Since the necessary details are not readily available to be able to geographically apportion the funds on the basis of where they were actually spent during the financial year, our

analysis apportions funding equally between named areas of operation. This gives a best estimate of where funding is allocated, but it should be borne in mind that the figures and percentages in Chapter 5 represent potential benefit (areas where funding may be given); they are not actual amounts given.

## 1.5 DSC SURVEYS TO ARMED FORCES CHARITIES

Although the majority of our research project relies on data from CCEW and OSCR as well as other public sources of information (such as charities' websites), two surveys were also sent out to supplement desk research on armed forces charities.

The first (general survey) went out on 23/24 July to more than 400 charities, and a reminder was sent on 13 September. A second survey (grant-makers survey) went out on 15 September. Both surveys were also advertised in the Cobseo e-newsletter. The general survey received a response rate of 22% (N=96). The grant-makers survey fared less well, with a response rate of 11% (N=16). Both surveys enjoyed better than industry average (non-profit) open-rates and click-through rates.

The results of these surveys cannot be thought of as representative. They have been used to test, corroborate or refine our findings, and are quoted selectively where relevant.

## 1.6 CAVEATS AND CONCLUSIONS

While the research team has taken every care to ensure the accuracy of the data and analysis presented, the usual caveats apply, including that:

- all data supplied by registered charities either in their annual report and accounts, to CCEW, or on their websites, remains the responsibility of those charities;
- methodological differences to the ones described above could produce different results and conclusions;
- our analysis regarding the role and practices of individual charities and groups of charities is subject to some degree of individual interpretation based on our understanding of the evidence available.

This analysis and report have been peer reviewed, including by a number of armed forces charities. All outstanding errors are the authors' responsibility and readers are welcome to contact the research team at [armedforcescharities@dsc.org.uk](mailto:armedforcescharities@dsc.org.uk) to highlight any.

This project will continue to run, funded by FiMT, for the next two years, providing updated data on armed forces charities in the UK on our online database: [www.armedforcescharities.org.uk](http://www.armedforcescharities.org.uk)

## 1.7 REFERENCES

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## CHAPTER TWO

# UK armed forces charities in context

## KEY OBSERVATIONS

- The armed forces charity sector largely grew out of the needs created by the World Wars at the beginning and middle of the last century and has grown to around 2,000 registered charities in England and Wales (see section 2.1).
- There were 196,500 personnel in the UK armed forces as of July 2014; total armed forces personnel figures have fallen by 15.5% since April 2011, which is in line with planned reductions of 33,000 Service personnel by 2020, or 19% of the Services from the 2010 baseline (see section 2.3).
- The **ex-Service community** (defined as ex-Service personnel and their dependants) is estimated to be around 6.1 to 6.2 million people in the UK, including 2.8 million ex-Service personnel and 3.1 million dependants (see section 2.3.2). However, data about the ex-Service community across the UK is poor and inconsistent, and needs to be improved in order to address the needs of this population better.
- The ex-Service community is older than the population as a whole, with the average age of an adult in the ex-Service community being 63 years old in 2005, compared with 47 years old for the general population (see section 2.3.3).
- The Ministry of Defence (MOD) has primary responsibility for the health, wellbeing and welfare of Service personnel and their immediate families. It also provides support for their transition to civilian life (see section 2.4). After that, provision for the ex-Service community hands over to mainstream public services such as the NHS, charities and private providers (such as employers and private housing providers).
- The government has put in place a large body of legislation over the last decade to try to ensure better outcomes of transitioning to civilian life, and has recently put over £65 million of LIBOR (the London interbank offered rate) fines funding into the armed forces welfare charity sector to increase support (see section 2.5).
- The specialised needs of ex-Service personnel, cuts to services and the gaps in the quality of provision from the NHS, plus the long history of armed forces charity assistance blur the boundaries between public and charitable provision and these boundaries are liable to become even more indistinct in future (see section 2.6).

- Owing to the aging profile of the ex-Service population, the community is more likely than the UK general population to experience various long-term physical health conditions and there has been an increase in these conditions since 2005 (see section 2.7.1).
- Mental health is a particular concern for the ex-Service community with the MOD reporting that between 2007/08 and 2013/14 mental health disorders increased among all serving personnel by 74% (see section 2.7.2).
- Certain groups including Early Service Leavers (those who leave before having completed four years in Service), reservists and those who have seen active combat tend to be more vulnerable to certain mental health issues (see section 2.7.2).
- Access to help needs to be improved, particularly for those seeking mental health support (MOD figures show that nearly half of those who sought help were not able to access it in 2013/14) and Early Service Leavers who need a greater amount of help with transitioning to civilian life (see section 2.7.3).
- While the majority of ex-Service personnel experience very few difficulties with transitioning to civilian life after the armed forces, a significant minority require specialist care (see section 2.7.5).
- The increased number of personnel leaving the Service as a result of the reductions, plus the increase in the numbers of Service and ex-Service personnel with additional needs caused by active combat in Iraq and Afghanistan are likely to put added pressure onto charitable provision and a stretched NHS (see section 2.7.8).
- The literature suggests that increasing the profile of the armed forces charity sector (including the entry of high-profile new charities) raises public donations across the sector (see section 2.8).

## 2.1 A BRIEF HISTORY OF ARMED FORCES CHARITIES

The modern origins of the armed forces charity sector can be traced back to the nineteenth century. Its evolution ever since has been strongly influenced by Britain's military campaign history. The UK's oldest tri-Service armed forces charity still in operation is SSAFA. SSAFA originated as the Soldiers' and Sailors' Families Association in 1885. In February that year, as the second expeditionary force set sail for Egypt during Britain's Sudan campaign, Major James Gildea wrote to *The Times* appealing for funds and volunteers to look after families left behind. With donations flooding in, the Soldiers' and Sailors' Families Association was born: 'By the end of its first year, 231 women and 466 children had received grants totaling £515 and 10 shillings' (SSAFA n.d.). In 1921, the charity changed its name to The Soldiers', Sailors' and Airmen's Families Association following the creation of the Royal Air Force (RAF) in 1918.<sup>1</sup>

<sup>1</sup> Prior to SSAFA, some smaller charitable funds connected to regiments of the British Army had already been established. For instance Sir James McGrigor, Director General of the Army Medical Service, set up two funds early in his tenure for widows (the Army Medical Friendly Society in 1816) and then orphans (the Army Medical Officers' Benevolent Society in 1820).

Following these beginnings, it was the outbreak and the consequences of the First World War that led to the unprecedented growth and expansion of UK armed forces charities. Extra help from the public was certainly needed at a time when the British welfare state was not yet in existence. More than 6 million men served in the First World War – 725,000 never returned. Of those who did, 1.75 million had suffered some kind of disability and half of these men were permanently disabled.

To this figure then had to be added those who depended on those who had gone to war – the wives and children, widows and orphans as well as the parents who had lost sons in the war, on whom they were often financially dependent. But even those who had come through the war relatively unscathed struggled with employment. As a result of the war, Britain's economy plummeted and in 1921 there were 2 million unemployed.

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When the First World War began in the early days of August 1914, many wealthy and well-connected people visited Whitehall and volunteered to put their substantial resources at the disposal of the War Office (Harris 2014). Ex-Service personnel themselves also organised support groups. Such help gradually coalesced into more formal charitable organisations.

Between 1916 and 1920, 11,407 wartime charities were registered (another 6,492 were exempted from registration) (ibid.). Many of today's most well-known armed forces charities have their origins in that period and are still going today, almost 100 years later. For example:

- **Blind Veterans UK** (formerly St Dunstan's) was founded in 1915 by Sir Arthur Pearson, who then owned the *Evening Standard* and founded the *Daily Express*. Having lost his own sight through glaucoma, he was shocked at society's attitude to blindness. He decided to help those who had lost their vision in the First World War by giving them the care and rehabilitation they needed to lead constructive, self-sufficient lives (Blind Veterans 2013).
- **Blesma, The Limbless Veterans** (formerly the British Limbless Ex-Service Men's Association) was founded in the years following the First World War when 40,000 Service men who had lost limbs or eyes during the war faced mass unemployment and subsequent deprivation – 90% of the nation's war limbless could not find work. During this period the limbless gathered together in groups determined that if society would not help them, they would help themselves. So the Limbless Ex-Service Men's Association was born and grew, finally achieving national status in 1932 as the British Limbless Ex-Service Men's Association – Blesma (Blesma 2013).
- **RAF Benevolent Fund** was founded by Lord Trenchard in 1919, a year after he founded the RAF, to provide direct welfare assistance to the 16,000 casualties, 2,600 widows and dependants, and 7,500 badly incapacitated men of the fledgling RAF, who often had little or no chance of employment for the rest of their lives (RAFBF 2014).
- **The Not Forgotten Association** was founded in 1920 by Marta Cunningham, American-born soprano singer and philanthropist, with the object of providing entertainment and recreation for the war-wounded to alleviate the tedium of their lives and give them something to which they could look forward (NFA 2013).

- **The Royal British Legion** was formed in 1921 by Lance Bombardier Tom Lister, who decided that the government of the day was not doing a good enough job of improving the lives of ex-Service personnel. This eventually led to the formation of The British Legion from the amalgamation of four ex-Service personnel organisations that had established themselves after the First World War. The charity was granted Royal status in 1971, and in 1981 extended its membership to serving members of Her Majesty's Forces, as well as ex-Service personnel (TRBL 2014a).

Modern estimates using registration figures from the Charity Commission (prior to this research) put the number of armed forces charities registered in England and Wales at around 2,000 (Grenville 2013), with several thousand more unregistered.<sup>2</sup> No figures were available for armed forces charities in Scotland or Northern Ireland.<sup>3</sup>

## 2.2 DEFINING THE BENEFICIARY POPULATION

Establishing who is and is not a member of the armed forces beneficiary population is not necessarily straightforward. Who is a 'veteran', for instance?

While the term veteran may be a common one, we do not use it in this report (except when used in quotations or in reference to government terminology, publications, etc.) since it holds some connotations which can cause confusion, not least of which is that the Latin root of the word comes from the word *vetus*, meaning 'old', and yet ex-Service personnel of the British armed forces can be as young as 16. Instead, we use the term 'ex-Service personnel' to denote anyone who has served (even for a day) in the UK armed forces, excluding their dependants. If we are talking about ex-Service personnel and their dependants we use the term 'ex-Service community'. To refer to serving *and* ex-Service personnel and their dependants we use the term 'armed forces community'.

The UK government has adopted a very inclusive definition of veterans: 'Those who have served for at least a day in HM Armed Forces whether as a Regular or as a Reservist' (MOD 2000, p. 4). This definition does not require personnel to have been deployed on active service or even that they have completed basic training.

The UK government's definition of veteran and the wider armed forces community is also broad in comparison with other countries' definitions. For instance, the Australian government defines veterans as personnel who have served in an active deployment overseas (Dandeker et al. 2006, p. 166). Furthermore, it has also been shown in a King's Centre for Military Health Research study that the way UK ex-Service personnel self-identify does not align with the official UK government definition. Those who identified themselves as veterans were more likely, for instance, to have served as regular personnel rather than in the reserves. Neither does it fit with the public perceptions of veterans, which tend to focus on older ex-Service personnel and/or those who served in both World Wars (Burdett et al. 2012, p. 4). Some members of the general public and some armed forces welfare charities would rather that scarce resources are targeted at those ex-Service personnel who, by virtue of their operational armed forces service, 'genuinely deserve compensation' (Dandeker et al. 2006, p. 170).

<sup>2</sup> Which are beyond the scope of this report.

<sup>3</sup> Charity Choice ([charitychoice.co.uk](http://charitychoice.co.uk)) lists 11 armed forces and ex-Service charities for Scotland and 6 in Northern Ireland.

Most recently, Lord Ashcroft, the independent lead on the review of veterans' transition services was critical of the UK government's definition, recommending that the MOD 'should re-examine this and refine the criteria to produce an acceptable qualification with greater credibility and exclusivity' (Ashcroft 2014, p. 24).

Supporters of the wider definition argue that this conception of the term is needed because it catches those who have served shorter terms who are the most at risk of social exclusion (see section 2.7.2.1). Indeed, it was speculated that the broad definition was chosen in recognition of the fact that those who serve for shorter periods of time may suffer greater issues of social exclusion (Dandeker et al. 2006, p. 166-167).

The welfare needs of ex-Service personnel will be discussed in greater detail in section 2.7.

## 2.3 THE DEMOGRAPHIC PROFILE OF THE UK ARMED FORCES COMMUNITY

The Royal British Legion and Compass Partnership estimated that, as of 1 April 2014, there were 198,810 serving personnel in the UK armed forces and 270,963 dependants including spouses and dependent children. As at 1 July 2014, the number of serving personnel had slightly fallen to 196,500. Overall, there has been a 15.5% reduction in the number of serving personnel since April 2011 (MOD 2014a, pp. 12 and 26).

These falling figures are in line with the planned reductions set out in the coalition government's 2010 Strategic Defence and Security Review of 17,000 UK regular armed forces personnel by 2015 (see table 2.1), later revised to 29,000 (MOD 2010). Furthermore, as a result of a Three-month Review in 2011, this number was further revised to 33,000 by 2020 (or 19% of the Services from the 2010 baseline), with the majority of the reduction in the British Army (Brooke-Holland and Thurley 2014). Further cuts may be announced as part of the next Strategic Defence and Security Review in 2015 (Gribble et al. 2014, p. 50). In tandem with these reductions, the government is pursuing its Future Reserves 2020 programme, which aims to increase the size of the reserve force as a proportion of the overall armed forces, expand the role of reservists and integrate them more into the armed forces structure (MOD 2011a, p. 5).

In addition, part of the Strategic Defence and Security Review plan is to close UK armed forces bases in Germany resulting in the return of 20,000 Service personnel and their families between 2010 and 2020 (MOD 2010, pp. 28 and 32). Around 70% of British Army personnel will be brought back from Germany by the end of 2015, with the final 4,300 back by the end of 2019 (Hill n.d., p. 43).

Table 2.1

Reductions in personnel by Service against 2010 baseline (MOD 2010, p. 32)				
Service	Number of regular personnel: reduction required	Required number of regular personnel 2015	Number of reserves: increase required <sup>4</sup>	Required number of reserves 2015 (trained strength)
Royal Navy/ Royal Marines	(5,000)	30,000	+1,200	3,100 Maritime Reserves
British Army	(7,000)	95,000	+10,000	30,000 Territorial Army
Royal Air Force (RAF)	(5,000)	33,000	+620	1,800 Royal Auxiliary Air Force

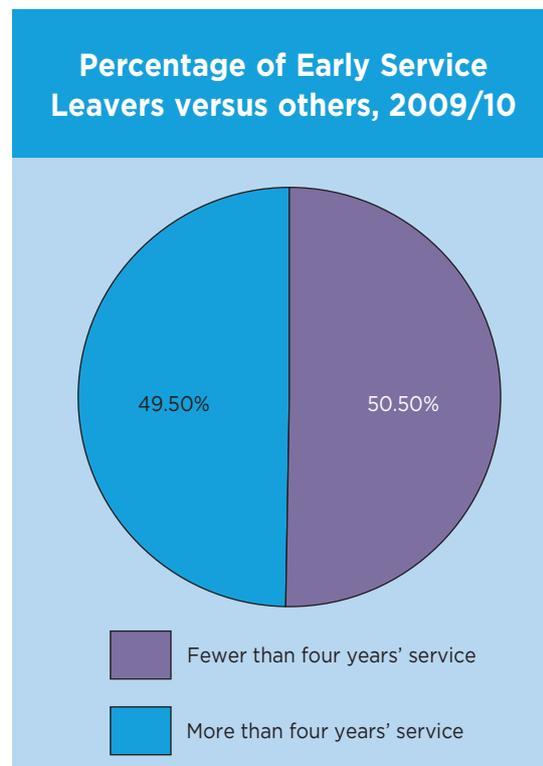
A shrinking armed forces is not a new phenomenon. The number of armed forces personnel has been falling consistently since the end of the Second World War. In 1991, at the time of the First Gulf War, the UK had around 5.3 Service personnel per 1,000 of the population. By 2013 this had fallen to around 2.7 per 1,000 (MOD 2014b, p. 15).

### 2.3.1 Average number of years served

According to a Royal British Legion/Compass Partnership survey in 2005, the average number of years served by ex-Service personnel was six years (TRBL and Compass Partnership 2005). In 2014 that average had moved up to seven years. In addition, a greater number (21%) served for more than ten years, versus 16% in 2005 (TRBL and Compass Partnership 2014).

Conversely, in 2014 a greater proportion of ex-Service personnel – more than one-third (37%) – had served fewer than three years, versus 34% in 2005 (ibid.). As shown in figure 2.1, in

Figure 2.1



<sup>4</sup> Based on 2011 figures at time of publication of Future Reserves 2020 (MOD 2011a, pp. 29–30).

2009/10, half of those who left the service had served fewer than four years (FiMT and The Futures Company 2013); these ex-Service personnel are known as Early Service Leavers. This is significant because there appear to be large differences in the outcomes of transition for Early Service Leavers versus personnel who leave after four years (see section 2.7.2.1).<sup>5</sup>

### 2.3.2 Ex-Service community profile

Around 20,000 personnel leave the armed forces every year in the UK (MOD 2014a), with 23,830 Service leavers in 2012/13 (MOD 2014c p. 18), but there are no official statistics available for the UK ex-Service population or the entire armed forces community. Unlike other countries, the national census does not include a question concerning armed forces service. This makes accurately identifying the precise armed forces population size difficult and we must therefore rely on professional estimates (based on relatively small samples of <10,000). The MOD is working with the Office for National Statistics to add a veterans identifier to the Integrated Household Survey, but this has not yet yielded any results (MOD 2013a, p. 9).

Three estimates have been produced in recent years, which show fluctuations in this population and a decrease in ex-Service personnel. In 2005 The Royal British Legion with Compass Partnership extrapolated from a representative sample of UK adults aged 16 years and over living in private residential dwellings. They estimated that there were approximately 4.8 million ex-Service personnel aged 16 years and over (or about 8% of the UK adult population living in private residential households) and around 5.37 million dependants. In addition, 0.4 million of the ex-Service community were estimated (this population was not surveyed) to be living in communal establishments. Including this estimation, the entire ex-Service community was evaluated to be around 10.5 million, or 18% of the UK population (TRBL and Compass Partnership 2005, pp. 7 and 17).

Using data from a 2007 nationally representative residential survey of England, the Office for National Statistics estimated the number of ex-Service personnel residing in private households in England to be approximately 3.8 million or around 9.1% of the English population aged 16 and older (ONS 2009, p. 51). This was consistent with the Royal British Legion/Compass Partnership 2005 figures for England (ibid. p. 53).

In 2014 The Royal British Legion with Compass Partnership once again published an estimate of an ex-Service personnel population, this time of around 2.8 million or 4.4% of the UK population, plus 3.1 million dependants living in residential households. In addition 190,000 to 290,000 were estimated to be living in communal establishments such as care homes. Including this estimate, this makes an ex-Service community total of around 6.1 to 6.2 million or 9.5% to 9.6% of the UK population (TRBL and Compass Partnership 2014). This percentage has declined from 18% in 2005, probably illustrating the loss of older ex-Service personnel from the World Wars who will not be replaced in the same numbers by the current generations of serving personnel.

<sup>5</sup> Four years is the minimum enlistment for British Army recruits aged over 18. Those under 18 must enlist until their 22nd birthday. Royal Navy and RAF recruits must serve a minimum of three-and-a-half years after completion of basic training, or four years (whichever is longer). After this they must give one year (British Army and Royal Navy) or 18 months (RAF) notice to leave. There are penalties for leaving before this time has elapsed (after a three- to six-month cooling-off period, according to Service). On leaving the Service, personnel are transferred automatically into the reserves for six years and may be called upon at any time for up to 16 days in any year, or longer during times of emergency. Concerns have been raised, such as by SSAFA and ForcesWatch, over the rates of confusion amongst recruits over their terms of employment. This confusion is compounded by the fact that around half of all recruits below officer level have a reading level at or below that of the average 11-year-old. ForcesWatch reports that 2,000 to 3,000 recruits have gone AWOL (absent without official leave) over the last ten years. (ForcesWatch 2011, pp. 1-2)

This study's estimate of those living in communal establishments such as care and nursing homes (using 2011 census figures) amounts to around 4% to 5% of the ex-Service community (the figure for the general adult population of the UK is less than 1%). However, it is possible that these figures may underestimate the total size of the ex-Service personnel population, as those in communal establishments (such as prisons, hostels, nursing homes, and including those who are homeless) were not surveyed.

The number of ex-Service personnel is expected to continue to decrease in coming years from 6.21 million in 2014 to 5.45 million in 2020, 4.7 million in 2025 and 3.94 million in 2030 (all other things remaining equal) (TRBL and Compass Partnership 2014).

### 2.3.3 The ex-Service community in more detail

The Royal British Legion and Compass Partnership have profiled the ex-Service community population in some detail. The two sub-populations (both ex-Service personnel and their dependants) are often described together since an armed forces person faces many different issues as a result of Service life together with their spouse or partner and children. Some of this detail is summarised below, and supplemented by other sources. (Unless stated otherwise, all information is sourced from TRBL and Compass Partnership (2014).)

- **Age:** the ex-Service community is older than the population as a whole. The average age of an adult in the ex-Service community was 63 years old in 2005, compared with 47 years old for the general population. An estimated 28% were over 75 years old in 2005; now that number is 46%, compared with 10% of the general population; 64% are over 65 years old. The number of those in the ex-Service community who are under 65 years old has fallen sharply in the last decade between 2005 and 2014 while the 75 to 84 age group has grown. This 75 to 84 age group explosion is a one-off, however, and represents the National Service generation reaching old age at a time when life expectancy is increasing.
- **Gender:** the vast majority of ex-Service personnel are male (89%). Of the whole ex-Service community 53% are male and 96% of dependants are female. Female Service personnel, as at 1 July 2013, accounted for 12.6% of officers and 9.2% of other ranks, an increase from 4.8% of officers and 5.0% of other ranks in 1980 (Berman and Rutherford 2013).
- **Ethnicity:** the ex-Service community has fewer members from non-white minority ethnic groups (1.7%) compared with the general population (12.4%).
- **Education:** only 11% of the ex-Service community aged 16 to 34 have a degree, compared with 54% in the same age group of the general population of England and Wales.
- **Employment:** 37% of the ex-Service community aged 16 to 64 are out of work, compared with 27% of the same age group in the general UK population, with 24% of this age group in the ex-Service community being on means-tested benefits.
- **Housing:** approximately 95% of the ex-Service community live in private residential households, with 4% to 5% residing in communal institutions (such as care homes and hospitals).

## 2.4 THE ROLE OF THE MINISTRY OF DEFENCE

In this centenary year of the outbreak of the First World War, the UK has one of the largest defence budgets in the world at the equivalent of around 60 billion US dollars (Wyatt 2014), which was 2.3% of GDP in 2013 (World Bank n.d.); however, major cuts to this budget are afoot. A recent study by the Royal United Services Institute (RUSI) predicts Britain's spending on defence could fall to 1.88% of GDP - below the Nato benchmark of 2% - by 2015 (Chalmers 2014, p. 1).

The MOD is at the heart of government provision for serving personnel in the armed forces. In operation since 1946, it employed 181,000 Service personnel, 64,000 civilian staff and had a gross operating cost of £39.2 billion as at 2012/13 (NAO 2013, pp. 8-9). It provides housing, on-site family services and healthcare, pensions, and transitioning services including re-employment programmes. The main items making up this in-Service expenditure are detailed in sections 2.4.1 to 2.4.5. The MOD owns an estate of around 230,000 hectares valued at around £25 billion (MOD 2013b, p. 61). It is also responsible for three executive non-departmental public bodies (also known as arm's-length bodies) that fall under MOD accounting: the National Army Museum, the National Museum of the Royal Navy, and the RAF Museum. These museums, sponsored by the MOD, are also registered charities in England and Wales.

In addition, the MOD supports organisations providing support in various forms to the whole armed forces community with around £179 million worth of grant-in-aid in 2012/13 (these grants also support remembrance and other remits) (MOD 2013b, p. 121).

The MOD spent £55,000 per Service person in direct personnel costs in 2012/13, up from £52,000 in 2011/12, which reflects in part the increase in pay for armed forces personnel (MOD 2013b, p. 8).

### 2.4.1 Housing

The MOD provides short- and long-term housing and accommodation for all personnel and their immediate families in order to facilitate the mobility of troops. It supplies Service family accommodation to around 42,000 armed forces personnel and their families in the UK. Single living accommodation is also supplied with a worldwide stock of 160,000 available spaces. Service personnel pay a monthly charge for the property which is significantly below the market rate (reflecting the fact that they have no choice about where they live and have no right to buy their property). The annual cost to the MOD of this accommodation is around £425 million per annum (Burr 2009, p. 4).

On top of this, the MOD rents around 1,300 properties from the private sector to cover shortfalls of suitable available accommodation, costing around £16 million per annum. All properties are maintained by the MOD, except for minor repairs, handled via a single housing prime contract (ibid., pp. 5-6).

## 2.4.2 Healthcare and mental health

The uniformed medical and dental personnel from all three Services are known collectively as the Defence Medical Services. The Defence Medical Services has the primary role of ensuring that Service personnel are ready and medically fit to serve. It has over 7,000 regular personnel and provides healthcare to about 258,000 people. It runs 15 Regional Rehabilitation Units across the UK and Germany, has five MOD Hospital Units embedded into NHS hospital trusts which provide specialist care (also known as acute trusts), and runs the Royal Centre for Defence Medicine in Birmingham. In addition it has 16<sup>6</sup> armed forces-run Departments of Community Mental Health in the UK, with an additional five at the major permanent overseas bases (MOD 2012a).

The MOD provides compensation payments where illness, injury or death is caused by serving in the armed forces. Tax-free lump-sum awards range from £1,200 to £570,000 under the Armed Forces and Reserve Forces Compensation Scheme, which also provides monthly Guaranteed Income Payments for those with serious injury or illness (MOD 2014e).

The Armed Forces Mental Health Strategy provides the framework for optimising levels of mental health in the armed forces. It includes a duty to ensure that Service families and ex-Service personnel who are in need are appropriately cared for by the NHS (in partnership with others). The MOD provides outpatient mental healthcare for serving personnel through the 16 regional Departments of Community Mental Health and centres overseas. Inpatient care is provided by specialist psychiatric units under contract from the NHS. The MOD is working to implement the recommendations of Dr Andrew Murrison's 2010 report, *Fighting Fit*, with the Department of Health, the NHS and charitable organisations. These recommendations include building in a mental health systems enquiry into routine Service medical examinations and giving access to the Royal Centre for Defence Medicine for Service leavers for up to six months after discharge (MOD 2014d, p. 1).

Armed Forces Networks across the UK, which are closely linked with regional armed forces structures, meet regularly to help ensure that those commissioning, delivering, supporting or caring locally or regionally in the NHS, MOD, local authorities and armed forces charities work collaboratively (NHS England 2014).

In addition, NHS-funded National Veterans Mental Health Networks help to ensure that ex-Service personnel and their families get the right treatment, whether from a GP, hospital, mental health service or other charities (ibid.).

Ex-Service personnel with mental health needs are entitled to priority treatment from the NHS for Service-related conditions. The MOD complements NHS treatment with the Veterans and Reserves Mental Health Programme which has provided full mental health assessments for reserves deployed on operations since 2003 and ex-Service personnel with operational Service since 1982. It also provides funding for some war pensioners' treatment by the charity Combat Stress (for those Service-related mental health issues caused before 6 April 2005 where this is not covered by other UK legislation) (ibid.; MOD 2014d, pp. 12-13).

<sup>6</sup> The MOD report cited (MOD 2012a) refers to 15 Departments of Community Mental Health in the UK in 2012; this number has gone up to 16, as referred to in MOD 2014d).

## CASE STUDY

### The Defence Recovery Capability

The Defence Recovery Capability is an MOD-led initiative, managed in partnership with Help for Heroes and The Royal British Legion alongside other armed forces charities and agencies. It is designed to ensure that wounded, injured and sick personnel have access to the key services and resources needed to help them either return to duty or make a smooth transition into an appropriately skilled civilian life. This care is delivered by the Services and armed forces charities. Each person under the Defence Recovery Capability has an individual recovery plan which sets out a recovery pathway for the individual, integrating all aspects of recovery including medical care, welfare, housing, education, reskilling, work placements, and employment issues and opportunities.

In cases that are particularly complex or when recovery is likely to take more than 56 days, individuals may be transferred to a Personnel Recovery Unit. There are 11 Personnel Recovery Units (armed forces units for the command and care of wounded, injured and sick personnel with the greatest need) spread across the UK and in Germany. These are MOD units funded and staffed by the three Services, although the unit in Germany receives substantial support from The Royal British Legion. A range of other charities underpin these units, for example ABF The Soldiers' Charity funds the provision of the Special Employment Consultants to these units on behalf of the Defence Recovery Careers Service.

Personnel Recovery Units can refer cases to a number of further specialist units, such as MOD regional rehabilitation units and Personnel Recovery Centres. Personnel Recovery Centres offer residential facilities to those wounded, injured and sick personnel from across the armed forces undergoing recovery as well as providing facilities for day attendees; they are not hospitals or rehabilitation centres. Personnel Recovery Centres are situated within or close to garrisons, and are currently in Catterick, Colchester, Tidworth, Edinburgh and Sennelager in Germany.

The Personnel Recovery Centres in Catterick, Colchester and Tidworth are funded by Help for Heroes, and partly supported by the MOD and The Royal British Legion. The Edinburgh Personnel Recovery Centre is separately funded by the Legion (in partnership with the Scottish armed forces charity Erskine). The Legion has also committed funding to the Battle Back Centre in Lilleshall (West Midlands). The Battle Back Centre provides sports and adventurous activities for wounded, injured and sick personnel from all three Services (TRBL n.d.)

The Recovery Career Services was also launched as part of the Defence Recovery Capability in May 2013 to ensure that wounded, injured and sick personnel are given every opportunity of competing in the civilian employment market. The Recovery Career Services is intrinsically linked with the Career Transition Partnership, the MOD provider of resettlement services (see section 2.4.5).

*Unless otherwise stated, the source for this case study is MOD 2012b.*

## CASE STUDY

### Defence Medical Rehabilitation Centre

The Defence Medical Rehabilitation Centre at Headley Court (Surrey) is a national MOD centre of excellence which provides rehabilitation services to Service personnel following injury, often including prosthetics for amputees. Originally founded as RAF Headley Court after the Second World War for the treatment of injured RAF aircrew, Headley Court has been operational for over 60 years and is now part of the Joint Medical Command.

Following a warning from the National Audit Office that the Royal Centre for Defence Medicine at Selly Oak and the Defence Medical Rehabilitation Centre at Headley Court were reaching capacity just as 4,000 British troops were preparing for a major offensive against the Taliban in Afghanistan in May 2008, the government announced that the facilities at Headley Court would be upgraded at a cost of £28 million (Lost Hospitals of London 2014).

Between 2010 and 2012, the facility increased the number of beds available for 'complex trauma' patients from 18 to 66 in a £21 million project funded by Help for Heroes and delivered by Capita (Capita 2014). At present there are 135 hostel rooms for force generation patients and 96 inpatient beds to support those who need more nursing support (RAF 2014). The facilities, set in 85 acres of landscaped gardens, include a hydrotherapy pool, swimming pool, four fully equipped gyms and a state-of-the-art limb-fitting and amputee centre (NHS Choices n.d.).

A Care Quality Commission Report in June 2012 recognised the care and rehabilitation given to patients at Regional Rehabilitation Units and at the Defence Medical Rehabilitation Centre Headley Court as exemplary (CQC 2012).

In February 2013, the UK government made £17.5 million available to ensure that Headley Court and nine specialist NHS facilities in England would be able to provide both injured personnel and ex-Service personnel with the most technologically advanced prosthetics available, where it is clinically appropriate (MOD 2013a, p. 20).

Despite its success, plans are currently underway for a new £300 million Defence and National Rehabilitation Centre to replace Headley Court. This will be based at Stanford Hall, near Loughborough. The new centre will be funded by donors led by the Duke of Westminster, who bought the stately home in 2011. The MOD has stated that the new facility is due to open at the end of 2017. All Help for Heroes-funded facilities will be transferred to Stanford Hall, and a new hydrotherapy pool will be built at Stanford with all costs met by the Duke of Westminster's charity.

The move has caused concern to some. For example, Headley Court is a Defence Medical Rehabilitation Centre, but Stanford Hall would be a Defence *and National* Rehabilitation Centre, meaning that Stanford Hall would not be exclusively for armed forces personnel but would be used to treat the wider public, for example people who have been involved in car accidents (BBC 2014). The much larger site near Loughborough has been chosen because it is 'strategically well placed to serve all parts of the UK', being close to the Queen Elizabeth II hospital in Birmingham, where injured troops are repatriated from overseas, and also close to transport links such as the M1 and East Midlands airport (Stanford Hall Estate Redevelopment 2012). This holds strong merit, given the strong concentration of other armed forces resources in the South (see Chapter 5 for further details).

Additional fundraising for Stanford Hall will be coordinated through a new charity known as The Black Stork Charity (CC no. 1141934), whose charitable objects are:

concerned with the promotion of health through: provision of clinical rehabilitation of members of the Armed Forces; the promotion generally of rehabilitation medicine including research; and provision of facilities, equipment or services to restore people who have experienced a disabling disease or injury (regardless of profession) to optimum physical and psychological function and to enable such people to return to and remain in appropriate work. These objects reflect the broad vision of the DNRC [Defence and National Rehabilitation Centre] as an establishment that will benefit both Defence and the nation, with the 2 facilities on the same site being mutually reinforcing in terms of sharing best practice, research and the opportunity to benefit from the healing environment that the site offers.

**Stanford Hall Estate Redevelopment 2012**

### 2.4.3 Education

The MOD provides grants to personnel who have served for more than six years and who wish to study for additional educational qualifications which may help with life after Service.

### 2.4.4 Operational welfare

The MOD has long-standing operational welfare structures to support serving personnel under the Deployed Welfare Package. This includes free phone calls for 30 minutes a week, Wi-Fi access and internet facilities for deployed personnel, and the Families Welfare Grant to support their families (MOD 2014d, p. 14).

## 2.4.5 Transitioning

The MOD provides help to bridge the gap when armed forces personnel transition back to civilian life and to mitigate the potential negative consequences of transitioning in a number of ways including in partnership with a number of organisations, services and programmes:

- **The Career Transition Partnership** is a partnering agreement between the MOD and Right Management Ltd, which provides resettlement support, career transition advice and training opportunities. In 2012/13, 81% of Service leavers were eligible for resettlement support by the programme. Of those who were eligible, 91% registered with the Career Transition Partnership (of *all* Service leavers, 74% registered for the programme). Between 2010/11 and 2013/14, the success rate of those using the programme being in employment within six months of leaving the Service has ranged from a low of 82% (in quarter 3 of 2009/10) to a high of 88% (in quarter 1 of 2011/12) (MOD 2014c, pp. 1, 17-18). See also section 2.7.6.
- **The MOD Joint Service Housing Advice Office** runs the MOD Referral Scheme which offers Service leavers an additional route into social housing. In addition, a new Forces Help To Buy pilot scheme, which came into being in April 2014 under the New Employment Model, allows personnel to borrow up to 50% of their salary (to a maximum of £25,000) to buy their first home or move to another property (MOD 2014d).
- **The Troops to Teachers programme** sponsors Service leavers to train as teachers, in response to the Schools White Paper, 2010.
- **The Veterans Welfare Service** is part of Veterans UK, which is administered by the MOD, and offers advice and support to ex-Service personnel and their families, particularly around War Pensions and Armed Forces and Reserve Forces Compensation Schemes. It runs a 24-hour helpline and can refer people to some of the relevant services provided by the public and private sectors and by charitable organisations.

In addition to central MOD support, ex-Service personnel and their families can receive aftercare from their own Service charities and benevolent funds, whether the Royal Navy, the Royal Marines, the British Army or the RAF. For British Army ex-Service personnel and families, corps and regimental charities are the first port of call for welfare assistance. These charities are administered from corps and regimental headquarters - which are MOD establishments - and, to a large extent, staffed by MOD employees. Therefore, there is an element of public funding going to support these charities in the form of donated facilities and staff. The income of these charities, however, is self-generated and not provided by the MOD or any other public source of funding. These charities will be explained in detail in chapters 3 and 6.

## 2.5 THE ROLE OF LEGISLATION AND OTHER GOVERNMENT ACTION

### 2.5.1 Recent legislation

The objective that those in the armed forces community should not face any disadvantages in comparison with the rest of the UK population has led to legislation and provision to help with the transition back into the civilian population and to support those men and women returning from combat with physical or psychological injuries. Table 2.2 lists some of the relevant recent legislation and reports.

Table 2.2

Legislation and reports with recommendations	
Legislation	Notes
<b>Armed Forces Covenant, 2000</b>	See section 2.5.2.
<b>Establishment of a Minister for Veterans, 2001, now evolved into the Minister of State for Defence Personnel, Welfare and Veterans</b>	Responsible for fulfilling the commitments of the Armed Forces Covenant – current incumbent, Anna Soubry MP.
<b>Strategy for Veterans launched in 2003, published in 2006 (MOD 2003), this has been superseded by the 2014 National Vision for Veterans (MOD 2014f)</b>	<p>Alongside the launch of the Veterans Initiative (since evolved into the Veterans Programme) in recognition of the special status of the ex-Service community and of the need to ensure that veterans' issues are approached in a systematic way.</p> <p>This shared vision for veterans seeks to provide a focus for driving coherence amongst those with responsibilities for, or interests in, the UK's ex-Service community. It builds on the principles enshrined in the Armed Forces Covenant to create an overarching vision for veterans that embraces the full opportunity for them to achieve, to contribute and be recognised in society. It is, for the first time, a shared vision and set of principles for veterans that has been endorsed by key Government departments, Devolved Administrations, Local Government Association and UK Service charities.</p> <p style="text-align: right;"><b>Cobseo 2014</b></p>
<b>Establishment of the Veterans' Transition Special Representative</b>	As part of the coalition government's plans to support ex-Service personnel, Lord Ashcroft was appointed as the Veterans' Transition Special Representative in 2010 with the task of making sure that the Armed Forces Covenant is kept on track and that 'military personnel get the support they need when making the transition to civilian life' (MOD 2012c).

## Legislation and reports with recommendations

***Fighting Fit - a report into the mental healthcare for ex-Service personnel (Murrison 2010)***

This is part of the coalition government’s plans to ‘provide extra support for veterans’ mental health needs’ (HM Government 2010). The report contains four principal recommendations:

- The incorporation of a structured mental health systems enquiry into existing medical examinations performed whilst serving. The integration of mental health assessments into routine medicals has since been achieved (MOD 2013b).
- An uplift in the number of mental health professionals conducting veterans outreach work from Mental Health Trusts in partnership with a leading mental health charity. This is being delivered via the set-up of regional mental health services dedicated to the care of ex-Service personnel with mental health problems (MOD 2012d).
- A Veterans Information Service to be deployed 12 months after a person leaves the armed forces. This is supplied by Veterans-UK, part of Defence Business Services (DBS) within the MOD.
- The trial of an online early intervention service for serving and ex-Service personnel – Big White Wall is a trial service for serving and ex-Service personnel and their families; while Combat Stress is being funded by an additional £2 million to help their services, including a 24-hour helpline (MOD 2012d).

***A better deal for military amputees - a report dealing especially with prosthetic limbs (Murrison 2011) (Also see the Defence Medical Rehabilitation Centre case study on page 26)***

In the wake of the 2010 Armed Forces Bill which recommended special provision for injured ex-Service personnel, especially amputees, and the publication of *Fighting Fit*, this report reflected concern by armed forces charities and some serving personnel who have been seriously injured, that the NHS may not be equipped to provide prosthetic services to the same standard as the Defence Medical Service at Headley Court, and recommended the national specialist commissioning of prosthetics and rehabilitation.

In February 2013, the UK government made £17.5 million available to ensure that Headley Court and nine specialist NHS facilities in England would be able to provide both injured personnel and ex-Service personnel with the most technologically advanced prosthetics available (MOD 2013a, p. 20).

**Armed Forces Act 2011**

An update to the Armed Forces Act 2006, including the coalition government’s previously stated commitment to put the Armed Forces Covenant into law.

**Armed Forces Covenant, 2011**

See section 2.5.2.

## Legislation and reports with recommendations

### **Veterans' Transition Review (Ashcroft 2014)**

This review broadly concluded that although there is no shortage of provision for Service leavers, preparation by the individual and the supply of information are crucial for a good transition. Lord Ashcroft's key recommendations of relevance were as follows:

- Encourage, through Cobseo, (the Confederation of Service Charities, detailed in section 2.6.3.), greater cooperation, collaboration and consolidation in the armed forces charity sector.
- Establish a directory of accredited armed forces charities that meet quality criteria in terms of governance and effectiveness. Inclusion in the directory would be necessary for the charity to be eligible for public funding, referral or signposting. The directory would be run by Cobseo.
- Make Cobseo the single point of advice to HM Treasury on the allocation to armed forces charities of fines imposed on banks that tried to rig the London interbank offered rate (LIBOR). Distribution is decided by a committee convened by the Armed Forces Covenant Reference Group chaired by the Cabinet Office.
- The Veterans Welfare Services and armed forces charities to establish a single 24-hour contact centre with a single telephone number and web address for all Service leavers.

## 2.5.2 The Armed Forces Covenant

The Armed Forces Covenant is a term that was coined in the year 2000 and enshrined into law in May 2011 (MOD 2000; MOD 2011b). However, it embodies inherent obligations of the state towards armed forces personnel which some would argue stretch back much further (McCartney 2010). The Covenant applies to serving and ex-Service personnel, their families and the bereaved. It states that: 'the whole nation has a moral obligation to the members of the [armed forces], together with their families. They deserve our respect and support, and fair treatment' (MOD 2000, p. 1).

The Covenant has two main principles:

- the armed forces community should not face disadvantage compared with other citizens in the provision of public and commercial services;
- special consideration is appropriate in some cases, especially for those who have given the most, such as the injured or bereaved.

To back up the Covenant, the government allocated an initial £35 million to the Covenant Reference Group (to form the Armed Forces Community Covenant (LIBOR) Fund) from fines levied on those banks and financial institutions found to have manipulated or attempted to manipulate the LIBOR for their own gain. All of this money has now been allocated. For

example, in the third tranche in December 2013, £1.94 million was allocated to build houses for disabled ex-Service personnel in Scotland, £996,000 was allocated for a peer mentoring scheme run by Change Step for hard-to-reach ex-Service personnel in Wales, and £575,000 was allocated to Combat Stress to set up a 24-hour helpline for members of the armed forces community dealing with mental health issues (MOD 2014d, p. 11). A further £2.26 million was announced in August 2014 to support ex-Service personnel in Wales (Prime Minister's Office and MOD 2014).

An extra allocation to the MOD of up to £40 million of a further £100 million of LIBOR fines was announced in the *Autumn Statement 2013* and has gone into the Veterans Accommodation Fund in order to support projects which provide ex-Service personnel accommodation (HM Treasury 2013). The Chancellor has since announced that, on top of the LIBOR funding, permanent funding of £10 million per annum will be made available to support the Covenant from 2015/16 (MOD 2014d).

The Armed Forces Act 2011 obliges the Secretary of State to report to Parliament annually on progress on the Covenant (MOD 2012e). Some key results so far include the creation of:

- a Community Covenant to foster more local initiatives to build bonds between communities and members of the armed forces, including ex-Service personnel; in July 2014 the last remaining local council in Great Britain to sign up, the Isles of Scilly, did so (TRBL 2014b);
- a Corporate Covenant (launched in June 2013) allowing employers and their employees to declare their public support for the armed forces, which has been signed by over 100 organisations (MOD 2014d).

Other achievements which fall under the Armed Forces Covenant so far include:

- an additional £3 million being put into state schools with Service children by the government which has also changed the Schools Admission Code to allow infant schools in England to exceed designated class sizes in order to accept Service children (MOD 2013a, p. 32);
- the MOD initiating a doubling of the Families Welfare Grant, Council Tax Relief and the Operational Welfare Allowance (MOD 2014d, p. 10);
- £200 million being put into the three-year trial of the Forces Help To Buy scheme (MOD 2013a, p. 8);
- the strategic-level recognition of veterans and the transformation of the War Pensions Agency into the Veterans Agency as a single focus for ex-Service personnel concerns, providing: 'an advice point and sign-posting organisation to a range of government services' (Department of War Studies and the Institute of Psychiatry 2003).

Despite all these initiatives, there is some concern that continued government cuts will eventually mean an end to special consideration for the Covenant agreement: 'We are concerned about the risk that the goodwill that currently exists to support the AF Covenant may run out, as local authorities have to focus on more pressing issues within their areas of responsibility' (MOD 2013a, p. 11). If this comes to pass it will have the effect of ultimately leaving more work for charities to pick up.

In fact, for some, initiatives such as the Community Covenant illustrate the devolution of responsibility for the armed forces away from government to other third parties:<sup>7</sup>

The Community Covenant scheme has come to symbolise how the publication of the coalition's May 2011 Armed Forces Covenant significantly shifted the onus of responsibility for preserving the Covenant away from the state and represented another manifestation of the 'Big Society' approach of seeking local, preferably third-sector, alternatives to central government provision.

**Mumford 2012**

## 2.6 CHARITABLE PROVISION FOR THE ARMED FORCES

### 2.6.1 Armed forces charities

It is interesting to note that public attitudes towards who should support ex-Service personnel put the responsibility squarely on central government (53%), or the armed forces or MOD (21% and 14% respectively). Only 9% see this support as something which ex-Service charities should have to provide (Department of War Studies and the Institute of Psychiatry 2003). And, indeed, the reality of provision largely matches these expectations: armed forces personnel are looked after by the MOD and their own Services, corps, regiments and units throughout their armed forces career. The MOD also provides support in several ways to help personnel to transition to civilian life (see section 2.4.5). After transition, the care of ex-Service personnel hands over to the NHS and other mainstream public services. However, armed forces charities do play a significant role for the following reasons.

First, despite the central role of the NHS in the care of ex-Service personnel, there is some concern about a mismatch in expectations and the services received.

Historically mainstream NHS mental health services have often been ill-equipped to identify and respond to the needs of veterans. The problems of ex-serving personnel may fall between the cracks of existing services, too complex for primary care but not considered to cross the threshold for community health services, which are more focused on severe mental illness.

**MacManus and Wessely 2013**

One focus group study which brought together ex-Service personnel and their families and carers with health and social care professionals and commissioners found significant dissatisfaction with the provision of care in the transition from armed forces life to civilian life (TRBL and Combat Stress 2013, paras 19, 30, 67-68). Concerns involved continuity of service, a lack of joined-up approaches among services and a lack of cultural understanding of armed forces experiences or needs. They called for better training for GPs and expressed concern that 'islands of good and best practice' were isolated and 'competence in diagnosing and managing a range of conditions varied hugely' according to where in the country help was accessed (ibid. paras 70-71).

<sup>7</sup> In fact it was explicitly mentioned in the government's official response to the report by the Task Force on the Military Covenant that the Community Covenant idea 'is very much in keeping with our concept of the Big Society'.

Second, care for ex-Service personnel needs to be seen within the context of some of the biggest reforms and cuts to the NHS and other government services in recent times. As The Royal British Legion noted a few years ago:

Spending on the NHS is to be reduced from an annual increase of 6% to 0.4% over the next four years, starting in April 2011. This 0.4% annual increase in NHS spending is the lowest since the 1950s ... Cuts totalling 28% over four years in local government spending will add to the pressures on the NHS.

**TRBL 2011**

If the eventual result of these cuts is a decrease in the standard of statutory support, then it would follow that the existing gap between the level of service needed and the reality of the provision will increase. This would mean that either this gap would then remain or it would be increasingly filled by armed forces charities.

Third, armed forces charities have a long track record as providers of welfare support to the armed forces community which pre-dates the creation of the welfare state. Their expertise plays a big role in coordinating, signposting and providing care, particularly when the NHS and other public services have been seen to fall short of what is needed (as outlined above). Indeed, this expertise appears to be highly valued by the government given that a number of armed forces charities deliver publicly funded services on its behalf or in partnership with the government (see the Defence Recovery Capability case study on page 25). In this way, armed forces charities remain essential and ingrained components in the infrastructure of support available to the armed forces community.

So, while public opinion falls strongly on the side that it is the government's job to look after ex-Service personnel, and without a doubt the primary responsibility for their care is governmental, the specialised needs of ex-Service personnel, the gaps in the quality of provision from the NHS, and the long history of armed forces charity assistance mean that the reality is more complex. In addition, cuts to the NHS and other public services are likely to exacerbate the issues with statutory provision and, as a result, the boundaries between public and charitable provision are liable to become even more blurry in future.

## 2.6.2 Civilian charities which support armed forces personnel

There are many 'civilian' (i.e. non-armed forces) charities which also provide services and grants for armed forces personnel as part of the population of the UK, and to organisations which help them. Two high-profile examples include the Big Lottery Fund and the Royal Foundation of The Duke and Duchess of Cambridge and Prince Harry. The Big Lottery Fund has given grants of over £88 million to support ex-Service personnel through programmes such as Heroes Return. It recently also invested £35 million in the Forces in Mind Trust (FiMT) in 2012 (Big Lottery Fund n.d.). The following case study outlines the activities of the Royal Foundation of The Duke and Duchess of Cambridge and Prince Harry.

## CASE STUDY

### The Royal Foundation of The Duke and Duchess of Cambridge and Prince Harry

The Royal Foundation of The Duke and Duchess of Cambridge and Prince Harry was legally established by the princes in September 2009 and became fully operational in 2011. Given both the princes' careers in the armed forces, it is not surprising that one of the three strands of work undertaken is with the armed forces: 'Promoting the welfare of those who are serving or who have served their country in the Armed Forces.' The foundation's work has included the recent Invictus Games ([invictusgames.org](http://invictusgames.org)) presented with the MOD:

Royal Foundation contributed a significant grant to the staging of the Invictus Games. The events in September will mark the beginning of a legacy programme to support accessibility of adaptive sports and further employment opportunities for transitioning Servicemen and Women leaving the Armed Forces. The Chancellor of the Exchequer, George Osborne, also supported this important cause with a £1 million donation from the LIBOR fund.

**Royal Foundation n.d.**

In 2013 the foundation had an income of £3.9 million, a total expenditure of £3.6 million, charitable expenditure of £3 million and total assets of £5.2 million. The foundation also makes grants, totalling nearly £2.5 million in 2013, including, for example, £100,000 for Walking with the Wounded, whose expedition to the South Pole in 2013 was patronised by Prince Harry (Royal Foundation 2013).

It is impossible to estimate how many civilian charities provide assistance to the armed forces community in the UK, and how much practical support and financial aid they give. However, it should be borne in mind that, as undoubtedly effective as some of these charities and programmes may be, there may also be some hidden barriers to their use by ex-Service personnel and their families who may prefer to deal with issues in an environment where they are surrounded by others with experience in the armed forces.

This is particularly pertinent when discussing health (especially mental health) issues: 'What is different [for veterans] is that in order to be useful services must be accessible and acceptable and the evidence is at this date that some veterans are reluctant to seek help from civilian health professionals' (Veterans UK n.d.). (See section 2.7.3 for more information regarding access to help and barriers to seeking help.)

### 2.6.3 Coordination of and cooperation in the armed forces charity sector

While the Charity Commission for England and Wales (CCEW), the Charity Commission for Northern Ireland (CCNI) and the Office of the Scottish Charity Regulator (OSCR) monitor and regulate registered charities there is also the Confederation of Service Charities, Cobseo. Established in 1982, Cobseo has a membership of around 200 (as at 29 September 2014) of the estimated 350 forces charities that provide care and benevolence (Ashcroft 2014, p. 128).

The role of COBSEO is to represent, promote and further the interests of all Service and ex-Service men and women of all ranks, their spouses and dependants by exchanging and coordinating information between its members, representing and supporting the needs of its member organisations at national and local Government levels, acting as a focal point for external agencies and identifying issues of common concern, particularly welfare matters and coordinating appropriate action to resolve them.

**MSM 2013**

One example of how Cobseo facilitates greater cooperation and coordination is the casework management system project. Sponsored by a number of Cobseo members, the project developed an internet-based paperless method of casework management for all armed forces charities sharing data using a secure online system.

The casework management system went live in 2009 and was rolled out across 30 branches of SSAFA, six county offices of The Royal British Legion and 64 assistance providers. To date the system has more than 700 registered users and has facilitated over 1,100 cases. The benefits relating to the time taken to process cases are already being noticed; for example, the time taken for:

- annuities to be paid to clients has gone down from two weeks to two days;
- payment of a priority debt has been reduced from two weeks to four days;
- a response to one assistance request is now given in 12 minutes or under.

Cobseo now has further plans to make the casework management application accessible to the various civilian charities that regularly provide funding to support the work of armed forces charities (MSM 2013).

#### **2.6.3.1 Concerns about coordination and cooperation in the sector**

There has been some disquiet in various quarters on the subject of coordination of and cooperation in the armed forces charity sector. Regarding potential confusion arising from the number of charities in the sector, the MOD commented that:

Collectively the numerous Service charities have considerable resources and many offer excellent support, particularly to veterans. However, the sheer diversity of the sector can cause confusion and there is concern that their full resources are not currently being tapped. Charities' activities can be determined by their own priorities rather than the needs of veterans.

**Strachan et al. 2010**

In 2011 an investigation by *British Forces News*, part of the British Forces Broadcasting Services, reported its own analysis that the number of new charities set up to support the armed forces had tripled each year since 2005, which led to calls for greater consolidation and cooperation in the sector (*Telegraph* 2011). Yet these figures are out of kilter with Charity Commission figures for the same period which showed that when you take into account the number of charity closures there had been an overall contraction of the sector by 7% to 8% (Grenville 2013).

Nonetheless, there have been a number of new entrants into that marketplace over the last decade, and this has led to concerns in some quarters about poor coordination and replication of services, most notably expressed by former Chief of the General Staff General Lord Richard Dannatt, former head of the British Army, in 2011:

I think the issue that is perhaps most pertinent to the Service charity community is whether in fact there is a case to be made for better co-ordination and co-operation between the charities, so that there isn't overlap and that people aren't duplicating what someone else is already doing.

**Telegraph 2011**

In addition, Lord Ashcroft states in his rather damning Veterans Transition Review:

These charities range from the extremely large, such as one with an income of over £130m, to one-person ventures. They cover a huge spectrum of need, are a mix of general and niche provision, national organisations and local, and the very competent to the (frankly) ineffective. ... While individual charities may believe they are making the best use of funds as an organisation, collectively they are not.

**Ashcroft 2014, pp. 128 and 132**

Amidst contentions that the armed forces charity sector is too old-fashioned and unwilling to change, Lord Ashcroft's main proposals were for greater cooperation, collaboration and consolidation among armed forces charities, publication of a directory of accredited forces charities and the establishment of a single 24-hour point of contact and information for people in need of help.

The response to Lord Ashcroft's review by the armed forces charity sector was mixed. For example, Lieutenant General Sir Andrew Ridgway, executive chairman of Cobseo, argues that it is essential to have diversity in a sector that serves such a broad range of needs (Ridgway 2014). Nevertheless, as we can see from Cobseo's casework management system, there are ways of improving services and greater levels of cooperation and collaboration between armed forces charities can already be seen. The extension of this system to civilian charities which support the armed forces should have a similar effect. In addition, this current project, which comprises this report and an online directory of armed forces charities, will form one answer to Lord Ashcroft's recommendations.

These concerns are explored further and commented on in Chapter 7 in the context of our research findings on the number of charities in, and the coordination of, the armed forces charity sector.

## 2.7 THE WELFARE NEEDS OF THE ARMED FORCES COMMUNITY

It is important to note that, as we will see from the existing research, the armed forces community is not a homogenous whole. All have the Services in common, but beyond that the experiences and needs of those within the armed forces community diverge in a number of directions.

The needs of Service personnel and their families, and the challenges they face during and after serving in the armed forces are affected by a range of factors: where they are posted, for how long, in what capacity, if they sustained injuries, if they had any pre-existing conditions or risk factors unrelated to serving in the armed forces, etc. There is, for example, a difference between the outcomes (and therefore welfare needs) of regular and reserve troops leaving the armed forces. There are also differences between those who leave the armed forces early and those who go on to see active service after completion of basic training. These differences are discussed in section 2.7.2.1.

More often than not the needs of ex-Service personnel will be informed just as much by their circumstances before joining the armed forces: their socio-economic background, educational attainment, pre-existing mental or physical health conditions or their family situation and relationships. The British Army is known to recruit from areas of high social deprivation where economic disadvantage and low educational attainment are both independently associated with lower life expectancy and poor health (Lewis et al. 2013, p. 16). This is an important point to note since some ex-Service personnel may return to areas of relatively higher deprivation.

The most current survey of needs (TRBL and Compass Partnership 2014) found that 42% of the armed forces community reported some difficulties over the previous 12 months. The most common difficulties were:

- getting around outside home (13%);
- feeling depressed (10%);
- exhaustion/pain (9%);
- loneliness (8%);
- not having enough money for day-to-day living or for buying or replacing items needed (5%).

The Royal British Legion and Compass Partnership found that between the 2005 and 2014 surveys these needs were largely unchanged. However, they varied by age group, with, for example, the oldest age groups having more difficulties with self-care (15% aged 75 and over) and mobility (14%), while the youngest (16 to 44 years old) experienced more difficulties with employment (6%) and fear of violence or crime (4%). Of the armed forces community over 65 years old, 14% 'voluntarily' go without heating in order to save money, with 9% 'going without' through lack of money and 13% 'going without' through health and support problems, especially those who live alone and/or who suffer illness (ibid.).

## 2.7.1 Physical health

The latest Royal British Legion/Compass Partnership research reports a key finding that ‘half of the ex-Service community have some long term illness or disability, most often a physical condition. Prevalence of many conditions has increased since 2005 because of the ageing population, especially musculoskeletal conditions, cardio-vascular and respiratory problems, and sensory problems’. The research shows that, also owing to the aging population of the ex-Service community, it is more likely than the UK general population to experience these various long-term conditions (54% of the adult ex-Service community, and 57% of ex-Service personnel, report suffering from a current long-term illness or disability) (TRBL and Compass Partnership 2014).

The same research shows that those in the ex-Service community between the ages of 35 and 64 appear particularly vulnerable to a range of health issues. This group is more likely to report various long-term health problems (compared with adults of the same age in the general UK population), particularly musculoskeletal and sensory problems (both hearing loss and sight problems). In addition, problems with exhaustion and pain peak between the ages of 45 to 54 (13%) (ibid.).

New statistical analysis published by Help for Heroes (2014) estimates the total number of British men and women who will be left injured or sick following conflicts in Afghanistan and Iraq may be as high as 74,991. This is based on Help for Heroes’ statistical analysis of existing, recognised studies and MOD data obtained from Freedom of Information Act requests, plus Help for Heroes’ own knowledge of the men and women they see every day. In addition, almost 22,000 have been medically discharged from the armed forces since the Afghan conflict began (reasons for medical discharge can include mental health issues) (Help for Heroes 2014).

A rise in health issues for both serving and ex-Service personnel is partly due to the increased number of injuries owing to the use of improvised explosive devices (IEDs) in recent conflicts (MOD 2013c). Dr Andrew Murrison details in his report to the government that in March 2003 ‘significant numbers of amputees started to arrive from Iraq and Afghanistan with an upsurge from 2009’ (Murrison 2011, p. 25).

## 2.7.2 Mental health

Mental health is an important issue for the armed forces community to address because it is associated with poor life outcomes in many areas. As the King’s cohort study authors put it, ‘poor mental health in service gives a double disadvantage – you are more likely to leave [the armed forces early], and less likely to get a job after you leave’ (KCMHR 2010, p. 43). The same study notes explicitly the clear association between poor mental health and social exclusion:

In the context of developing UK veterans policy, this data suggests that UK servicemen whose mental health is poor are likely to be the most vulnerable to social exclusion or hardship such as unemployment, and it seems that this risk factor may be a chronic one extending into a veteran’s life, with very little evidence of remittance of ill health after leaving.

**ibid, p. 183**

In a survey conducted in 2011 by Lord Ashcroft, researchers found that 91% of the public thought it was common for former members of the armed forces to have some kind of physical, emotional or mental health problem as a result of Service; one third thought this was very common. In his introduction, Lord Ashcroft warned: 'Not only is this untrue, it is damaging, since it implies that the Forces do not do enough to look after their personnel and creates an extra hurdle for Service Leavers looking for a job' (Ashcroft 2014, p. 8).

The Royal British Legion and Poppyscotland's response to the Ashcroft review outlines their agreement with this point but also details the mental health areas that nevertheless deserve special attention with regard to ex-Service personnel:

We agree that more needs to be done to challenge public perceptions of Service leavers. Contrary to popular opinion, the mental health of the Armed Forces is not, for the most part, worse than the general population. Despite the attention paid to it by the media, overall rates of post-traumatic stress disorder (PTSD) remain relatively low. Like the rest of the population, members of the Armed Forces are far more likely to suffer from common mental health problems, such as anxiety and depression, than from PTSD ...

Some issues and groups remain a cause for concern. Across all age groups of Service personnel and amongst some groups of veterans, rates of alcohol misuse, including alcohol dependency, appear to be worryingly high. Some groups, such as those with pre-enlistment vulnerabilities, Reservists, and those exposed to combat, are at a significantly heightened risk of developing PTSD. Early Service leavers are a vulnerable group, with heightened rates of suicide. Overall, mental health outcomes for veterans and Armed Forces families remain poorly understood, as both groups have been under-researched.

**TRBL and Poppyscotland 2014, p. 6**

The MOD reports a higher incidence of new episodes of mental healthcare among Service personnel in comparison with the UK general population, but this may be owing to mitigating factors:

The rate of new episodes of care for mental disorders within specialised psychiatric services among UK Armed Forces personnel in 2013/14 was 30.4 per 1,000. This is higher than the rate within the UK general population (24.0 per 1,000e) and may be due to a lower referral threshold to specialist psychiatric care in the Armed Forces compared with GPs in the general population who may be more likely to treat mental health disorders within the primary care setting.

**MOD 2014g, para. 79**

The same MOD statistics report that between 2007/08 and 2013/14 mental health disorders increased among all serving personnel by 74%. This appears to be a large increase, and may well reflect a true rise in mental disorders among serving personnel. However, it may also be owing to a number of other factors including the use of a more robust methodology to underpin the reporting of mental health in the armed forces and MOD-led campaigns to reduce the stigma of mental health. The MOD states that it is 'not possible to determine proportionately how much of the overall rise in mental disorder rates was due to each of these factors' (MOD 2014g, paras 85, 99-101).

Conversely, incidences of more serious, long-term mental health conditions appear to be lower than in the UK general population, although this may also be due to mitigating factors:

Rates of in-patient admissions within the UK Armed Forces population for 2013/14 were lower than the rates in the UK general population (1.8 and 6.0e per 1,000 respectively). The rigorous selection of fit people into the Armed Forces may help to prevent those with more serious mental disorders joining the Services. In addition, Armed Forces personnel who have a mental disorder which prevents continued Service in the military environment may be considered for medical discharge, thus more severe cases of mental health may not remain in the Armed Forces population.

**ibid. para. 80**

The latest Royal British Legion/Compass Partnership research shows that around one in five Service personnel and recent ex-Service personnel suffer from depression, anxiety and other common disorders, which is broadly comparable to the UK average. However, reported mental health problems amongst the ex-Service community have doubled since 2005. In addition some age groups within the ex-Service community report higher levels of depression than those in the UK general population, and this peaks at 14% of those aged between 35 and 44 compared with a national average of 6% (TRBL and Compass Partnership 2014).

So while public perception of the issues may be exaggerated, there is some evidence of elevated levels of particular mental health issues among serving and ex-Service personnel (this needs more research), and there are certainly some groups which particularly suffer, as highlighted by The Royal British Legion and Poppyscotland. The following sections focus on a number of these groups and mental health areas, but is not exhaustive.

### **2.7.2.1 Groups with higher incidences of mental health issues**

The information in this section concentrates on mental health issues but naturally there is some crossover with physical health issues, as outlined in the statistics and risk areas quoted.

- **Ranks other than the officer class:** those suffering mental health are much more likely to come from ranks other than the officer class:

Rates of those assessed with a mental health disorder in other ranks was higher than Officers (33.2 per 1,000 strength and 16.7 per 1,000 strength respectively). The differences between Other Ranks and Officers may be due to educational and/or socio-economic background, where both higher educational attainment and higher socio-economic background are associated with lower levels of mental health disorder (Meltzer et al., 2003 [2002]). The majority of Officers (with the exception of those promoted from the Ranks) are recruited as graduates of the higher education system, whilst the majority of other Ranks are recruited straight from school and often from the inner cities (particularly for the Army).

**MOD 2014g, para. 97**

- **Those deployed or exposed to combat:** deployed reservists and, perhaps unsurprisingly, those who saw active combat during their deployment (as opposed to fulfilling some other role) tend to have higher reported incidences of mental health issues (KCMHR 2010). The National Audit Office published a report in 2010 which found that deployed personnel are more likely to show some mental health symptoms than those who did not deploy: 'The rate of Post Traumatic Stress Disorder (PTSD) assessed in the UK in previously deployed Service personnel was 1.1 per 1,000 personnel, and 0.3 per 1,000 personnel who have never deployed' (NAO and MOD 2010, p. 39). The MOD also found that those deployed to Iraq or Afghanistan presented a much greater risk of being assessed with PTSD. In 2013/14 a Service person who had been deployed to Iraq was 1.4 times more likely, and to Afghanistan 2.2 times more likely, to be diagnosed with PTSD than those not previously deployed in either conflict (MOD 2014g, para. 8).

The charity Combat Stress recently reported a 57% increase in mental health issues related to combat in Afghanistan in 2013 and a 20% rise in Iraq ex-Service personnel requesting help with mental health issues, despite that conflict ending five years ago. In addition, the charity still treats ex-Service personnel from the 1982 Falklands conflict and the conflict in Malaya which ended in 1960 (Hopkins 2014).

Other studies have shown that it is combat service and not deployment per se which is associated with an increased likelihood of a negative mental health outcome (Rona et al. 2009).

- **Early Service Leavers:** the findings across the research, polls and surveys show that those who leave the services early tend to have poorer life outcomes on average, including worse health and poorer employment prospects (as outlined in section 2.7.6), and as such are some of the most vulnerable ex-Service personnel with the most complex needs. The risk of suicide in particular is known to be greater in Early Service Leavers (Kapur et al. 2009, p. 1). One study showed that Early Service Leavers report 'higher levels of childhood adversity [and were] at an increased risk of probable post-traumatic stress disorder (PTSD), common mental disorders, fatigue and multiple physical symptoms' (Buckman et al. 2012). In addition, the helpline, At Ease, reports that some recruits who wish to leave but are unable to, resort to self-harm, taking drugs and suicide attempts. ForcesWatch has suggested changes to the minimum Service period to reduce these occurrences (ForcesWatch 2011, pp. 2-3). This could also have a beneficial effect on Early Service Leavers' outcomes on transition.
- **Reservists:** as outlined in section 2.3, the restructuring of the armed forces will push the reserve forces further into the centre of operations and this could have knock-on effects on the profile of need. Cobseo, SSAFA and The Royal British Legion wrote in their preface to the Armed Forces Covenant annual report 2013 that they were surprised that the restructuring has not produced:

any obvious strategy to address the somewhat different challenges that are faced by Reservists and their families. This particularly relates to those Reservists who are deployed on operations and whose families, by the very nature of Reservist Service, do not enjoy the normal welfare support functions and structures that are associated with regular service.

**MOD 2013a, p. 17**

This change may have implications for mental health given that reserve forces are twice as likely to report poor mental health and PTSD as regular forces (MOD 2014h, para. 94).

- **Particular age groups:** mental health issues appear to peak in the ex-Service community between 35 and 54 years old. Rates of depression peak at 14% for 35- to 44-year-olds, compared with a national average of 6% for that age group (TRBL and Compass Partnership 2014). As noted earlier, MOD statistics report that between 2007/08 and 2013/14 mental health disorders increased among all serving personnel by 74%, but among those aged between 30 and 44 it increased by over 100% (MOD 2014g, paras 99–101).

### 2.7.2.2 Mental health issues and associated conditions with particular significance to the armed forces

- **Suicide:** one study spanning over 25 years and ending in 2007 found that suicide rates are lower among serving personnel than the general population, with the exception of British Army males under the age of 20 (Fear et al. 2009). A more recent study looking at ex-Service personnel had similar findings: the overall rate of suicide was not greater than in the general population but the risk was higher amongst those aged 24 and younger who had left the armed forces. This group was found to be two to three times more likely to commit suicide than the general and serving populations. The risk of suicide was greatest in males, those who had served in the British Army, those with a short length of service and those of lower rank (Kapur et al. 2009, p. 1), which highlights some of the higher-risk groups as outlined above.
- **Self-harm:** self-harming among ex-Service personnel has shown similar trends to suicide in terms of likelihood and risk factors, though with higher levels overall than the general population. One study of self-harm among serving personnel found a lifetime prevalence of self-harm which more than doubled among ex-Service personnel when compared with serving personnel (10.5% vs 4.2%, respectively). Reporting of self-harm increased among younger personnel as well as those who had experienced more childhood adversity and psychological injury (Pinder et al. 2012).
- **Alcohol misuse and dependency:** the team at King's College found that across the armed forces among those under 35, alcohol misuse in both men and women was twice that of the UK population of the same age and gender (after this age the levels of alcohol misuse become similar to those in the UK general population). In addition, armed forces personnel 'were more likely to drink if they were male, in the Royal Navy or British Army, single, of junior rank, and had a parent with a drink or drug problem' (KCMHR 2010, p. 41). This is backed up by The Royal British Legion and Compass Partnership findings: 'Across every age group, Service personnel appear to misuse alcohol at a significantly higher level than the general population. They are also substantially more likely to be dependent on alcohol (6% vs 3%). The difference is particularly stark amongst female Service personnel, who are around five times more likely than women in the general population to be alcohol dependent (5% vs 1%).' Furthermore, increased alcohol consumption follows Service personnel home, with 23% of ex-Service personnel aged 16 to 54 having an alcohol

problem. However, the effect appears to reduce over time such that ex-Service personnel are overall less likely across all age groups, but particularly those aged 55 and over, than the population average to report an alcohol problem (TRBL and Compass Partnership 2014).

- **PTSD:** the MOD notes that assessments of PTSD at their Departments of Community Mental Health facilities have been growing over the last seven years and have risen more quickly than mental health conditions in general (by 155% between 2007/08 and 2013/14 compared with a general increase of 74% in rates of mental disorders in the armed forces as a whole (MOD 2014g, paras 113–114). Nevertheless, cases of PTSD remain low overall, at 2.3 cases per 1,000 which accounts for approximately 10% of all neurotic disorders year on year since 2007/08. By comparison, adjustment disorder accounts for 60% of all neurotic disorders and increased by 85% over the seven years (ibid., paras 107–108). It is worth noting, however, that these figures refer only to individuals presenting to the specialist Departments of Community Mental Health. It does not take into account those who seek help solely through their GP or Service charities, or those who do not seek help at all. Actual overall figures therefore may be higher.

### 2.7.3 Access to help

Those who do develop problems need to be able to access timely and effective support and intervention.

**TRBL and Poppyscotland 2014, p. 6**

Survey data published by the MOD suggests that in recent years around one in four armed forces families have sought mental health support. Yet 46% of those who needed help were not able to access it in 2013/14 (MOD 2014h, p. 48, table F.2.8). The most common difficulty in accessing services was said to be a lack of available places (6%) (ibid., table F.2.10). The Royal British Legion and Compass Partnership have calculated that around 6% or 530,000 people in the adult ex-Service community had needs with which they were receiving no help, advice or support (TRBL and Compass Partnership 2006b, p. 24). The Royal British Legion and Poppyscotland criticised the postcode lottery of NHS mental health services, although they welcomed specialist services such as the National Veterans Mental Health Networks as a step in the right direction (TRBL and Poppyscotland 2014, p. 6).

As we have outlined, Early Service Leavers are some of the most vulnerable members of the armed forces community and they need a corresponding level of support. Yet this is not necessarily a straightforward issue. Limited resources mean that there will always be those who advocate that the greatest help should go to those who have given the greatest service – meaning the longest term or suffered the most serious physical injuries – while others argue that more often than not those who served for the shortest time are those most in need.

Lord Ashcroft's Veteran's Transition Review was critical of the fact that only those who have served six years or more have access to the full resettlement advice and guidance from the MOD. The government subsequently took this criticism on board and stated more support will be offered to those who leave the armed forces before their minimum term ends (House of Commons 2013). The 2014 Career Transition Partnership statistics outline a reviewed

approach: 'Personnel who left the Armed Forces with less than four years Service, but who left on redundancy or due to medically discharge are no longer classed as Early Service Leavers as they are eligible to the Full Resettlement Programme, and therefore classed as a Service Leaver' (MOD 2014c, p. 10). This is certainly an improvement on the situation but whether it is enough to adequately assist one of the highest risk groups remains to be seen.

The Kapur et al. study shows that of those ex-Service personnel who died by suicide, the proportion in contact with mental health services (21%) in the year before their death was lower than the general population (28%). This was lowest among the young: 14% of those aged under 20, and 20% of those aged 20 to 24 (Kapur et al. 2009, p. 5). The researchers postulate that because the higher-risk groups include untrained personnel who serve for a short period, this may reflect a vulnerability that precedes service in the armed forces. As such, they suggest that better 'practical and psychological preparation for discharge and encouraging appropriate help-seeking behaviour once individuals have left the Armed Forces' could be useful forms of intervention (ibid. p. 8).

Part of the explanation for not reporting mental health issues may be the real or perceived barriers to asking for help. Many in the armed forces have served since they left school so for many of them they have grown up as adults in the armed forces. Coming from a professional culture where pride and the ability to 'crack on' with the job in the face of adversity are encouraged, this often means that asking for help with problems, health issues, and mental health issues in particular, is difficult. It may be that a stubborn and residual stigma attached to mental health continues to prevent people from seeking out support. As one ex-Service personnel told a journalist: 'You didn't ask for help, people think you're soft. Instead you go for a bath or a quick drink' (Townsend 2008). The MOD reports that efforts to improve reporting of mental health concerns and uptake of care among personnel partially explains the rise in new cases in recent years.

A general lack of awareness among the armed forces community of available help crops up repeatedly as an issue in studies on the subject. When talking to personnel who had been seriously injured or disabled during service, The Royal British Legion found that 'gaps in service provision resulted mainly from lack of knowledge about availability of and entitlement to services' and respondents' 'greatest perceived needs were for a designated contact to outline the assistance available to them' (Herritty et al. 2011, p. 14).

Seeking help from ex-Service charities is not limited to the ex-Service personnel themselves. SSAFA's welfare statistics show that contact to its Forcesline information and support helpline came: one-third from serving personnel, one-third from worried family members of serving personnel, and one-third from ex-Service personnel, their families and third parties (SSAFA 2013).

## 2.7.4 Service families

Service families should not be forgotten. They form half of the armed forces community and experience particular issues of their own, although less is known about these.

For Service families there are some barriers to accessing care and support; for instance having to relocate when nearing the top of NHS waiting lists, continually re-registering with GPs and the lack of a nationwide system for identifying dependants who qualify for certain priority support all cause real hardship. The Local Government Information Unit has advised local authorities that: 'both simple chores such as registering for GPs, dentists and more demanding interactions such as receiving IVF treatment and mental healthcare can present Service families with added childcare difficulties. Service providers need to consider this when designing services' (Gaskarth 2010, p. 48).

For those who have successfully accessed services there is some evidence that many still find it difficult to negotiate the transition from the armed forces to 'civvy street' with health, housing and job-searching identified as areas which were particularly problematic. There was confusion amongst armed forces community families about statutory service and charitable provision which often saw ex-Service personnel and their families passed around between different services (Sherriff 2013).

A common complaint was the lack of a designated, individual named contact. In addition, some were reluctant to use services because they considered that there would be more deserving beneficiaries than themselves (Herritty et al. 2011, p. 6).

Another toll that Service life can take is on the employment prospects and wellbeing of Service personnel's partners and spouses. Many partners live effectively as single parents for much of the year with complete responsibility for childcare. For those without children there are still difficulties associated with personnel redeploying at short notice or transferring to a new base. The pattern of armed forces life can often interfere with work making it difficult to hold down full-time employment or develop careers. In response to this issue, The Royal British Legion is piloting a Families LifeWorks programme to offer career guidance and support to Service partners, while the University of Wolverhampton is piloting a Dependants' Business Start-up Programme to ensure the needs of armed forces partners are not overlooked (MOD 2013a, pp. 54-55).

Special consideration should also be given to families of Early Service Leavers owing to the particular issues faced by this group (as outlined in section 2.7.2.1)

### 2.7.4.1 Schools

Service children can often find themselves at a disadvantage in the allocation of school places due to, for example, parents missing deadlines for registration while deployed as well as the frequent relocation of one or both parents. In addition, local authorities are finding that they are able to do less to monitor and resolve these problems because of the loss of control of those schools which have become academies and free schools (Adams 2014). At the same time, the government is taking some steps as a result of the Armed Forces Covenant to address some of the unique disadvantages Service children may face. For example, it is increasing the pupil premium for Service children, creating better provision for

data sharing between schools and revising the rules on admissions for children who need to find a school place mid-term (MOD 2013a, p. 7).

## 2.7.5 Transitioning

A great number of Service personnel, understandably, feel some level of anxiety about leaving the armed forces. This is natural given the big shift in so many aspects of an individual's life that this involves. Many in the armed forces have served since they left school, so for them writing a CV, securing employment and finding somewhere to live all present new challenges.

The Forces in Mind Trust (FiMT) was set up with an investment from the Big Lottery Fund in 2012 to invest and spend £35 million over the next 20 years 'to support the psychological well-being and successful and sustainable transition of veterans and their families into civilian life. It will provide long-term help that supports and joins up with the valuable work already being carried out by a range of organisations.'

FiMT defined a 'good transition' as follows:

A good transition is one that enables ex-Service personnel to be sufficiently resilient to adapt successfully to civilian life, both now and in the future. This resilience includes financial, psychological, and emotional resilience, and encompasses the ex-Service person and their immediate families.

**FiMT and The Futures Company (2013)**

According to the National Audit Office the majority of Service leavers make successful transitions from the armed forces to civilian life: 38% found transition to be 'as expected' and 36% found it 'easier than expected'. A significant minority, about a quarter, then found it 'more difficult than expected'. Of this minority, it was particularly those who had served a shorter time in the armed forces, those under 25 years old (42%) and those with more junior ranks (40%) who stated they found it 'more difficult than expected' (NAO 2007, p. 30).

With regard to those who have served a shorter time in the armed forces, Lord Ashcroft observed:

It is often assumed that the longer a Service career, the harder will be the eventual return to civilian life. The truth is almost the reverse of this. Early Service Leavers, who have served up to four years (but may during that time have completed operational tours in places like Afghanistan) receive only the most basic support for transition and are the most likely to experience unemployment and other problems.

**Ashcroft 2014, p. 14**

The *Transition Mapping Study* (FiMT and The Futures Company 2013) calculated the cost to the UK of unsuccessful transition to be almost £114 million (including mental health issues at £26 million and alcohol misuse at £35 million). The main themes which came out of this report were that:

- experiences of transition vary greatly, depending on personal attitude to transition as well as social context;

- differences between armed forces and civilian life are vastly underestimated and the cultural differences can come as a surprise;
- the extent to which a Service leaver's family is able to help is often reflected in transition success, but is rarely considered as part of the process;
- financial demands of civilian life can come as a shock, and a Service leaver's individual life skills overall can be underdeveloped;
- the range of help for Service leavers can be difficult to understand and navigate.

## 2.7.6 Employment, finance and debt

As noted in section 2.4.5, when personnel leave the armed services they receive a certain level of resettlement support from a partner agency, contracted by the MOD, along with some armed forces charities. This programme, the Career Transition Partnership, helps leavers with their onward career planning and actions. All personnel who had served for at least four years (or fewer if medically discharged or made redundant) qualify for support.

The latest Royal British Legion/Compass Partnership (2014) figures estimate that rates of employment are lower among working age ex-Service personnel than in the general population (60% vs 72%). This research notes that 'this may be linked to poor health within the ex-Service community, as working age households are over twice as likely as the UK population to be receiving sickness or disability benefits, and working age adults are more likely than the general population to report having a limiting illness. Of veterans aged 25 to 44 with a long-term illness, over half attribute it to their Service' (TRBL and Compass Partnership 2014).

It is fair to reason that it will be more difficult for those in higher-risk groups outlined in 2.7.2.1 to find and retain employment. Indeed the statistics seem to confirm this. For those who had served from 0 to 4 years and accessed the Career Transition Partnership (CTP) in 2012/13, the unemployment rate was 15%. This was 5% higher than the nearest groups: those who had served between 10 and 19 years (MOD 2014c, p. 26).

The Royal British Legion and Compass Partnership research also found that 37% of the ex-Service community aged 16 to 64 are out of work, compared with 27% of the general UK population, with 24% of this age group being on means-tested benefits (ibid.).

The MOD Career Transition Partnership statistics for 2012/13 state that of those who used the resettlement services:

- employment rates across all Services were broadly the same for 2012/13 among regular service leavers at 83% with the British Army slightly lower (82%); these were higher than the general population (71%) (MOD 2014c, p. 2);
- men were much more likely to be in employment than women (88% vs 66%) although a higher proportion of women (26% vs 8%) were economically inactive and more likely, therefore, to be choosing not to work (ibid.);

- unemployment was much higher among Early Service Leavers (15% of those who had served zero to four years were unemployed) than those who had served longer (ibid., p. 27); unemployment among those who were medically discharged was significantly higher at 16% than those who left the Service for other reasons (9%) (ibid., p. 28).

It should be noted that in 2012/13, while there were 23,700 Service leavers during this period only 13,340 ended up using the Career Transition Partnership. Of those, 11,030 found employment (ibid., p. 18).

The MOD has no data on the employment outcomes of 10,360 personnel (or 44% of leavers that year). These included those who were not eligible for support (4,330) or did not use it (6,030). This is not to say that these groups necessarily did not or could not find work. They may have made Service connections which helped them secure work without the need for the Career Transition Partnership, for example. Equally we should be aware of the possibility that some of these leavers could be unemployed and for whatever reason were not able to access this support.

For those Early Service Leavers who are not eligible for support from the Career Transition Partnership, the Future Horizons Programme provides training and career advice (Fossey 2013). The Future Horizons Programme was developed by the Education, Resettlement and Job-Finding Cluster of Cobseo and trial-funded in the main by FiMT with initial pump-priming funding provided by The Royal British Legion.

Another common difficulty among current serving personnel is access to credit: inevitable regular changes of address counted against members when it came to credit checks. More than a quarter of personnel told one survey that they had been refused a mortgage, loan or credit card in the last five years, and nearly one in five had trouble getting a mobile phone contract. After leaving the armed forces, 45% of Service personnel said one of their biggest concerns was about finance and budgeting, rising to 53% among the lower ranks of the British Army (Ashcroft 2012, p. 39).

### 2.7.7 The criminal justice system

There is believed to be a relatively small number of ex-Service personnel in the UK prison system. A recent review of the available data in 2014 found that between 3.5% and 7% of the prison population in England and Wales are ex-Service personnel, which is broadly similar to the percentage of veterans in the UK population as a whole (TRBL 2014c). While the MOD have estimated that male ex-Service personnel aged 18 to 54 were 30% less likely to be in prison than non-ex-Service personnel (MOD 2012f), further research is needed to clarify the situation.

### 2.7.8 The effect of need on services

The need profile of the armed forces community is not static. Changing demographics in the ex-Service personnel population and the serving population will mean that the profile of need will change again in years to come.

Indeed, researchers at King's College have suggested that there will be a gradual increase in demand:

It is true that the absolute number of military personnel who have served in either conflict [Iraq or Afghanistan] and now require support or treatment is increasing, and will continue to do so. This is simply because the total numbers who have deployed to either theatre and eventually decide they need help will inevitably increase or because of an increase in the general awareness of the importance of mental health problems.

**KCMHR 2010, p. 27**

Also with regard to the drawdown of troops from Afghanistan, in addition to the returning personnel from bases in Germany and the planned increased use of reservists (as outlined in section 2.3), The Royal British Legion comments:

Whilst the chain of command will still be ultimately responsible for those currently serving, their families and dependants will need school places and access to local health services, etc. Some of these individuals may have never lived in the UK before and may take a while to adjust to the differences. Local authorities should not underestimate the planning and additional resources that may be needed to support these individuals.

**Hill n.d., p. 43**

The currently known need profile, as outlined in section 2.7, shows that some members of the community demonstrate higher incidences of certain physical and mental health disorders and this is likely to put extra pressure on UK services. In addition, section 2.6.1 highlighted NHS cuts and the likely increase in the need for help from armed forces charities.

As a result, these current conditions – the recent global economic crisis, modern warfare, particularly in Iraq and Afghanistan where many have seen combat – are likely to put extra pressure on society's supply of such goods and services, particularly for the proportion of leavers who require specialist aftercare.

The high cost of unsuccessful transition, as outlined in section 2.7.5, makes successful transitioning from the armed forces to civilian life a top priority for the UK, as a whole, to get right. Joined-up service provision, by the state and charities is a key part of this.

With this in mind it is of paramount importance that service providers are able to locate and identify the potential beneficiaries: 'The NHS Services are desperate for more information from the MOD as to when ex-Service personnel will be coming to live in certain areas so health professionals can more proactively follow them up rather than hope they surface if they need help' (James 2013).

This also points to a need for greater government support, of all types, for the armed forces charity sector, especially since as the following section will show, a higher profile leads to higher donations, and current plans for reductions in the numbers of Service personnel are likely to result in a decrease in visibility of the armed forces community.

Chapter 7, section 7.6.3 and 7.7 puts this predicted increase in demand into the wider context of the research conducted for this report.

## 2.8 ATTITUDES TOWARDS THE ARMED FORCES COMMUNITY AND SUPPORT FOR ARMED FORCES CHARITIES

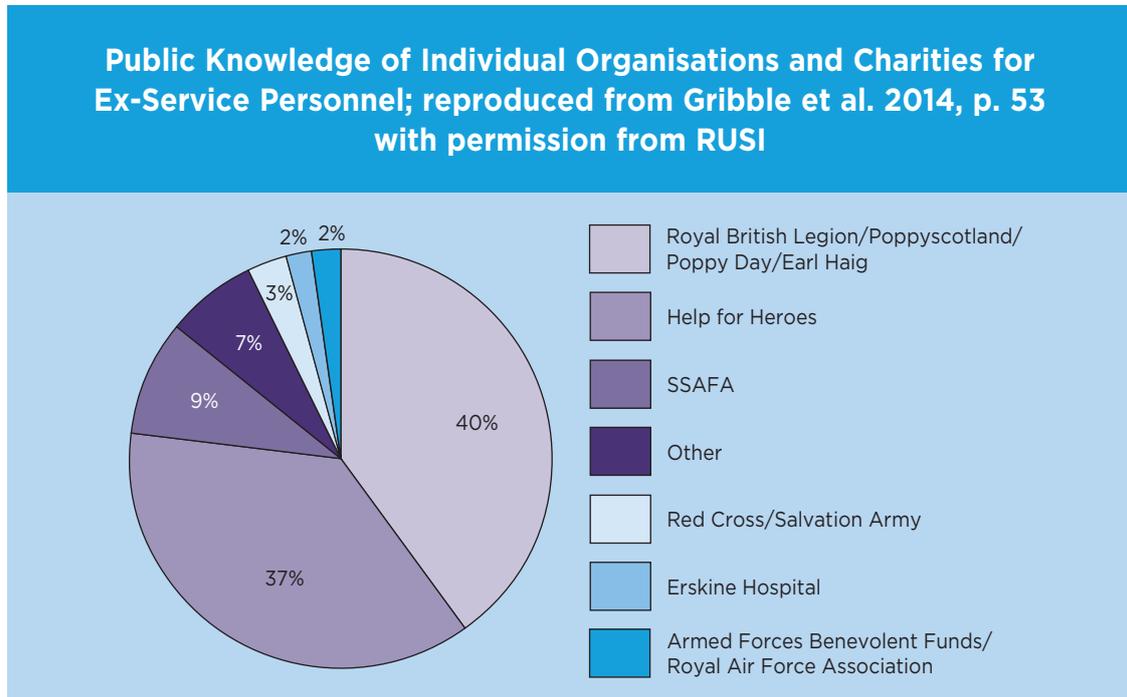
Voluntary donations to large armed forces charities increased by more than 25% between 2008 and 2010 while other charities experienced a fall in the same period (CAF 2012). This is likely to be due to the high profile of the armed forces in recent years, their prominence in headlines, and the fundraising efforts of high-profile new entrants into the armed forces charity sector (such as Help for Heroes). However, it is worth noting that The Royal British Legion's income fell by £7 million in 2013, including a £3 million drop in income to the Poppy Appeal (TRBL 2013). Help for Heroes experienced a similar drop of £7 million voluntary income in 2013 which was a one fifth-reduction on the previous year (Help for Heroes 2013). Time will reveal whether these drops in income will prove to be anomalous or the start of a trend of waning support.

A study using data from the 2011 British Social Attitudes survey showed that almost two-thirds (64%) of Britons were familiar with at least one organisation or charity supporting ex-Service personnel. People aged under 55 years were significantly more likely to report no knowledge of ex-Service personnel charities than those aged 65 years and over (Gribble et al. 2014, p. 52).<sup>8</sup> Of those under 35 years of age, over half (52%) were not aware of any charitable organisations for ex-Service personnel, although the report notes that this is most likely to be because of a general lack of knowledge about the armed forces rather than indifference towards ex-Service personnel (ibid., p. 54). Very few armed forces charities, however, were named by members of the public (see figure 2.2), and these tended to be the large fundraising charities with PR budgets to match.

The report notes that donating to the Poppy Appeal is not only associated with knowledge of the organisations for which it raises money (i.e. The Royal British Legion and the poppy charities) but also with awareness of Help for Heroes and other armed forces charities and organisations. 'This suggests that knowledge of any veterans' charity may be beneficial for increasing donations in this sector and that competition for voluntary donations may not be as important for larger veterans' charities, given their prominent public profile. ... Smaller charities may therefore also benefit from an increase in public awareness of the wider sector' (ibid. 2014, p. 55).

<sup>8</sup> The report's methodology states: 'To measure public perceptions of veterans' charities, the British Social Attitudes survey included a range of questions concerning awareness of such organisations. To measure knowledge of veterans' organisations, respondents were asked if they knew of any charities or organisations supporting former members of the UK armed forces. To determine awareness of individual charities, respondents were asked to name, unprompted, up to three veterans' charities (ibid., p. 51).'

Figure 2.2



This finding is bolstered by a Charities Aid Foundation poll, described in the Gribble article, which reported that donations in this sector have been shown to have positive effects on contributions to other ex-Service charities. More than half of respondents to the survey (55%) indicated that they are more likely to support other charitable organisations after seeing the work that armed forces charities provide for ex-Service personnel and serving troops (CAF 2013).

The article notes that donations to the Poppy Appeal were not negatively influenced by public attitudes towards the Iraq and Afghanistan conflicts, indicating ‘a more nuanced opinion of the armed forces amongst the British public than might previously have been imagined’ (ibid., p. 55). This is best illustrated by the fact that despite almost six out of ten (58%) people surveyed thinking that the UK was wrong to enter the conflicts in Iraq (and Afghanistan, 48%), more than 90% of those surveyed support the ex-Service personnel of these campaigns (Park et al. 2012).

Gribble et al. (2014) conclude:

While it is not certain how British public opinion will change following the withdrawal of UK combat troops from Afghanistan by the end of 2014, the current high levels of support for and interest in the UK armed forces provide an excellent – although possibly very limited – window of opportunity in which favourable public opinion of the military could be used to build on current public recognition of the veterans’ charity sector and increase voluntary contributions.

In 2011 approximately two-thirds of Britons surveyed in the British Social Attitudes Survey reported a relationship with someone – a family member, friend, colleague, neighbour or other – currently serving, or having previously served, in the UK armed forces (Gribble et al. 2014). This could change following the Strategic Defence and Security Review reductions, with fewer people having any connection with the armed forces community. Indeed it was reported in 2014 that, statistically speaking, you are more likely to know a hairdresser than a serving member of the British armed forces (Kirkup 2014).

## 2.9 WHY THIS PROJECT IS TIMELY AND NECESSARY

Many reasons have been highlighted during this review of the research to date, all of which point to the need for greater knowledge of and understanding about the work of armed forces charities. These include:

### 1 **A lack of awareness of help available to the armed forces community**

As highlighted in section 2.7.3, there are issues surrounding those who are in greatest need not seeking help and, in addition, a lack of awareness of how and where to seek help. Awareness-raising, outreach and dedicated caseworking appear to be relatively uniform needs, regardless of the help required.

The online directory ([www.armedforcescharities.org.uk](http://www.armedforcescharities.org.uk)) that forms the other strand of this project will allow the armed forces community to search the website for sources of help. In this way we hope this project will help to further awareness-raising efforts and improve access to information, ultimately contributing to improved access to help. In addition, we hope to create some more clarity generally about what charitable support currently exists for the armed forces community.

### 2 **Misinformation about the size and shape of and concern about coordination and cooperation in the armed forces charity sector**

Section 2.6.3 describes some of the concerns from various quarters about the existence of too many armed forces charities in the sector, and the accusation of there not being enough coordination and cooperation between them.

In light of our research for this report on the size and constitution of the sector, we address these issues in Chapter 7 and evaluate the myths and realities of this debate (see sections 7.2 to 7.5).

### 3 **The need to capitalise on public donations and goodwill**

Section 2.8 reveals recent research on public opinion and support for armed forces charities, showing that levels of support and interest are currently high. However, our research presented in chapters 4 and 7 will explore income trends for those charities for the period 2008 to 2012 and it will reveal a decreasing level of income for the vast majority of charities in 2012. Further research into this will need to be conducted to see whether charities are able to capitalise on these high levels of support and to increase their donations in the years to come.

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## CHAPTER THREE

# An overview of the UK's armed forces charities

## KEY OBSERVATIONS

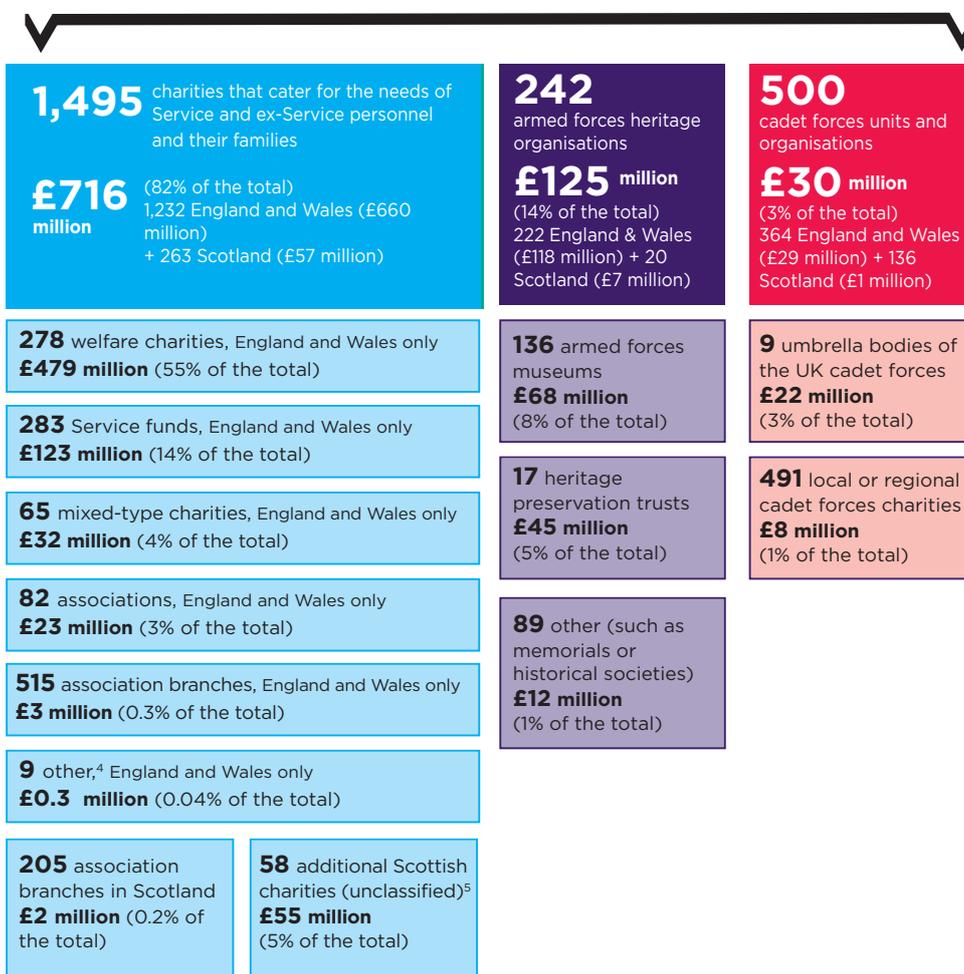
- There are 1,818 armed forces charities registered with the Charity Commission for England and Wales (CCEW). Their combined annual income was £807 million in 2012.<sup>1</sup>
- Including charities registered in Scotland, the armed forces charity sector comprises 2,237 registered organisations with a combined annual income of £872 million in 2012.<sup>2</sup> This includes:
  - charities that cater for the needs of Service and ex-Service personnel and their families; known as the armed forces community (1,232 in England and Wales and 263 in Scotland);
  - armed forces heritage organisations (222 in England and Wales and 20 in Scotland);
  - cadet forces units and organisations (364 in England and Wales and 136 in Scotland).
- Charities that cater for the needs of Service and ex-Service personnel and their families can be further categorised into five major sub-groups:
  - welfare charities for relief-in-need purposes;
  - Service funds for the promotion of the efficiency of the armed forces;
  - armed forces associations;
  - branches of armed forces associations;
  - mixed-type charities (combining elements of the above groups).
- There are 278 armed forces welfare charities registered in England and Wales.<sup>3</sup> In 2012, these charities commanded 55% of the total income generated by armed forces charities in Great Britain (£479 million).
- Welfare charities provide a wide range of services to those in need including housing, care homes, healthcare and rehabilitation services. In 2012, the top ten welfare charities received 42% of the total incoming resources generated by armed forces charities in Great Britain (£367 million).
- 130 welfare charities award grants to individuals for relief-in-need purposes.
- 73 welfare charities award grants to other organisations to support their work with Service and ex-Service personnel and their families.

<sup>1</sup> A considerable number of armed forces charities distribute grants to other armed forces charities resulting in some double-counting of income.

<sup>2</sup> In Northern Ireland, we have identified at least 25 armed forces organisations which have been granted charitable tax exemptions but no detailed information or financial accounts are publicly available to analyse them further.

<sup>3</sup> Detailed classification data is not available for armed forces charities registered in Scotland.

The universe of armed forces charities comprises a wide range of organisations with different objects, activities and beneficiary groups. The following visual guide aims to help the reader navigate the information provided throughout this report (note that some figures are rounded):



<sup>4</sup> The category 'Other' includes: the restricted and endowed funds of the Royal Air Force (RAF) Benevolent Fund (registered under a separate charity number with CCEW), four branch property trusts connected to The Royal British Legion (all four registered under separate charity numbers); one other property trust used for the benefit of ex-Service personnel and families; and three common investment funds connected to regimental charities of the British Army (all three registered under separate charity numbers).

<sup>5</sup> Unfortunately, it has not been possible to conduct a detailed classification of these 58 Scottish charities as publicly available information on many of them is not detailed enough for these purposes.

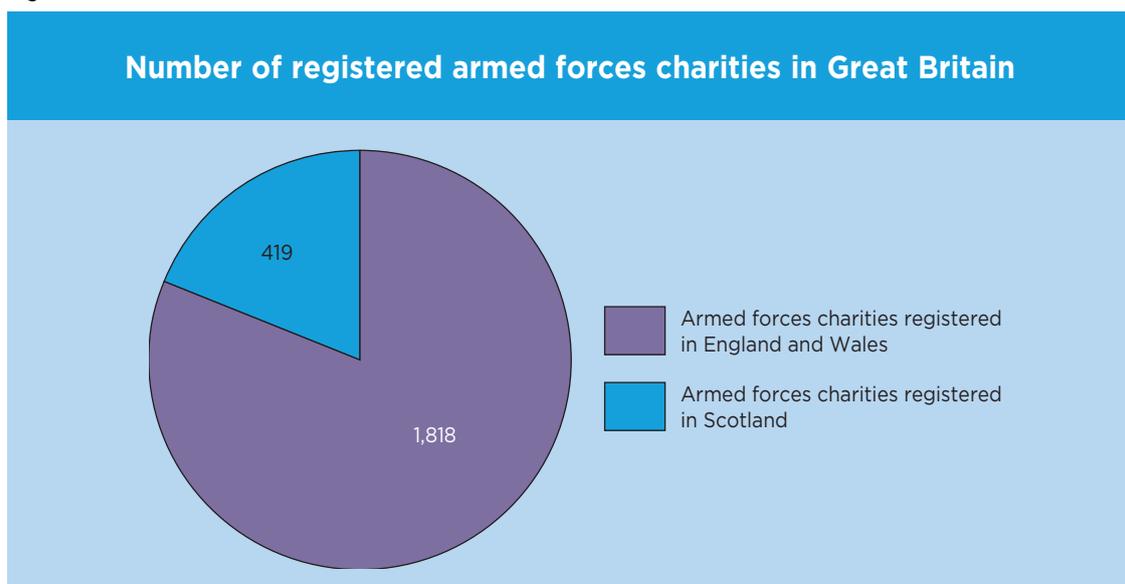
### 3.1 THE NUMBER OF ARMED FORCES CHARITIES IN THE UK

The Directory of Social Change's (DSC's) research has identified a total of 1,818 armed forces charities which are registered with CCEW.<sup>6</sup> These charities had a combined annual income of £807 million in 2012.<sup>7</sup> This represents 1.1% of all CCEW-registered charities and 1.3% of their overall income in 2012.

Of these charities, 29 are also registered with the Office of the Scottish Charity Regulator (OSCR). This group comprises some of the biggest armed forces charities operating in the UK, including SSAFA, Help for Heroes, Blind Veterans UK and the RAF Benevolent Fund, among others. Whilst these 29 charities only make up 1% of all armed forces charities registered in Great Britain, they had over a quarter of the total income in 2012 (£226 million).<sup>8</sup>

Besides these, there are 419 additional armed forces charities registered in Scotland only, with an aggregate annual income of £65 million in 2012.

Figure 3.1

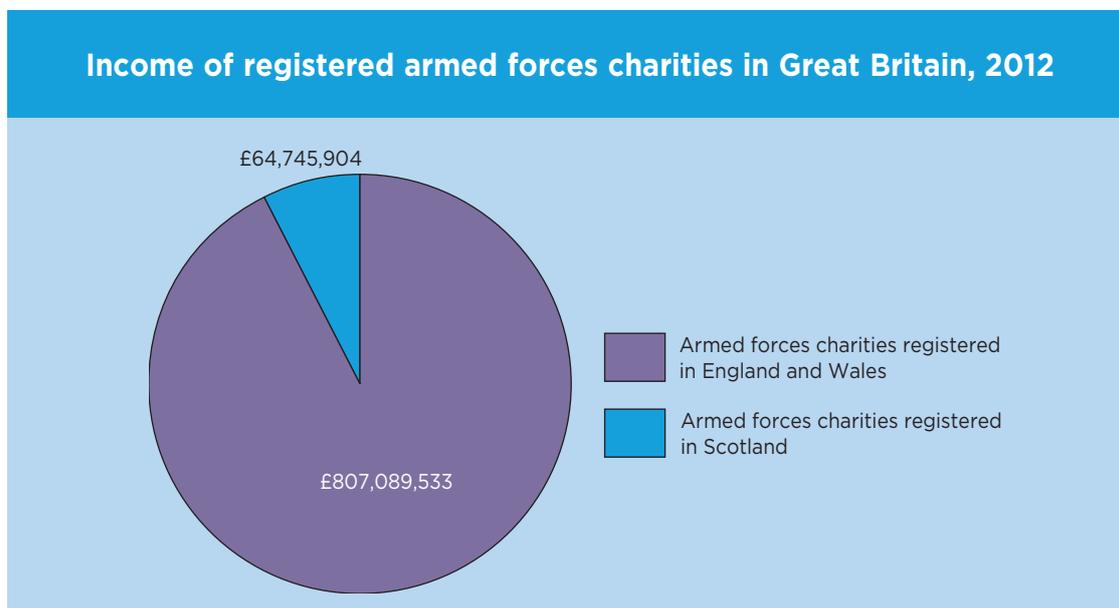


<sup>6</sup> These 1,818 charities manage a total of 192 'linked charities' according to CCEW's registration records. These 'linked charities' are subsidiary charities that are registered under the same registration number as their parent charities and for that reason they have not been counted in the totals presented throughout this report. There are no separate accounts reported to CCEW for 'linked charities' as the vast majority of them are consolidated into the accounts of the parent charity.

<sup>7</sup> Note: A considerable number of armed forces charities distribute grants to other armed forces charities resulting in some double-counting of income.

<sup>8</sup> These charities submit the same accounts both to CCEW and to OSCR. In order to avoid double-counting, these charities have only been accounted for once (allocated to England and Wales) and are excluded from Scotland's figures presented throughout this report.

Figure 3.2



The registration process with the Charity Commission for Northern Ireland (CCNI) is still at a very early stage of development and for that reason it has not been possible to conduct a comprehensive analysis on armed forces charities operating in Northern Ireland. We have identified at least 25 armed forces organisations which have been granted charitable tax exemptions but no detailed information or financial accounts are publicly available to analyse them further.

The rest of this report excludes charities registered in Northern Ireland due to lack of data and refers only to charities registered in Great Britain (England, Wales and Scotland). Across Great Britain, the armed forces charity sector comprises 2,237 registered organisations with a combined annual income of £872 million in 2012.

### 3.2 TYPES OF ARMED FORCES CHARITY

The universe of armed forces charities in Great Britain can be split into three basic categories (see figure 3.3):

- charities that cater for the needs of Service and ex-Service personnel and their families, known as the armed forces community;
- armed forces heritage organisations;
- cadet forces units and organisations (youth movement with strong connections to the armed forces).

Figure 3.3

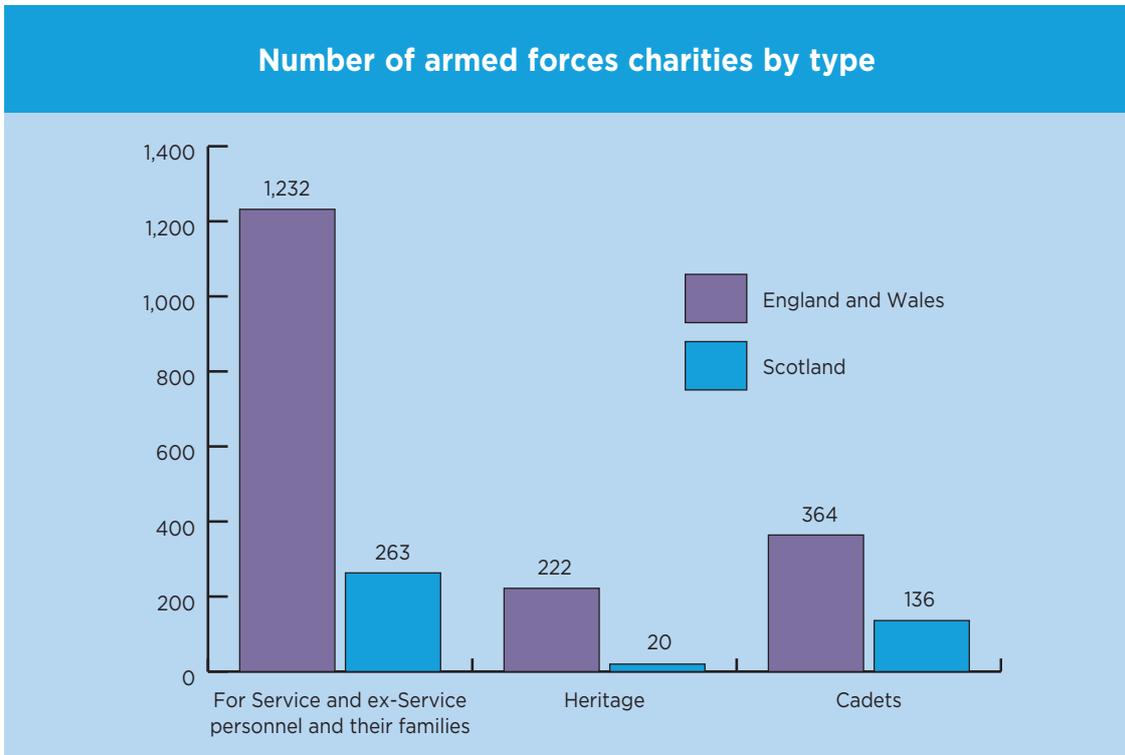
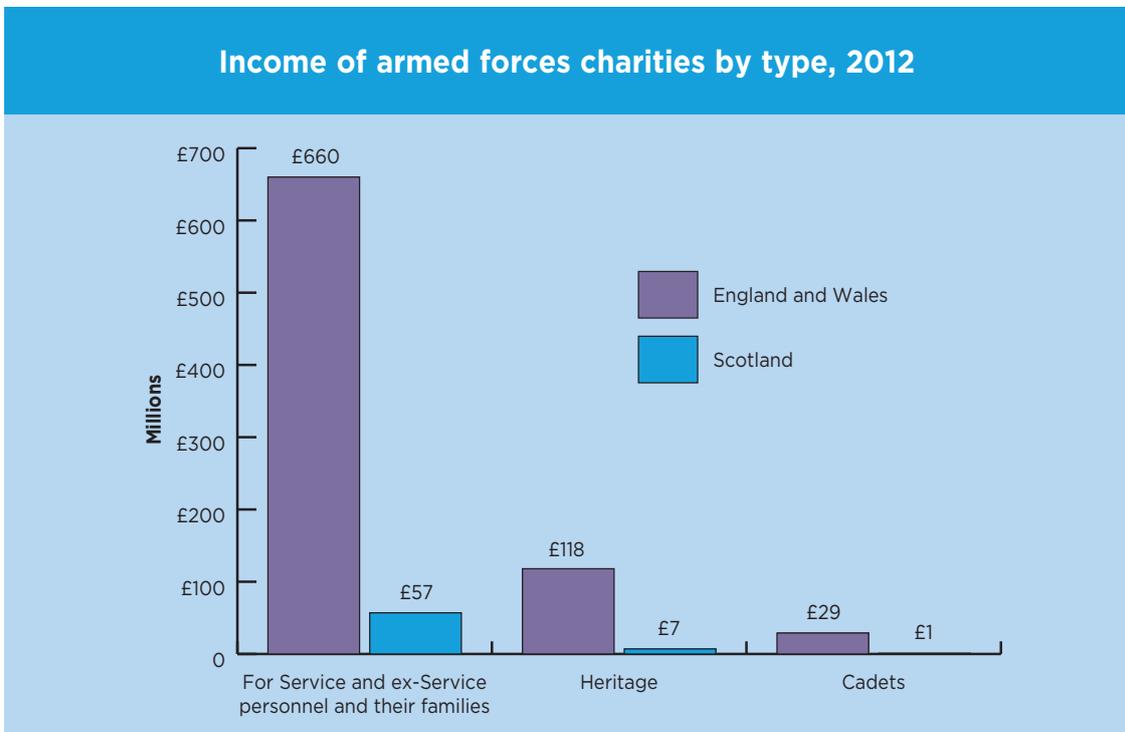


Figure 3.4



### 3.3 CHARITIES THAT CATER FOR THE NEEDS OF SERVICE AND EX-SERVICE PERSONNEL AND THEIR FAMILIES

A total of 1,495 armed forces charities in Great Britain cater for the needs of Service and ex-Service personnel and their families, including 1,232 charities in England and Wales and 263 in Scotland. These charities commanded an income of £716 million in 2012 (82% of the total) and they can be further categorised into five major sub-groups, as shown in table 3.1.

Table 3.1

Main categories of charities that cater for the needs of Service and ex-Service personnel and their families	
Welfare charities	<p><b>Objects:</b> Relief in need.</p> <p><b>Activities:</b> Provision of services and/or grants to alleviate distress amongst persons who are in need due to financial hardship, unemployment, homelessness, ill-health, disability, old age or other personal circumstances.</p> <p>Common activities include: grants to alleviate financial hardship; provision of housing to Service leavers, ex-Service personnel and their families; provision of healthcare and rehabilitation to injured Service or ex-Service personnel; disability support; care homes for elderly ex-Service personnel and families; education and employment services for Service leavers, ex-Service personnel and families; etc.</p> <p><b>Beneficiaries:</b> Active Service personnel and their families, ex-Service personnel and their families, dependants of deceased Service personnel.</p>
Service funds	<p><b>Objects:</b> Promotion of the efficiency of the armed forces.</p> <p><b>Activities:</b> Provision of facilities, services and/or grants to improve the morale, social and physical wellbeing of active Service personnel and/or their immediate families.</p> <p>Common activities include: provision of recreational facilities and services in armed forces bases; grants for sporting and adventure training activities for the benefit of active Service personnel; childcare and other services to support armed forces families living in Service communities; etc.</p> <p><b>Beneficiaries:</b> Active Service personnel and/or their immediate families.</p>

## Main categories of charities that cater for the needs of Service and ex-Service personnel and their families

Associations	<p><b>Objects:</b> Fostering <i>esprit de corps</i>/comradeship.</p> <p><b>Activities:</b> Social gatherings and other membership activities.</p> <p><b>Beneficiaries:</b> Members of the association.</p> <p>Note: A considerable proportion of associations also take over responsibilities for welfare provision (particularly the management of benevolent funds for relief-in-need purposes). In that sense, associations are also welfare charities. See section 3.3.3 for further details.</p>
Local or regional branches of parent associations	<p><b>Objects:</b> Fostering <i>esprit de corps</i>/comradeship.</p> <p><b>Activities:</b> Social gatherings and other membership activities.</p> <p><b>Beneficiaries:</b> Members of the branch.</p> <p>Note: This report only includes 515 association branches which are registered separately with CCEW as they are financially autonomous from their parent association. There are several thousand unregistered association branches which are not included in this report. See section 3.3.4 for further details.</p>
Mixed-type charities	<p><b>Objects:</b> Promotion of the efficiency of the armed forces; relief in need; fostering <i>esprit de corps</i>/comradeship.</p> <p><b>Activities:</b> Mixed-type charities combine elements of the above categories. They may provide grants to support adventure training and sports amongst active Service personnel (as Service funds do), but they may also give benevolent grants to ex-Service personnel or grants to other organisations to support benevolence and welfare provision for those who are in need (as welfare charities do). They may also provide grants to associations to contribute towards the costs of, for instance, annual reunions or remembrance events. On top of that, many of them provide grants to armed forces museums or towards the upkeep of heritage assets.</p> <p><b>Beneficiaries:</b> Active Service personnel and their families, ex-Service personnel and their families, dependants of deceased Service personnel, museums, associations and other organisations.</p>

This classification system has been developed by DSC based on a comprehensive review of charitable objects and activities for each individual charity. A detailed analysis of each category is presented in sections 3.3.1 to 3.3.5.

The number of charities and aggregate income by category are presented in figures 3.5 and 3.6. These figures refer to charities registered in England and Wales only. Unfortunately, it has not been possible to conduct an accurate classification of the 263 armed forces charities registered in Scotland that cater for the needs of Service and ex-Service personnel and their families. Publicly accessible information on many of them is not detailed enough for these purposes. However, we do know that 205 of them are association branches.

Figure 3.5

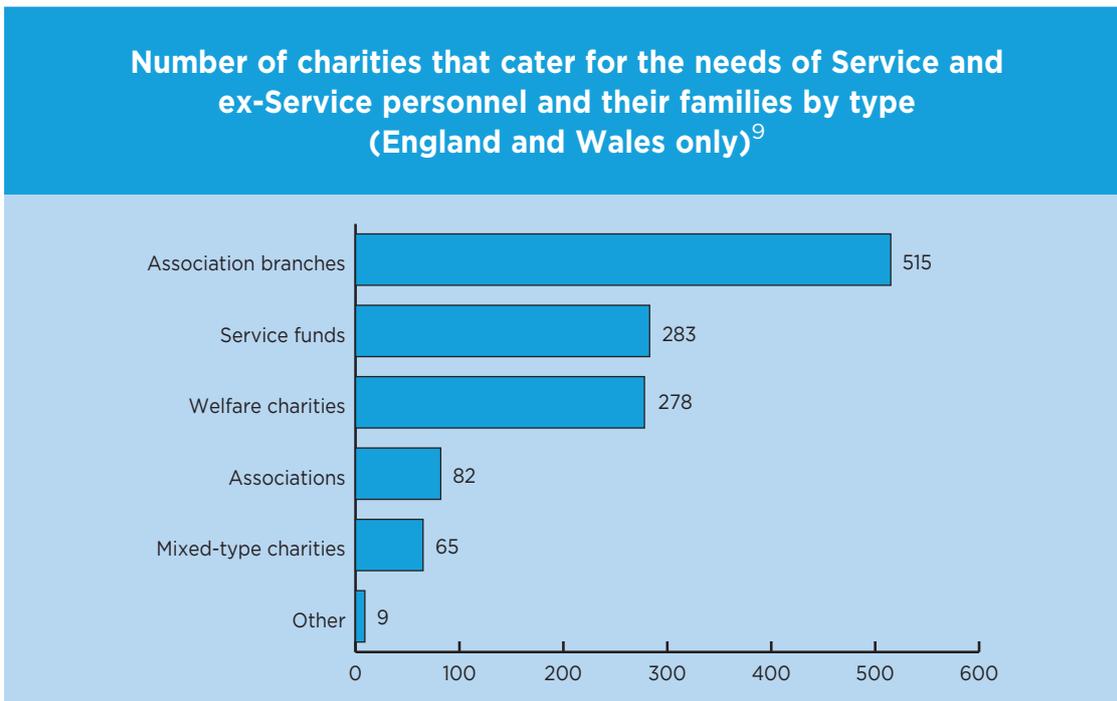
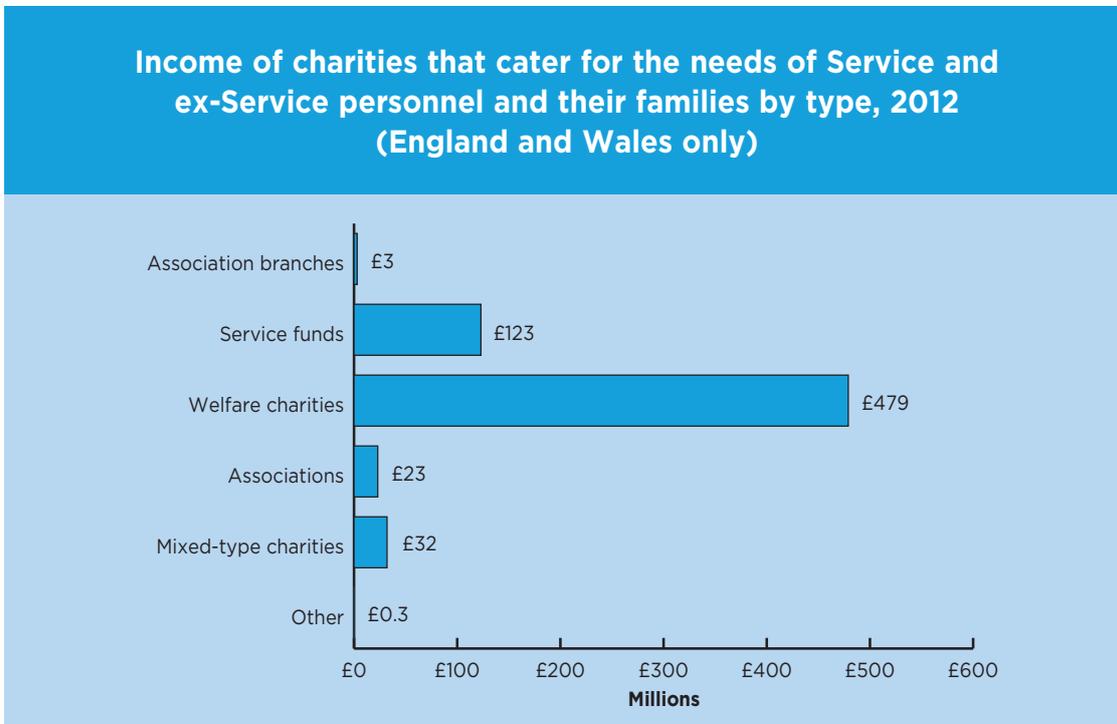


Figure 3.6



<sup>9</sup> The category 'Other' includes: the restricted and endowed funds of the RAF Benevolent Fund (registered under a separate charity number with CCEW), four branch property trusts connected to The Royal British Legion (all four registered under separate charity numbers); one other property trust used for the benefit of ex-Service personnel and families; and three common investment funds connected to regimental charities of the British Army (all three registered under separate charity numbers).

The largest share of income is concentrated in welfare charities for relief-in-need purposes (£479 million), followed by Service funds for the promotion of the efficiency of the armed forces (£123 million), mixed-type charities (£32 million), associations (£23 million), and association branches (£3 million).

It is important to note that a considerable proportion of charities that cater for the needs of Service and ex-Service personnel and their families are embedded in the organisational structure of the armed forces themselves. These charities are managed by Service personnel (serving or retired) and operate from armed forces headquarters or establishments. Therefore, the administration of these charities relies on public funding in the form of donated facilities and staff paid for by the Ministry of Defence (MOD). Their income, however, is self-generated and not provided by the MOD. The majority of Service funds operate in this way. Some welfare charities and associations also fit into that model. For instance, the Royal Regiment of Fusiliers' Aid Society (CC no. 259229) is a welfare charity that provides:

Advice and assistance ... to serving and past members of the Regiment and ... their widows and dependants, by making grants to them when in need and towards education. ... The Society is operated from our Regimental Headquarters at HM Tower of London. It is managed by ... six Managing Trustees who are all ex-officio appointments.

**Fusiliers' Aid Society (2012)**

### 3.3.1 Service funds

Although the largest share of sector income is concentrated in welfare charities (£479 million), it is important to focus first on the role of Service funds as they are a fundamental pillar of Service life regardless of an individual's personal circumstances.

Service funds exist for the promotion of the efficiency of the armed forces by raising the morale, social and physical wellbeing of active Service personnel, as well as the morale and social wellbeing of their immediate families. There are 283 Service funds registered in England and Wales, with a combined annual income of £123 million in 2012.

As would be expected, the needs of Service personnel and their immediate families are to a large extent met out of public funds (from the MOD's budget). The role of Service funds is to supplement existing sources of public funding with additional non-public funds for the benefit of Service personnel and their families.

A good example of public funds devoted to meet the needs of Service personnel and their families is in housing:

Service family accommodation (SFA):

The provision of good quality living accommodation for service personnel and their families is a top priority for the Ministry of Defence (MOD). This includes the management of around 50,000 properties, major and minor upgrades and maintenance service; managing the allocation of properties; and conducting move in and move out appointments. [ ... ] In areas where SFA housing stock is unavailable, service families

may be provided with fully-serviced private rented properties, known as substitute service family accommodation (SSFA).

**MOD 2012**

An example of non-public funding in this regard can be seen in the work of the Short Term Family Accommodation Centre (STFAC), a registered charity that operates in Hampshire (CC no. 1130215). The charity has 41 properties available to Service families for short-term let with the ultimate goal of avoiding or alleviating family separation. As stated in the charity's latest accounts: 'Public funding will provide some of the upkeep, but this fund exists to provide those items not publicly funded.' In addition, 'the fund will make grants to fund projects which directly benefit the local Service community' (STFAC 2013).

Housing is actually just a small proportion of what Service funds cover (since housing is largely provided for by the MOD). As can be seen in figures 3.7 and 3.8, a large majority of Service funds provide supplementary funding and other forms of support to Service personnel and their families in the area of adventure training, sports, social and recreational activities, which also attracts the lion's share of the money (£104 million).

In a distant second place we find charities that provide services and support to Service families, 83% of which are nurseries and playgroups for the benefit of Service families as well as other children in the local community.

Figure 3.7

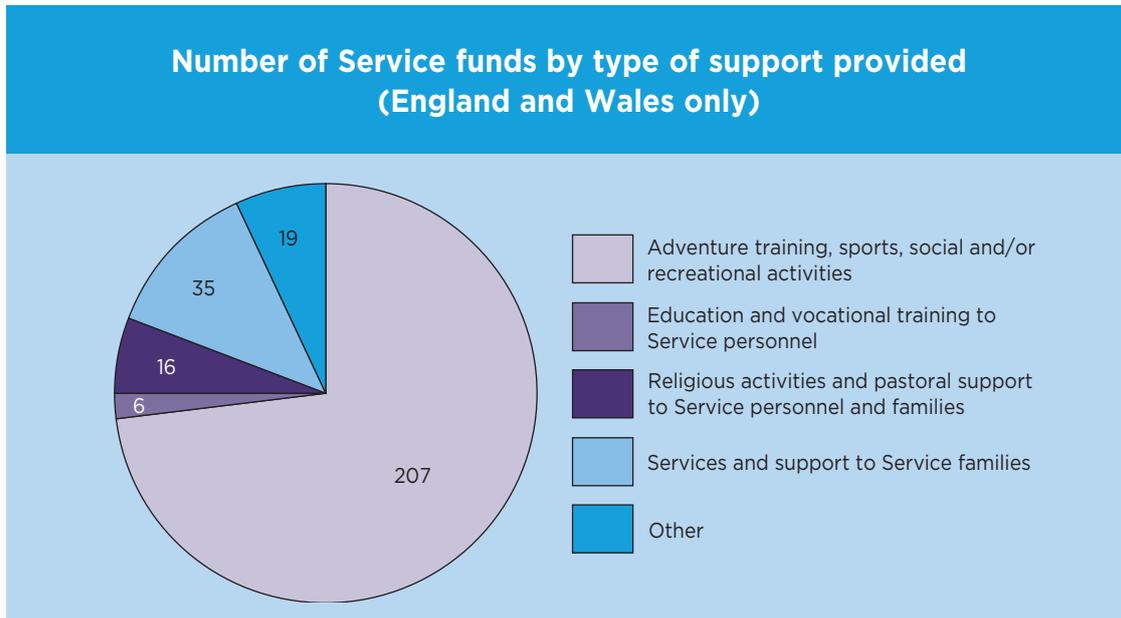
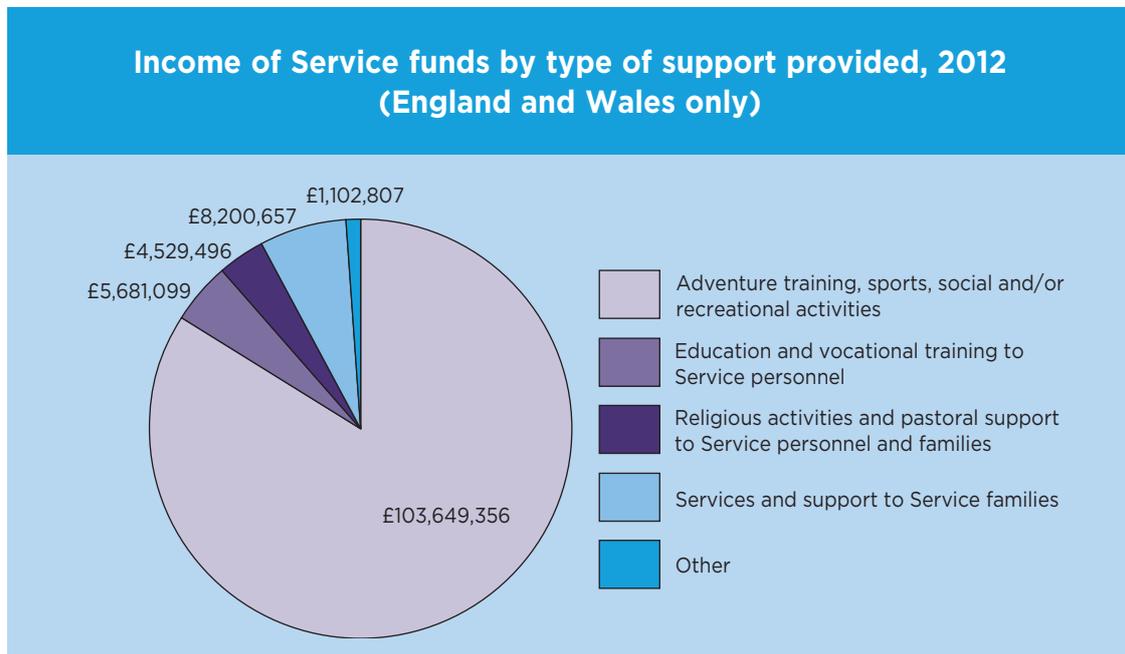


Figure 3.8



Amongst the group of 207 Service funds that provide for adventure training, sports, and social and recreational activities there are 68 which are officers', warrant officers' and sergeants' messes. These messes had a combined income of £12 million in 2012. Their activities focus on the provision of 'accommodation, meals and social facilities for different types of officer' serving in the armed forces (HMRC n.d.). According to current regulations, each mess has to register separately with CCEW even when they operate from the same establishment, for instance:

- RAF Brize Norton Officers' Mess (CC no. 1132395);
- RAF Brize Norton Sergeants' Mess (CC no. 1132400).

Other funds that provide for junior ranks within those same establishments also need to be registered separately, and so we find, for instance, the RAF Brize Norton Service Institute Fund (CC no. 1132398). As explained in the charity's accounts, this fund provides grants to personnel of the rank of corporal or below 'to assist with the costs associated with adventurous training or sporting activities'. It also provides subsidies towards the cost of social activities organised by or on behalf of junior ranks and contributes funding towards the provision of equipment or facilities 'that will enhance the working or social environment of the Junior Ranks at RAF Brize Norton' (RAF Brize Norton 2012).

### 3.3.2 Welfare charities

Welfare charities aim to relieve need, hardship or distress amongst members and ex-members of the armed forces and their families when they find themselves in a vulnerable position due to financial hardship, bereavement, unemployment, homelessness, ill-health, disability, old age or other challenging circumstances.

The concept of 'welfare' needs to be explained in the context of the armed forces charity sector. A considerable number of Service funds that provide for sports, social and recreational facilities to serving personnel and their families are actually named 'welfare funds', and so they are in a wider sense of the term, but we consider that their activities are better defined by the notion of 'wellbeing'. These charities are treated separately in this report under the heading of Service funds (see section 3.3.1.).

Throughout this report we use the term 'welfare' to refer to the provision, through services or grants, of a safety net of support available to eligible individuals who fall on hard times or find themselves in a vulnerable position due to any of the circumstances described above (unemployment, ill health and so on). We do so in order to preserve a definition of 'welfare' which fits with the rest of the UK voluntary sector.

This research has identified 11 major areas of welfare support provided by armed forces charities (which are covered in this order in the chapter):

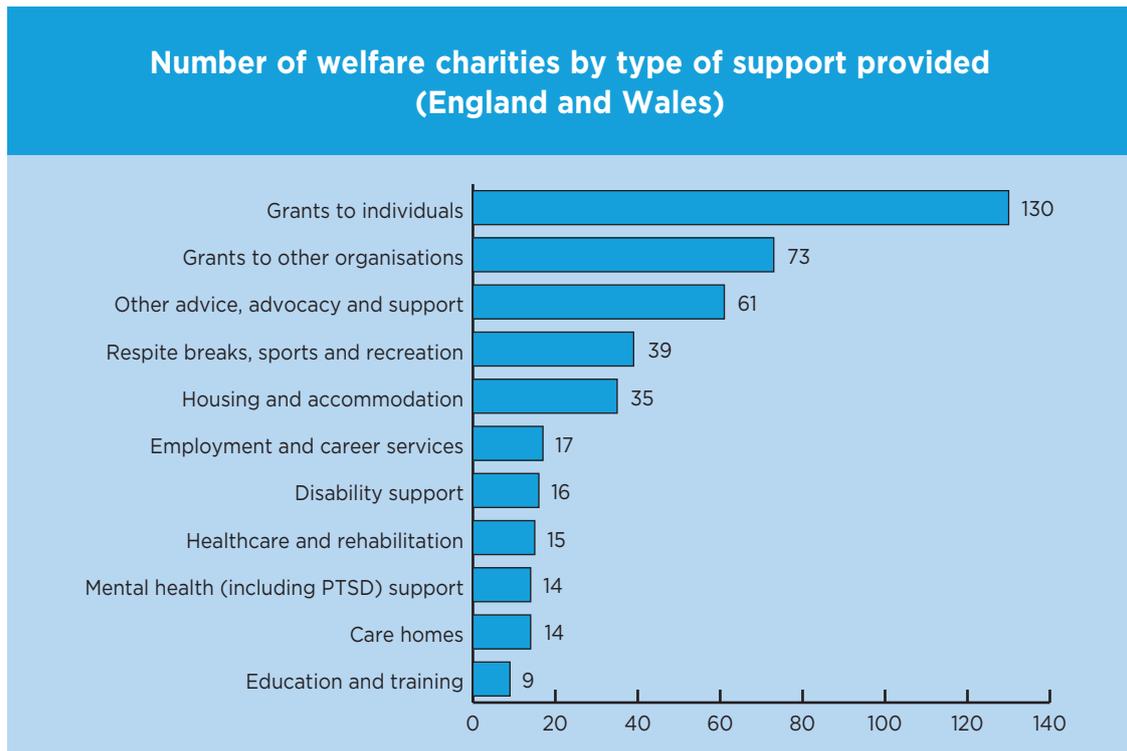
Table 3.2

Type of support provided by welfare charities	
<i>Service providers</i>	1 Housing and other accommodation services to Service leavers, ex-Service personnel and their dependants who are in need, <sup>10</sup>
	2 Care homes for disabled and elderly ex-Service personnel and their dependants.
	3 Healthcare and rehabilitation services to injured Service personnel, and medically discharged Service and ex-Service personnel.
	4 Disability support services to veterans.
	5 Mental health (including post-traumatic stress disorder (PTSD)) support services to Service and ex-Service personnel and their families.
	6 Education and training services to Service leavers and ex-Service personnel to help them with their transition into civilian life.
	7 Employment and career services to Service leavers, ex-Service personnel and their partners.
	8 Respite breaks, sporting and recreational activities to individuals with particular needs, such as disabled ex-Service personnel and bereaved families.
	9 Other advice, advocacy and support services to Service and ex-Service personnel and their families when they find themselves in need.
<i>Grant-makers</i>	10 Grants to individuals for relief-in-need purposes or to help with education and re-training.
	11 Grants to other organisations to support welfare provision to the armed forces community.

<sup>10</sup> Note: as explained in section 3.3.1, housing for active Service personnel and their immediate families is met out of public funds, with some additional provision funded by Service funds.

These are not mutually exclusive categories and many welfare charities operate in a number of these areas. The Royal British Legion, for instance, provides care homes, healthcare and rehabilitation services, employment and career services, respite breaks and other advice, advocacy and support services. It also provides grants to individuals in need and to other organisations.

Figure 3.9



Overall, grants to individuals for relief-in-need purposes (i.e. benevolent grants) is the most common charitable activity amongst armed forces welfare charities.

### 3.3.2.1 Top ten welfare charities

The top ten armed forces welfare charities provide a wide range of services and distribute grants to both individuals in need and other organisations. The majority of them operate throughout the UK; some operate overseas as well. Their combined annual income was £367 million in 2012 (i.e. 42% of the total income commanded by armed forces charities in Great Britain).

Table 3.3

Top ten welfare charities (England and Wales)			
	<i>Income 2012</i>	<i>Service provision</i>	<i>Grants</i>
The Royal British Legion	£133 million	<ul style="list-style-type: none"> <li>■ Care homes</li> <li>■ Healthcare and rehabilitation</li> <li>■ Employment and career services</li> <li>■ Respite breaks, sports and recreation</li> <li>■ Other advice, advocacy and support</li> </ul>	<ul style="list-style-type: none"> <li>■ Grants to individuals</li> <li>■ Grants to organisations</li> </ul>
SSAFA	£50 million	<ul style="list-style-type: none"> <li>■ Housing and accommodation</li> <li>■ Care homes</li> <li>■ Healthcare and rehabilitation</li> <li>■ Other advice, advocacy and support</li> </ul>	<ul style="list-style-type: none"> <li>■ Grants to individuals</li> </ul>
Help for Heroes	£41 million	<ul style="list-style-type: none"> <li>■ Healthcare and rehabilitation</li> <li>■ Disability support</li> <li>■ Respite breaks, sports and recreation</li> <li>■ Other advice, advocacy and support</li> </ul>	<ul style="list-style-type: none"> <li>■ Grants to individuals</li> <li>■ Grants to organisations</li> </ul>
Forces in Mind Trust	£35 million <sup>11</sup>	<ul style="list-style-type: none"> <li>■ No service provision</li> </ul>	<ul style="list-style-type: none"> <li>■ Grants to organisations</li> </ul>

<sup>11</sup> Note: this is a one-off grant from the Big Lottery Fund.

Top ten welfare charities (England and Wales)			
	<i>Income 2012</i>	<i>Service provision</i>	<i>Grants</i>
Blind Veterans UK	£24 million	<ul style="list-style-type: none"> <li>■ Care homes</li> <li>■ Disability support</li> <li>■ Respite breaks, sports and recreation</li> </ul>	<ul style="list-style-type: none"> <li>■ Grants to individuals</li> </ul>
King Edward VII's Hospital Sister Agnes	£20 million	<ul style="list-style-type: none"> <li>■ Healthcare and rehabilitation</li> </ul>	<ul style="list-style-type: none"> <li>■ Grants to individuals</li> </ul>
Royal Star & Garter Homes	£18 million	<ul style="list-style-type: none"> <li>■ Care homes</li> </ul>	<ul style="list-style-type: none"> <li>■ No grants</li> </ul>
RAF Benevolent Fund	£17 million	<ul style="list-style-type: none"> <li>■ Housing and accommodation</li> <li>■ Care homes</li> <li>■ Respite breaks, sports and recreation</li> <li>■ Other advice, advocacy and support</li> </ul>	<ul style="list-style-type: none"> <li>■ Grants to individuals</li> <li>■ Grants to organisations</li> </ul>
Combat Stress	£16 million	<ul style="list-style-type: none"> <li>■ Mental health (including PTSD) support</li> </ul>	<ul style="list-style-type: none"> <li>■ No grants</li> </ul>
ABF The Soldiers' Charity	£13 million	<ul style="list-style-type: none"> <li>■ No service provision</li> </ul>	<ul style="list-style-type: none"> <li>■ Grants to individuals</li> <li>■ Grants to organisations</li> </ul>

### 3.3.2.2 Housing and homelessness

There are 35 armed forces charities providing housing and accommodation to Service leavers, ex-Service personnel and/or their families. Five of them are entirely focused on fighting homelessness amongst ex-Service personnel. They do so by providing short-term emergency accommodation as well as other outreach and support services to help those in greatest need to rebuild their lives.

The single largest housing provider amongst armed forces charities is Haig Housing. The charity has more than 1,300 properties spread across 47 local authorities in the UK and an

annual income of over £9 million for the financial year ended 31/03/2013.<sup>12</sup> The majority of charities in this group, however, do not have such a broad geographical reach. Many of them are local charities that manage a small housing stock in one or few local authorities.

The largest homelessness charity is Veterans Aid, with a total income of £1.4 million in the financial year ended 30/09/2012.

### 3.3.2.3 Care homes

There are 14 welfare charities that provide care homes for disabled and/or elderly ex-Service personnel and their families. Six of these charities are exclusively care home providers. An additional eight provide care homes as part of a wider portfolio of services and/or grants.

Table 3.4

Armed forces charities that provide care homes (England and Wales)	
<i>Exclusively care homes</i>	<i>Wider portfolio of services and/or grants</i>
<ul style="list-style-type: none"> <li>■ Royal Star &amp; Garter Homes</li> <li>■ Queen Alexandra Hospital Home</li> <li>■ St David's Home for Disabled Soldiers, Sailors and Airmen</li> <li>■ Royal Alfred Seafarers' Society</li> <li>■ Broughton House Home for Ex-Service Personnel</li> <li>■ Royal Cambridge Home for Soldiers' Widows</li> </ul>	<ul style="list-style-type: none"> <li>■ The Royal British Legion</li> <li>■ Royal British Legion Industries Ltd.</li> <li>■ SSAFA</li> <li>■ Blind Veterans UK</li> <li>■ British Limbless Ex-Service Men's Association (Blesma)</li> <li>■ Royal Naval Benevolent Trust</li> <li>■ RAF Benevolent Fund</li> <li>■ Gurkha Welfare Trust (care homes for Gurkha ex-Service personnel in Nepal)</li> </ul>

The single largest care home provider amongst armed forces charities is the Royal Star & Garter Homes. The charity currently manages two homes in Solihull (West Midlands) and Surbiton (Outer London) and is looking to establish a third one in High Wycombe (Buckinghamshire). It had an annual income of £17.76 million in the financial year ended 31/12/2012.

### 3.3.2.4 Healthcare and rehabilitation

There are 15 armed forces charities involved in the provision of healthcare and rehabilitation. As one would expect, this is an area dominated by public funding and provision, and the vast

<sup>12</sup> This is an estimate based on the combined income of The Douglas Haig Memorial Homes (£7,201,000) and its sister charity Haig Housing Trust (£2,315,000). The two charities were amalgamated on 1st October 2013.

majority of charities operating in this area work in partnership or in close collaboration with the MOD and/or NHS services.

Table 3.5

<b>Welfare charities operating in the area of healthcare and rehabilitation services (England and Wales only)</b>	
King Edward VII's Hospital Sister Agnes	Provides treatment at preferential rates to serving and ex-Service personnel and their spouses.
St John and Red Cross Defence Medical Welfare Service	Provides practical and emotional support to Service personnel and their families while they are in hospital, rehabilitation or recovery centres.
Royal Centre for Defence Medicine Patient Welfare Fund	Provides help and assistance to armed forces patients and their families, in both a clinical and a welfare capacity, while the patient is rehabilitating from injuries.
Woundcare 4 Heroes	Supports the NHS in delivering complex wound management services to individuals traumatically injured during Service and provides educational training programmes to those caring for injured personnel.
Headley Court Charity	The charity owns the site and buildings of the Defence Medical Rehabilitation Centre at Headley Court in Surrey. The MOD is responsible for all the operating costs, but the charity may assist from time to time with specific projects which add to the welfare of patients.
Black Stork Charity	The charity was established in May 2011 to facilitate the design, management and construction of a new Defence and National Rehabilitation Centre. The new facility is expected to be open for use in 2017.
Help for Heroes and The Royal British Legion	These two charities have contributed funding and are involved in the running of a number of Personnel Recovery Centres designed to assist wounded, injured and sick Service personnel to return to duty or move successfully into civilian life. These centres form a major part of the Defence Recovery Capability, an initiative led by the MOD that has received support from other armed forces charities and organisations as well.
SSAFA	Provides healthcare and social work services for Service personnel and their families around the world to ensure they enjoy the best standards of the NHS in overseas commands. The charity also provides various commissioned services to the NHS in the UK.

### Welfare charities operating in the area of healthcare and rehabilitation services (England and Wales only)

Row2Recovery Foundation	The official provider of para-rowing for the armed forces, an activity used to assist injured and wounded personnel in their rehabilitation. It works in partnership with Help for Heroes and in liaison with the MOD and other armed forces and civilian charities.
Mission Motorsport	Coordinates and provides motorsport activities to assist in the rehabilitation of those affected by operations. The charity has been appointed as the Combined Services' official provider of adaptive motorsport.
On Course Foundation	Provides golf training courses and activities to assist in the recovery of injured Service and ex-Service personnel. The charity has strong relationships with Defence Recovery Capability and Personnel Recovery Units around the UK.
Highground Projects Limited	Provides a horticultural therapy service for patients at the Defence Medical Rehabilitation Centre at Headley Court.
Combat Services Charity (UK)	The charity is raising money to build and maintain Health Care Premises to assist and support Service and ex-Service personnel who have suffered injuries during their service. In the past, they have donated most of their income to Help for Heroes. The charity's website states that, from now, all funds will be directed to the Health Care Premises project.
Gurkha Welfare Trust	Provides medical care to the Gurkha ex-Service personnel community living in Nepal. (Note: Nepal has no national health service and access to quality medical care can be very limited).

#### 3.3.2.5 Disability support

There are 16 welfare charities providing services specifically targeted to ex-Service personnel with disabilities. Some charities focus their support on those with disabilities caused by injuries sustained in service, but this is not necessarily the case. Blind Veterans UK, which is the largest disability charity in terms of income (£24.2 million), supports ex-Service personnel who are blind or severely visually impaired whatever the cause of such disability may be.

Disability support services span across other areas of support identified in this research, including:

- care homes;
- employment and vocational training services;

- adaptive sport;
- recreational activities for the disabled.

Examples of disability-focused charities include the British Ex-Services Wheelchair Sports Association (BEWSA), Blesma - The Limbless Veterans, Pilgrimbandits, the RAF Disabled Holiday Trust, the Poppy Factory and Soldier On! Organisation.

### **3.3.2.6 Mental health (including PTSD) support**

There are 14 armed forces charities providing treatment and/or other support services to those suffering from psychological wounds resulting from their time in service, particularly those suffering from PTSD. Combat Stress, with an income of £15.56 million in the financial year ended 31/03/2013, is the highest income charity in this category.

Once again, mental health is an area where public funding and provision is widespread throughout NHS services, but the additional funding, specialised services and expertise of armed forces charities is a key contributor to the overall infrastructure of support available to ex-Service personnel. Combat Stress, for instance, delivers intensive PTSD rehabilitation programmes commissioned by the NHS; runs outreach services which liaise with GPs, community mental health teams and other services; and is working closely with the Department of Health and the NHS as well as the MOD to facilitate the set-up of joint clinical pathways for ex-Service personnel.

### **3.3.2.7 Education and training**

Education and vocational training is an area where the vast majority of support provided by armed forces charities will be given in the form of advice, signposting and/or financial assistance (grants). The grant-making charity Walking With The Wounded, for instance, 'fund[s] a range of programmes and courses which retrain wounded service personnel to provide the necessary skills and qualifications they require to be able to find long-term employment, meaning they can support themselves and their families' (Walking With The Wounded n.d.). Benevolent organisations may also provide support in this area based on need. The Rifles Benevolent Trust, for instance, states that 'assistance may be given where an individual has been identified by a welfare agency as requiring retraining due to circumstances caused by a disability or long term unemployment' (Rifles 2007)

In addition, there are nine armed forces charities directly providing vocational training opportunities to Service leavers and ex-Service personnel. These training opportunities are industry-specific and targeted to those who may find it particularly difficult to successfully move into civilian life due to injuries, disability or the psychological wounds of service. Some examples are the charities Military Gardeners, Wings for Warriors and Mission Motorsport.

### **3.3.2.8 Employment and career services**

There are 17 armed forces charities that provide employment and career services to Service leavers, ex-Service personnel and/or their partners. The largest one in terms of income is The Royal British Legion Poppy Factory Limited (with an income of £3.54 million in the financial year ended 30/09/2012). As well as providing paid employment for disabled ex-Service

personnel at its headquarters in Richmond, the charity assists others to find work elsewhere, with a vision that 'no disabled veteran who wants to work should be out of work' (Poppy Factory n.d.).

The second largest charity in this group is the Regular Forces Employment Association (RFEA) with £2.25 million in the financial year ended 30/09/2012. RFEA states that it sources job vacancies and opportunities 'for any rank, trade and background, including Reservists, Early Service Leavers, the Wounded and Dependants' (RFEA n.d.).

Employment support to service leavers is also an area where the MOD contributes funding through the Career Transition Partnership (CTP) programme. The CTP incorporates nine regional resettlement programmes in the UK, one in Germany and one in Nepal. Support is available from two years prior to discharge and up until two years after discharge. Armed forces charities such as RFEA and the Officers Association are involved in the delivery of part of the CTP portfolio.

### **3.3.2.9 Respite breaks, sporting and recreational activities for individuals and families with particular needs**

There are 39 armed forces charities providing holidays, respite breaks, sporting and/or recreational activities to individuals and families with particular needs, such as families and children of deceased Service personnel, disabled ex-Service personnel and their families, injured troops or those who have just returned from operational duty and would benefit greatly from a respite break. Some of these charities are very small in terms of income and rely on in-kind donations and volunteers. The charity Give Us Time, for instance, is a recently established charity that 'takes one-week holidays donated by owners of holiday homes and timeshares, and matches them with military personnel returning from Afghanistan who are in need of rest, rehabilitation and reconnection with their families' (Give Us Time n.d.).

The single largest provider in this group is the Not Forgotten Association, with £1.07 million income in the financial year ended 31/03/2013 (NFA 2013). This charity provides leisure and recreation for the benefit of serving and ex-Service personnel who are wounded or have sustained permanent injuries. It does so through outings, holidays and the provision of televisions and licences to beneficiaries who are housebound, among other activities.

### **3.3.2.10 Other advice, advocacy and support**

There are 61 charities which provide general advice, advocacy and other welfare support services to the armed forces community. Military Debt Help (UK), for instance, provides 'free and impartial debt advice' to members of the armed forces. Another example is the Invicta Foundation, a relatively new charity that provides a support and signposting service to the families of injured Service personnel.

### **3.3.2.11 Grants to individuals**

There are 130 welfare charities that award grants to individuals for relief-in-need purposes. These include charities that provide grants to individuals as part of a wider portfolio of welfare services and support and charities that are exclusively benevolent grant-makers. (A

considerable number of associations and mixed-type charities also provide relief-in-need grants to individuals: see sections 3.3.3 and 3.3.5 respectively.)

SSAFA is the top charity in this group with £18.47 million paid to individuals in need in the year ended 31/12/2012. However, over £12 million of these funds was given to SSAFA by other charities to support individual requests for assistance that were being assessed, coordinated and managed by SSAFA caseworkers. Hence the vast majority of money came from other sources and not directly from SSAFA.

Amongst charities that are exclusively grant-makers, ABF The Soldiers' Charity is the top benevolent organisation with £5.27 million awarded to individuals in need in the year ended 31/03/2013.

### **3.3.2.12 Grants to organisations**

There are 73 armed forces welfare charities which award grants to organisations to support their work with the armed forces community. Again, these include charities that give grants to organisations as part of a wider portfolio of services and support and charities that disburse grants to other organisations as their only charitable activity.

The Royal British Legion is the top charity in this category with £7.7 million given to other organisations in the financial year ended 31/09/2012.

Amongst charities that award grants to other organisations only, Seafarers UK is at the top with a total grant expenditure of £2.5 million in the financial year ended 31/12/2012. Seafarers UK gives money to organisations and projects that support those who have served in the Royal Navy and the Royal Marines and their families, and those who have served in the Merchant Navy and fishing fleets and their families.

## **3.3.3 Armed forces associations**

There are 82 associations registered in England and Wales that are connected to the armed forces. These charities commanded an income of £23 million in 2012.

The vast majority of registered associations are connected to corps and regiments of the British Army (70%), 13% are connected to the Royal Navy or specific branches of the Royal Navy, and 6% are connected to the RAF or specific units of the RAF. (For a detailed analysis of corps and regimental charities, naval charities and RAF charities, see section 3.4.)

These charities are membership organisations, open to eligible Service and ex-Service personnel as well as members of their families, that exist to maintain the bonds of camaraderie forged in the Service. They do so through the organisation of social gatherings, annual reunions, remembrance events, trips and other membership activities. However, armed forces associations are something more than mere membership organisations. Historically, they have acted as a safety net for their members, pre-dating the creation of the British welfare state in much the same way as trade unions and livery companies did for their own members.

Yet today, associations remain key components in the infrastructure of welfare support available to the armed forces community. In that sense, associations are also welfare charities. Their involvement in welfare provision focuses on two main areas of activity:

- provision of advice, advocacy and support to their members (including signposting and coordination with other welfare and benevolent charities);
- management of their own benevolent funds and distribution of grants for relief in need to eligible individuals (in the vast majority of cases, eligible beneficiaries do not need to be members of the association as long as they meet eligibility criteria connected to serving in the armed forces).

More than two-thirds of registered associations may provide benevolent grants to individuals in need. An example of a grant-making association is the Royal Army Pay Corps Regimental Association.

### Example: The Royal Army Pay Corps Regimental Association

The Royal Army Pay Corps were in active service between the years 1878 and 1992, and they were responsible for administering payroll and all other financial matters across the British Army. Although the Corps ceased to exist when they were amalgamated into the Adjutant General's Corps in 1992, their regimental association remains to maintain *esprit de corps* and group welfare amongst their ex-Service personnel. In the year ended 31/12/2012, the Association's welfare committee met to consider 59 applications for assistance and disbursed £20,127 in benevolent grants to individuals in need. This represented 28% of its total expenditure for the year. The rest of the budget was spent on membership activities, including paying for the costs of the regimental journal *Primrose and Blue*.

### 3.3.4 Association branches

Armed forces associations usually have local and/or regional branches. In some instances, branches operate autonomously from the parent organisation. Hence, they register separately with CCEW and have their own unique charity number.

A total of 515 association branches are registered in England and Wales with their own unique charity number; 99% of these belong to three single-parent organisations:

- The Parachute Regimental Association (79 registered branches);
- The Royal Naval Association (154 registered branches);
- The Royal Air Forces Association (277 registered branches).

In addition, there are 205 association branches registered in Scotland, also with their own unique charity number; 99% of these belong to:

- The Parachute Regimental Association (8 registered branches);
- The Royal Air Forces Association (27 registered branches);
- The Royal British Legion Scotland (167 registered branches).

It is important to note that these 720 registered branches are only the tip of the iceberg. There are thousands of association branches throughout the UK and overseas, but the vast majority of them are unregistered and therefore not counted in the totals provided throughout this report. This may be due to the following factors: charities with annual incomes below £5,000 do not have to register with CCEW, and many local branches are likely to operate below this threshold. Also, branches may not be financially autonomous from their parent organisation, meaning that they do not have to register as separate entities.

### 3.3.5 Mixed-type charities

Service funds, welfare charities and associations (including parent associations and local or regional branches) are the three basic types of armed forces charity that cater for the needs of Service and ex-Service personnel and their families. However, the boundaries between them can sometimes be blurry.

There are 65 armed forces charities which, through the provision of grants to individuals and/or other organisations, cover all types of charitable objects and activities described in previous sections. This report refers to them as 'mixed-type charities'.

Mixed-type charities may provide grants to support adventure training and sporting activities amongst active Service personnel (as Service funds do), but they may also give benevolent grants to ex-Service personnel or grants to other organisations to support welfare provision to those in need (as welfare charities do). Mixed-type charities may also provide financial assistance to associations to contribute towards the costs of, for instance, annual reunions or commemorative events. They may also provide grants to armed forces museums or towards the upkeep of other heritage assets.

Of mixed-type charities, 86% are connected to corps and regiments of the British Army, with a vision of supporting all aspects of corps and regimental life and all members of the corps and regimental family (serving personnel, ex-Service personnel and dependants). In addition, 4% are connected to the Royal Navy and 3% are connected to the RAF.

An example in this category is the naval charity the Royal Navy and Royal Marines Charity (CC no. 1117794). This charity was established in 2007 and it currently categorises its grant expenditure in five blocks: two are welfare expenditure, and three are Service fund expenditure, as shown in table 3.6.

Table 3.6

Types of grants awarded by the Royal Navy and Royal Marines Charity	
<p><i>Welfare grants</i></p> <ul style="list-style-type: none"> <li>■ <b>Benevolence:</b> grants to naval and other charities to support benevolence and welfare provision to individuals in need.</li> <li>■ <b>Dependants:</b> grants to dependants 'on the occasion of a death occurring while in the Royal Navy'.</li> </ul>	<p><i>Service fund grants</i></p> <ul style="list-style-type: none"> <li>■ <b>Amenities:</b> 'grants to improve quality of life for the naval serving community and their families.'</li> <li>■ <b>Sports:</b> 'grants to naval sport associations... assisting directly with promoting fitness and efficiency.'</li> <li>■ <b>Prizes and awards:</b> funding for prizes and awards 'through an allocation of grants to shore establishments, ships and units' in order to improve 'the morale and efficiency of the service'.</li> </ul>

RNRMC 2012

Another example is the Royal Artillery Charitable Fund (CC no. 210202). As explained in the charity's annual report, 'grants are allocated to relieve individual hardship' as well as to 'enhance the collective wellbeing of the Regiment and its individual members by supplementing the lack or shortfall of other funding' (RACF 2012).

A further example is the Parachute Regiment Charity (CC no. 1131977) which gives grants to regimental battalions for adventure training purposes and welfare grants to serving personnel and their families. In addition, the charity provides support to many other aspects of regimental life which sustain its *esprit de corps*, including, for instance, contributions towards the costs of the regimental journal - the *Pegasus* journal. It also contributes towards the upkeep of regimental heritage assets, 'primarily the Airborne Assault museum at IWM Duxford' (PRC 2012).

### 3.4 WHO IS ELIGIBLE FOR SUPPORT? TRI-SERVICE, SINGLE SERVICE AND REGIMENTAL CHARITIES

Charities that cater for the needs of Service and ex-Service personnel and their families (i.e. welfare charities, Service funds, associations and mixed-type charities) not only differ in their objects and activities (as explained in sections 3.3.1 to 3.3.5), but also serve different beneficiary groups. In this regard, it is important to understand that the size and structure of the armed forces charity sector does, to a large extent, mirror the size and structure of the armed forces themselves.

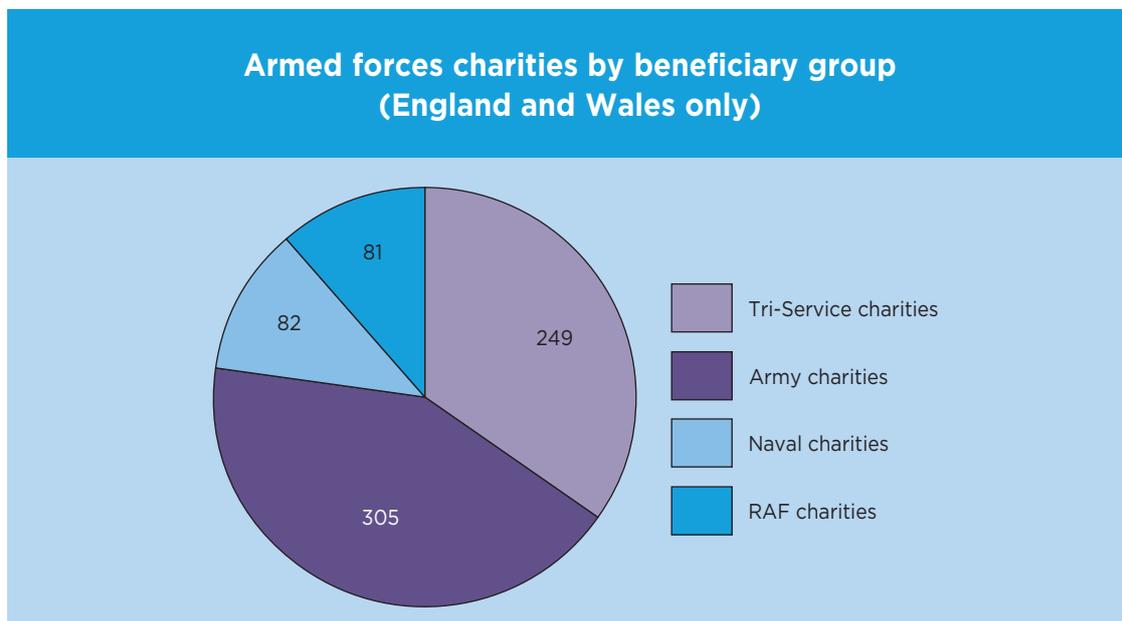
The British armed forces are currently structured into three Services:

- the Royal Navy (which includes the Royal Marines);
- the British Army;
- the RAF.

The history of the Royal Navy and the British Army spans over several centuries and their modern origins can be traced back to the sixteenth and seventeenth centuries respectively. The RAF was founded in 1918, the last year of the First World War. As of 1 July 2014, the British Army made up 59% of all personnel serving in the armed forces (including regular forces and full-time reservists), 21% were members of the RAF and 20% served in the Royal Navy (Berman and Rutherford 2014). This tri-Service structure (and its relative size in terms of personnel) is to some extent reflected in the composition of the armed forces charity sector.

Whilst 35% of all armed forces charities registered in England and Wales<sup>13</sup> serve the needs of the entire armed forces community (known as 'tri-Service charities'), 43% provide support for British Army personnel (hereafter referred to as Army charities), 11% serve the needs of Royal Navy personnel (hereafter referred to as naval charities) and 11% provide support for RAF personnel (hereafter referred to as RAF charities).<sup>14</sup>

Figure 3.10

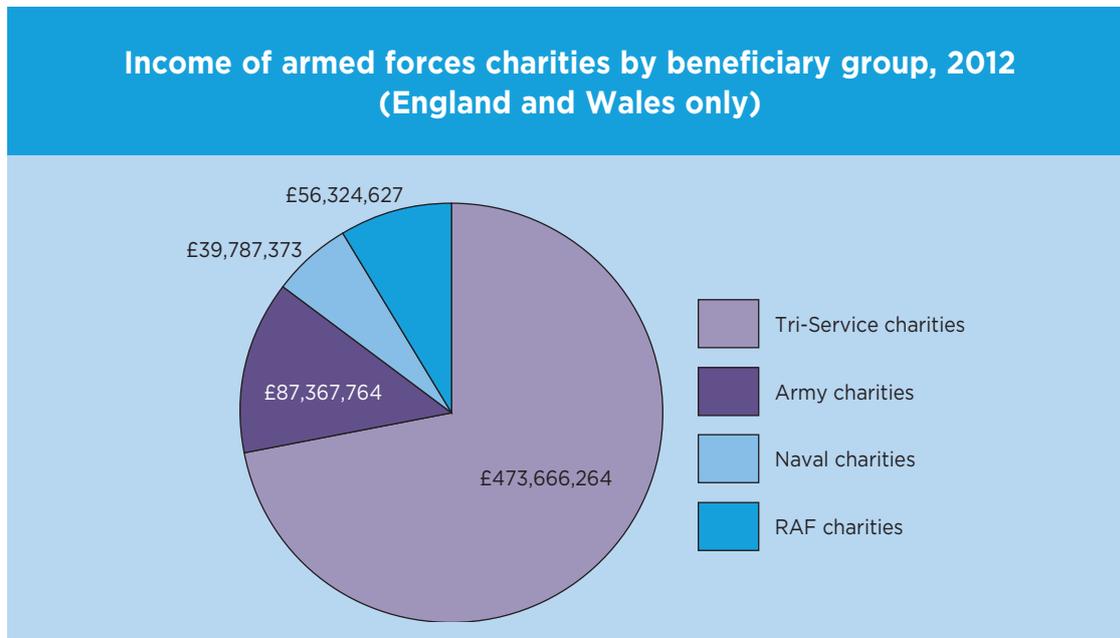


<sup>13</sup> Excluding heritage organisations, cadet forces charities and registered branches of associations.

<sup>14</sup> Classification data regarding beneficiary groups is not available for armed forces charities registered in Scotland.

The lion's share of the money is concentrated in tri-Service charities (figure 3.11), which received a combined income of £474 million in 2012. Army charities had £87 million, RAF charities commanded £56 million and naval charities had £40 million.

Figure 3.11



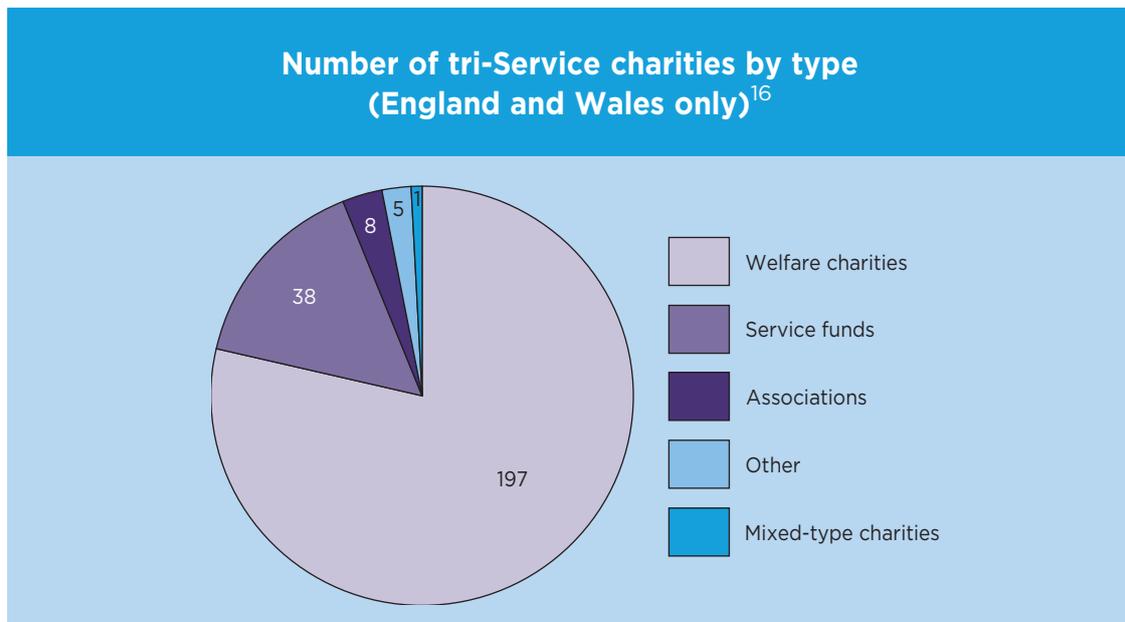
The British Army, the single largest Service in the armed forces in terms of personnel, is composed of corps; corps are in turn composed of regiments. These two top-level units of organisation are fundamental pillars of British Army military organisation and identity, and most of the infrastructure of charitable support that is currently in place to support the needs of British Army personnel, ex-Service personnel and their families is organised at this level. Indeed, 69% of registered Army charities are corps and regimental charities.

The Royal Navy includes the Royal Marines and a number of branches including the Submarine Service, Queen Alexandra's Royal Naval Nursing Service, Fleet Air Arm and Royal Fleet Auxiliary. Some of these branches have set up their own charities. A few units (past and present) of the RAF have also set up their own charities, for instance the Princess Mary's Royal Air Force Nursing Service Trust.

### 3.4.1 Tri-Service charities

There are 249 tri-Service charities registered in England and Wales.<sup>15</sup> The vast majority of them are welfare charities (197).

Figure 3.12



Tri-Service is by far the most prevalent type of organisation amongst welfare charities. More than two-thirds of armed forces welfare charities are tri-Service and their combined income was £412 million in 2012 (this represents 86% of all welfare charities' income). Indeed, many of the largest armed forces welfare charities are tri-Service, including Help for Heroes, The Royal British Legion, Haig Housing, Combat Stress and SSAFA.

There are also 38 Service funds which are tri-Service. Some of the largest Service funds belong to this category; for instance, the Services Sound and Vision Corporation (with an income of £34 million in the financial year ended 31/03/2013) and the Union Jack Club (£7 million income in the year ended 31/12/2012). In fact, these 38 charities alone received 50% of all Service funds' income in 2012.

Only eight registered associations are tri-Service<sup>17</sup> and their combined annual income was £234,000 in 2012 (this represents only 1% of armed forces associations' total income). These tri-Service associations are very small charities with a membership base either connected to:

- service in a specific military campaign (such as the South Atlantic Medal Association 1982);

<sup>15</sup> Excluding heritage organisations, cadet forces charities and registered branches of associations.

<sup>16</sup> The category 'Other' includes: four branch property trusts connected to The Royal British Legion (all four registered under separate charity numbers) and one other property trust used for the benefit of ex-Service personnel and families.

<sup>17</sup> Note: The Royal British Legion also runs an association whose membership is open to the entire armed forces community and to anybody else who wishes to show their support to the cause. However, as most of its £140 million expenditure is welfare spending, throughout this research this charity is considered a 'welfare charity', not an association.

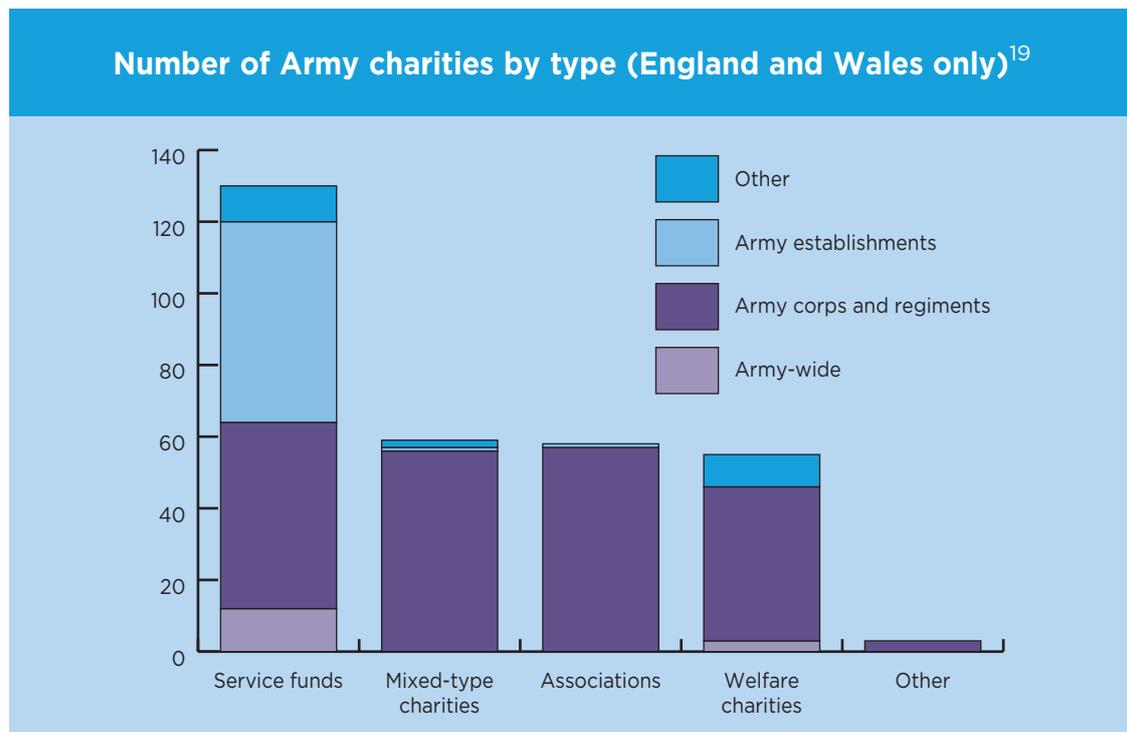
- residence in a local community (such as the Bridgend and County Borough Veterans' Association);
- country of origin (such as the West Indian Association of Service Personnel).

### 3.4.2 Army charities (including corps and regimental charities)

There are 305 Army charities registered in England and Wales<sup>18</sup> with a total income of £87 million in 2012. Close to 70% are corps and regimental charities and 20% are connected to British Army garrisons and establishments. Examples of the latter include:

- Aldershot Garrison Pre-School Settings (CC no. 1146542), a Service fund that provides day care and early-years education for children of Service personnel based in Aldershot;
- Arborfield Association (CC no. 1086198), open to those who attended the Arborfield Army Apprenticeship establishment during the years 1939 to 2004.

Figure 3.13



There are 14 charities that act as a resource or umbrella bodies for the entire British Army community regardless of regimental affiliation or duty station (3 are welfare charities and 11 are Service funds). Their combined income was £24 million in 2012.

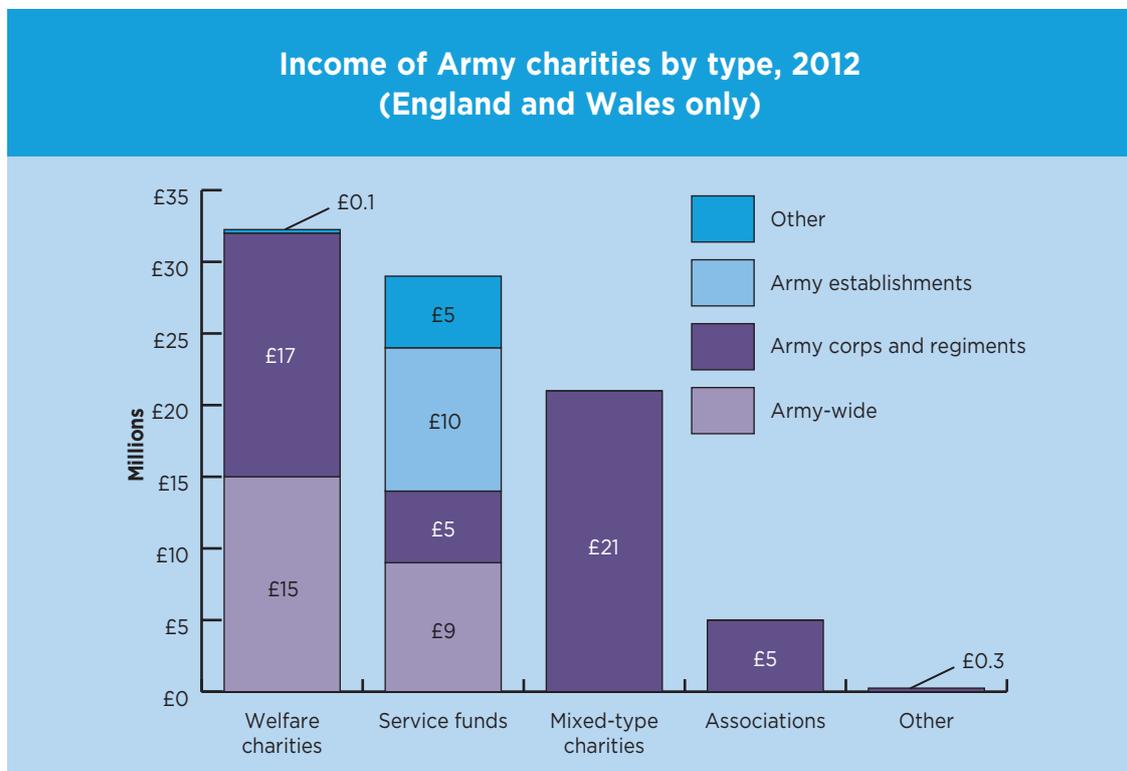
<sup>18</sup> Excluding heritage organisations, cadet forces charities and registered branches of associations.

<sup>19</sup> The category 'Other' includes three common investment funds connected to regimental charities of the Army (all three registered under separate charity numbers).

Table 3.7

British Army-wide charities (England and Wales only)	
<i>Welfare charities</i>	<i>Service funds</i>
<ul style="list-style-type: none"> <li>■ ABF The Soldiers' Charity (formerly the Army Benevolent Fund)</li> <li>■ Army Dependants Trust</li> <li>■ Army Widows Association</li> </ul>	<ul style="list-style-type: none"> <li>■ Army Central Fund</li> <li>■ Army Sports Control Board</li> <li>■ Army Rugby Union Trust</li> <li>■ Team Army Sports Foundation</li> <li>■ Army Winter Sports Foundation</li> <li>■ Army Football Federation</li> <li>■ Army Sailing Association</li> <li>■ Army Parachute Association</li> <li>■ Army Rifle Association</li> <li>■ Army Roman Catholic Trust</li> <li>■ Army Families Federation</li> </ul>

Figure 3.14

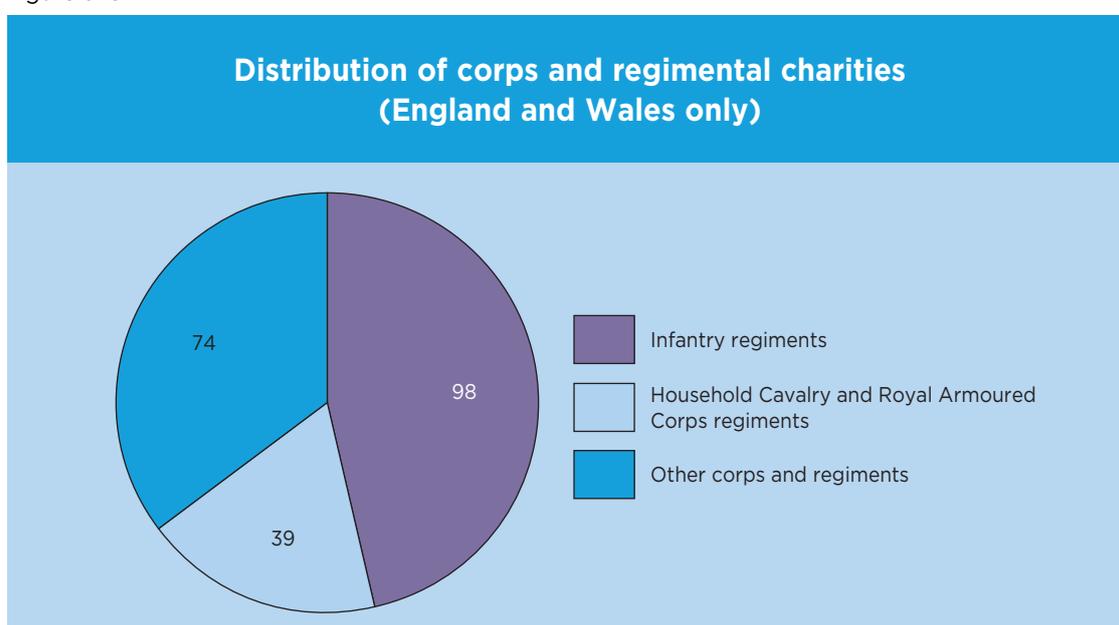


There are 211 Army charities which are connected to specific corps and regiments of the British Army.<sup>20</sup> Their combined annual income was £48 million in 2012.

Corps and regimental charities span across the entire spectrum of charitable support including welfare charities (primarily in the form of benevolent funds providing grants to relieve cases of need amongst members of the corps or regimental family), associations that exist to maintain the bonds of camaraderie forged in service, Service funds and mixed-type charities.<sup>21</sup>

The majority of corps and regimental charities are connected to regiments of the Infantry, Household Cavalry and Royal Armoured Corps.

Figure 3.15



The creation of the first British Army regiments dates back to the seventeenth century but the number, size and shape of corps and regimental structures have kept evolving throughout history up to the present day through numerous reorganisations, amalgamations and renamings. Corps and regiments have been created, merged and dissolved as strategic need (and budgetary necessity) have dictated.

The oldest regiment in continuous service is the Infantry regiment known as the Coldstream Guards, formed in 1650 as part of the New Model Army during the English Civil War. Amongst the newest is The Rifles, also an infantry regiment that was created in 2007 through the amalgamation of four antecedent regiments:

- the Light Infantry;
- the Devonshire and Dorset Light Infantry;

<sup>20</sup> Excluding heritage organisations, cadet forces charities and registered branches of associations.

<sup>21</sup> There are also corps and regimental museums. See section 3.5 for further details.

- the Royal Gloucestershire, Berkshire and Wiltshire Light Infantry;
- the Royal Green Jackets.

The evolving shape of corps and regimental structures is relevant to this research in that corps and regimental charities do evolve in a similar fashion. For instance, when The Rifles was created in 2007, so was the Rifles Regimental Trust (a mixed-type charity: see section 3.3.5 for further details on mixed-type charities), and the Rifles Benevolent Trust (welfare charity for relief-in-need purposes).

However, when a regiment is amalgamated or disbanded, the charities that were set up to support its members do not necessarily disappear. Some remain to preserve regimental identities through associational activities and to provide care and welfare support to ex-Service personnel and families. Some of them review the remit of their charitable activities when their regiment ceases to exist and others build connections with the successor regiment. This is the case, for instance, for the Regimental Association of the Rifles and the Royal Gloucestershire, Berkshire and Wiltshire Regiment (CC no. 1038526), which originated as the Regimental Association of the Royal Gloucestershire, Berkshire and Wiltshire Regiment before The Rifles came into being. It now provides benevolent support to ex-Service personnel of the old regiment and to The Rifles as well, focusing its activities on the geographical areas associated to the former regiment, including Bristol, Gloucestershire, Berkshire and Wiltshire.

### 3.4.3 Naval charities

There are 82 naval charities registered in England and Wales<sup>22</sup> with a combined annual income of £40 million in 2012.

Of these charities, 19 cater for the needs of the entire Royal Navy community regardless of branch or duty station. Their combined annual income was £23 million in 2012. The largest charity in this group is the Royal Navy and Royal Marines Charity with an income of £7 million in the year ended 31/12/2012. It is important to note that the eligibility criteria of a number of naval charities is wider than the requirement of having served in the Royal Navy (including Royal Marines) as they also support seafarers of the Merchant Navy and even fishing fleets. Although merchant seamen and fishermen are not armed forces personnel; in the past, many of them have served in support of the UK armed forces in events such as the Second World War or the Falklands campaign. Examples of naval charities that cater for this wider maritime community include Seafarers UK, the Sailors' Children's Society and the Royal Alfred Seafarers' Society, among others.

There are 14 charities which serve the needs of a particular branch within the Royal Navy, including Royal Marines charities, as well as charities connected to branches of the Royal Navy such as the Fleet Air Arm, Submarine Service, Queen Alexandra's Royal Naval Nursing Service, Royal Fleet Auxiliary and the disbanded Women's Royal Naval Service (known as Wrens). Collectively, these 14 charities commanded an income of £7 million in 2012. The largest charity in this group is the Royal Marines Charitable Trust Fund with an income of £3 million in the year ended 31/12/2012.

<sup>22</sup> Excluding heritage organisations, cadet forces charities and registered branches of associations.

Figure 3.16

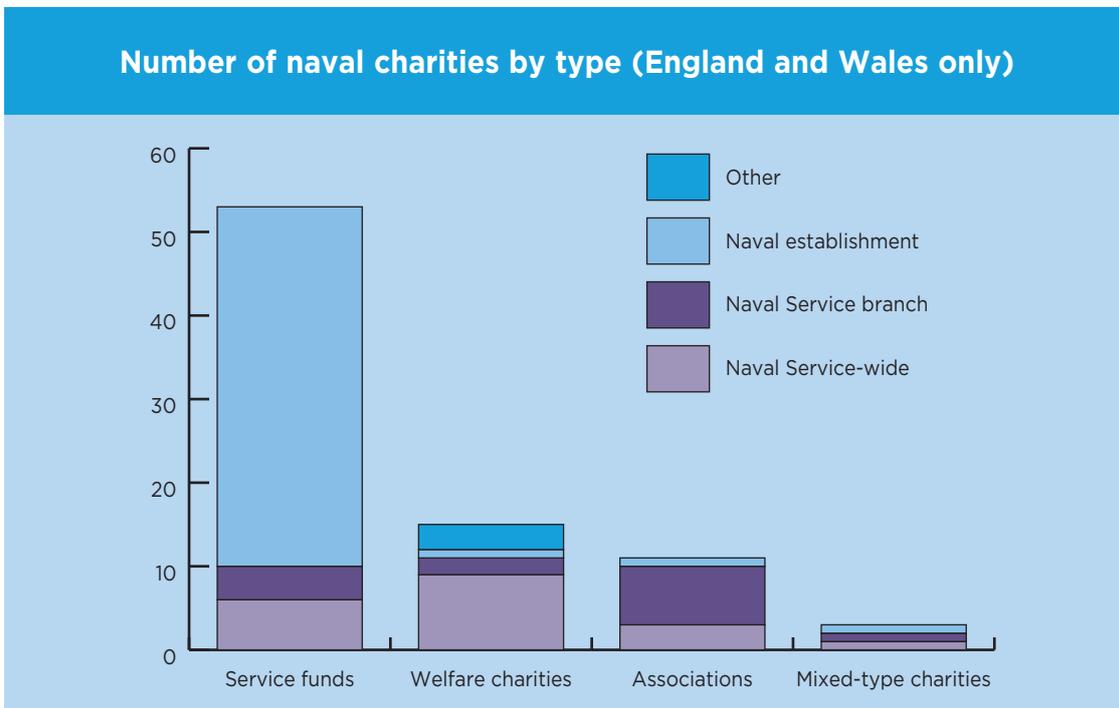
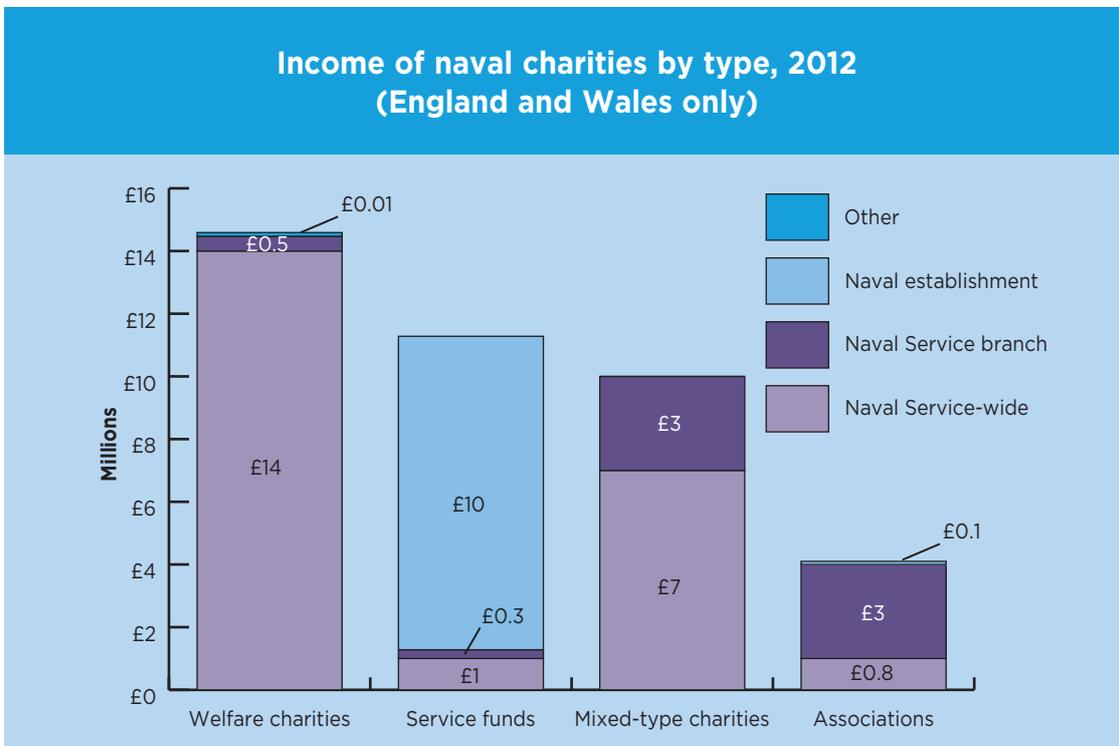


Figure 3.17



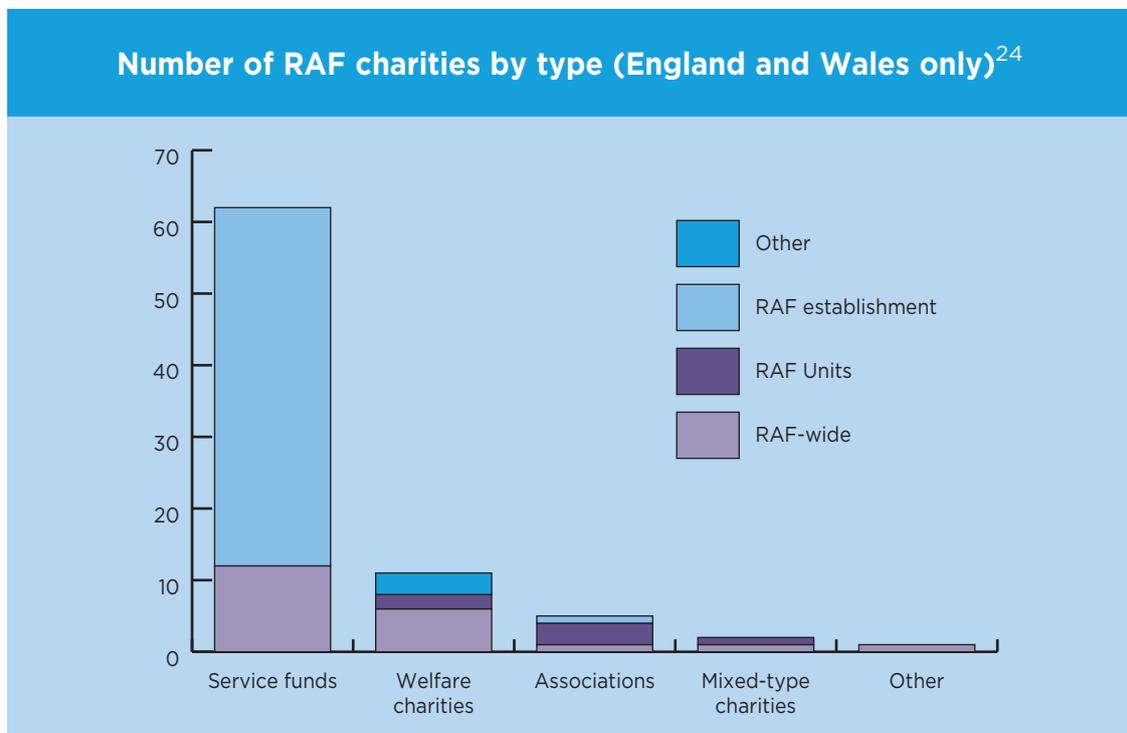
There are also 46 charities connected to a naval base or establishment. Their combined income was £10 million in 2012. Examples include:

- The Britannia Association (CC no. 1086445), open to all those who are attending or attended the Britannia Royal Naval College for Royal Naval officers;
- The Central Fund HMS Raleigh (CC no. 1132053), a Service fund that provides for sporting and leisure activities to personnel based at HMS Raleigh.

### 3.4.4 RAF charities

There are 81 RAF charities registered in England and Wales.<sup>23</sup> Their combined annual income was £56 million in 2012.

Figure 3.18



Of these charities, 21 cater for the needs of the entire RAF community and their collective income was £43 million in 2012. The largest organisation in this group is the RAF Benevolent Fund with an income of £17 million in the year ended 31/12/2012.

There are also 51 charities connected to an RAF station or establishment. These charities had a combined income of £9 million in 2012. Examples include:

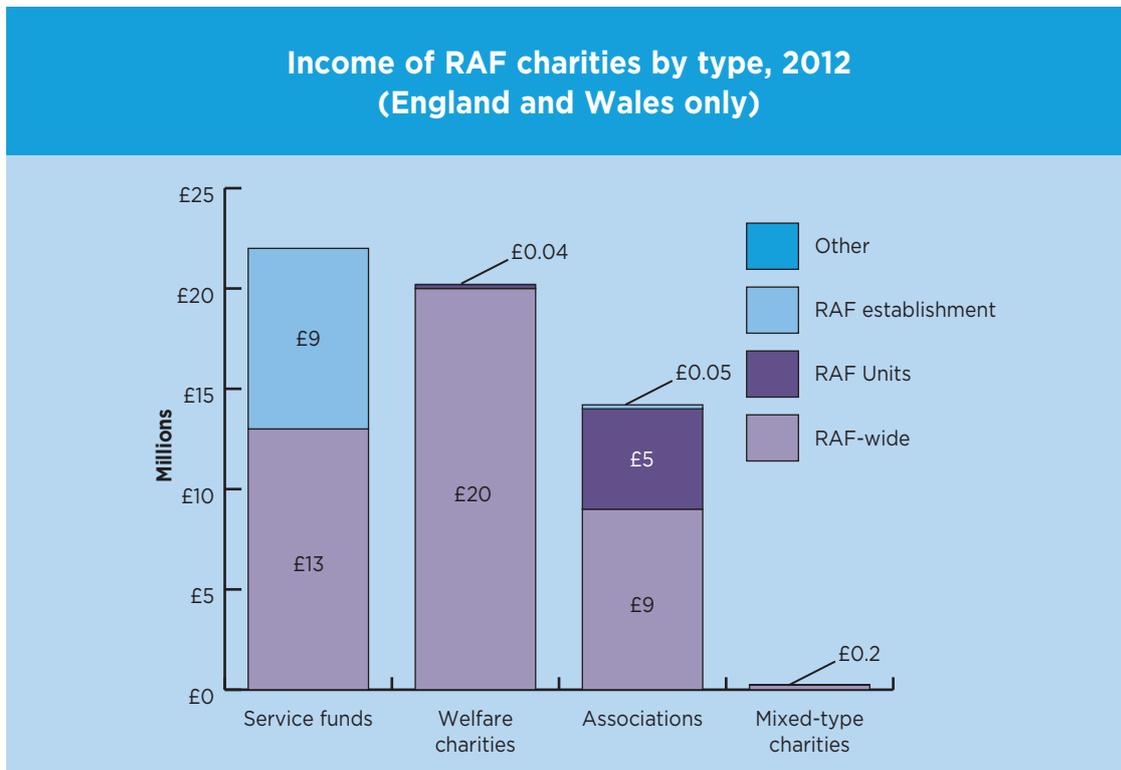
- The Royal Air Force Halton Apprentices Association (Old Haltonians);
- The Service Institute Fund RAF Benson.

<sup>23</sup> Excluding heritage organisations, cadet forces charities and registered branches of associations.

<sup>24</sup> The category 'Other' includes the restricted and endowed funds of the RAF Benevolent Fund (registered under a separate charity number with CCEW). This charity had no income in 2012.

There are six RAF charities that are connected to specific units (past and present) of the RAF, for instance the 617 Squadron Aircrew Association and the Princess Mary's Royal Air Force Nursing Service Trust. Their combined income in 2012 was £5 million.

Figure 3.19

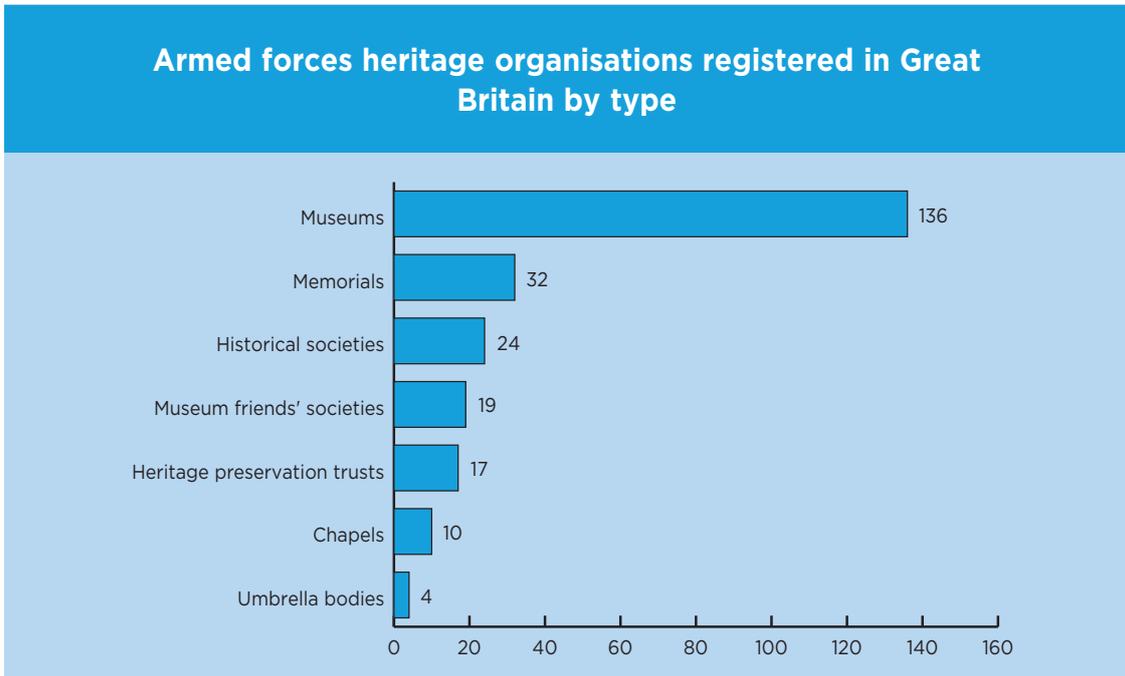


### 3.5 ARMED FORCES HERITAGE ORGANISATIONS

The armed forces heritage charity sector comprises 242 registered charities across Great Britain (222 in England and Wales and 20 in Scotland). Their combined annual income was £125 million in 2012.

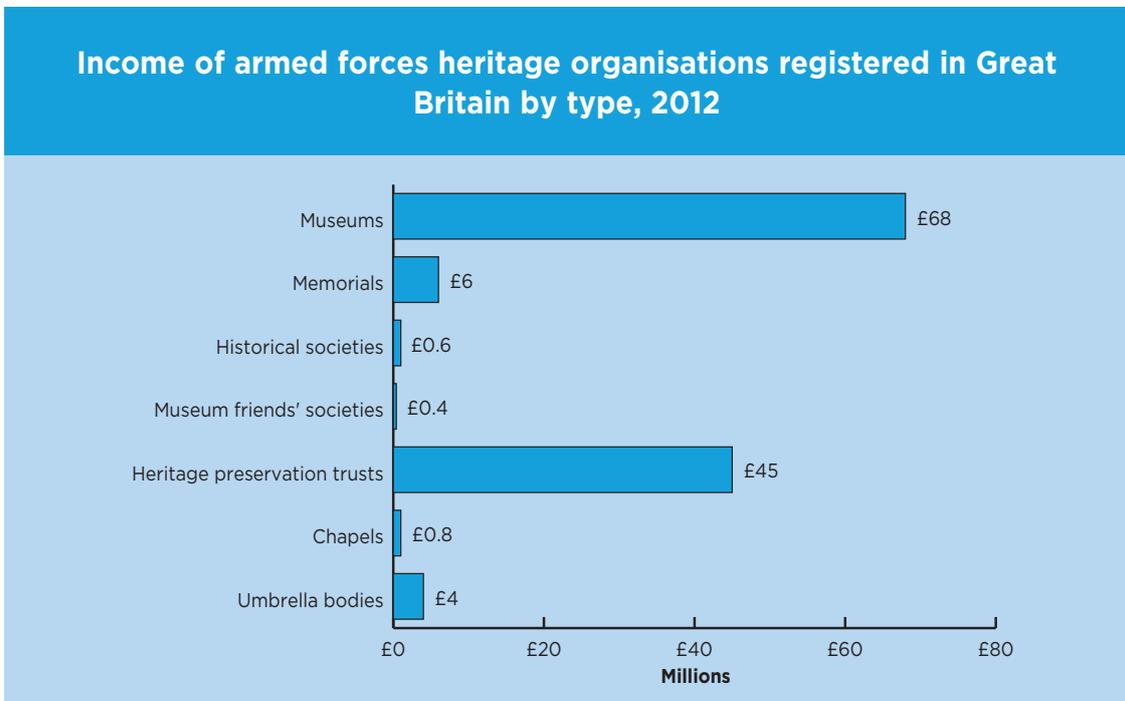
Over half of these charities are armed forces museums. The rest includes public memorials, historical societies to promote research and education in different aspects of the history of the UK's armed forces, museum friends' societies, armed forces heritage preservation trusts, armed forces chapels and umbrella bodies providing support and funding to other armed forces heritage organisations.

Figure 3.20



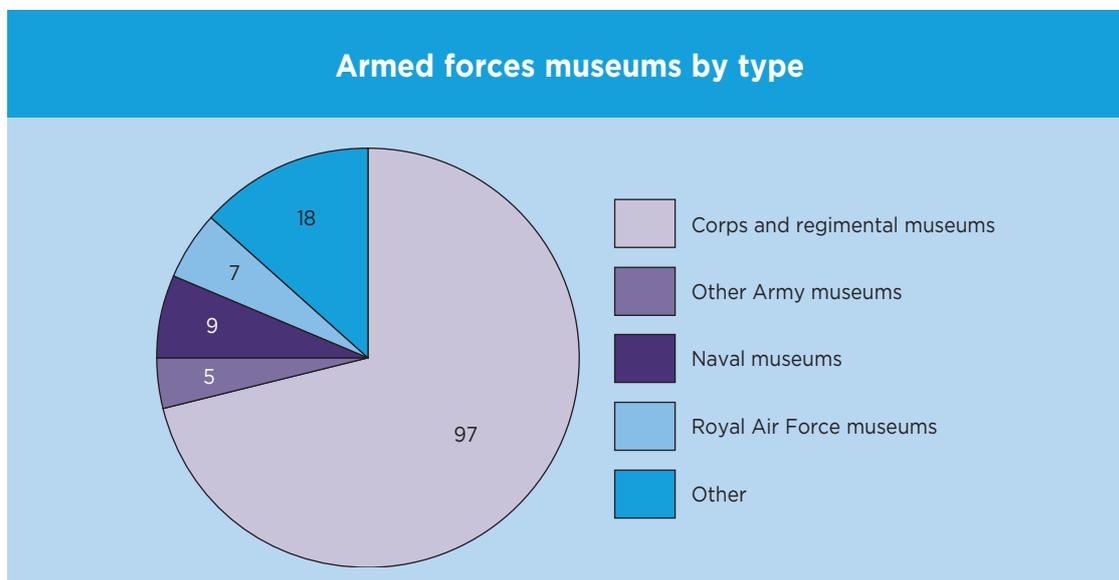
Most of the income is concentrated in museums (£68 million) and heritage preservation trusts (£45 million):

Figure 3.21



Over two-thirds of museums are connected to corps and regiments of the British Army:

Figure 3.22



The top five armed forces heritage organisations by income are presented in Table 3.8:

Table 3.8

<b>Top five armed forces heritage organisations</b>	
	<i>Income 2012</i>
HMS Victory Preservation Company	£34,486,038 <sup>25</sup>
National Museum of the Royal Navy	£15,327,683
Royal Air Force Museum	£12,177,791
National Army Museum	£7,315,713
Chatham Historic Dockyard Trust	£5,807,382

<sup>25</sup> This is a newly registered charity that was established to preserve, restore and maintain the Royal Navy's flagship HMS Victory. The ownership of the ship was transferred to the charity in 2012 and the vast majority incoming resources for the year related to the value of the ship as well as other transferred assets.

### 3.6 CADET FORCES UNITS AND ORGANISATIONS

The sub-sector of cadet forces units and organisations is made up of 500 registered charities: 364 in England and Wales and 136 in Scotland. Their combined annual income was £30 million in 2012, which represents only 3.5% of total incoming resources generated by armed forces charities in Great Britain. Nine of these charities are resource or umbrella bodies connected to the various UK cadet forces. The majority of these umbrella bodies operate at a national or UK-wide level and collectively they commanded an income of £22 million in 2012.

Table 3.9

Resource or umbrella bodies connected to UK Cadet Forces	
	<i>Income 2012</i>
Marine Society and Sea Cadets	£14,421,000
Army Cadet Force Association	£6,204,709
Air Training Corps General Purposes Fund	£1,537,813
Girls Venture Corps Air Cadets	£69,563
Combined Cadet Force Association	£39,660
Sea Cadet Association In Scotland	£10,637
Navy Training Corps	£4,943
Sea Cadet Association	£0 <sup>26</sup>
Marine Cadet Corps	n/a <sup>27</sup>

The remaining registered cadet charities are local or regional organisations:

- 350 are local or regional charities connected to the Sea Cadets;
- 102 are local or regional charities connected to the Air Training Corps;
- 25 are local or regional charities connected to the Army Cadet Force;
- 14 are other local or regional cadet charities such as, for instance, the Yorkshire Cadet Trust which supports Sea, Army and Air cadet detachments in Yorkshire and Humberside.

<sup>26</sup> The charity acts as the custodian to various properties owned by Sea Cadet units. All activities of the Sea Cadet Association were transferred to the Marine Society and Sea Cadets in 2004.

<sup>27</sup> No financial accounts for 2012 have yet been submitted to the Charity Commission (documents overdue).

Figure 3.23

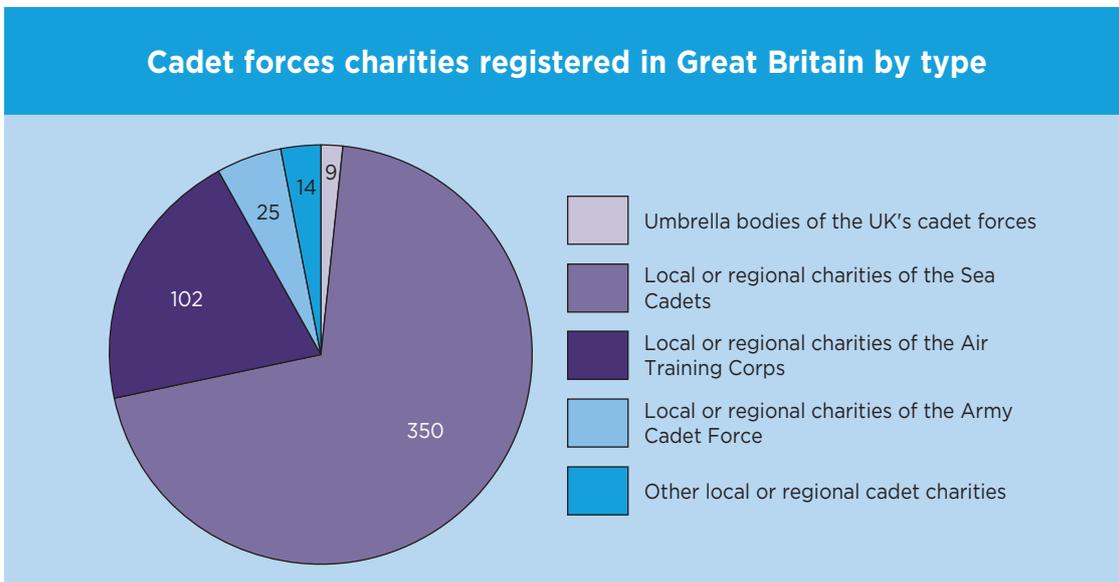
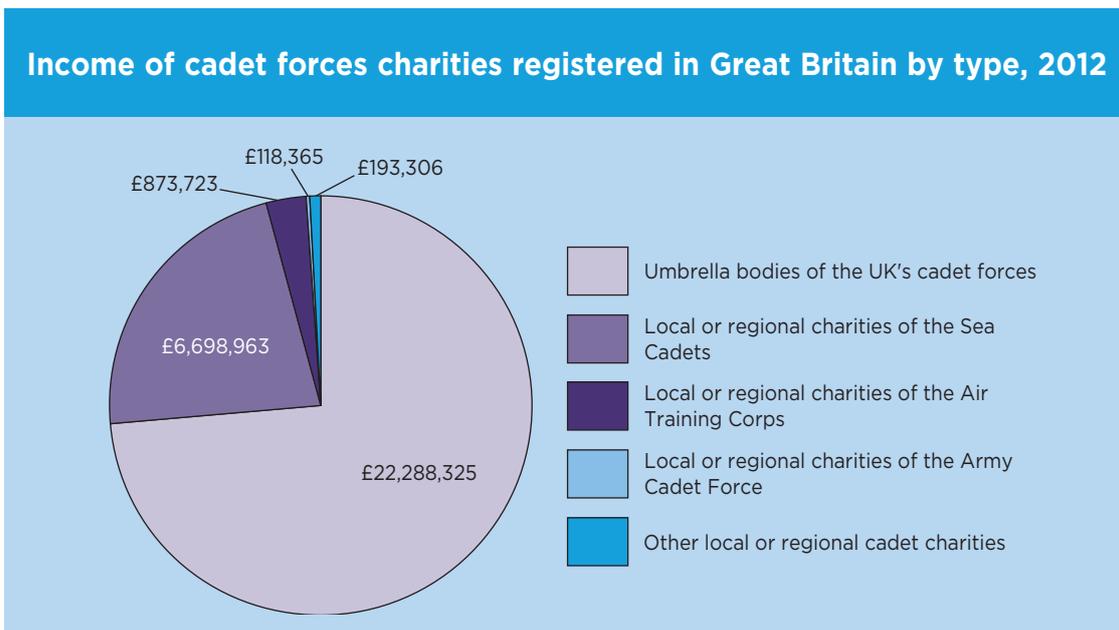


Figure 3.24



## 3.7 THE IMPACT OF CHARITY REGISTRATION THRESHOLDS ON THE UK'S ARMED FORCES CHARITIES LANDSCAPE

It is important to note that this research focuses exclusively on registered armed forces charities. This includes charities that are registered with CCEW and those registered with OSCR.

The registration process with CCNI is still at very early stages of development and for that reason it has not been possible to identify and include armed forces charities operating in Northern Ireland.

Up until 2006, Service funds that existed wholly or mainly for the promotion of the efficiency of the armed forces were exempted from registration with CCEW. From that year on, they had to register if:

- their annual income was over £100,000;
- they owned land;
- they benefited people who were not serving members of the armed forces; or
- their objects included the exhibition or preservation of articles of historic interest.

It has been estimated that there are several thousand unregistered Service funds operating below the £100,000 threshold (Grenville 2013). The vast majority of them are likely to be relatively small funds connected to armed forces bases. The governance of these funds, both registered and unregistered, is likely to be highly coordinated as they are usually supervised by the same trustees.<sup>28</sup> The accounts of the RAF Waddington Services Institute Fund (2012), for instance, state that:

As Trustee of all Service Funds at RAF Waddington, the Station Commander ... has responsibility for 2 ... registered charities namely the RAF Waddington WO & SNCOs Mess and the RAF Waddington Officers' Mess. He is also a trustee for a number of other unregistered sport/society/welfare funds ... which are excepted charities under Statutory Instrument 1056/65.

For all other charities, the registration threshold is set at £5,000 of annual income. Unregistered charities operating below this threshold may include small local organisations, association branches and organisations which rely entirely on volunteers.

The naval charity Greenwich Hospital, with a total income of £23.24 million in the financial year ended 31/03/2013, is a unique case. As it is an unregistered charity it does not fall within the scope of this research. As explained on the charity's website:

Greenwich Hospital is an ancient Crown charity providing charitable support including annuities, sheltered housing and education, to serving and retired personnel of the Royal Navy and Royal Marines and their dependants ...

<sup>28</sup> In accordance with Queen's Regulation for the British Army, 'Commanding officers, including the commanding officers of independent sub units, are responsible for the proper application of all the Service (non public) funds of their units and for the control and supervision of committees formed for the management of such funds' (MOD 1976).

As a unique Crown body, we are governed ... by the Greenwich Hospital Acts 1865 to 1996 ... We do not fall under the requirements of the Charities Acts of 1992 or 2006, nor the jurisdiction of Charity Commissioners, but we do try to follow the best practices in the charity sector while meeting the requirements of our own Acts.

**Greenwich Hospital 2013**

However, the grants distributed by Greenwich Hospital to support the work of other naval charities are administered by a registered charity: the Royal Navy and Royal Marines Charity. Therefore, a small proportion of Greenwich Hospital's charitable spending (13% approximately) is captured in this research as it is accounted for by a registered charity.

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Note: All annual reports and accounts are accessible from the Charity Commission for England and Wales.

## CHAPTER FOUR

# A close look into the finances of UK armed forces charities

### KEY OBSERVATIONS

- In 2012, the 2,237 armed forces charities registered in Great Britain generated incoming resources worth £872 million and spent a total of £752 million.
- Welfare charities commanded an income of £479 million (55% of the sector total) and spent £424 million. Of all welfare charities' income, 86% was concentrated in the largest 15 organisations.
- Overall, welfare charities retained £55 million for future use, but this is mostly explained by forward commitments of three particular organisations and not indicative of an operating surplus across the board.
- Welfare charities are typically active fundraising charities, whereas Service funds and other types of armed forces charities are not. In 2012, armed forces welfare charities raised £4.37 for every pound spent on fundraising and publicity. This compares to an average of £4.86 for the whole of the UK voluntary sector.
- 81% of welfare charities' expenditure was charitable spending. Three-quarters of charitable spending went to cover the costs of direct service provision (housing, care homes, healthcare and rehabilitation and so on); 18% was spent on grants to individuals for relief-in-need purposes; and 7% was spent on grants to other organisations.
- The top 45 armed forces welfare charities had total net assets worth £1.22 billion at the end of 2012. £374 million was held in free reserves. This level of free reserves equates to 10.9 months of expenditure, which compares to an average of 15.4 months' expenditure for the whole of the UK voluntary sector.
- The total income of armed forces welfare charities increased by 14% in real terms between 2008 and 2012. However, the income of well-established charities fell by 6% in 2012 compared with the previous year and only through the income contributed by newly registered charities the armed forces welfare charity sector continued to grow.

- Excluding the charity Help for Heroes (a unique case that strongly affects the overall picture), welfare expenditure rose continuously in cash terms between 2008 and 2012. In real terms, expenditure reached its peak in 2011 and decreased slightly in 2012.
- The total net assets of the top 45 armed forces welfare charities increased by 26% in real terms between 2008 and 2012.

## 4.1 AN OVERVIEW OF THE ARMED FORCES CHARITY SECTOR

### 4.1.1 Top-line figures

In 2012, the 2,237 armed forces charities registered in Great Britain generated a combined income of £872 million and spent a total of £752 million.<sup>1</sup> Overall, the sector retained £120 million of its incoming resources for future use, but this is mainly explained by the special circumstances of a few charities during the period covered in this report and not indicative of an operating surplus across the board (further details on these charities will be presented throughout this chapter).

The financial resources of the armed forces charity sector are highly concentrated in a relatively small number of organisations. In 2012, the top 122 armed forces charities (all of which had incomes of over £500,000) commanded 84% of total sector income. The top 45 welfare charities commanded 53% of total sector income.

At the end of 2012, the top 122 armed forces charities had total net assets worth £2.14 billion. Of these, £1.22 billion was held by the top 45 welfare charities.

### 4.1.2 The key differences between armed forces charities

As explained in Chapter 3, the universe of armed forces charities comprises a very diverse range of organisations. This diversity needs to be taken into account when looking into the finances of armed forces charities.

#### 4.1.2.1 Welfare charities

The typical welfare charity actively seeks to raise money such as donations from the general public, corporate sponsorships, grant funding from other organisations and so on. Some welfare charities are primarily service providers (such as care homes or housing providers) and a considerable share of their income derives from fees, rents or other charges paid by beneficiaries themselves or third parties on their behalf (such as local authorities and the NHS). However, many of these service providers actively seek to raise as much additional funding as possible from other sources such as donations from the general public or grants from other organisations. Therefore, they are also fundraising charities.

<sup>1</sup> It is important to note that a considerable number of armed forces charities award grants to other armed forces charities, resulting in some double-counting of income and expenditure. The top 45 welfare charities alone, which command over 50% of total sector income, spent £22 million in grants to other organisations in 2012 and at least half of this expenditure was awarded to other armed forces charities (the exact figure is difficult to estimate as charities' accounts rarely provide a comprehensive list of grant recipients and corresponding amounts). In addition, SSAFA distributed over £12 million in benevolent grants for relief-in-need purposes to individuals in need from funds received by other armed forces charities. Hence, we estimate that at least £23 million of total incoming resources was double-counted in 2012.

#### 4.1.2.2 Service funds

The typical Service fund, by contrast, is not a fundraising charity. Service funds may receive grants and other voluntary income but, in general, they do not actively engage in fundraising efforts. Their income derives to a large extent from their charitable activities, such as charges for the services provided or membership subscriptions paid by beneficiaries. The largest Service fund is the Services Sound and Vision Corporation (known as BFBS) which delivers entertainment and broadcasting services under contract with the Ministry of Defence (MOD). A few Service funds rely entirely on investment income, such as the Army Central Fund or the Nuffield Trust for the Forces of the Crown.

There are a few exceptions to the rule, however. The Royal Air Force (RAF) Sports Board, for instance, runs the RAF Sports Lottery to raise funds. Similarly, the Army Sport Control Board Charitable Fund runs the Army Sports Lottery.

#### 4.1.2.3 Associations

The typical armed forces association relies on membership subscriptions and does not actively fundraise. It may also receive grants from other armed forces charities to subsidise the costs of remembrance events, annual reunions and other membership activities. However, a few of the largest armed forces associations are not typical in this regard, as they are also welfare charities actively seeking to raise funds from the general public. The Royal Air Forces Association (RAFA), for instance, operates three care homes, two sheltered housing complexes and other welfare services in close cooperation – and with financial support from – the RAF Benevolent Fund. RAFA raises money every year through the annual Wings Appeal and other fundraising endeavours to contribute towards the costs of its welfare activities.

Also, some corps and regimental associations are in charge of managing their own corps and regimental benevolent funds. These funds rely on regular income raised through payroll-giving contributions from serving personnel and do not generally engage in further fundraising efforts (see Chapter 6 for further details).

#### 4.1.2.4 Mixed-type charities

As explained in Chapter 3, section 3.3.5, mixed-type charities are mainly grant-making bodies which provide an integral package of support to the armed forces community, including: grants to promote the efficiency of the armed forces (amenities, sports and so on); welfare and benevolent grants for relief-in-need purposes; grants to support associational activities; and grants to support the upkeep of armed forces museums and other heritage assets.

Of mixed-type charities, 86% are connected to corps and regiments of the British Army with a vision of supporting all aspects of corps and regimental life and all members of the corps and regimental family (serving and ex-Service personnel and their dependants).

In the past, these charities did not actively seek to raise funds from the general public as they traditionally relied – and to a large extent still do – on regular sources of voluntary income raised via payroll-giving schemes such as the Army's Day's Pay Scheme to which the vast majority of serving officers and soldiers subscribe.

However, some of the largest charities in this group have started to move towards more active fundraising strategies in the last few years. This shift has been driven by two main factors: the anticipated reduction in the size of the armed forces (meaning that payroll contributions from serving personnel will diminish as well) and the need to raise sufficient funds to be able to provide for ex-Service personnel who have been affected by recent conflicts in Iraq and Afghanistan.

## 4.2 WELFARE CHARITIES

### 4.2.1 Total income and expenditure

In 2012, armed forces welfare charities generated an income of £479 million and spent a total of £424 million. This means that, overall, welfare charities retained £55 million for future use (11% of their total incoming resources).<sup>2</sup>

This combined surplus, however, is not indicative of the financial performance of the vast majority of charities as it is strongly affected by the special circumstances of three single organisations: Help for Heroes (£27 million retained for future use), the Forces in Mind Trust (FiMT) (£34 million retained for future use), and the Royal Star & Garter Homes (£6 million retained for future use). Further details on these charities can be found in table 4.1.

Table 4.1

Income retained for future use: the case of Help for Heroes, FiMT and Royal Star & Garter Homes	
Help for Heroes	<p>Help for Heroes (CC no. 1120920) is in the process of transitioning from being exclusively a grant-making charity to also delivering services through a network of Personnel Recovery Centres that provide specialist treatment and comprehensive support to those who have suffered from life-changing injuries or illnesses as a result of their service. This initiative forms part of the Defence Recovery Capability, a partnership between the MOD, Help for Heroes and The Royal British Legion.</p> <p>In the financial year ended 30/09/2012, the Personnel Recovery Centres led by Help for Heroes were at various stages of development, and ring-fenced funds were retained in respect of future capital and running costs. As stated in the charity's accounts: 'The commitment to run the Recovery Centres through long term leases creates a necessity for the Trustees to ensure that there are sufficient funds available to meet the running costs of these Centres. As at 30 September 2012 the Trustees have designated £33.2 million of funds for this purpose' (H4H 2012).</p>

<sup>2</sup> This is the combined income and expenditure of 224 welfare charities for which data is available (80% of all welfare charities). There is no data available for 55 welfare charities (45 newly registered and ten with documents overdue).

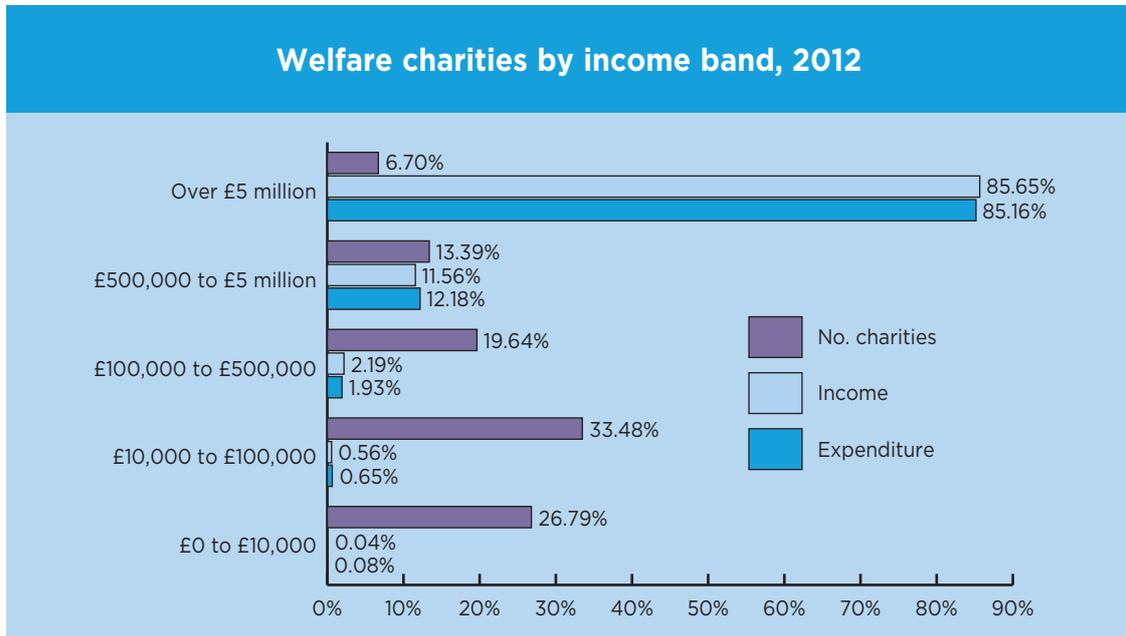
## Income retained for future use: the case of Help for Heroes, FiMT and Royal Star & Garter Homes

Forces in Mind Trust	FiMT (CC no. 1145688) became a registered charity in January 2012 after receiving a £35 million expendable endowment from the Big Lottery Fund. The money is to be used over a 20-year period to support the successful transition of ex-Service personnel and their families into civilian life. In its first year of operations (financial year ended 30/11/2012), the new charity spent £1 million and retained £34 million for future use. As stated in the charity's accounts: 'Forces in Mind Trust will commission independent research and work in partnership with the Armed Forces, the Ministry of Defence, the NHS and military and civilian charities in order to bring coherence and cohesion where required to the provision of services and support to ex-Service men and women and their families to enable them to make a successful transition to civilian life' (FiMT 2012).
Royal Star & Garter Homes	The Royal Star & Garter Homes (CC no. 210119) currently manages two care homes for ex-Service personnel and their families in West Midlands and Greater London and it is looking to establish a third one in Buckinghamshire. In the financial year ended 31/12/2012, the charity retained a surplus of £6 million in two designated funds: one for the construction of the new home and one for the refurbishment of the charity's homes in future periods (RSGH 2012).

The combined financial resources of armed forces welfare charities are highly concentrated in the 15 largest organisations; all of which had incomes of over £5 million in 2012. Those 15 charities alone commanded 86% of all welfare charities' income (£410 million) and paid out 85% of all welfare charities' expenditure (£361 million).

The single largest welfare charity is The Royal British Legion. In 2012, The Legion received over a quarter of all welfare charities' income (£133 million) and paid out 33% of all welfare charities' expenditure (£141 million).

Figure 4.1



## 4.2.2 Types of income and expenditure

Please note that detailed financial information is only available from CCEW for the top 45 welfare charities (with incomes greater than £500,000 in 2012). These charities received 97% of total welfare income in 2012. Sections 4.2.2 to 4.2.5, unless otherwise stated, refer to the top 45 welfare charities only.

Voluntary income was the main type of income amongst welfare charities in 2012 (54%), followed by income from charitable activities (28%), fundraising trading income (11%), investment income (5%) and other income (2%) (see figure 4.2).

Of welfare charities' total expenditure, 81% was charitable spending, followed by the costs of generating voluntary income (12%), fundraising trading costs (5%), governance costs (1%), investment management costs (0.8%) and other resources expended (0.3%) (see figure 4.3).

Benevolent grants awarded to individuals for relief-in-need purposes made up 18% of total charitable spending (£62 million) (see figure 4.4); 7% was spent in grants to other charities and institutions (£22 million). Three-quarters of charitable spending went to meet the costs of direct service provision and other support costs allocated to charitable activities (£250 million).

Figure 4.2

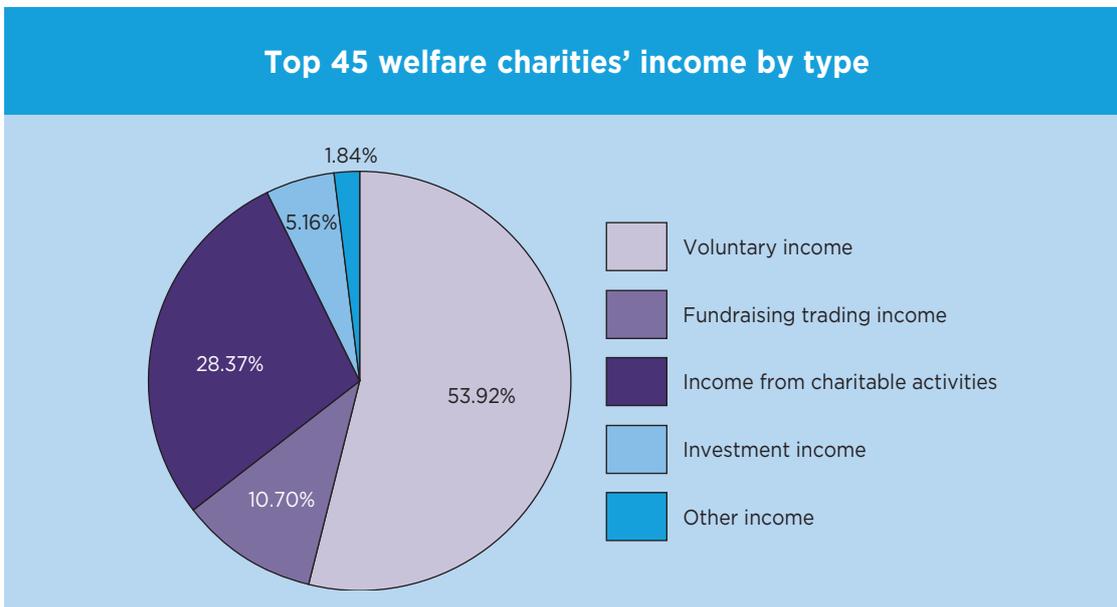


Figure 4.3

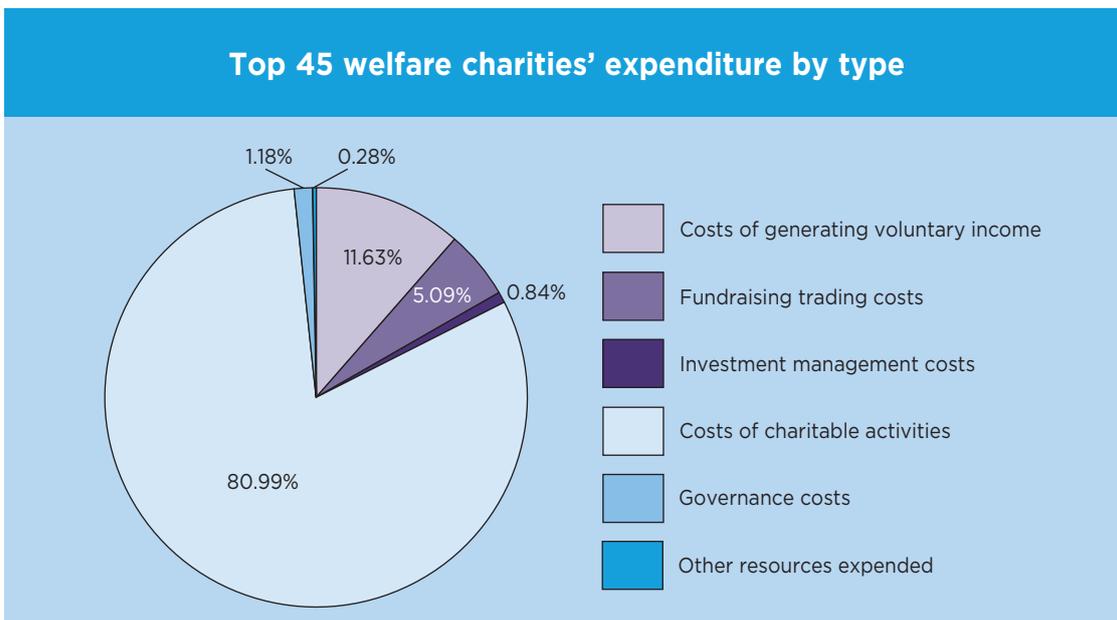
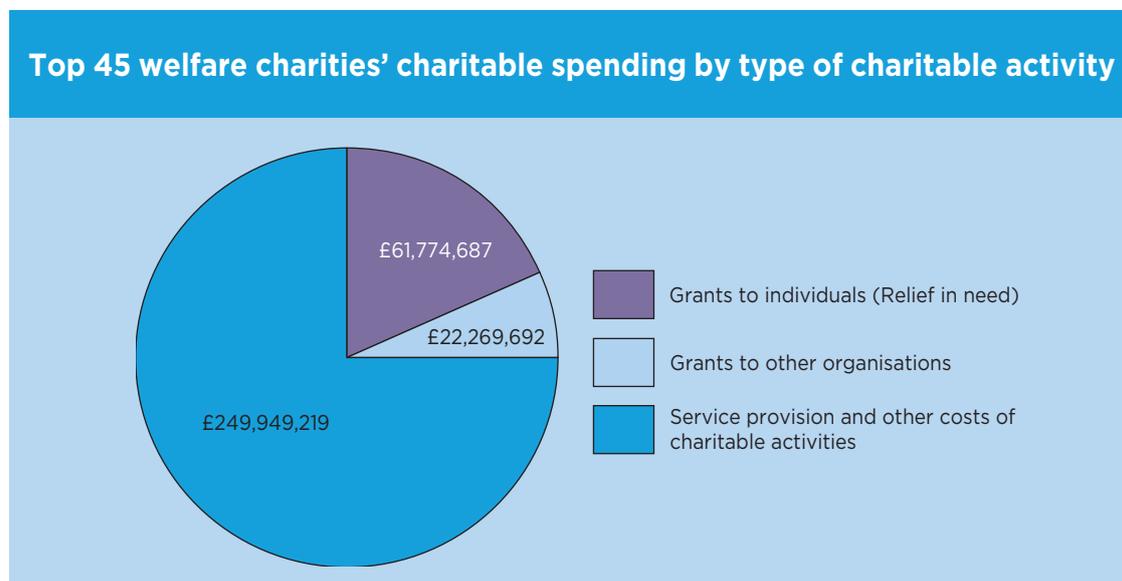


Figure 4.4



It is important to bear in mind that benevolent grants, where grants are made to individuals to relieve cases of need, hardship or distress, are the most common form of charitable activity among the 278 armed forces welfare charities registered in England and Wales (see chapters 3 and 6 for further details). However, three-quarters of welfare charitable spending goes to meet the costs of direct service provision, including housing, care homes, healthcare and rehabilitation, among others. Since 97% of total welfare expenditure is paid out by the top 45 armed forces welfare charities, we can be confident that the distribution of expenditure shown in figure 4.4. is representative of the whole armed forces welfare charity sector.

### 4.2.3 How much does it cost to raise funds?

In 2012, armed forces welfare charities spent £67 million in fundraising and publicity and raised £301 million. This means that, for every pound spent on fundraising and publicity, they raised £4.37. This compares to an average of £4.86 raised for every £1 spent by the UK voluntary sector as a whole.<sup>3</sup> However, it is important to bear in mind that these are average ratios covering a hugely diverse range of charities with different fundraising strategies and operating models. They do not necessarily reflect the experience of a 'typical' charity.

Fundraising and publicity costs include the costs of generating voluntary income (such as advertising and marketing costs or money spent on bidding for grant funding) as well as fundraising trading costs (i.e. the costs of commercial activities undertaken to raise funds for the charity, directly or through trading subsidiaries). Money raised includes voluntary income as well as income generated from fundraising trading activities.

<sup>3</sup> The average ratio for the UK voluntary sector is an estimate for the year 2011/12 calculated with data from the NCVO (National Council for Voluntary Organisations) UK Civil Society Almanac 2014. Data for 2012/13 was not available at the time of writing.

## 4.2.4 Assets

The top 45 armed forces welfare charities held total net assets worth £1.22 billion at the end of 2012. This represents 0.9% of the combined net assets of all charities registered with the Charity Commission for England and Wales (CCEW) at the end of that same period.

Total fixed assets stood at a value of £1.2 billion. Current assets amounted to £222 million (see figure 4.5).

Of total fixed assets (see figure 4.6), £760 million was held as fixed investment assets, i.e. funds, property and other assets held for the long term to generate income or gains for the charity. £415 million was tangible fixed assets, for instance properties owned by the charity and not used for investment purposes. £26 million was programme-related investments and loans to beneficiaries.

Of total current assets (see figure 4.7), £131 million was held in cash. £41 million was current investment assets, i.e. investments held with the intention of disposing of them within the next 12 months. Other current assets stood at a value of £51 million: these include the value of stocks and the amount due to be received from debtors in less than one year.

Figure 4.5

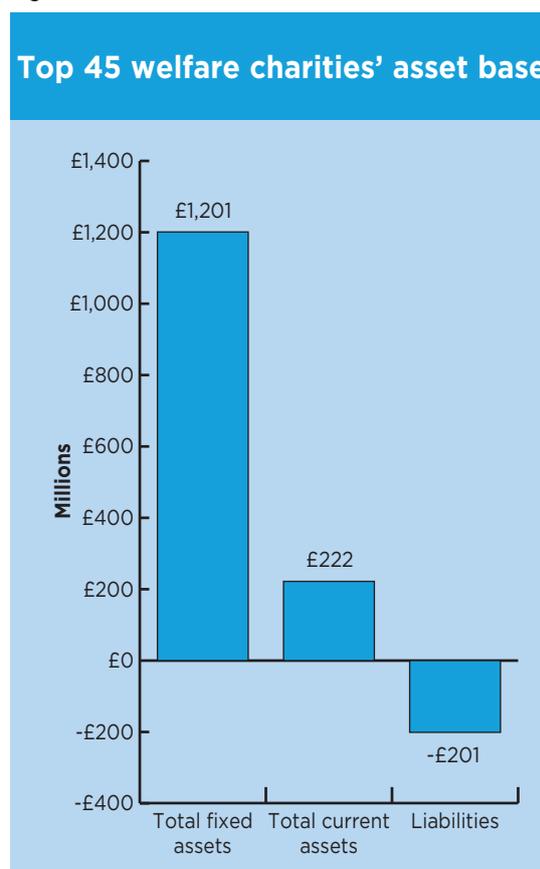


Figure 4.6

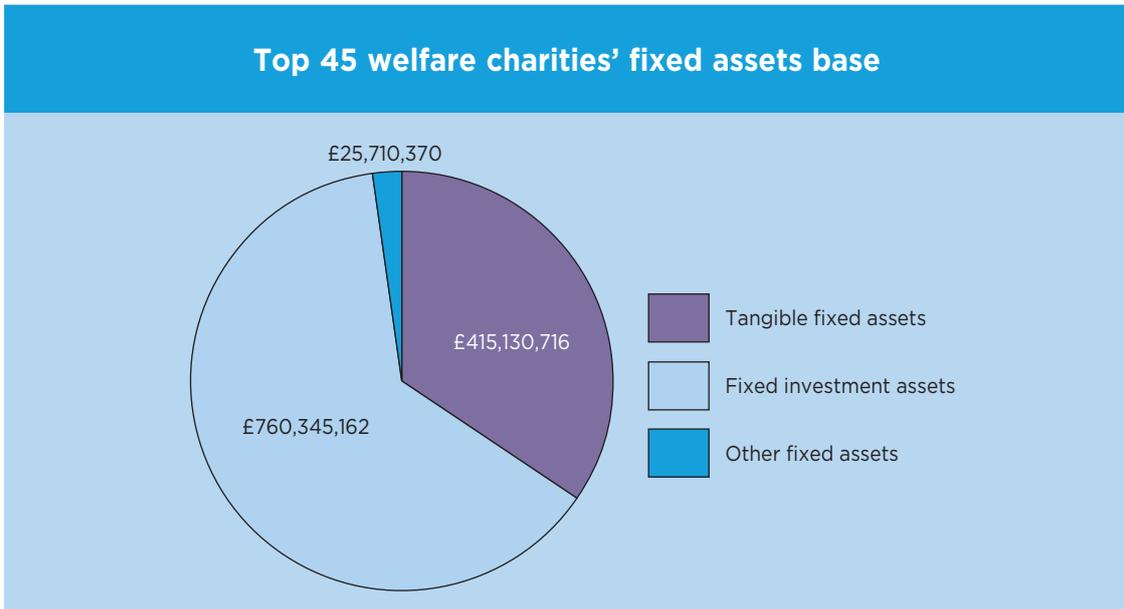
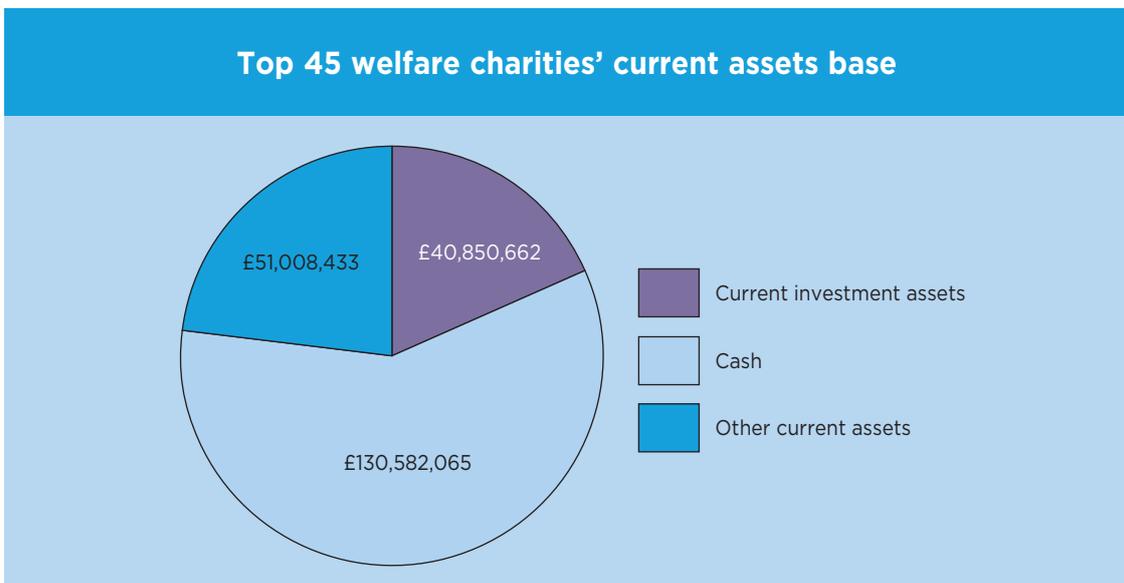


Figure 4.7



### 4.2.5 Funds

At the end of 2012, the top 45 armed forces welfare charities held £374 million in free reserves, a figure that equates to 10.9 months of expenditure. The average level of free reserves across the UK voluntary sector was estimated to equate to 15.4 months of expenditure in 2011/12 (latest year available), or just 8.3 months when grant-making trusts

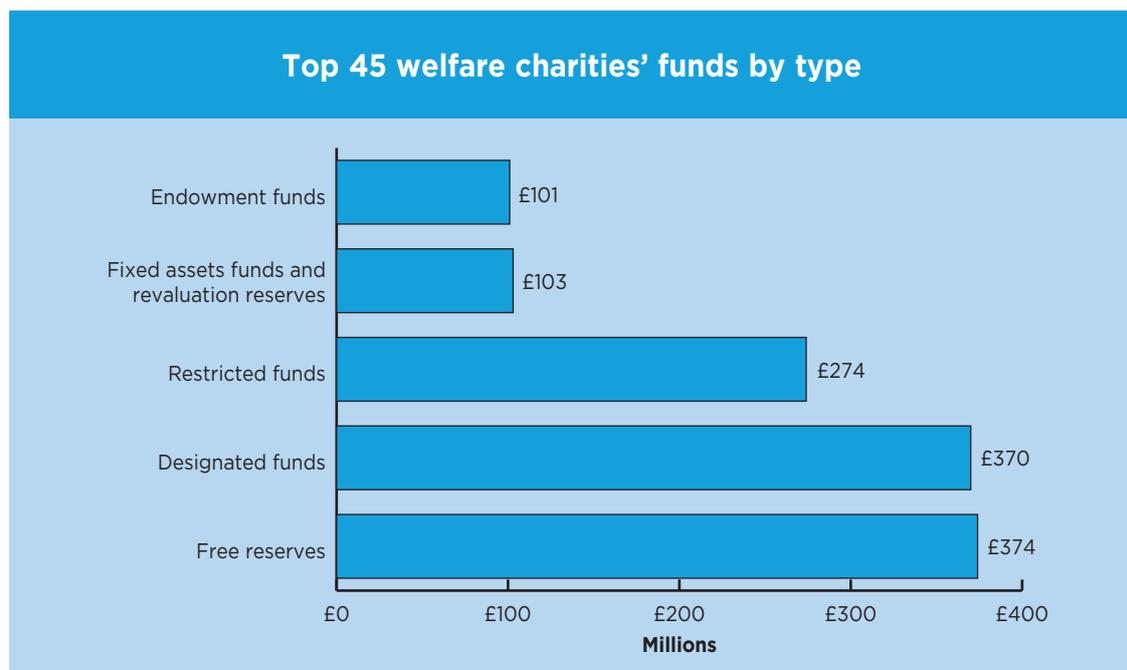
and research bodies were excluded from the sample (Kane et al. 2014). Armed forces welfare charities fall somewhere in between.

Free reserves are defined as unrestricted funds which are freely available to use at the discretion of the trustees. These exclude funds that have been designated by the trustees of the charity for specific purposes, as well as endowments and restricted funds which are to be used as specified by the donor. Free reserves also exclude the value of the charity's fixed assets as these are funds that can only be realised by the disposal of such assets (such as a property sale).

In addition to free reserves, the top 45 armed forces welfare charities held £370 million as designated reserves for specific purposes or future projects at the end of 2012.

Endowments and other donor-restricted funds amounted to £375 million.

Figure 4.8



## 4.2.6 Financial trends over the past five years

### 4.2.6.1 Overall income

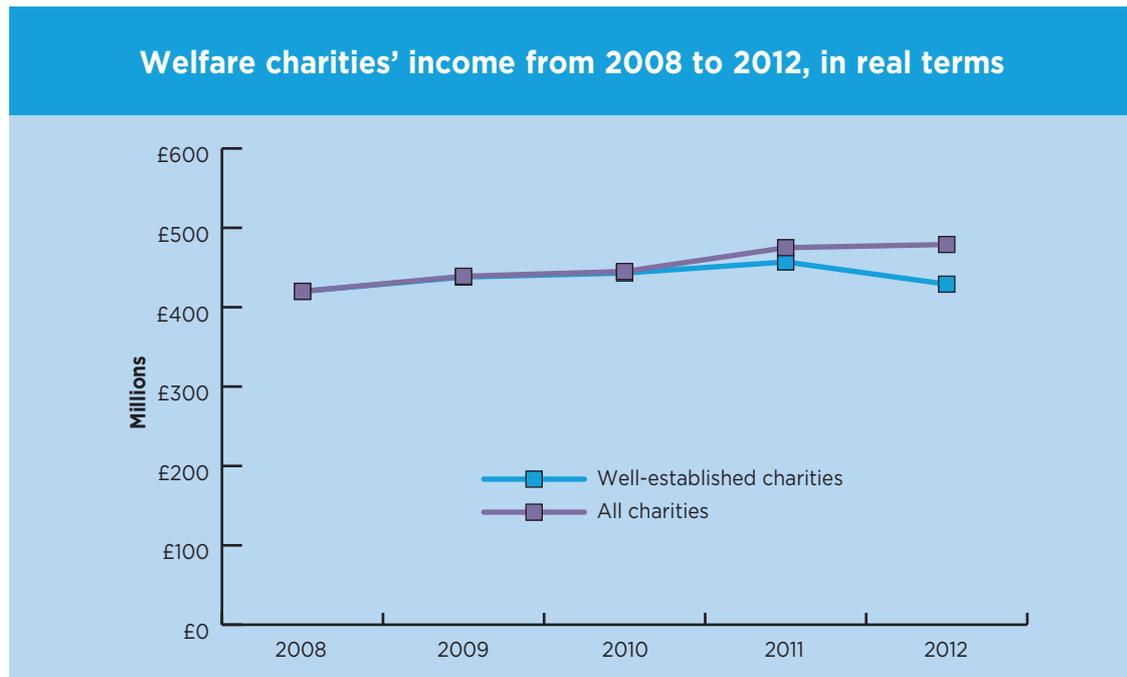
Between the years 2008 and 2012, the total income of armed forces welfare charities followed a continuous increasing trend (rising from £372 million to £479 million). This represents a 29% increase in cash terms over the five-year period under consideration.

In real terms (i.e. adjusting for inflation), the total income of armed forces welfare charities experienced a 14% increase over the period.<sup>4</sup>

<sup>4</sup> The inflation measure used in this report is RPI (Retail Price Index).

However, this overall trend masks a more complex reality: 62 newly registered armed forces welfare charities started to operate at various points between 2008 and 2012. Whilst income increases were widespread from 2008 to 2011, in 2012 the income of well-established armed forces welfare charities<sup>5</sup> fell by 6% in real terms and only through the income of newly registered charities the armed forces welfare charity sector continued to grow.

Figure 4.9



A more in-depth look into newly registered charities reveals (figure 4.10) that it is the contribution of two charities that causes the armed forces welfare charity sector to grow considerably in 2011 and 2012. These charities are the Black Stork Charity (registered in May 2011) and FiMT (registered in January 2012).

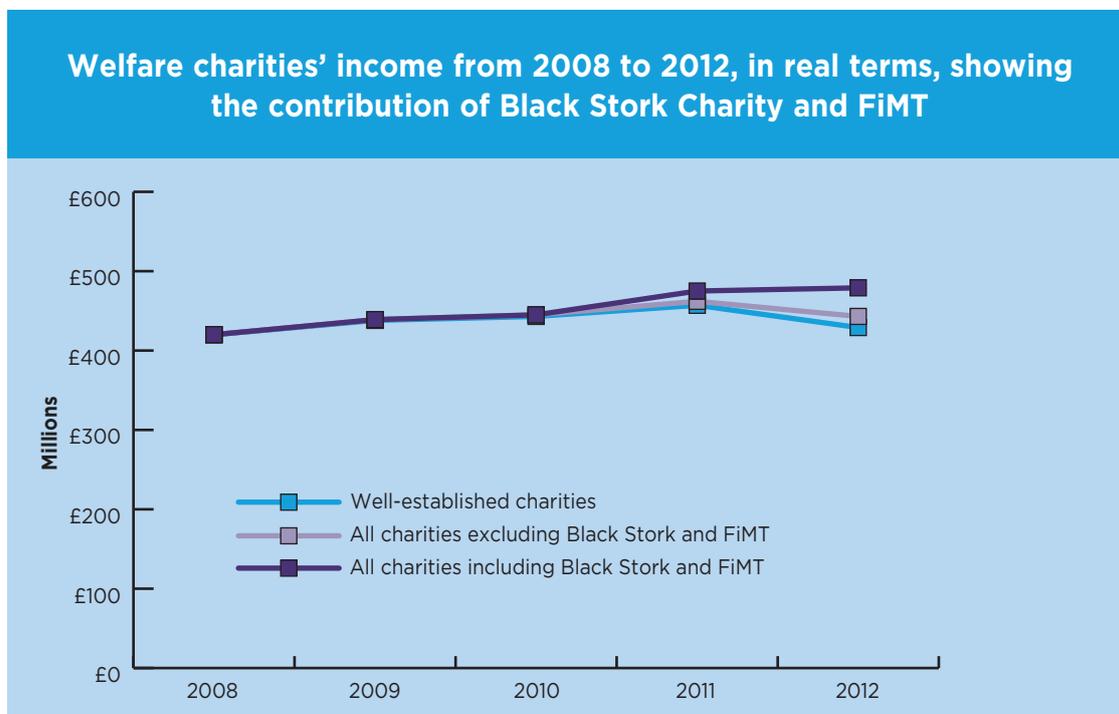
- In 2011, the Black Stork Charity received £13 million in voluntary donations (mostly from major donors) that was to be spent in the construction of the new Defence and National Rehabilitation Centre. The new facility, located at Stanford Hall, near Loughborough, will host defence rehabilitation services currently delivered at Headley Court in Surrey. As of 31/12/2012, these funds had not been spent and were held as designated reserves for the Defence and National Rehabilitation Centre (see Chapter 2, section 2.4.2).
- In 2012, FiMT received a £35 million expendable endowment from the Big Lottery Fund. These funds are to be used over a 20-year period and the majority of them are retained for future use (see table 4.1 for further details).

Excluding the Black Stork Charity and FiMT, the income contributed by newly registered charities is relatively small and reveals a slowdown in income for the vast majority welfare charities in 2012. The top three welfare charities (The Royal British Legion, SSAFA and Help

<sup>5</sup> The term 'well-established charities' is used here to refer to charities that registered with CCEW prior to 2008.

for Heroes) all experienced slight decreases in their incoming resources in 2012 compared with the previous year.

Figure 4.10



#### 4.2.6.2 Overall expenditure

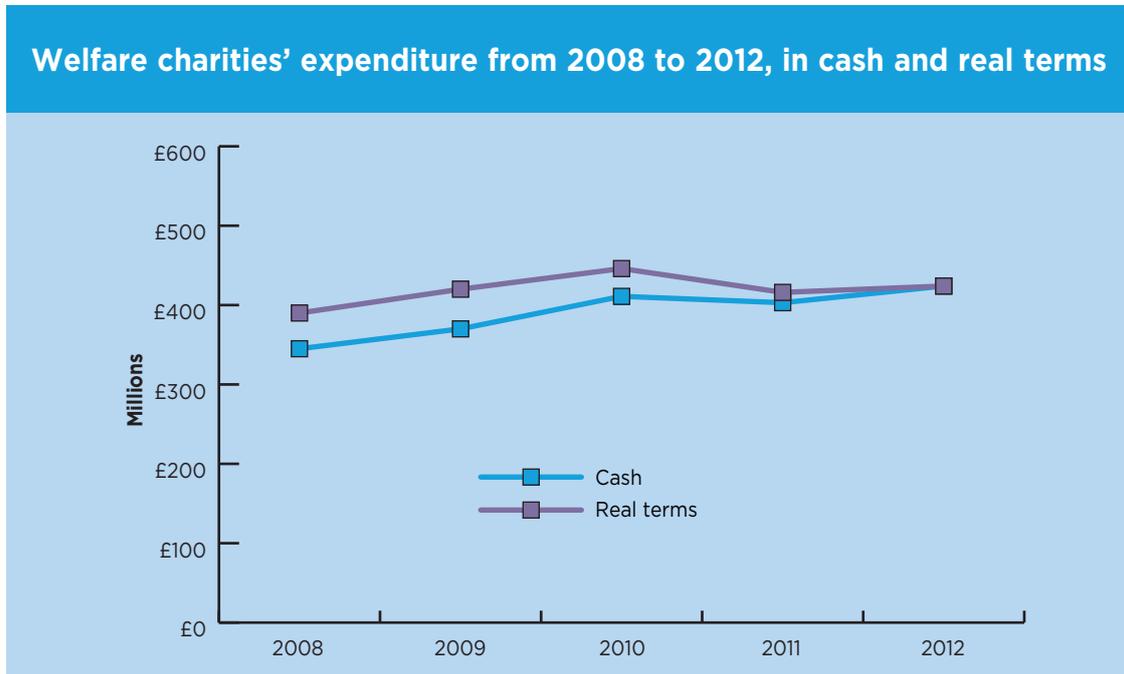
The total expenditure of armed forces welfare charities grew by 23% in cash terms between 2008 and 2012 (figure 4.11), moving from £345 million in 2008 to £424 million in 2012. In real terms, welfare expenditure increased by 9% over the period.

This overall trend, however, tells only part of the story.

Welfare charities' expenditure rose by 14% in real terms between 2008 and 2010. In 2011, however, it experienced a 7% decrease, only to recover slightly in 2012.

It is important to clarify that this trend is not indicative of the performance of the vast majority of welfare charities over the period. In fact, the particular circumstances of Help for Heroes alone caused overall expenditure to grow considerably in 2010 and then to decrease substantially in 2011.

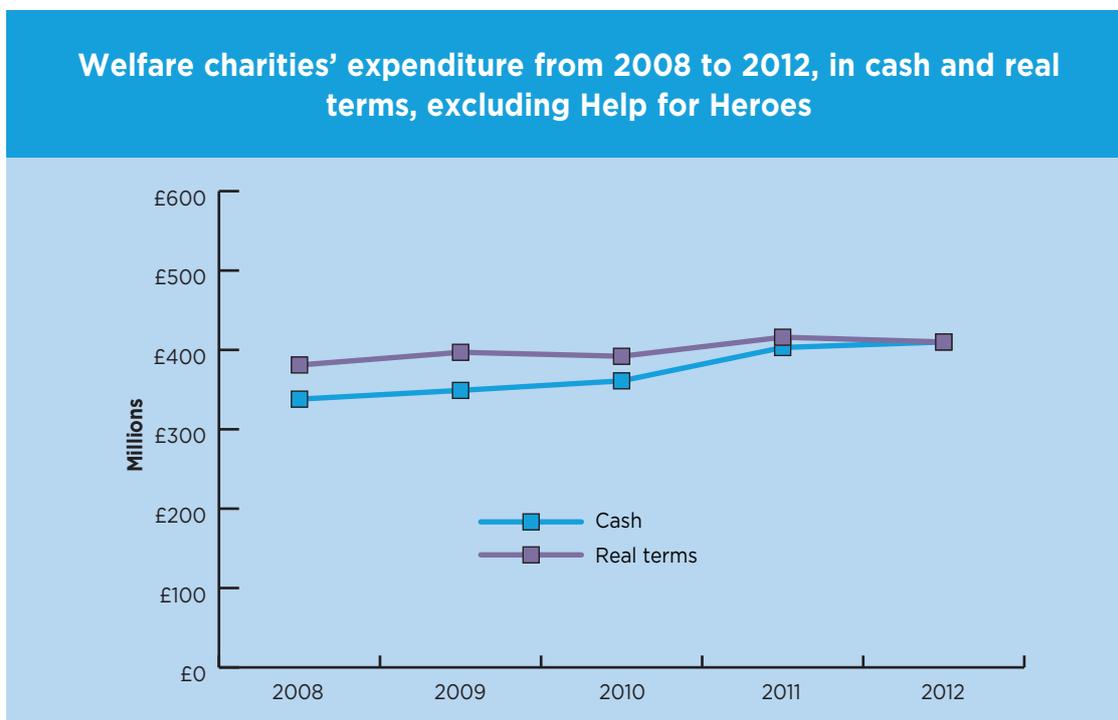
Figure 4.11



In 2010, Help for Heroes had committed millions of grant funding towards the capital and running costs of a network of Personnel Recovery Centres as part of the MOD's Recovery Capability (see Chapter 2, section 2.4.2). In 2011, however, the charity started its transition from being an exclusively grant-making body to take over responsibility for the construction and future running of some Personnel Recovery Centres. Grant expenditure committed in earlier years was retained by Help for Heroes and reclassified as designated funds in the charity's financial statements. As a result of this reclassification, the charity's accounts for 2011 showed a negative balance of over £28 million in grant expenditure.

Excluding Help for Heroes, as it is a unique case that strongly affects the overall picture, the total expenditure of the armed forces welfare charity sector rose continuously in cash terms between 2008 and 2012. In real terms, expenditure reached its peak in 2011 and decreased slightly in 2012.

Figure 4.12



### 4.2.6.3 Funds

The total funds of the top 45 armed forces welfare charities rose by 42% in cash terms over the five-year period under consideration (figure 4.13) – up from £861 million in 2008 to £1.22 billion in 2012.<sup>6</sup>

In real terms funds rose by 26% over the period.

Amongst the top 45 armed forces welfare charities there are seven newly registered charities that started to operate at various points between 2008 and 2012 – examples include FiMT, Black Stork Charity, Walking With The Wounded and Row2Recovery Foundation.

Excluding these new charities, total funds rose by 36% in cash terms over the five-year period under consideration (21% in real terms).

<sup>6</sup> This includes endowment funds, restricted funds, unrestricted fixed assets, designated funds and free reserves.

Figure 4.13

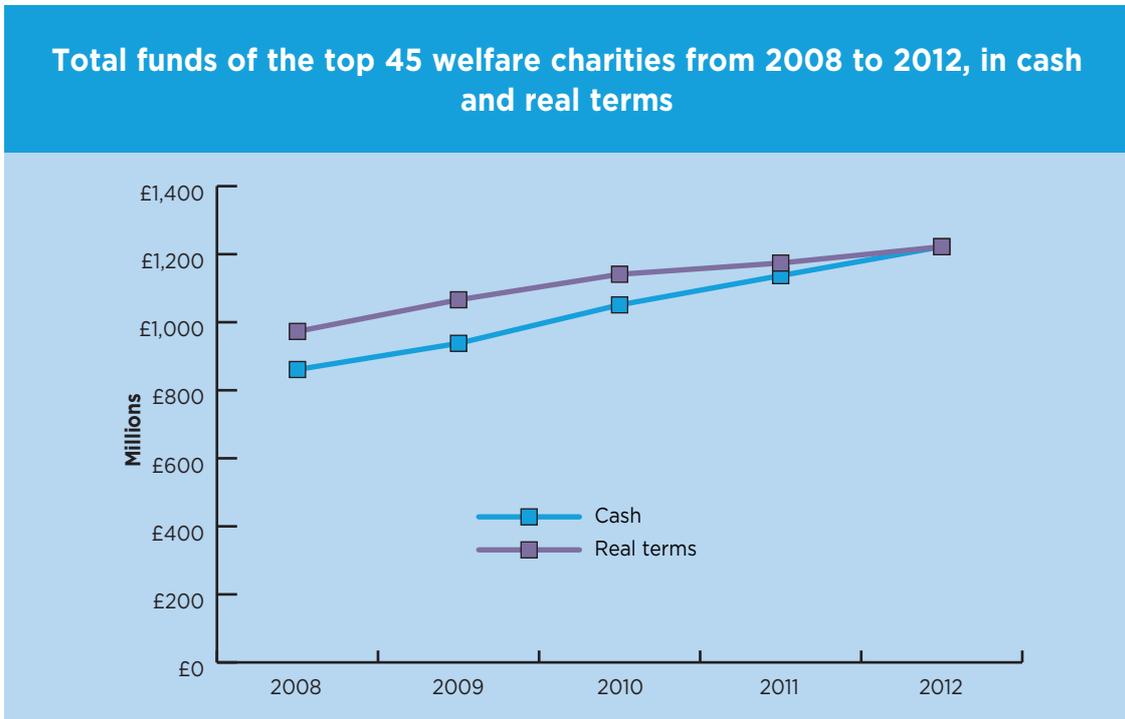
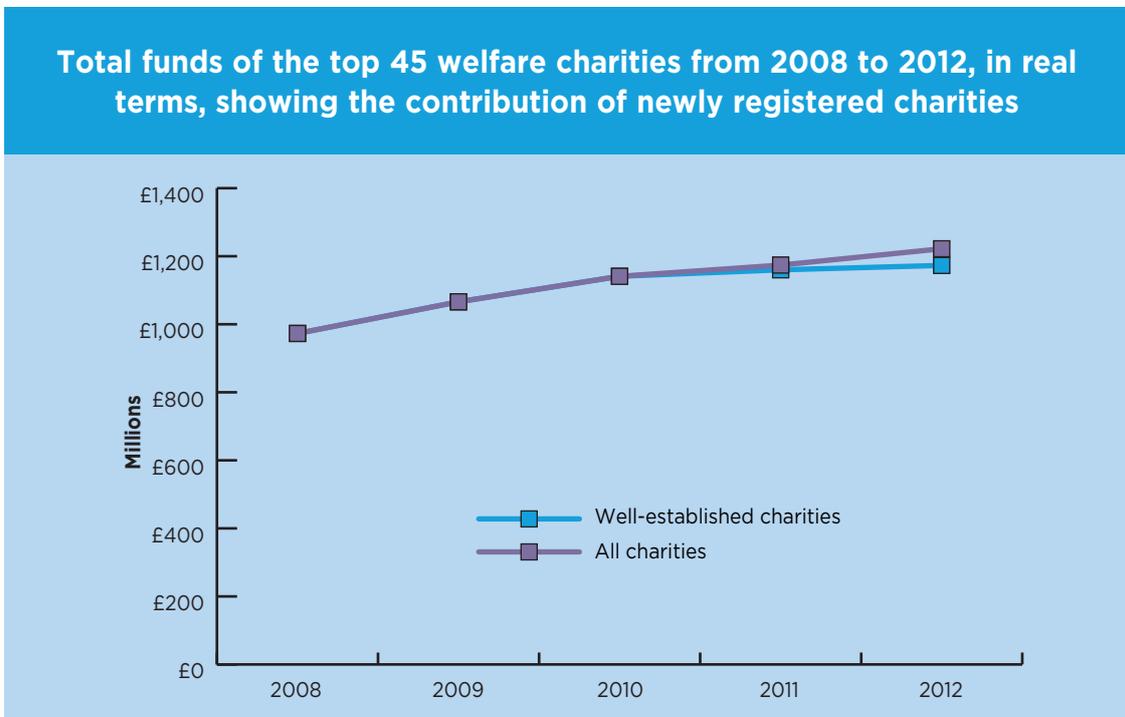
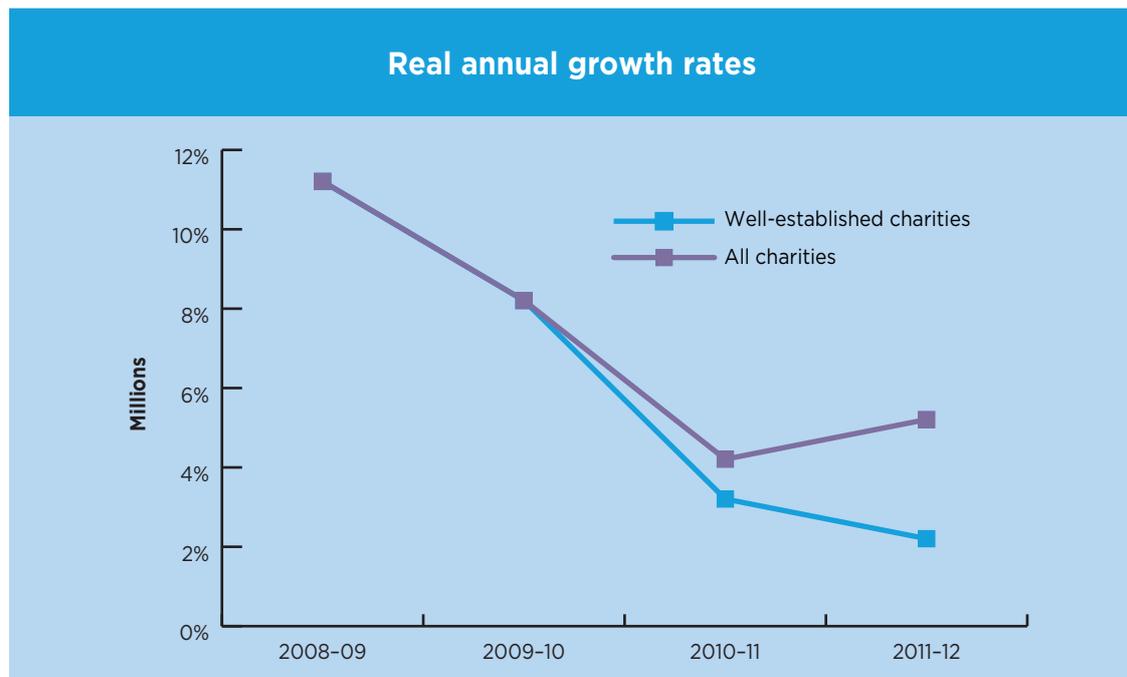


Figure 4.14



Despite the overall increase in funds, real annual growth rates have substantially decreased over the period (figure 4.15). Only in 2012 growth rates started to gain pace, again thanks to the funds contributed by newly established charities (particularly the £35 million expendable endowment received by FiMT).

Figure 4.15



A few of the top 45 welfare charities saw their total funds reduce over the last few years. These decreases, however, were offset by larger increases elsewhere. Perhaps the most prominent case of reduced funds is the RAF Benevolent Fund. The RAF Benevolent Fund was operating on a deficit every year from 2008 to 2012 and its total funds fell by £14 million over the period.

## 4.3 SERVICE FUNDS

### 4.3.1 Total income and expenditure

In 2012, Service funds registered in England and Wales generated a combined income of £123 million and spent a total of £114 million. Overall, they operated on a surplus of £9 million.<sup>7</sup> Close to 60% of this surplus was generated by the Services Sound and Vision Corporation (known as BFBS). This is the single largest Service fund with an income of £34 million in the year ended 31/03/2013.

Nonetheless, it is important to bear in mind that these figures do not capture the full picture. There are several thousand Service funds which are exempted from registration.<sup>8</sup> All these

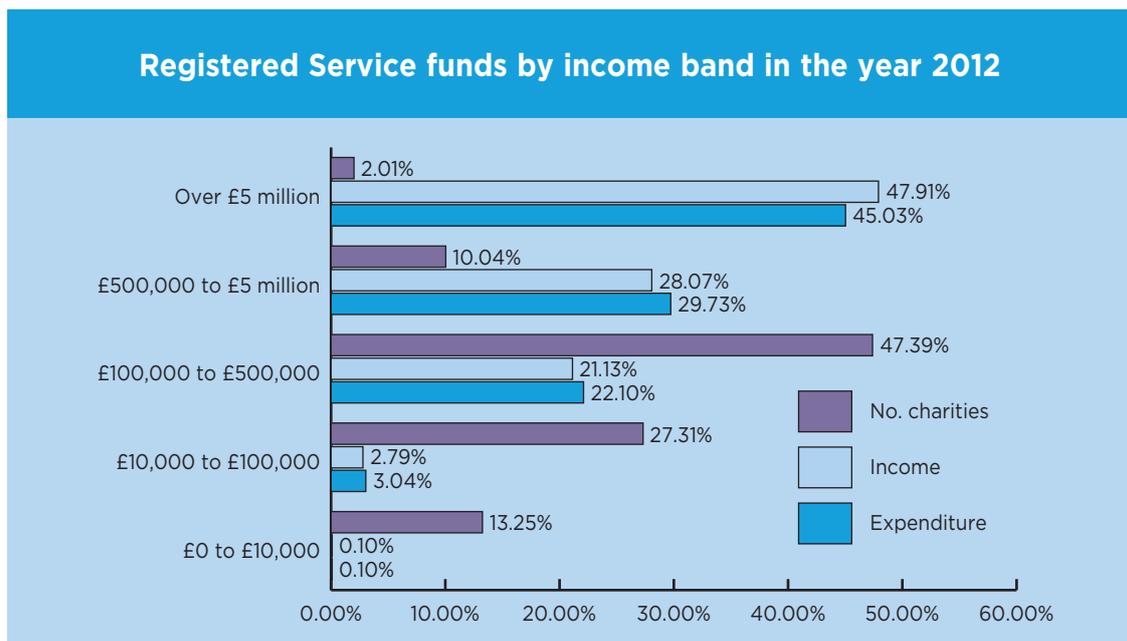
<sup>7</sup> This is the combined income and expenditure of 249 Service funds (88% of the total). There is no data available for 34 Service funds (16 newly registered and 18 with documents overdue).

<sup>8</sup> See Chapter 3 (section 3.7) for further details.

unregistered funds operate on incomes below £100,000 (the registration threshold), but it has not been possible to obtain an estimate of their combined financial contribution to the sector.

Service funds' income is not as concentrated in a small number of high-income charities as it is for welfare charities. Instead, the income is spread across a greater number of smaller charities.

Figure 4.16



### 4.3.2 Types of income and expenditure

Please note that detailed financial information is only available for the top 30 Service funds with incomes greater than £500,000 in 2012. This section is based on data for these top 30 Service funds only, which collectively commanded 77% of all registered Service funds' income.

Income from charitable activities was the main type of income for Service funds in 2012 (figure 4.17) (66%), followed by fundraising trading income (13%), voluntary income (12%), investment income (7%) and other income (2%).

Of total expenditure (figure 4.18), charitable spending comprised 87%, fundraising trading costs 5%, costs of generating voluntary income 4%, governance costs 1%, investment management costs 0.4%, and other resources expended 2%.

Figure 4.17

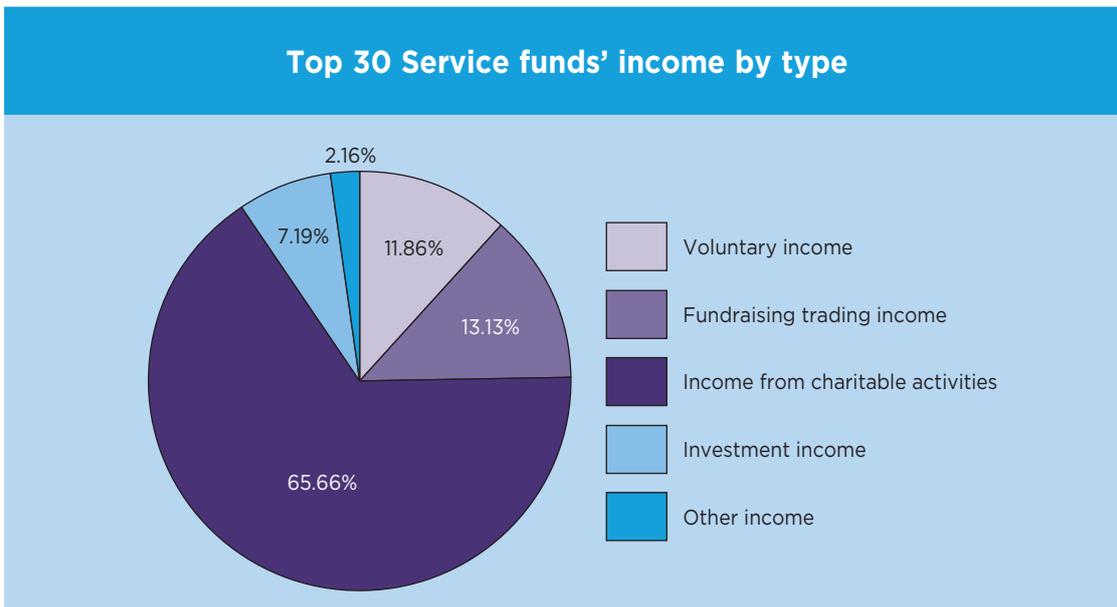
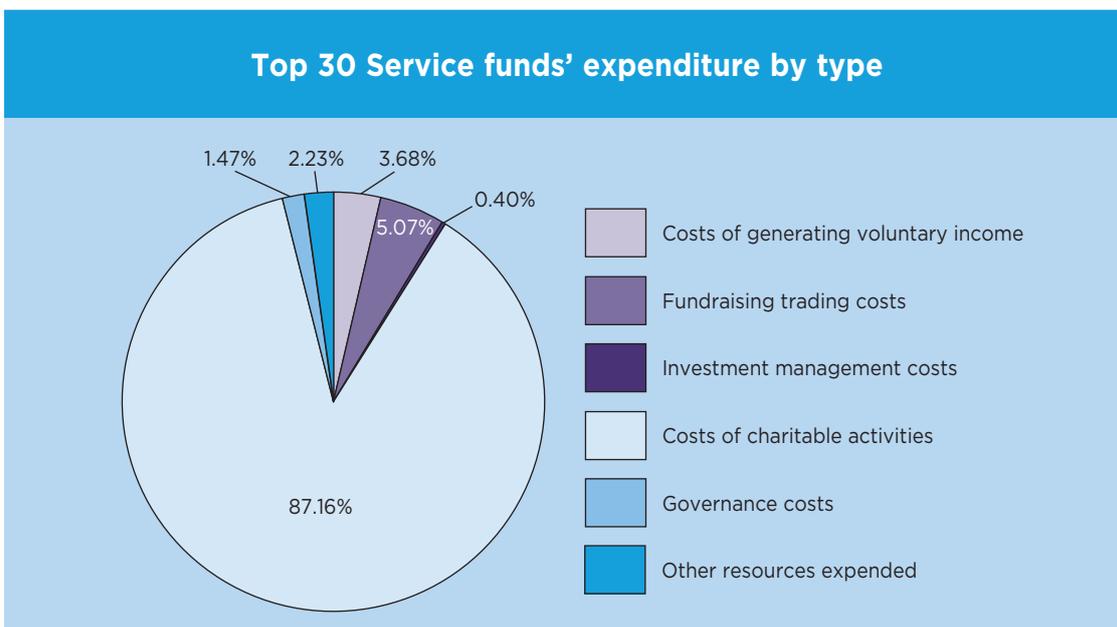


Figure 4.18



It is important to note that the typical Service fund is not an active fundraising charity and it does not receive donations from the general public. The income of Service funds derives to a large extent from their charitable activities, such as charges for the services provided or membership subscriptions paid by beneficiaries themselves. A good example is service messes' subscriptions:

#### Mess subscriptions

Serving members of the armed forces are bound by Queen's Regulations. These require certain ranks to be members of a mess. Mess members are required to pay a monthly subscription, fixed by the commanding officer in accordance with limits laid down in the Regulations. These subscriptions are contributions towards the mess's running costs.

HMRC n.d.

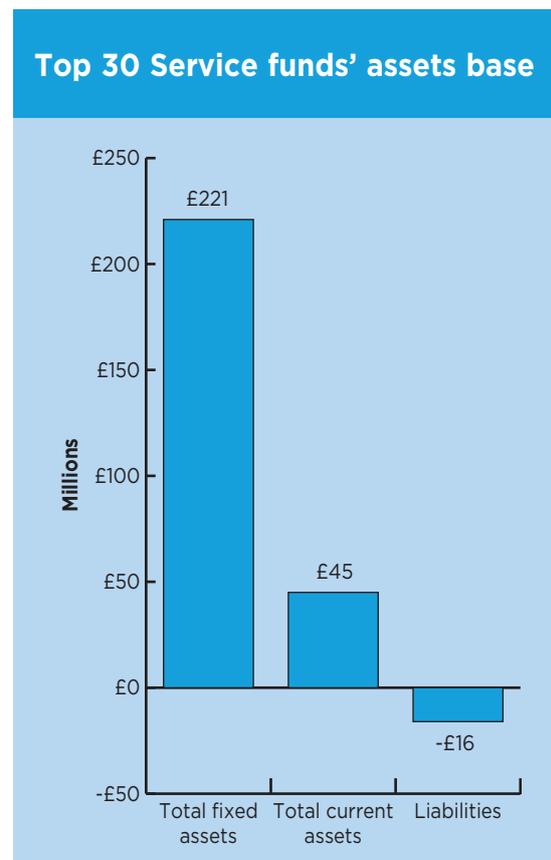
Some of the largest Service funds do carry out important fundraising endeavours, however. The RAF Sports Board, for instance, runs the RAF Sports Lottery which was established in 1993. Funds raised through the lottery are used to provide grants to the RAF serving community for sports and adventure training activities. Similarly, the Army Sport Control Board Charitable Fund runs the Army Sports Lottery. Profits are used to provide annual grants to the 42 sports unions and associations of the British Army.

### 4.3.3 Assets/funds

At the end of 2012, the top 30 Service funds had total net assets worth £250 million. Total fixed assets stood at a value of £221 million. Current assets were worth £45 million.

The majority of funds were unrestricted (£207 million), although it has not been possible to determine how much of these are tied up with fixed assets or have been designated by the trustees for specific purposes. Therefore, it has not been possible to determine how much is held as free reserves. £43 million of funds was endowments and other donor-restricted funds.

Figure 4.19



## 4.4 ASSOCIATIONS

### 4.4.1 Total income and expenditure

In 2012, armed forces associations generated an income of £23 million and spent a total of £25 million.<sup>9</sup>

The top six armed forces associations had incoming resources of over £500,000 in 2012, and they alone commanded 80% of the income (£19 million).

Table 4.2

Top six associations		
	<i>Income 2012</i>	<i>Expenditure 2012</i>
Royal Air Forces Association – Corporate body	£9,484,000	£7,994,000
Bomber Command Association	£4,650,809	£8,153,697
Special Boat Service Association	£1,855,415	£1,152,722
Royal Engineers Association	£1,219,485	£1,200,324
Royal Marines Association	£744,467	£875,068
Special Air Service Regimental Association	£703,842	£509,230
Total	£18,658,018	£19,885,041

Some of the largest associations are also important welfare providers and benevolent grant-makers. Therefore, a relevant share of their resources is spent on welfare and benevolence for relief-in-need purposes (see chapters 3 and 7 for further details). Smaller associations are likely to spend most of their resources on membership activities.<sup>10</sup>

### 4.4.2 Assets/funds

At the end of 2012, the top six associations had total net assets worth £49 million (figure 4.20). Total fixed assets amounted to £48 million and current assets were worth £9 million.

<sup>9</sup> This is the combined income and expenditure of 79 associations (96% of the total). There is no data available for three associations.

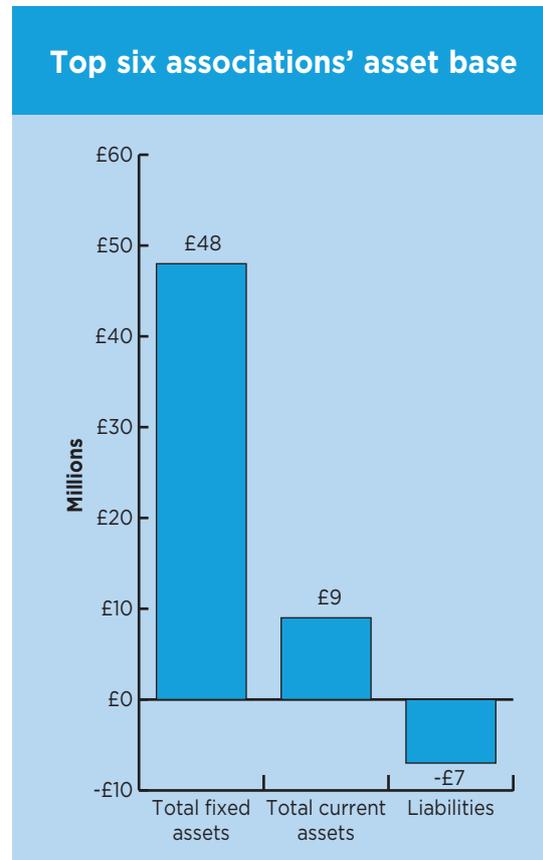
<sup>10</sup> Note: an analysis of types of income and expenditure has not been conducted as detailed financial information is only available for the top six associations which do not constitute a representative sample.

The majority of funds were unrestricted (£41 million), although it has not been possible to determine how much of these are tied up with fixed assets or have been designated by the trustees for specific purposes. Therefore, it has not been possible to determine how much is held as free reserves. £8 million was endowments and other restricted funds.

### 4.4.3 Association branches

In 2012, association branches registered in England and Wales generated a total income of £3 million and spent £3 million.<sup>11</sup> No further financial information is available for this group of charities as they are very small with an average income of £5,358 in 2012. Association branches registered in Scotland generated an income of £2 million and spent £2 million. Their average income for the year was £10,362.

Figure 4.20



## 4.5 MIXED-TYPE CHARITIES

### 4.5.1 Total income and expenditure

As explained in Chapter 3, mixed-type charities are mainly grant-making bodies which provide an integral package of support to the armed forces community including:

- grants to promote the efficiency of the armed forces (amenities, sports and so on);
- welfare and benevolent grants for relief-in-need purposes;
- grants to support associational activities;
- grants to support the upkeep of armed forces museums and other heritage assets.

<sup>11</sup> This is the combined income and expenditure of 492 association branches (96% of the total). There is no data available for 23 branches.

Of mixed-type charities, 86% are connected to corps and regiments of the British Army with a vision of supporting all aspects of corps and regimental life and all members of the corps and regimental family (serving and ex-Service personnel and their dependants), 4% are naval charities and 3% are RAF charities.

In 2012, mixed-type charities generated an income of £32 million and spent £25 million, operating on a surplus of £6.5 million.<sup>12</sup> 16% of this surplus was generated by the Royal Marines Charitable Trust Fund (CC no. 1134205) which is currently engaged in an ambitious plan to increase its reserves. As stated in the charity's accounts:

Whilst the current market value of the investment reserve attracts sizeable investment income, Trustees have noted that future anticipated demand on the Charity will increase considerably as a consequence of the conflicts in Afghanistan and Iraq. To meet this demand, Trustees have set an Investment Reserves target for the fund of £12.6M, a policy which is reviewed annually. The current reserves level is £8.57M; it is intended to reach the target by the end of 2014 through increased targeted fundraising activities following the appointment of a Fundraising Campaign Manager in October 2012, and two additional fundraising staff during the course of 2013.

**RMCTF 2012**

## 4.5.2 Types of income and expenditure

*Please note that detailed financial information is only available for the top 14 mixed-type charities (with incomes greater than £500,000 in 2012). One of them is the Honourable Artillery Company. This charity has been excluded from the calculations in this section as it is a unique charity that sits on valuable real estate assets and distorts the representativeness of the sample. The top 14 mixed-type charities, excluding the Honourable Artillery Company, commanded 74% of all mixed-type charities' income.*

Voluntary income (62%) and investment income (20%) were the two main types of income for mixed-type charities in 2012 (see figure 4.21). These were followed by income from charitable activities (15%), fundraising trading income (2%) and other income (1%).

Of mixed-type charities' total expenditure (see figure 4.22), 85% was on charitable spending, 7% costs of generating voluntary income, 3% governance costs, 2% investment management costs, 1% fundraising trading costs and 2% other resources expended.

<sup>12</sup> This is the combined income and expenditure of 59 mixed-type charities (91% of the total). There is no data available for six mixed-type charities (three newly registered and three with documents overdue).

Figure 4.21

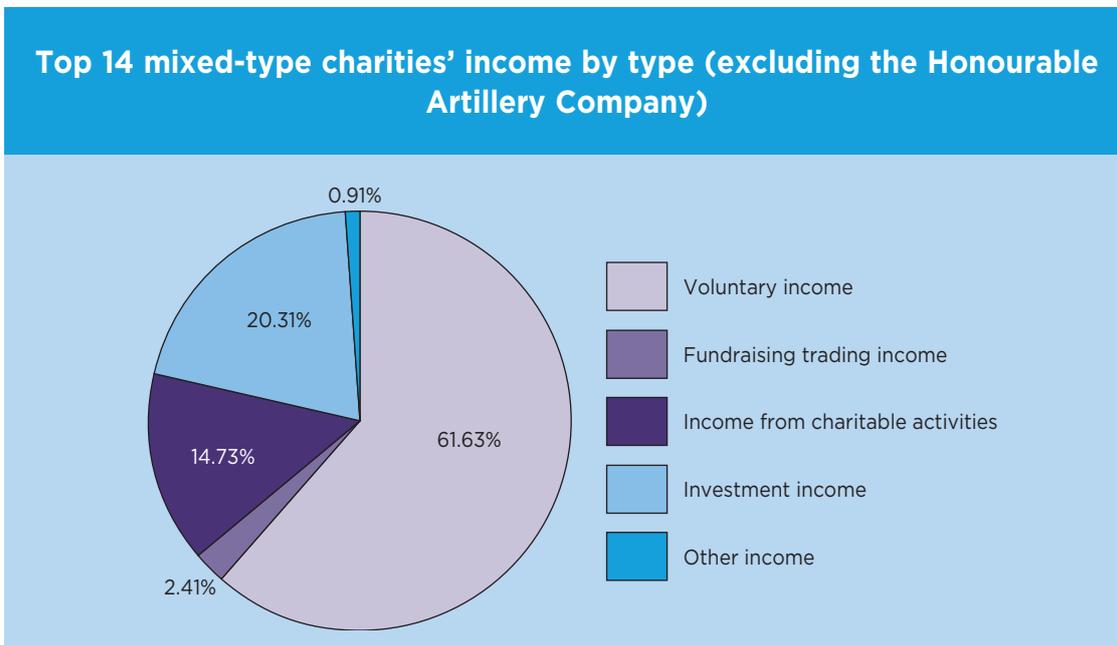
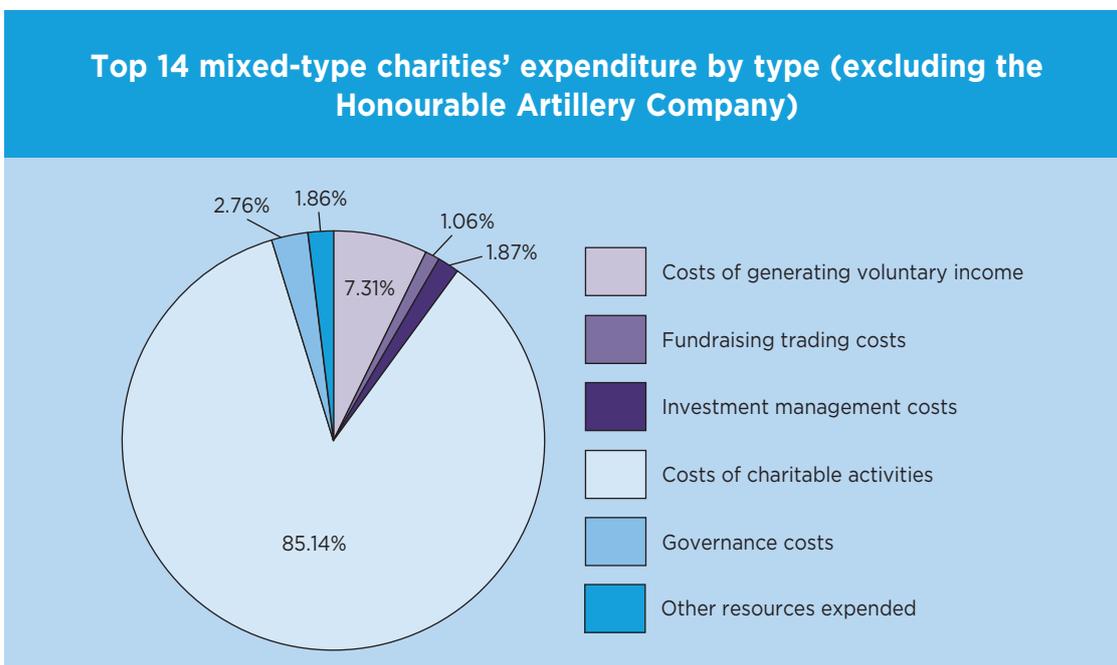


Figure 4.22



In the past, these charities were not active fundraisers as they have traditionally relied (and to a large extent still do) on voluntary income raised via payroll-giving schemes such as the Army's Day's Pay Scheme. The Army Air Corps Fund (CC no. 1072126) offers a simple explanation of this model in its accounts:

The principal source of funding for the Army Air Corps Fund is through the voluntary contributions of the serving members of the Corps through a system known as the Day's Pay Scheme. This method is common across the Army. Under Queen's Regulations for the Army all serving officers and soldiers are encouraged to make voluntary donations to their own Regimental Benevolence Fund. That donation is taken from their pay at source in twelve monthly amounts, amounting to the agreed deduction ... It is a voluntary donation that requires the permission of the individual ... Only a very small minority elect not to make donations.

#### AACF 2012

In 2012, payroll-giving contributions from serving personnel generated 48% of the total voluntary income raised by mixed-type charities.

An additional 4% of voluntary income was the estimated value of staff costs and facilities donated by the MOD as many of these charities operate from armed forces headquarters (i.e. MOD property) and are run - partly or entirely - by MOD employees.

Nonetheless, some of the largest charities in this group have started to move towards more active fundraising strategies in the last few years. This shift has been driven by two main factors: the anticipated reduction in the size of the armed forces (meaning that payroll contributions from serving personnel will diminish as well) and the need to raise sufficient funds to be able to provide for ex-Service personnel who have been affected by recent conflicts in Iraq and Afghanistan. A good example is the Care for Casualties appeal launched in March 2010 by the Rifles Regimental Trust. A number of other regimental charities are engaging in similar fundraising efforts.

### 4.5.3 Assets/funds

At the end of 2012, the top 14 mixed-type charities (including the Honourable Artillery Company) had total net assets worth £177 million. Total fixed assets stood at a value of £169 million and current assets amounted to £14 million.

Figure 4.23



The majority of funds were unrestricted (£112 million), although it has not been possible to determine how much of these are tied up with fixed assets or have been designated by the trustees for specific purposes. Therefore, it has not been possible to determine how much is held as free reserves. £66 million was endowments and other restricted funds.

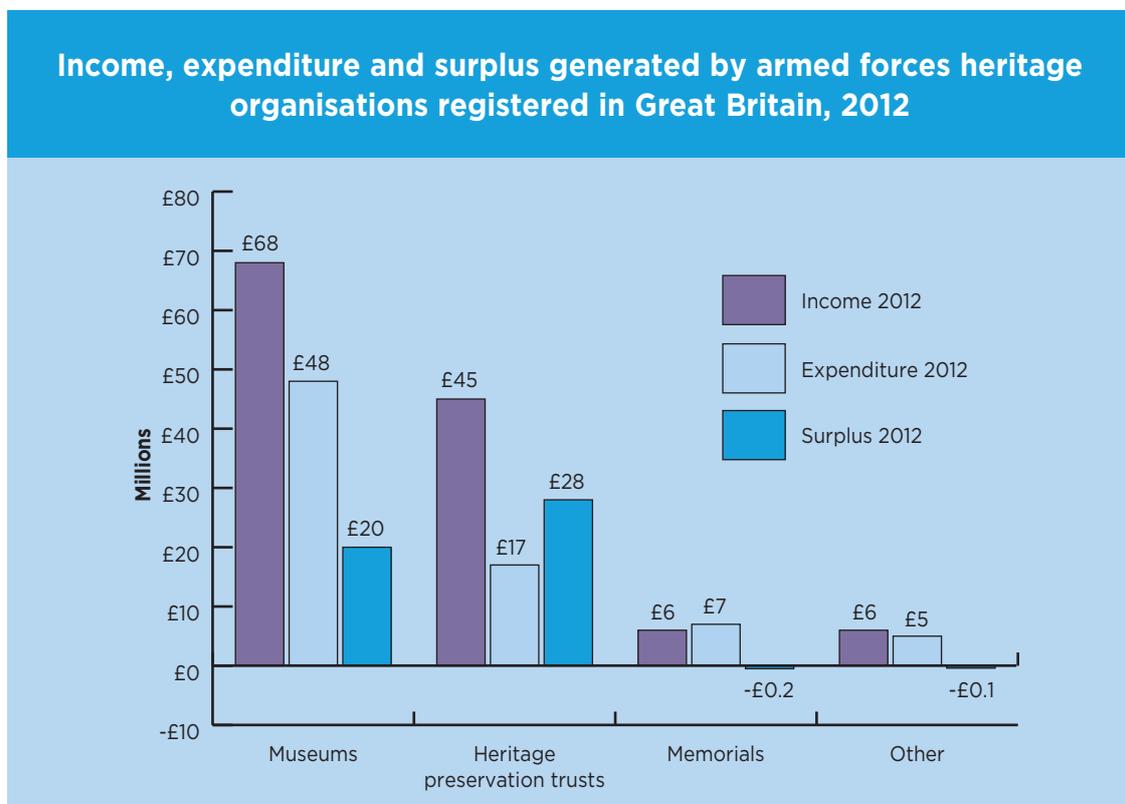
## 4.6 ARMED FORCES HERITAGE ORGANISATIONS

### 4.6.1 Total income and expenditure

In 2012, the 242 armed forces heritage organisations registered in Great Britain (222 registered in England and Wales and 20 registered in Scotland) generated an income of £125 million and spent £77 million.<sup>13</sup>

Overall, armed forces heritage organisations retained £49 million of their income for future use. This was not an operating surplus and 65% of it can be explained by a single charity: the HMS Victory Preservation Company (CC no. 1146376). This is a newly registered charity that was established to preserve, restore and maintain the Royal Navy’s flagship HMS *Victory*. The ownership of the ship was transferred to the charity in 2012 and the vast majority of incoming resources for the year related to the value of the ship as well as other transferred assets.

Figure 4.24



<sup>13</sup> This is the combined income and expenditure of 222 armed forces heritage organisations (92% of the total). There is no data available for a further 20.

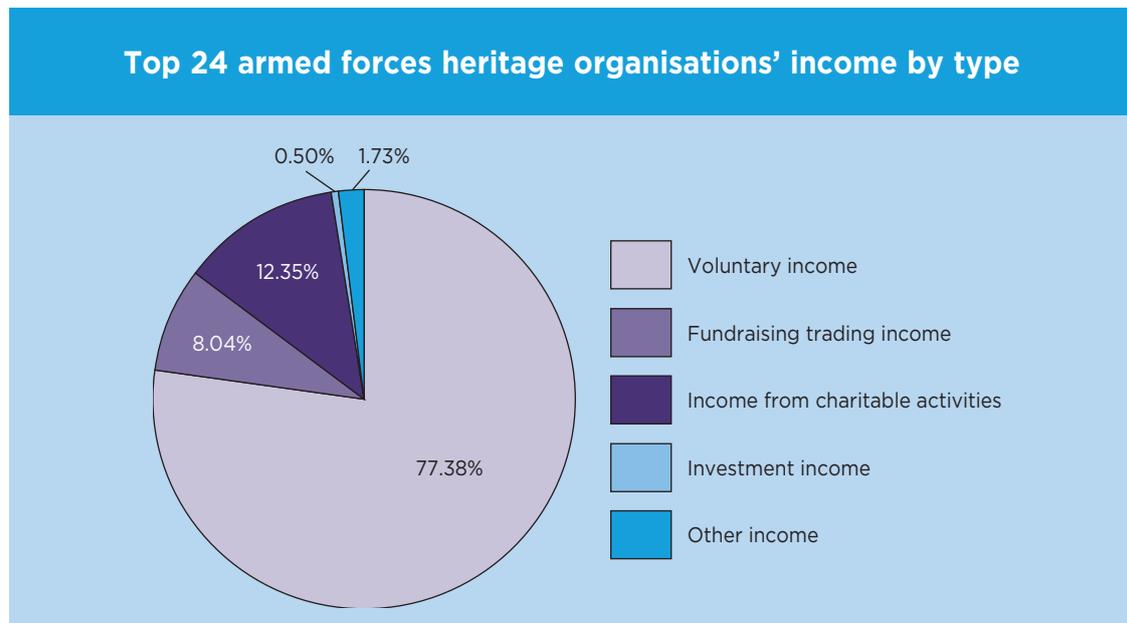
## 4.6.2 Types of income and expenditure

Please note that detailed financial information is only available for the top 24 armed forces heritage organisations (with incomes greater than £500,000 in 2012). This section is based on data for these top 24 charities only, which collectively commanded 87% of the armed forces heritage sector income.

In 2012, the main type of income for armed forces heritage organisations (figure 4.25) was voluntary income (77%), followed by income from charitable activities (12%), fundraising trading income (8%) and other income (2%).

The vast majority of voluntary income was grants received from other charities and institutions, including 'grants-in-aid'<sup>14</sup> awarded by the MOD to some of the largest armed forces heritage organisations (such as the National Museum of the Royal Navy, the National Army Museum and the RAF Museum).

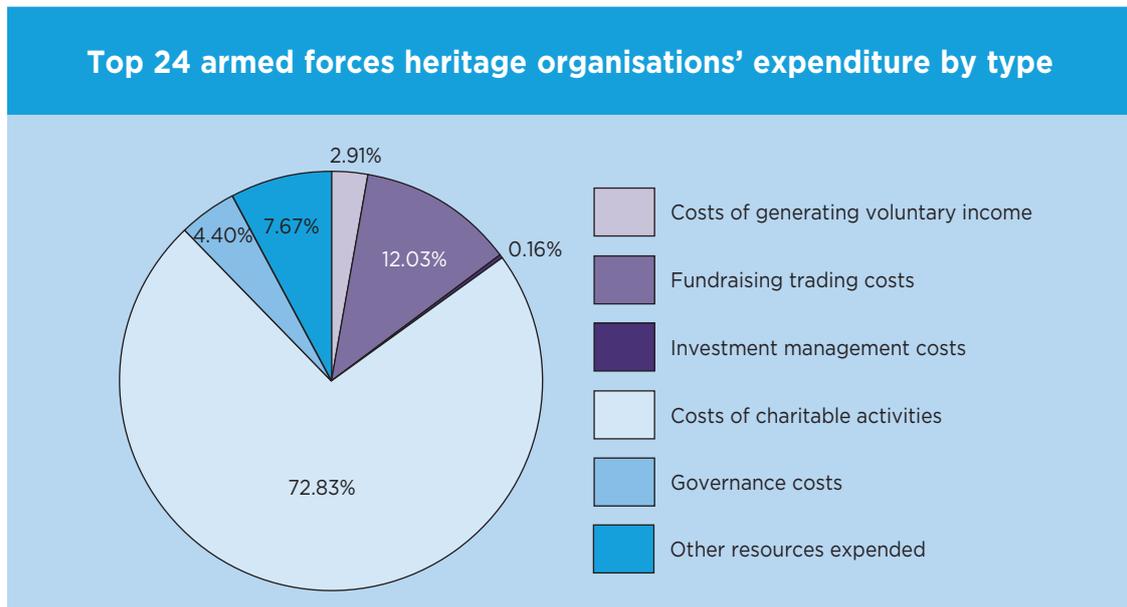
Figure 4.25



Of total expenditure (see figure 4.26), 73% was on charitable spending, 12% fundraising trading costs, 4% governance costs, 3% costs of generating voluntary income and 8% other resources expended.

<sup>14</sup> A grant-in-aid is a sum of money granted by government to a dependency for a specific purpose or programme.

Figure 4.26



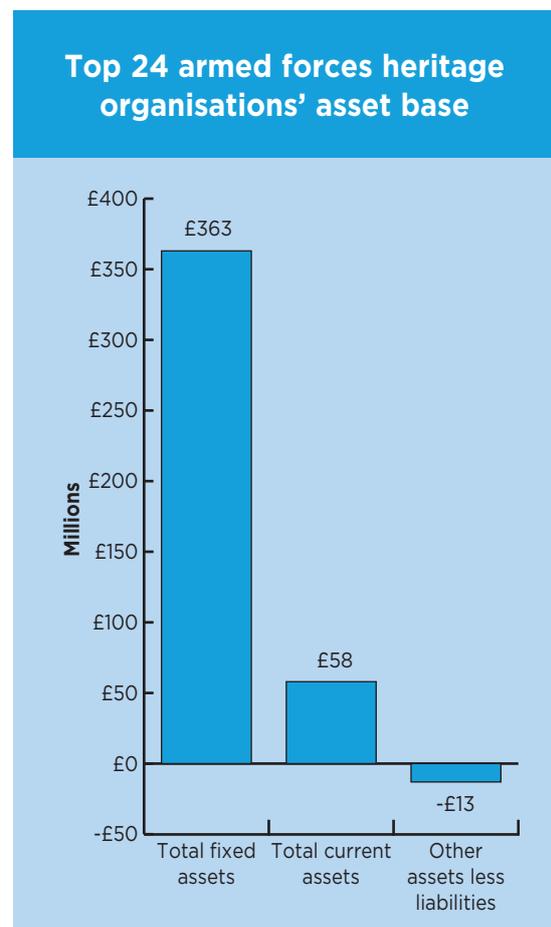
### 4.6.3 Assets/funds

At the end of 2012, the top 24 armed forces heritage organisations held £408 million in total net assets. Total fixed assets were worth £363 million. Current assets amounted to £58 million.

The majority of funds were endowments and other donor-restricted funds (£224 million).

Unrestricted funds stood at a value of £183 million, although it has not been possible to determine how much of these are tied up with fixed assets or designated by the trustees for specific purposes. Therefore, it has not been possible to determine how much is held as free reserves.

Figure 4.27



## 4.7 CADET FORCES UNITS AND ORGANISATIONS

### 4.7.1 Total income and expenditure

In 2012, a total of 500 cadet charities registered in Great Britain (364 registered in England and Wales and 136 registered in Scotland) generated an income of £30 million and spent £27 million, operating on a surplus of £3 million.<sup>15</sup> Three-quarters of this surplus was generated by the three umbrella bodies of the main UK Cadet Forces:

- The Marine Society and Sea Cadets (CC no. 313013);
- The Army Cadet Force Association (CC no. 305962);
- The Air Training Corps General Purposes Fund (CC no. 256391).

These three umbrella bodies are the only cadet forces charities with incomes greater than £500,000, and they alone commanded 73% of the total cadet sector income in 2012 (and paid out 73% of total expenditure in the cadet sector).

The rest of the cadet forces charity sector is made up of small charities with an average income of £17,000 and an average expenditure of £15,000 in 2012. Of these charities, 99% are local or regional and connected to the Sea Cadets, the Army Cadet Force and the Air Training Corps.

### 4.7.2 Types of income and expenditure

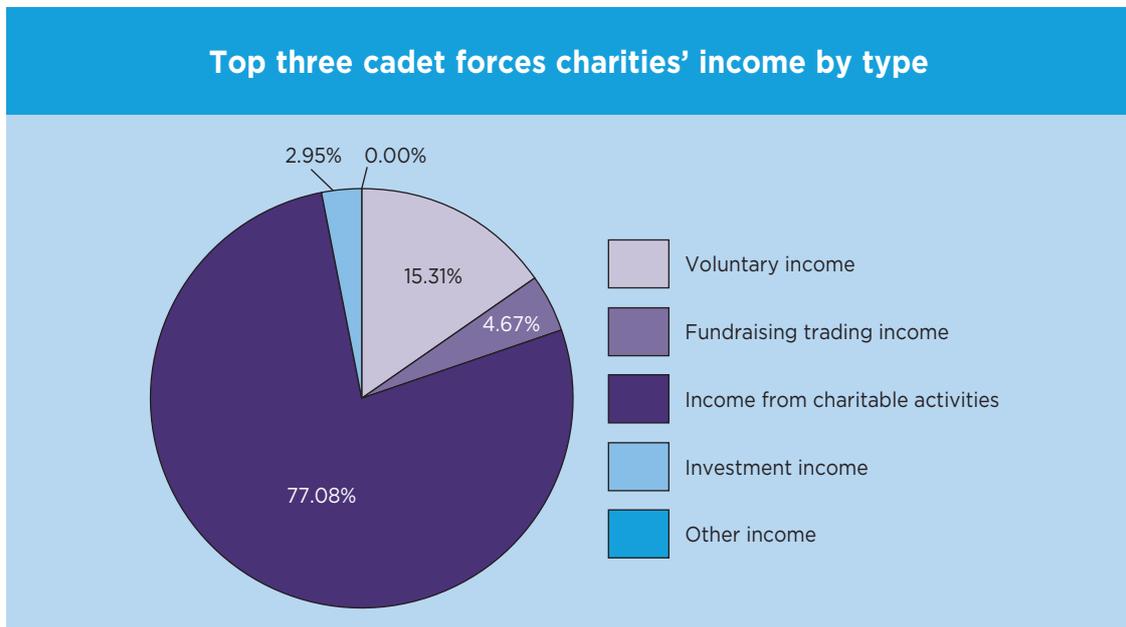
Detailed financial information on types of income and spending is only available for the three umbrella bodies of the Sea Cadets, the Army Cadet Force and the Air Training Corps.

These three charities had incoming resources of £22 million in 2012 (see figure 4.28). Income from charitable activities made up 77% of the total, followed by voluntary income (15%), fundraising trading income (5%) and investment income (3%).

Income from charitable activities includes grants-in-aid awarded by the MOD to provide for educational and social activities to cadets across the UK. This is an unusual accounting principle as grants-in-aid received from the MOD are usually classified by other armed forces charities under voluntary income (see, for instance, section 4.6.2 concerning armed forces museums).

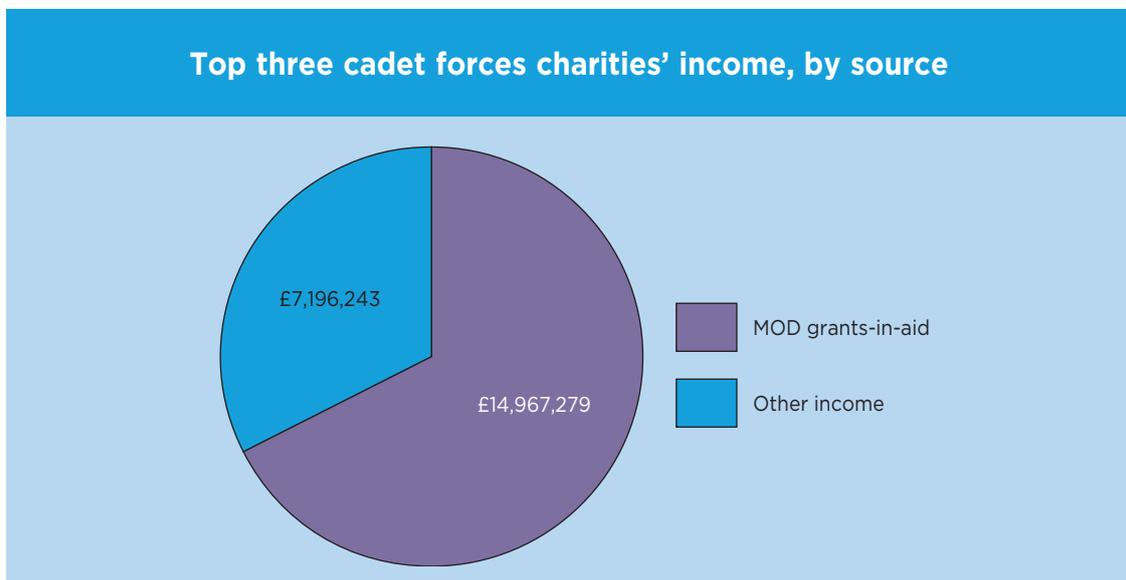
<sup>15</sup> This is the combined income and expenditure of 470 cadet charities (94% of the total). There is no data available for 30 cadet charities.

Figure 4.28



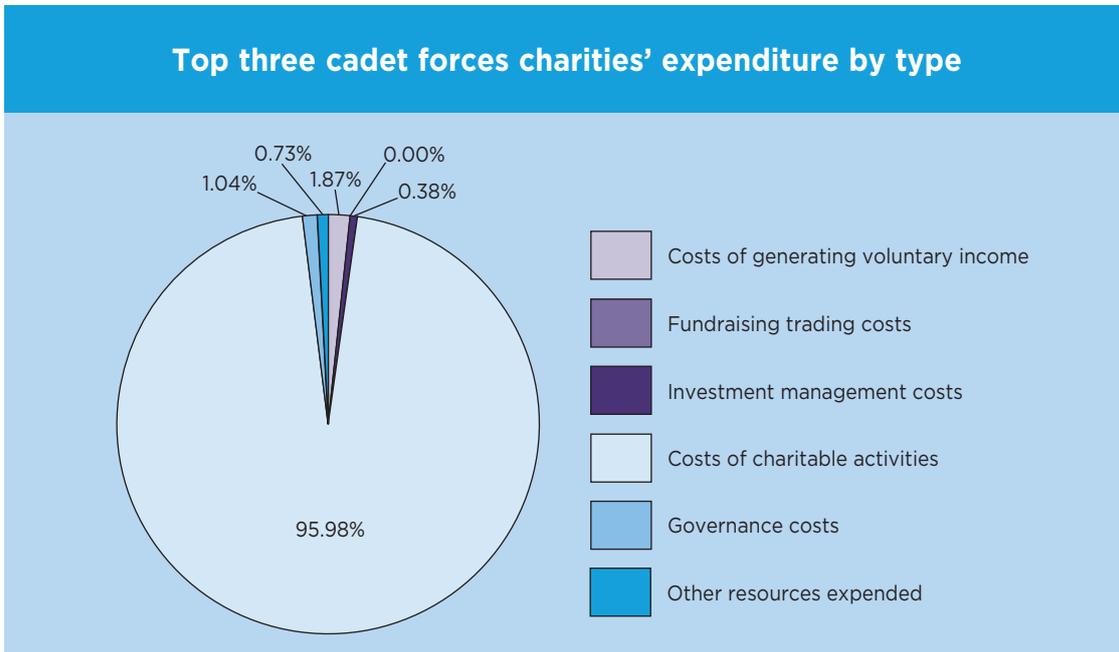
In 2012, MOD grants-in-aid made up 68% of total incoming resources (figure 4.29) received by the three cadet umbrella bodies of the main UK cadet forces.

Figure 4.29



Charitable spending made up 96% of total expenditure (figure 4.30), followed by costs of generating voluntary income (2%), governance costs (1%) and other resources expended (1%).

Figure 4.30

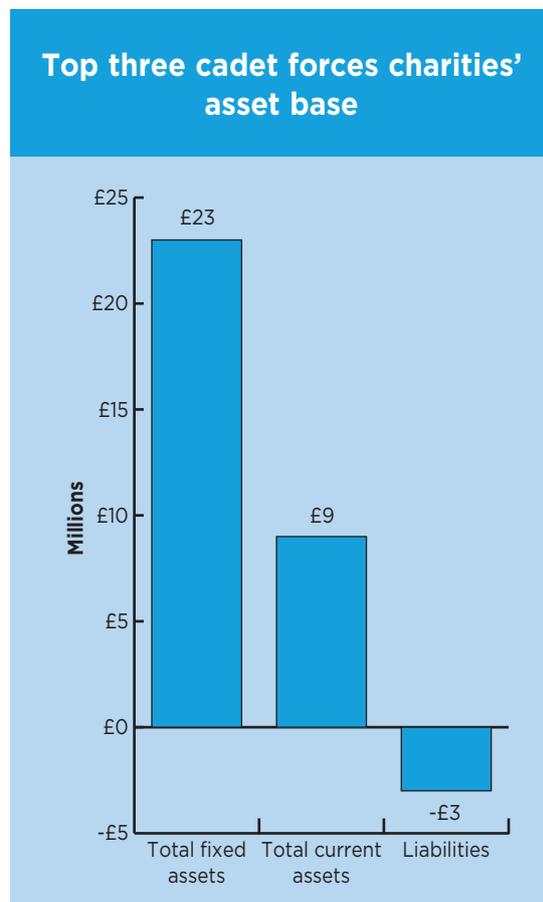


### 4.7.3 Assets/funds

At the end of 2012, the three umbrella bodies of the Sea Cadets, the Army Cadet Force and the Air Training Corps held total net assets worth £30 million. Total fixed assets stood at a value of £23 million. Current assets amounted to £9 million.

The majority of funds were endowments and other donor-restricted funds (£22 million). £8 million was unrestricted.

Figure 4.31



## 4.8 REFERENCES

AACF (2012), annual report and accounts for the year ended 31 March 2012, Stockbridge, Army Air Corps Fund

FiMT (2012), annual report and accounts for the year ended 30 November 2012, Salisbury, Forces in Mind Trust

H4H (2012), annual report and accounts for the year ended 30 September 2012, Salisbury, Help for Heroes

HMRC (n.d.), 'VBNB60860 - Clubs and associations: general information about service messes and service funds for junior ranks' [web page], [www.hmrc.gov.uk/manuals/vbnbmanual/vbnb60860.htm](http://www.hmrc.gov.uk/manuals/vbnbmanual/vbnb60860.htm), HM Revenue & Customs, accessed 12/09/2014

Kane, David, Pete Bass, Joe Heywood, Véronique Jochum, Deb James and Gareth Lloyd (2014), *NCVO UK Civil Society Almanac 2014*, London, NCVO

RMCTF (2012), annual report and accounts for the year ended 31 December 2012, Portsmouth, Royal Marines Charitable Trust Fund

RSGH (2012), annual report and accounts for the year ended 31 December 2012, Richmond, Royal Star & Garter Homes

Note: All annual reports and accounts are accessible from the Charity Commission for England and Wales.

## CHAPTER FIVE

# The geographical distribution of charitable support to the UK armed forces

## KEY OBSERVATIONS

- Armed forces welfare charities registered in England and Wales cover a geographical area of operation (i.e. areas where grants may be distributed or services may be provided) extending to 19 countries, from Australia to Nepal via St Vincent and the Grenadines.
- The majority of support provided by armed forces welfare charities (92% of charitable expenditure) benefits members of the armed forces community living in the UK, with 8% benefitting those resident overseas.<sup>1</sup>
- The bulk (52%) of charitable expenditure of armed forces welfare charities registered in England and Wales is spent in England and Wales. An additional one-fifth goes just to England (18%) and half that amount (around 10% each) benefits Scotland, Wales and Northern Ireland.
- Within England, two-thirds of support is available nationwide. One-third is available regionally, with a greater concentration of charitable spending appearing to pool around London and the South East at the potential expense of other regions. This could have a knock-on effect on the significant population of the ex-Service community living in the North.

<sup>1</sup> The figures and percentages presented from our research in this chapter are not based on actual amounts spent by charities in particular areas (such information is not available). The figures and percentages are based on apportioning the finances of each charity between the areas of operation defined by the charity (divided up equally where the charity states more than one area of operation). These estimates, therefore, form a best guess based on the available detail.

## 5.1 GEOGRAPHICAL DISTRIBUTION OF BENEFIT VERSUS NEED

As explained in Chapter 3, there are a total of 278 armed forces charities registered in England and Wales which provide welfare support to members of the armed forces community as their primary function. This welfare support includes the direct provision of services and/or grants to alleviate distress among people who are in need due to financial hardship, unemployment, homelessness, ill health, disability, old age and/or other personal circumstances.<sup>2</sup>

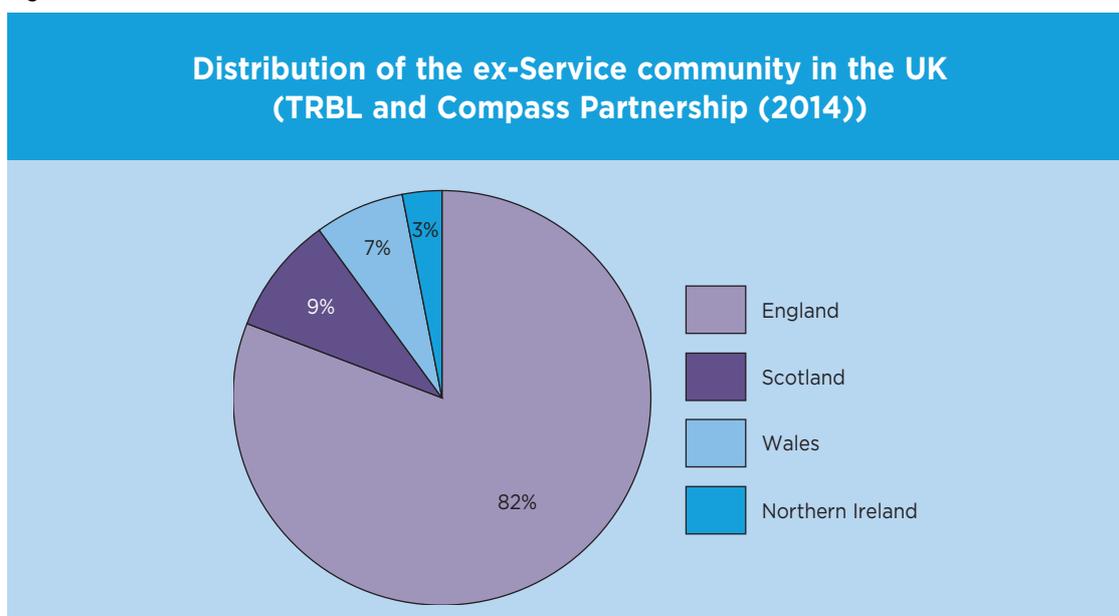
Section 5.2 will analyse the geographical distribution of support provided by these 278 armed forces welfare charities; but first, it is important to analyse the geographical distribution of their beneficiary population (i.e. members of the armed forces community). This will allow us to assess whether there is an adequate correlation between the location of potential need and the location of welfare support available.

### 5.1.1 Geographical distribution of beneficiaries (i.e. the armed forces community)

The potential beneficiary population of armed forces welfare charities consists of 196,500 personnel serving in the UK armed forces as of 1 July 2014 (MOD 2014a), 2.8 million ex-Service personnel and 3.1 million dependants (including spouses, civil partners and children) (TRBL and Compass Partnership 2014).

The majority of the UK armed forces is stationed in England: 79% of UK regular forces personnel as of 1 July 2014 (MOD 2014b). The majority of the ex-Service community (82%) also lives in England (see figure 5.1).

Figure 5.1



<sup>2</sup> There are 131 additional armed forces charities registered in England and Wales which also provide services and/or grants to members of the armed forces community who are in need but operate within broader charitable objects. See chapters 3 and 7 for further details

Data from a recent nationally representative survey of UK adults showed that the ex-Service community regional profile varies from the regional profile of the general adult population: there is a substantially lower proportion of the ex-Service community living in Greater London and a slightly higher proportion living in the South West and Yorkshire and the Humber. The regions where the ex-Service community makes up the largest proportion of total adult population are: the South West, Yorkshire and the Humber, the North East and Wales – and more generally in rural areas (TRBL and Compass Partnership 2014).

Besides this single survey, little data on where the ex-Service community is located in the UK exists – at least not nationally. There are local exceptions, for example see Lewis et al. (2013, pp. 13-14) which outlines the demography of Merseyside and Cheshire ex-Service personnel, and Southampton City Council (2012, pp. 8-10) which estimates the Southampton ex-Service personnel population. Nationally, however, it is still poorly understood in which areas of the UK the armed forces community is, or how big the community is in proportion to the general population. Planned changes to the Office for National Statistics (ONS) Integrated Household Survey (IHS) may help to map the geography of the armed forces community in the near future.<sup>3</sup>

In Scotland, the NHS records the location of ex-Service personnel which allows more accurate estimates down to postcode level. This data shows that the number of ex-Service personnel is higher near the urban areas of Edinburgh, Dundee, Inverness and Glasgow. The way the rest of the NHS recognises service in the armed forces is subtly different from the way it is recorded in Scotland, but importantly so. During service, personnel receive primary care from the Defence Medical Services. Upon leaving it is incumbent upon the individual to register with an NHS GP – records do not transfer automatically. When registering with the NHS the individual can be flagged as ‘returning from armed forces’ on their form, but it is up to the individual to do this. Another issue is that this flag then disappears if ex-Service personnel move to a new practice, which is simply treated as a regular internal patient transfer. There is a strong argument for extending Scotland’s relatively simple measure throughout the UK in order to be able to make more accurate estimates.<sup>4</sup>

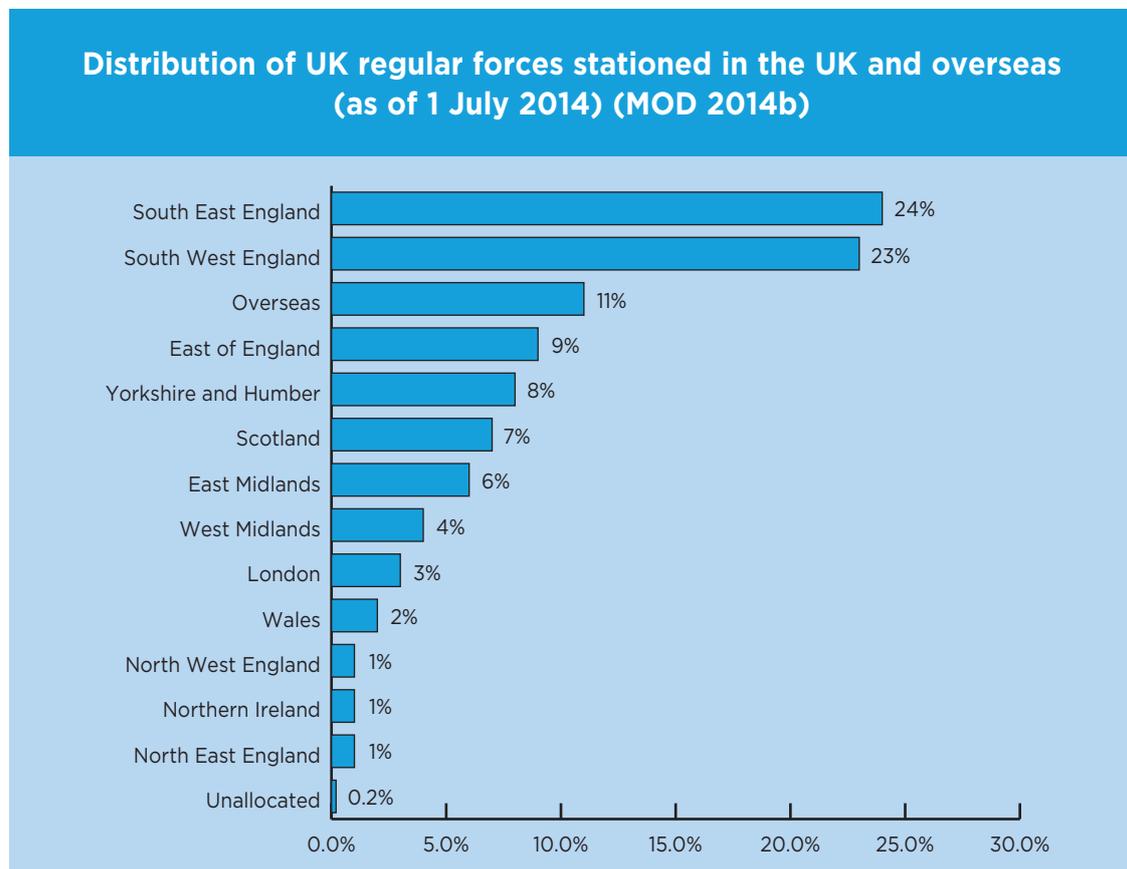
Where the MOD does publish more localised data, this is regarding those in receipt of war pensions or payments under the relatively new Armed Forces and Reserve Forces Compensation Scheme (in operation since 2005).

<sup>3</sup> In 2013, the IHS Steering Group agreed to ‘introduce a set of new questions to the IHS core collecting data on military veterans due to their current policy importance’. Unfortunately ‘the IHS is at maximum capacity in terms of the number of questions it asks’ and changes have not yet been implemented. The IHS Steering Group identified the set of questions on sexual identity as a potential topic that could be rotated annually with new questions for veterans (i.e. not asked one year, reinstated the following year) (ONS 2014).

<sup>4</sup> There are other ways of tracking ex-Service personnel and their dependants but they are fragmented and not comprehensive. For instance, in 2008 schools introduced a ‘Service Flag’ for the children of armed forces parents to a census that schools are required to carry out annually. However, declaring service is not mandatory for parents and the scheme does not cover independent schools and only exists in England.

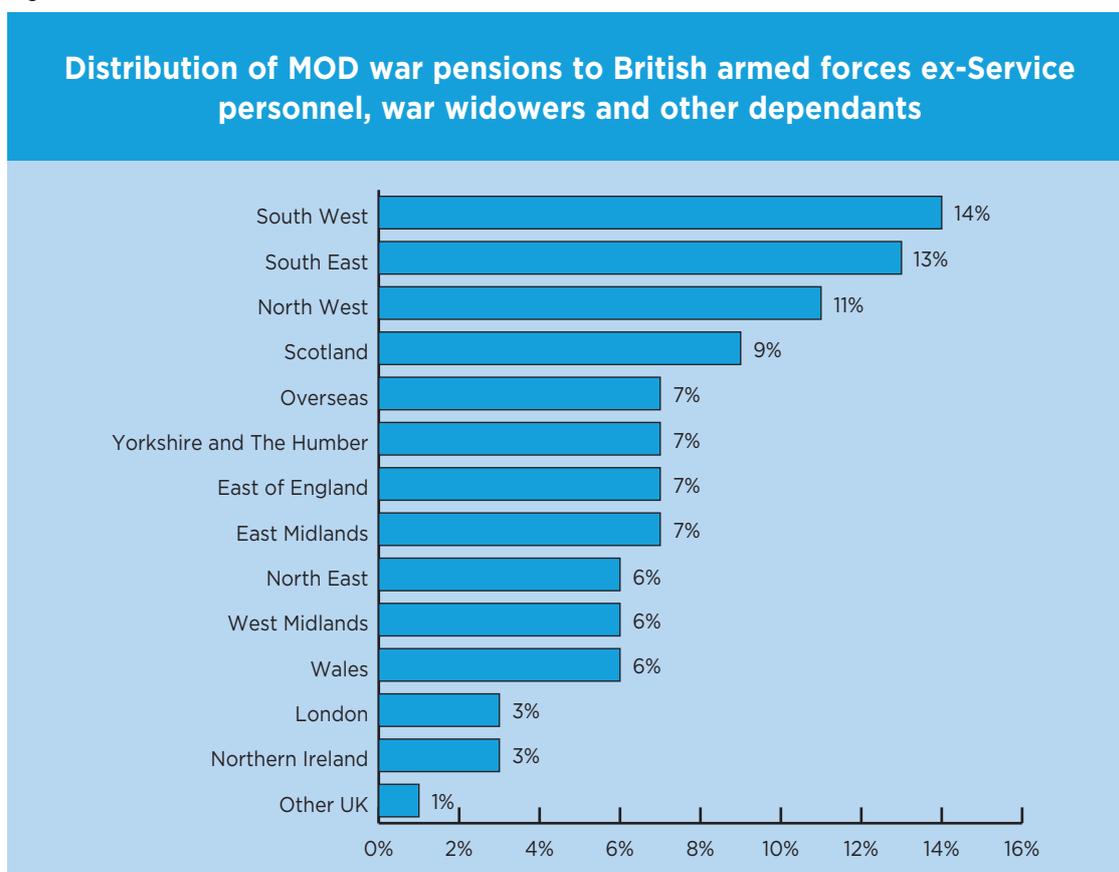
Armed Forces and Reserve Forces Compensation Scheme benefits are paid to those who have suffered serious injury, illness or bereavement as a result of serving (since 6 April 2005, before this date compensations are made through the War Pensions scheme). However, 71% of claims between April 2005 and March 2014 were made by serving personnel; with only 18% claiming post-Service. Therefore, statistics from payments made under this scheme are not a great measure for tracking and locating the ex-Service community; at least not for now (as the eligible beneficiaries of the War Pensions scheme reduce in number over time, the new compensation scheme will probably become the main indicator to track those in the ex-Service community with disabilities and bereaved families). Detailed postcode data for these payments shows that, for example, 38% of the Armed Forces and Reserve Forces Compensation Scheme recipients between 2005 and 2014 were based in the South East and South West of England (MOD 2014c, p. 2), which broadly reflects the proportion of UK armed forces personnel stationed in those regions (see figure 5.2).

Figure 5.2



War pensions statistics, which show pensions paid to those ex-Service personnel disabled by service (as long as claimed disablement arose before 6 April 2005) and to dependants bereaved by service (before 6 April 2005),<sup>5</sup> currently give a marginally better indication of where the ex-Service community lives. These statistics indicate that over a quarter of disabled ex-Service personnel and bereaved dependants live in the South West (14%) and the South East (13%). A significant proportion is elsewhere in the country: for instance, 11% live in the North West and 9% in Yorkshire and the Humber (see figure 5.3). It is important to bear in mind, however, that those in receipt of war pensions only represent 4% of the total ex-Service population, and 2.3% of the ex-Service community as a whole (MOD 2014d).<sup>6</sup>

Figure 5.3



<sup>5</sup> At the end of March 2014, 121,900 war disablement pensions were in operation, plus 22,445 war widow/widower pensions (MOD 2014d).

<sup>6</sup> The demographic profile of war pensions recipients closely mirrors that of the ex-Service community as a whole: they are mainly older (63% are over 65 years old) but covers all ages (3% are under 40 years old). For the ex-Service community as a whole, The Royal British Legion latest estimates show that 64% of the ex-Service community is over 65 years old, and 6% under 35 years old (TRBL and Compass Partnership 2014).

In summary, the evidence for tracking and locating ex-Service personnel and their dependants is poor. The best indicator comes from The Royal British Legion and Compass Partnership (2014) data quoted, which is based on a representative sample of UK adults,<sup>7</sup> and which indicates that the ex-Service community's regional profile varies from the UK adult population (as outlined earlier in this section).

## 5.1.2 Geographical distribution of armed forces welfare charities

As noted earlier, there are 278 armed forces welfare charities registered in England and Wales. These charities provide a wide range of support to members of the armed forces community who are in need through the provision of welfare services (such as housing and care homes) and/or grants for relief-in-need purposes.

The majority of these charities have their main headquarters in Greater London and the South East of England (59%) (see figure 5.4). This reflects the pattern seen in the UK voluntary sector as a whole, with over 10 times more voluntary organisations per 1,000 people in some London Boroughs versus Blackpool (Clarke et al. 2012).<sup>8</sup>

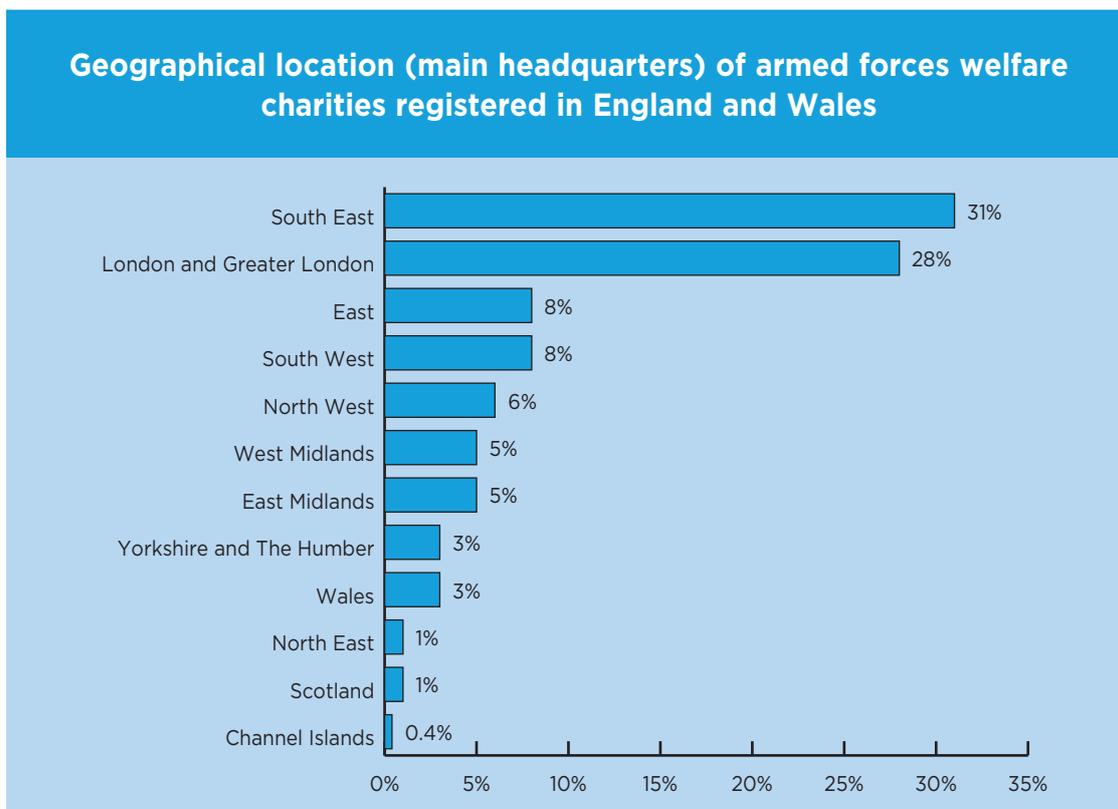
Only 6% of armed forces welfare charities have their main headquarters in the North West. Even fewer have their headquarters in Yorkshire and the Humber (3%), Wales (3%), the North East (1%) and Scotland (1%) (see Figure 5.4).<sup>9</sup>

<sup>7</sup> Questions were placed in an ONS Omnibus survey with a sample of 20,700 UK adults (aged 16+), who were screened to identify members of the armed forces community: 2,203 were eligible. Serving personnel and their dependants were removed for reporting purposes, leaving a final survey sample of 2,121 in the ex-Service community (ex-Service personnel and their adult dependants). The Royal British Legion and Compass Partnership (2014) report that 'this provides a reliable platform on which to base future planning and decision-making'.

<sup>8</sup> In turn, this reflects the availability of resources and the propensity for organisations to gather together around urban hubs to maximise the opportunities for resource- and knowledge-sharing. However, this geographical distribution does not necessarily suit potential beneficiaries.

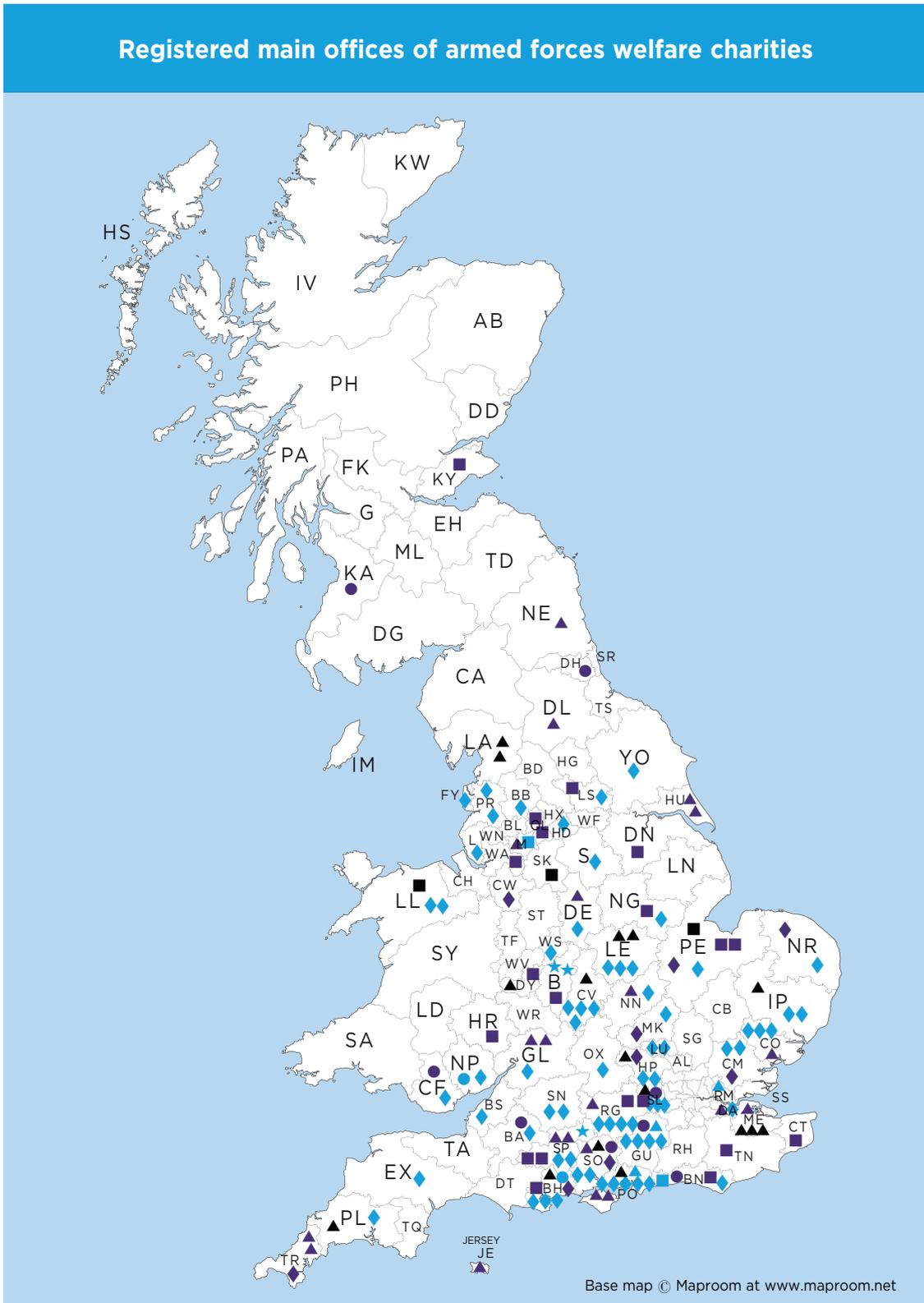
<sup>9</sup> It is important to bear in mind that this analysis refers only to armed forces welfare charities registered in England and Wales and excludes additional charities registered in Scotland and Northern Ireland (see chapter 3 for further details).

Figure 5.4



In addition to this we can examine which types of CCEW-registered armed forces charities congregate where in the UK. The map in figure 5.5 shows that grant-makers are the most numerous widespread type of armed forces charity (as far north as Yorkshire), while ‘Other advice, advocacy and support services’, ‘Provision of multiple services (may also provide grants)’ and ‘Mental health support (including post-traumatic stress disorder (PTSD))’ provide local area support from Truro to Fife. Support around ‘Housing and homelessness’ is well spread across the country, although more sparsely than the aforementioned types of support. It is interesting to note that armed forces charities providing ‘Employment and career support’ are confined to London and its immediate surrounding area, where four out of six specialist care homes are also sited. In London, most armed forces welfare charities have their main offices around the City and south and west areas of inner London.

Figure 5.5





- Care home
- ▲ Disability support (targeted at disabled ex-Service personnel)
- Employment and career support
- ◆ Grant making only
- ★ Healthcare and rehabilitation
- Housing and homelessness: Homelessness
- ▲ Housing and homelessness: Housing
- Other advice, advocacy and support services
- ▲ Provision of multiple services (may also provide grants)
- Mental health support (including PTSD)
- ◆ Respite breaks, sports and recreation

## 5.2 GEOGRAPHICAL DISTRIBUTION OF CHARITABLE SUPPORT

The vast majority of armed forces welfare charities have areas of operation that extend far beyond their main headquarters' location. The area of operation defines where the charity may provide services and/or distribute grants in pursuit of its charitable purposes. Areas of operation can be defined down to the level of local authorities. In our sample (278 armed forces welfare charities) only 11% of charities defined their areas of operation at local authority level, 23% defined them at county and/or regional level, and the remaining charities defined their areas of operation at country level only. A considerable number of charities defined their area of operation as 'England and Wales' (since this is the area covered by the Charity Commission for England and Wales (CCEW)). In these cases it is impossible to conclude how much funding goes to England and how much to Wales, so this dual-country defined area is kept separate for the purposes of the analyses.

It is important to bear in mind that the figures and percentages presented in the rest of this chapter are not based on actual amounts spent by charities in particular areas (such information is not readily available). The figures and percentages are based on apportioning the finances of each charity between the areas of operation defined by the charity (divided up equally where the charity states more than one area of operation). These estimates, therefore, form a best guess based on the available detail.

Of our sample of armed forces welfare charities, 62% stated only one area of operation, while 38% defined two or more areas of operation up to a maximum of eight areas, as shown in figure 5.6.

### 5.2.1 Expenditure in the UK versus overseas

Armed forces welfare charities registered in England and Wales cover areas of operation that extend to 19 countries, from Australia to Nepal via St Vincent and the Grenadines (representing the areas where potential beneficiaries may reside).

#### **Total expenditure**

As shown in figure 5.7, the bulk of total expenditure goes, unsurprisingly, to the countries of the UK: England, Northern Ireland, Scotland and Wales. Between them, the countries of the UK benefitted from 92% of the total expenditure of armed forces welfare charities in 2012 (around £390 million). Total expenditure includes all staff, equipment, buildings and programme outlay as well as spending directly on beneficiaries. Overseas countries benefitted from 8% of total expenditure (see figure 5.8 for more information).

Figure 5.6

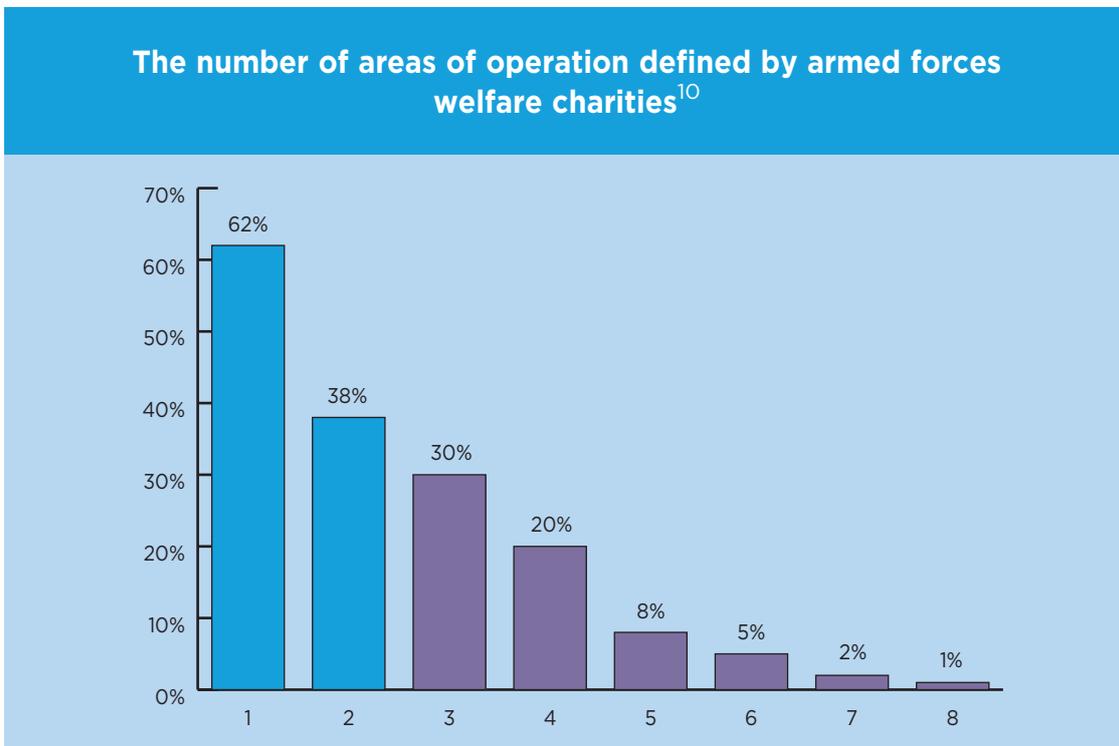
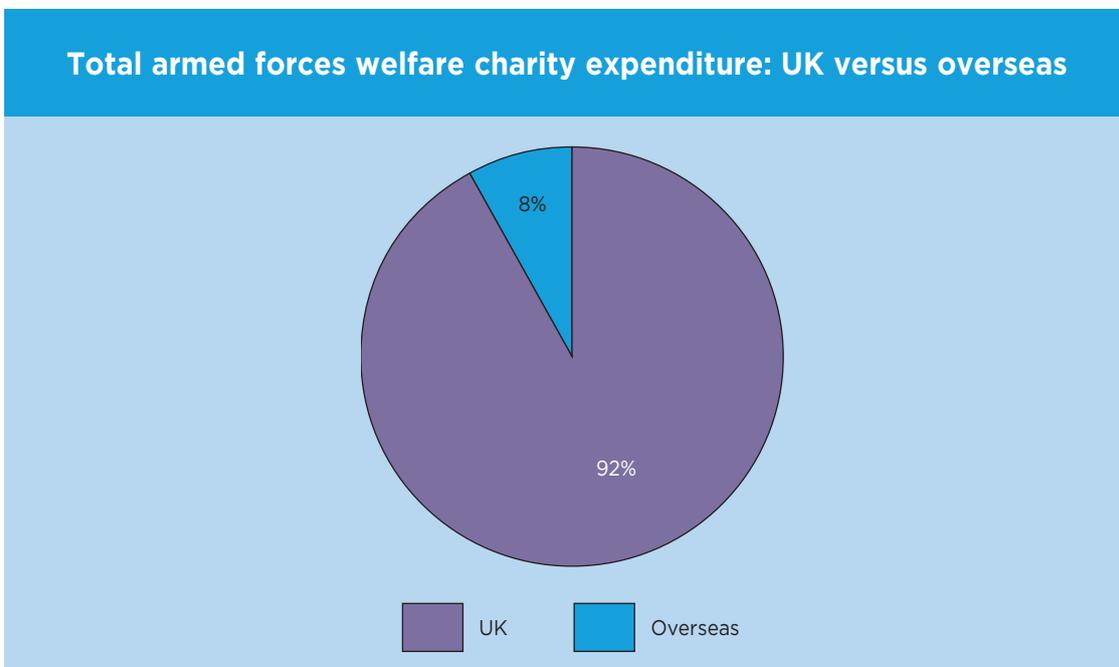
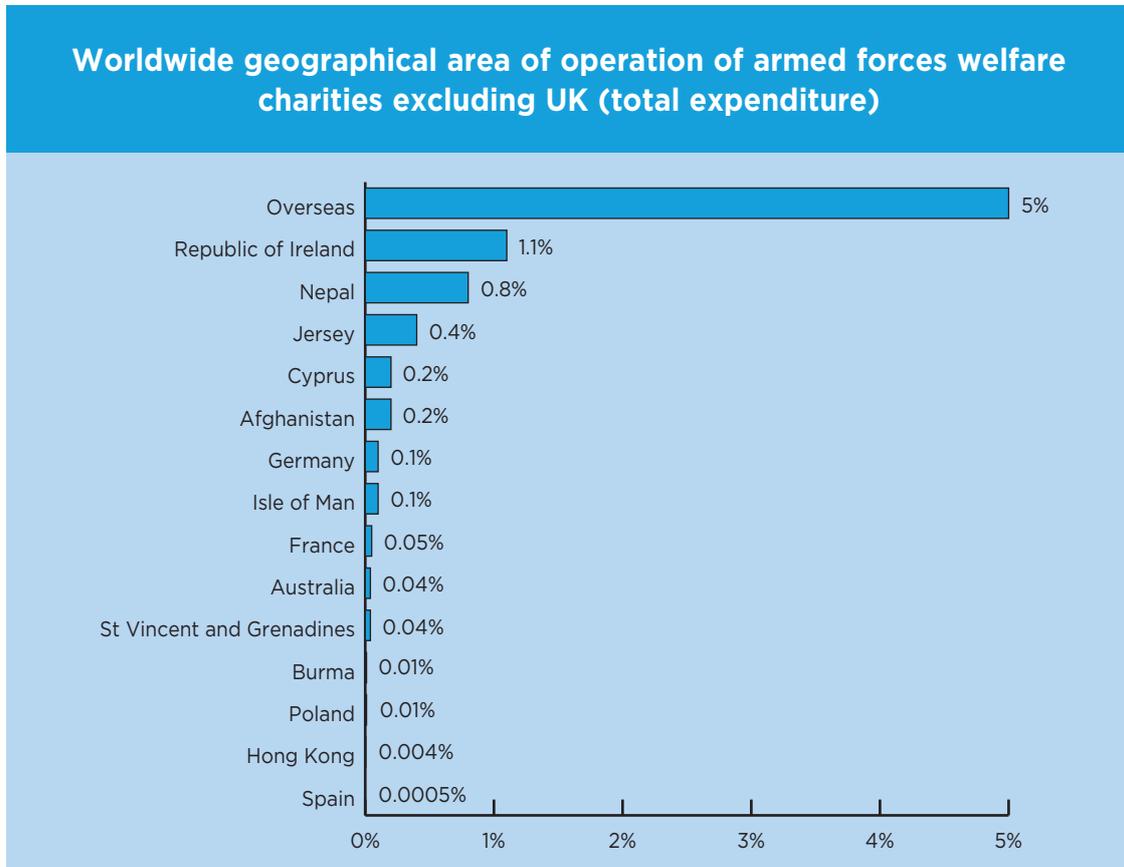


Figure 5.7



<sup>10</sup> The 38% of charities that state two or more areas of operation is broken down to the right of the bar (among the purple bars). These purple bars are mutually inclusive; i.e. each bar to the left contains the number to the right of it.

Figure 5.8



### Charitable expenditure

Note that published details of charitable expenditure – the money spent directly on delivering support to beneficiaries – are only available for the largest 45 armed forces welfare charities (those with incomes above £500,000 per annum, for which we can track £334 million of charitable expenditure in total in 2012).

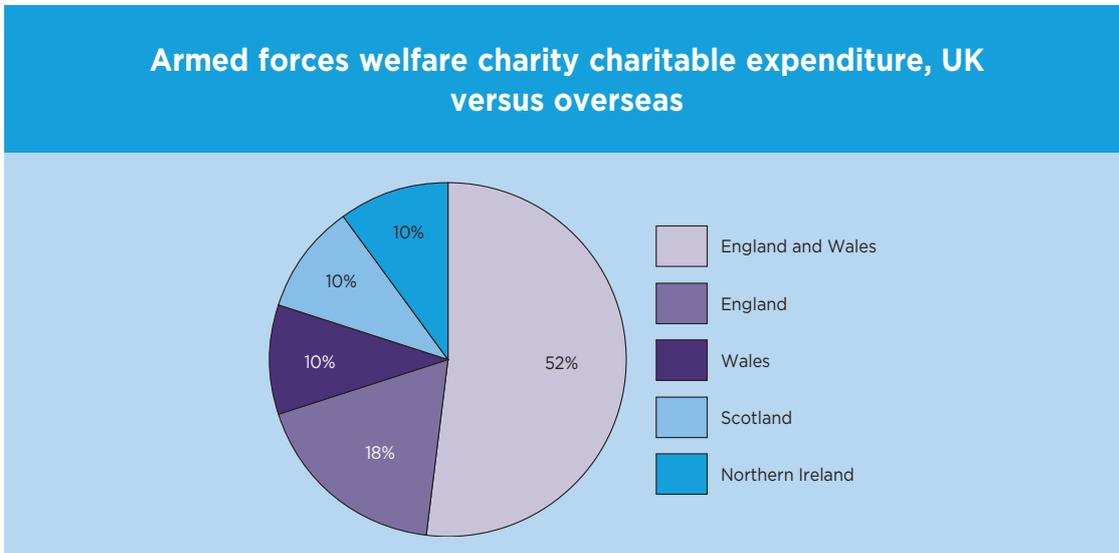
Charitable expenditure shows exactly the same pattern as total expenditure, with 92% of the money spent in the home countries of the UK, and 8% spent overseas.

### 5.2.2 Expenditure within the UK

As shown in figure 5.9, the bulk of charitable expenditure (52%) is spent in England and Wales.<sup>11</sup> An additional one-fifth of charitable expenditure is spent just in England (18%), while half that amount (around 10% each) is spent in Northern Ireland, Scotland and Wales.

<sup>11</sup> As noted earlier in section 5.2, discrete information for each country is not available for a considerable number of charities which would allow the expenditure to be designated separately.

Figure 5.9

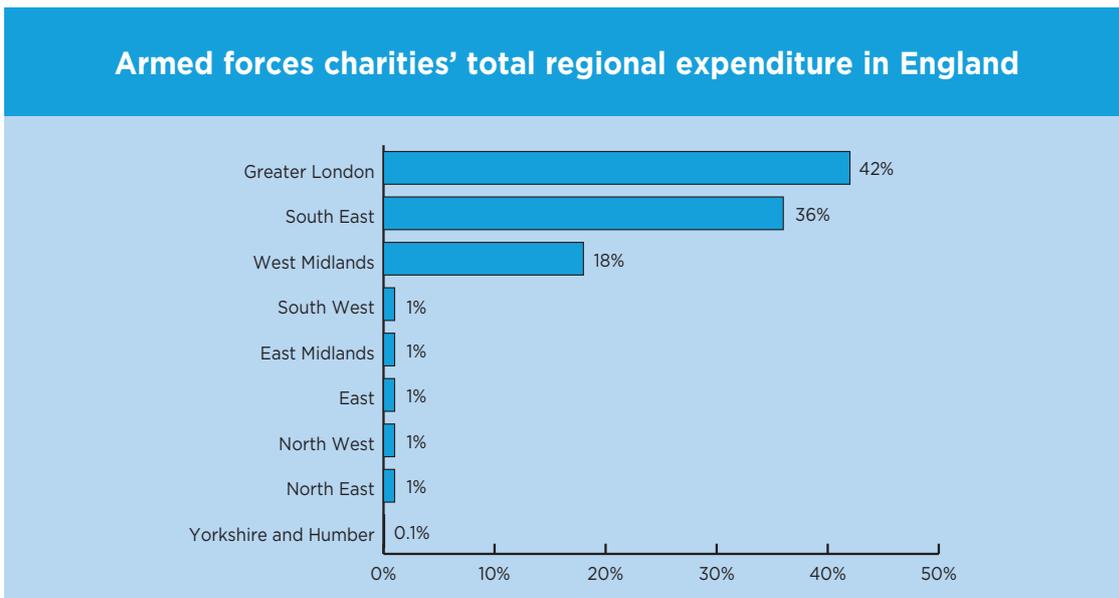


### 5.2.3 Expenditure within England

#### Total expenditure

Around 64% of total expenditure designated for England only (excluding charities that operate across England and Wales) is available for England as a whole, while 36% is divided between the nine English regions. London (42%) and the South East (36%) get the lion’s share of this residual amount, with the West Midlands also benefitting from a large proportion: 18%. All other regions receive just 1% of the expenditure each (see figure 5.10 for further detail).

Figure 5.10

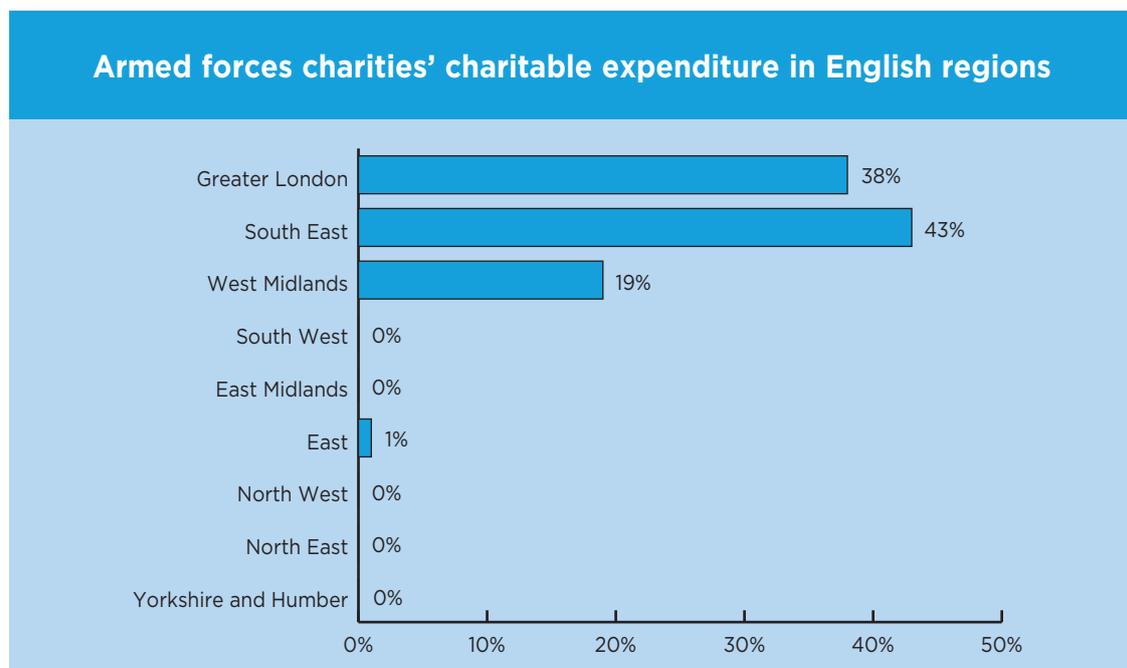


This pattern of total regional expenditure seems to reflect in part the location of the armed forces welfare charities in England – a large proportion (59%) have their main headquarters in London and the South East (see figure 5.4). Armed forces welfare charities that provide residential care in London and the South East represent a considerable share of total expenditure designated for these regions (see table 5.1). This pattern of expenditure reflects the pattern found in the UK voluntary sector as a whole: 30% of the total income is accounted for by charitable organisations based in seven London boroughs, and there are over 10 times more voluntary organisations per 1,000 people on average in some London boroughs versus Blackpool (Clarke et al. 2012).

### Charitable expenditure

While two-thirds (67%) of charitable expenditure (i.e. spending on charitable support) is available for England as a whole, 33% is specifically designated for the nine English regions, with the bulk again going to London and the South East (see figure 5.11 for further detail).

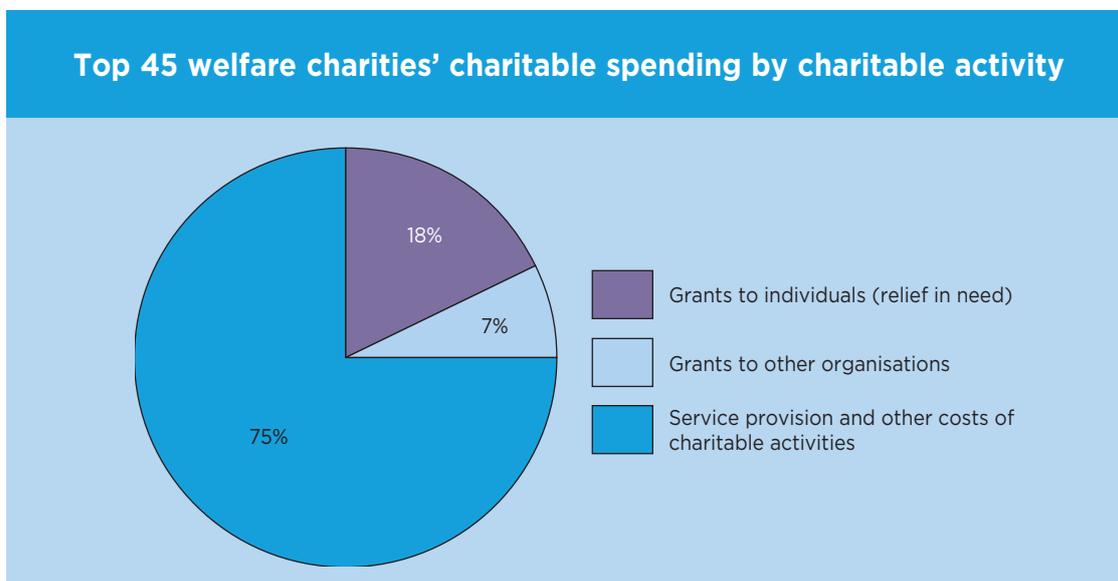
Figure 5.11



#### 5.2.4 Breakdown of charitable expenditure

In 2012, the top 45 armed forces welfare charities spent 81% of their total expenditure on charitable activities (around £334 million). As illustrated in figure 5.12, three-quarters of charitable spending went towards covering the costs of direct service provision and other support costs (such as housing, care homes, healthcare, rehabilitation and the cost of caseworkers), 18% was spent on grants to individuals for relief-in-need purposes and 7% was spent on grants to other organisations.

Figure 5.12



#### 5.2.4.1 Grants to individuals and organisations

As shown in figure 5.13, more than four-fifths of grants to individuals in need distributed by the top 45 armed forces welfare charities in 2012 were available to the whole of the UK. Less than one-fifth went overseas (for example, the Royal Commonwealth Ex-Services League gives support and grants only to overseas residents of commonwealth countries who have served the British Crown).

As with other forms of support provided by armed forces welfare charities registered in England and Wales, the majority of grants to individuals were distributed in England and Wales (78%), followed by Northern Ireland (11%) and Scotland (11%) (see figure 5.14).

All grants distributed in England were eligible nationwide, with no special preference for English regions.

The overwhelming majority (96%) of grants to other organisations were likely to be given within the UK, with only 4% going overseas (see figure 5.15).

Figure 5.13

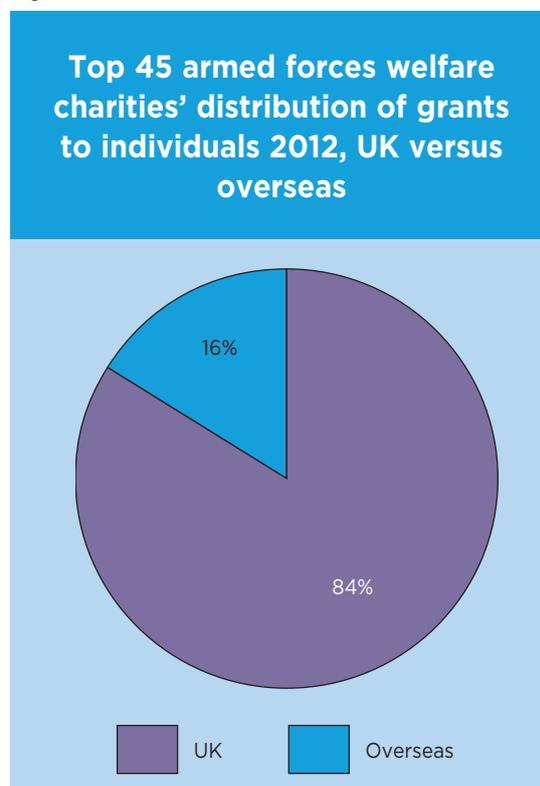


Figure 5.14

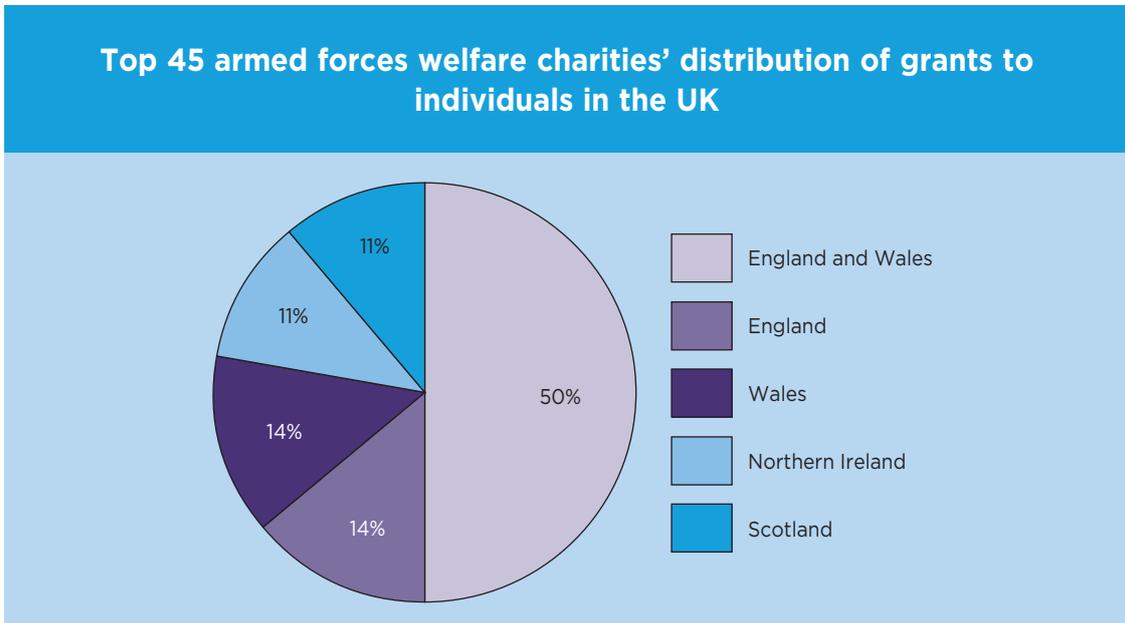
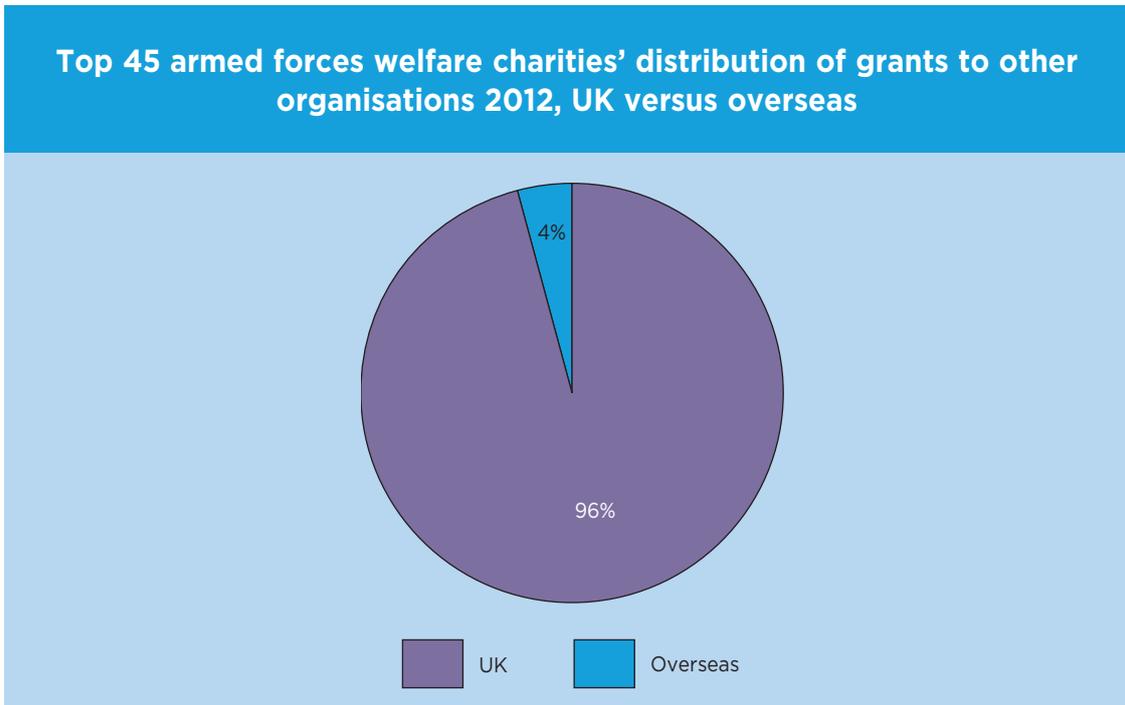


Figure 5.15



## 5.2.5 Charitable service provision

There are five armed forces welfare charities amongst the top 45 which provide specialist care homes in London and the South East and which concentrate £13.3 million of charitable expenditure (see table 5.1). The remaining charities in the top 45 provide support nationally across England (62%), England and Wales (31%), Northern Ireland (2%) and overseas (4%).

Table 5.1

Specialist care homes in London and the South East			
Charity	Location	Charitable expenditure 2012	Support provided
<b>Royal Alfred Seafarers' Society (CC no. 209776)</b>	Surrey, South East	£2,979,696	The Royal Alfred Seafarers' Society is a maritime charity which has provided nursing care and accommodation support to elderly, sick or disabled seafarers, their widows and dependants since 1865. The Society's purpose-built residence has a full range of services available on one site, including nursing care, respite care, accommodation and specialised dementia care in a dedicated unit. Retired seafarers from all over the UK go to The Royal Alfred Seafarers' Society for a safe haven in sickness or old age (Royal Alfred n.d.).
<b>St David's Home for Disabled Ex-Servicemen and women (CC no. 220151)</b>	Ealing, West London	£245,170	Established in 1918 by Lady Anne Kerr, St David's Home provides care for older people and rehabilitation for those with physical disabilities. While the home gives priority to ex-Service personnel and their dependants, St David's is willing to care for the needs of those with disabilities, based on a needs/health assessment (St David's 2012).
<b>The Queen Alexandra Hospital Home (CC no. 1072334)<sup>12</sup></b>	Worthing, West Sussex, South East	£4,216,417	The Queen Alexandra Hospital Home is currently the only Hospital Home south of London which provides specialist nursing care for ex-Servicemen and women. The home accepts residents who are 18 years old or older and has 60 beds for both permanent and short-term respite care for two to four weeks at a time (QAHH 2012).

<sup>12</sup> In 2014 the Queen Alexandra Hospital Home kitchen was refurbished using a major donation from the LIBOR Fund (£722,719 from the Armed Forces Covenant (LIBOR))

### Specialist care homes in London and the South East

<b>The Royal Cambridge Home for Soldiers' Widows (CC no. 225674)</b>	East Molesey, Surrey, South East	£706,160	The Royal Cambridge Home for Soldiers' Widows is a female-only care home which can accommodate up to 28 residents. The home supports widows and female dependants of all who have served in any of the armed forces of the Crown (namely regular, territorial, or reserve units of the Royal Navy, British Army, and Royal Air Force.) This includes women who themselves have served in any of the armed forces (RCH 2014).
<b>The Royal Star &amp; Garter Homes (CC no. 210119)</b>	Surbiton and Solihull South East and West Midlands	£5,161,000	Established in 1915 under the auspices of the British Red Cross Society to care for the severely disabled young men returning from the battlegrounds of the First World War, the Royal Star & Garter Homes currently manage two care homes for ex-Service personnel and their families in the West Midlands and Greater London and it is looking to establish a third one in Buckinghamshire (Star and Garter n.d.).

## 5.3 CONCLUSIONS: THE DISTRIBUTION OF BENEFIT VERSUS NEED

Our analysis has shown that the majority of support provided by armed forces welfare charities registered in England and Wales is available nationwide across England and Wales. Within England, one-third of support is available regionally, with a greater concentration of armed forces welfare charitable expenditure appearing to pool around London and the South East at the potential expense of other regions. This could have a knock-on effect on the significant population of the ex-Service community living in the North and other regions. With NHS and private care under greater pressure (as explored in Chapter 2), this potential southern bias in the provision of charitable support could prove more of a concern for ex-Service personnel in the future.

However, our analysis also shows that existing data about the geographical distribution of the armed forces community is poor, and so is data about where armed forces charities actually spent their funds. Better data and understanding of where exactly the ex-Service community is living, and where charitable resources and support are given, is clearly paramount to be able to better assess (and improve) the geographical correlation of benefit versus need.

The analysis in this chapter has covered armed forces welfare charities registered in England and Wales. Therefore we cannot draw any conclusions about the relative share of support provided by additional armed forces charities registered in Scotland and Northern Ireland.

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## CHAPTER SIX

# The grant-making practices of UK armed forces charities

## KEY OBSERVATIONS

- There are 239 registered armed forces charities that award grants to individuals to relieve cases of need, hardship or distress. Over half of them are benevolent charities connected to corps and regiments of the British Army.
- Corps and regimental charities are the first port of call for British Army personnel, ex-Service personnel and dependants seeking grants. Payroll-giving contributions from serving personnel via the Day's Pay Scheme are the major regular source of income used to finance corps and regimental benevolence.
- ABF The Soldiers' Charity is the second port of call for British Army personnel, ex-Service personnel and dependants. It works centrally with all corps and regimental charities to provide the best deal for individuals.
- The Royal Navy and the Royal Air Force (RAF) have a less complex structure of charitable benevolent provision.
- The largest naval benevolent charities are the Royal Navy and Royal Marines Charity and the Royal Naval Benevolent Trust. The largest RAF benevolent organisation is the RAF Benevolent Fund.
- In addition to benevolent charities of the Royal Navy, British Army and RAF, there are 92 armed forces charities that may also award grants to individuals for relief-in-need purposes. These include:
  - tri-service charities that provide 'general needs' grants;
  - tri-service charities that provide 'specialist needs' grants (such as for the wounded and disabled);
  - small local benevolent grant-makers;
  - charities that provide benevolence and/or educational bursaries for the children and dependants of Service, ex-Service and deceased Service personnel.
- The benevolent grant-making process within the armed forces charity sector appears to be highly coordinated and flexible to respond to the particular needs of every beneficiary.

- Caseworkers from SSAFA and The Royal British Legion are key pillars of this system, ‘almonising’ (see 6.1.4) money from a number of different charities if necessary to fund an individual’s needs.
- Over 40% of armed forces benevolent charities that make grants to individuals in need also give grants to other organisations to contribute towards the costs of welfare services such as care homes, healthcare and rehabilitation.

## 6.1 GRANTS TO INDIVIDUALS IN NEED

Grants paid to individuals to relieve need, hardship or distress (i.e. benevolent grants) are the most common form of welfare support provided by armed forces charities. A total of 239 registered organisations award this type of grant.<sup>1</sup> However, it is important to bear in mind that – as explained in Chapter 4 – the total amount spent on benevolent grants represents a relatively small share of total charitable spending within the armed forces welfare charity sector (18%). The provision of services such as housing, care homes, healthcare and rehabilitation services, mental health services, etc. takes the lion’s share of the money.

Benevolent grants are available to all members of the armed forces community including: active service personnel (regular and reservists) and their dependants; ex-Service personnel and their dependants; and bereaved families. However, the provision of benevolent grants is organised in a rather decentralised fashion where different organisations provide for different needs and/or take care of different groups of beneficiaries.

### 6.1.1 British Army benevolent charities

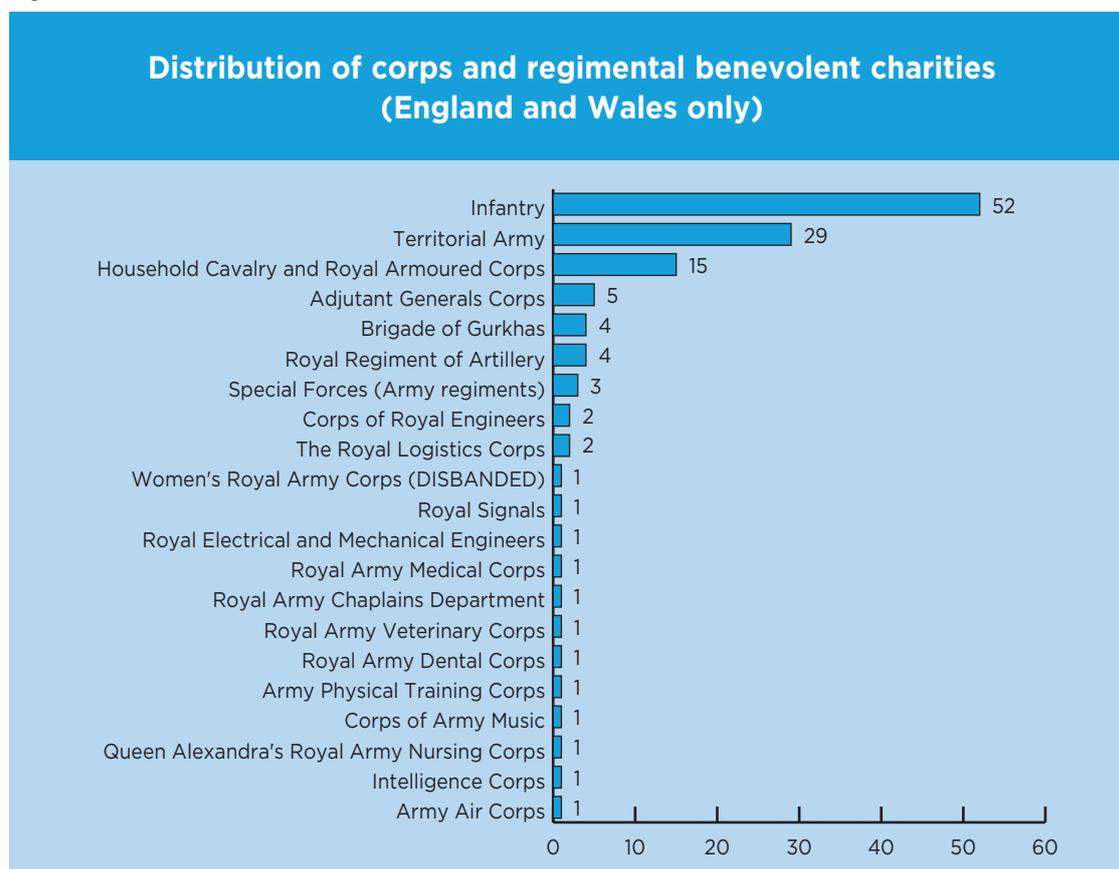
#### 6.1.1.1 Corps and regimental benevolent charities

For British Army personnel, ex-Service personnel and dependants, the first line of benevolent support is provided by corps and regimental charities. Out of the 239 armed forces charities that provide benevolent grants to individuals in need, 128 are corps and regimental charities (54%). These charities are generally administered by serving or retired members of the corps and regiments, and they generally operate from corps and regimental headquarters; therefore, the administration of these charities relies on public funding in the form of donated facilities and staff provided by the Ministry of Defence (MOD). Their income, however, is self-generated and not provided by the MOD. The major regular source of income comes from the Day’s Pay Scheme, an Army-wide payroll-giving system to which the majority of serving officers and soldiers subscribe.

<sup>1</sup> This includes 130 welfare charities, 56 associations and 53 mixed-type charities registered in England and Wales. Classification data is not available for charities registered in Scotland only. See Chapter 3 for further details.

There are 52 corps and regimental benevolent charities connected to current and former regiments of the Infantry: 29 are connected to current and former Territorial Army regiments,<sup>2</sup> and 15 are connected to Household Cavalry or Royal Armoured Corps regiments.

Figure 6.1



As of 1 September 2014, the Infantry is composed of 16 regiments<sup>3</sup> and all of them manage at least one benevolent charity. Some Infantry regiments have several benevolent funds registered separately with the Charity Commission for England and Wales (CCEW). The Coldstream Guards regiment, for instance, has four benevolent funds but it is important to note that they are jointly administered at regimental headquarters in Wellington Barracks (London). In that sense, they act in the same way as a single charity managing four separate restricted funds.

<sup>2</sup> The Territorial Army is now the Army Reserve.

<sup>3</sup> Excluding the Royal Gurkha Rifles which is part of the Brigade of Gurkhas and the London Regiment which is an Army Reserve regiment.

## Example: Coldstream Guards' benevolent funds

### **Coldstream Guards Charitable Fund (CC no. 275062)**

This fund is used to provide 'assistance to all ranks of the Coldstream Guards, both past and present, their wives, widows, children and other dependants. ... The Trustees designated monies raised from the 2008 appeal and the 2009/10 wristband appeal into the Afghanistan Fund. These funds are for the benefit of Coldstreamers and their families taking into account current deployments' (CGRF 2012).

### **Coldstream Guards Consolidated War Funds (CC no. 287159)**

In 1983, several war funds raised between the South African War and the Second World War were consolidated and are used to: 'relieve either generally or individually, warrant officers, non-commissioned officers and men who serve or who have served in the Regiment who are in conditions of need, hardship and distress as a result of fulfilling their military functions in defence of the Realm and their wives, widows and other dependants likewise in need by reason of the death, injury or disablement of the said warrant officers, non-commissioned officers and men' (ibid.).

### **Colonel C.S.O. Monck's Fund (CC no. 260668)**

This fund is used 'for the benefit of old and deserving Coldstreamers and their families, for the purchase of Hospital and a Convalescent Home ticket or tickets of the Surgical Aid Society for the benefit of Coldstreamers past and present, or for helping the Central Fund of the Coldstreamers Association. Otherwise for the benefit of old and deserving Coldstreamers past and present and their children and widows' (as stated in the charity's entry in the Register of Charities for England and Wales).

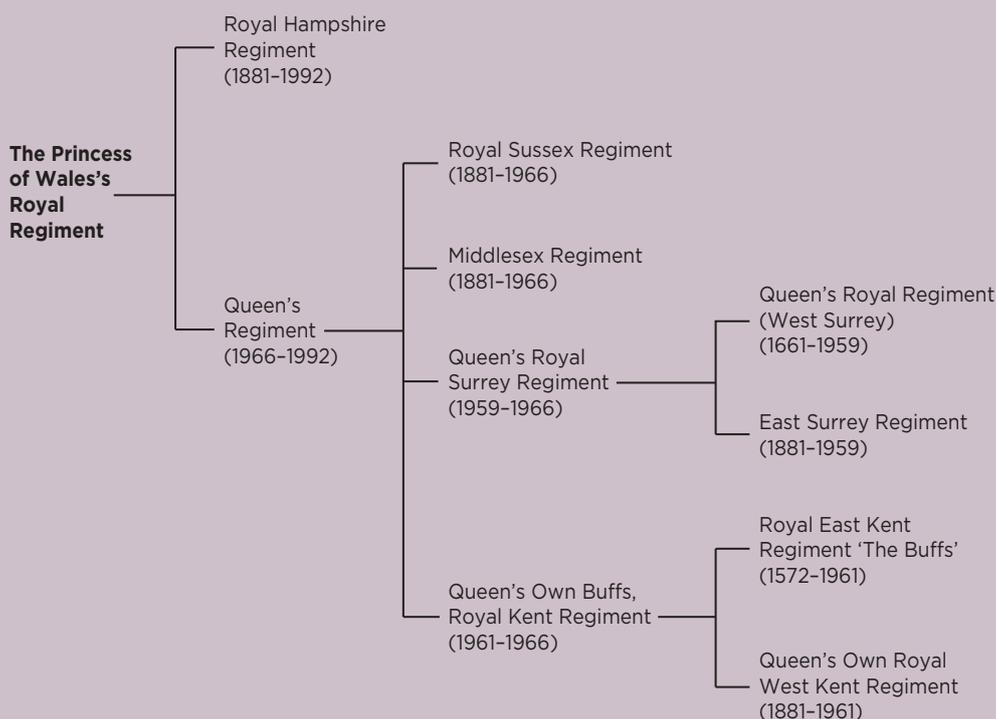
### **General Sir George Bowles Fund for Coldstream Guards (CC no. 264987)**

This fund is used 'for the relief of the following persons who are in conditions of need, hardship or distress. Widows and children of soldiers of the Coldstream Guards who are in the service, wives and families of soldiers actually serving in the said Regiment, and widows and children of soldiers who formerly served in the said Regiment' (as stated in the charity's entry in the Register of Charities for England and Wales).

The regimental structure of the Infantry has been subject to repeated and substantial change since the Second World War, and these changes have had a marked impact upon the evolving landscape of regimental benevolent charities. While the Infantry today has 16 regiments, this research has identified at least 83 predecessor regiments (now amalgamated or disbanded) which were in active service at some point between the 1950s and 2007 - the year when the newest Infantry regiments such as The Rifles and Mercian Regiment came into being.

### Example: The Princess of Wales's Royal Regiment and its predecessors

The Princess of Wales's Royal Regiment (PWRR) is a current Infantry regiment that was created in 1992 through the amalgamation of two predecessors' regiments: the Royal Hampshire Regiment (in active service between 1881 and 1992) and the Queen's Regiment (in active service between 1966 and 1992). The Queen's Regiment was in turn the result of previous amalgamations. In total, there had been ten predecessor regiments since the Second World War whose lineage is carried on by PWRR:



At present, there are 31 registered benevolent charities connected to the 16 current regiments of the Infantry, plus 21 benevolent charities that were established in connection with former Infantry regiments and are still in operation. An example is The Staffordshire Regiment (The Prince of Wales's) Regimental Charity (CC no. 268220), which was registered with CCEW in 1974. The Staffordshire Regiment saw active service between 1959 and 2007, when it was amalgamated into the Mercian Regiment. According to Charity Commission records, the charity is still active and 'supplies financial support for ex-service and serving soldiers of the regiment'. It also assists with maintenance of their regimental museum and the publication of an annual regimental journal.

Other examples include the Royal Norfolk Regiment Association Fund (CC no. 206593) and the Suffolk Regiment Old Comrades Association (CC no. 206594). The Royal Norfolk Regiment and the Suffolk Regiment were amalgamated into the 1st East Anglian Regiment in 1959, and through a further amalgamation in 1964 their lineage is now carried on by the Royal Anglian Regiment. The two charities remain active and, on top of organising associational activities, they still may provide some benevolent support to ex-Service personnel of the old regiments and those who serve or served in successor regiments.

Although charities connected to former British Army regiments may remain active for years, even decades, after their regiment has ceased to exist; their income is substantially reduced in the years following amalgamation and many of them will eventually merge or die out. This is due to benevolence responsibilities being automatically passed on to the new successor regiment following amalgamation. Indeed, the average income of charities connected to former Infantry regiments was £10,000 in 2012, as opposed to an average of £334,000 for the group of charities connected to current Infantry regiments.

In this regard, it is important to note that the primary regular source of income that finances corps and regimental benevolence are the voluntary contributions of serving personnel who subscribe to the payroll-giving system known as the Day's Pay Scheme. In accordance with Queen's Regulations for the Army:

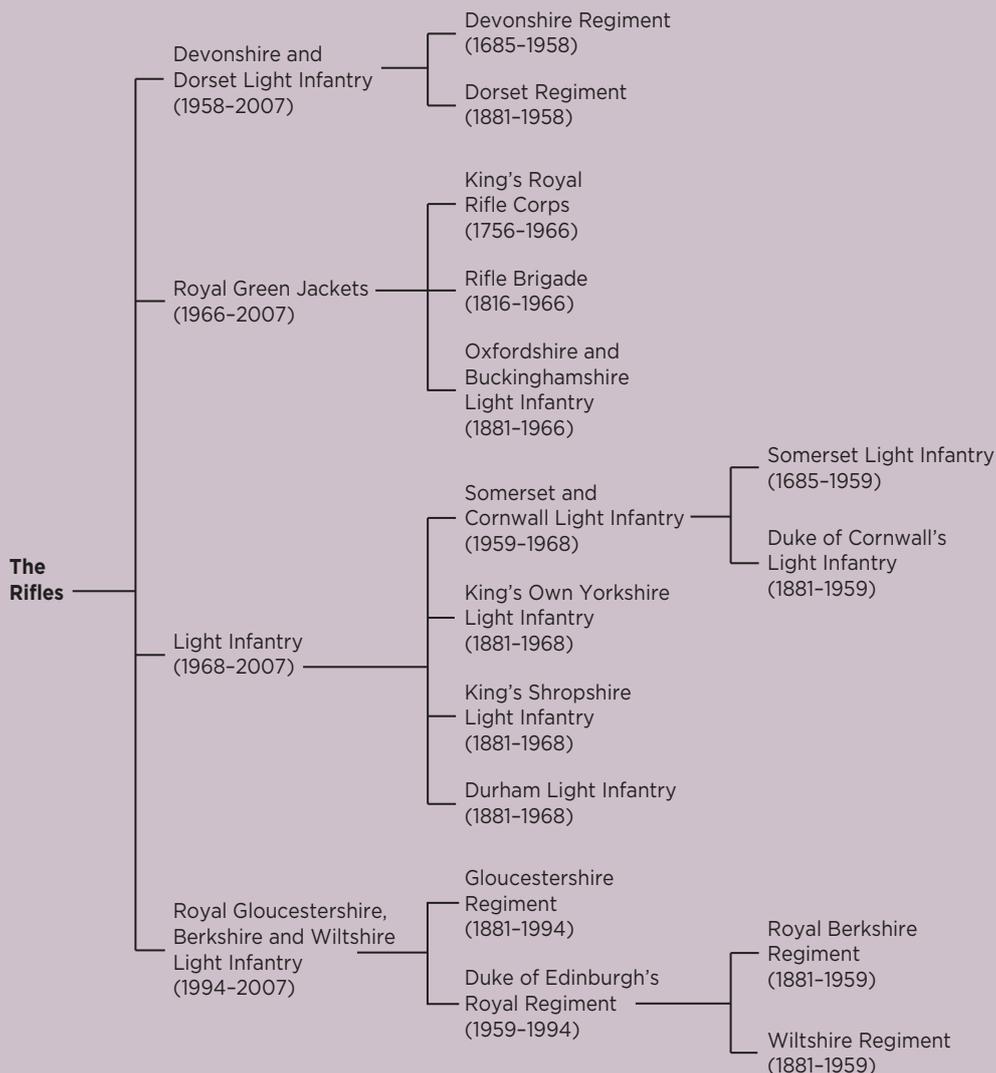
All soldiers may subscribe voluntarily to a regimental association as part of the Day's Pay Scheme, provided that the president and treasurer of the association are commissioned officers on the active or retired list, that the association is of a non political character and that a minimum of half of the income is devoted to the benevolent assistance of reservists, ex soldiers and their families in need.

**MOD 1976**

When a regiment is amalgamated, their connected benevolent charities lose Day's Pay Scheme contributions from serving personnel in favour of the successor regiment. The new regiment will establish a new benevolent charity and it will provide benevolent assistance to members of the new regiment as well as members of the predecessor regiments.

## Example: The Rifles

In 2007, The Rifles regiment came into being after the amalgamation of four predecessor Infantry regiments. Taking into account previous amalgamations, The Rifles is now the successor regiment of a total of 19 predecessor regiments since the Second World War, including:



Although there are yet seven registered charities which may provide some benevolent support connected to the antecedent regiments of The Rifles, the bulk of benevolent provision is carried out by the two charities of the new regiment which collect and manage Day's Pay Scheme contributions from serving members of the regiment:

- The Rifles Regimental Trust (CC no. 1119061);
- The Rifles Benevolent Trust (CC no. 1119071).

As explained in The Rifles Regimental Trust's accounts, 'the major regular source of income to the Charity is from Regimental Subscriptions (the Day's Pay Scheme) in which the majority of officers and soldiers throughout the Regiment participate. All income is received into The Rifles Regimental Trust with 51% of the basic income then being passed to The Rifles Benevolent Trust [to be used for benevolent purposes]. The balance is retained by The Rifles Regimental Trust, which is able to make grants to The Rifles Benevolent Trust as required' (Rifles 2012, p. 3).

The Rifles Regimental Trust retains 49% of Day's Pay Scheme income to be used for a wide variety of purposes with the ultimate goal of promoting 'the efficiency of the Regiment' and 'to support such other charitable purposes connected with the Regiment or the Forming Regiments as the Trustees may decide'. For instance, the Trust allocates an annual block grant to the regular battalions of the regiment 'to help towards all normal activities of the battalion'. A percentage of these grants 'must be expended on Adventurous Training' (ibid. pp. 3 and 6).

When charities connected to predecessor regiments stop receiving Day's Pay Scheme contributions, many of them decide to transfer all their funds to the successor charity. If they wish, these transferred funds can be held by the new charity as restricted funds and used to provide for the needs of members of the old regiments only.

### Example: The Rifles

As explained in The Rifles Regimental Trust's annual report, when the charity was established in 2007, 'the Forming Regiments were encouraged to transfer into the Trust as much as possible of the money that they were previously managing' Furthermore, 'Funds can be 'ring fenced' in Restricted Funds for specific purposes, including, for example, the ongoing management of Former Regiment associations' (ibid. p. 2).

Some charities connected to former regiments decide, however, that it is in the best interest of their beneficiaries to continue operating and managing their own funds in spite of not receiving Day's Pay Scheme contributions any more. This is the reason why there are still 21 registered charities (with an average income of £10,000) connected to former regiments of the Infantry.

While 21 may seem a large number of charities, it is actually a relatively small number considering that at least 83 Infantry regiments have been amalgamated or disbanded since the Second World War. These numbers suggest that the general trend is for regimental charities to merge with their successors when their own regiments cease to exist.

Similar to the Infantry, the regiments of the Household Cavalry and the Royal Armoured Corps also manage their own benevolent funds and Day's Pay Scheme contributions. In their case, however, no registered benevolent charities remain in operation that were connected to predecessor regiments. They have a total of 15 benevolent charities and all of them are connected to one or several of the 11 active regiments that compose the Household Cavalry and Royal Armoured Corps.<sup>4</sup>

The rest of the British Army operates a more centralised system of benevolent provision. Table 6.1 lists corps that each have a single benevolent charity registered with CCEW.

Table 6.1

Corps with a registered benevolent fund		
<i>Corps</i>	<i>In active service since</i>	<i>Benevolent charity</i>
Royal Army Chaplains' Department	1796	Royal Army Chaplains' Department Association (CC no. 259297)
Royal Army Veterinary Corps	1796	RAVC Welfare and Benevolent Fund (CC no. 1037208)
Royal Army Physical Training Corps	1860	Royal Army Physical Training Corps Association (CC no. 1053934)
Royal Army Medical Corps	1898	RAMC Charity (CC no. 1129091)
Queen Alexandra's Royal Army Nursing Corps (QARANC)	1902	Queen Alexandra's Royal Army Nursing Corps Association (CC no. 270278)
Intelligence Corps	1914-1929; 1940-present	Intelligence Corps Charity (CC no. 248447)
Royal Corps of Signals	1920	Royal Corps of Signals Benevolent Fund (CC no. 284923)
Royal Army Dental Corps	1921	Royal Army Dental Corps Association (CC no. 265463)
Corps of Royal Electrical and Mechanical Engineers (REME)	1942	Royal Electrical and Mechanical Engineers' Benevolent Fund (CC no. 246967)
Army Air Corps	1957	Army Air Corps Fund (CC no. 1072126)
Corps of Army Music	1994	Corps of Army Music Trust (CC no. 1073432)

<sup>4</sup> Excluding four Army Reserve regiments: the Queen's Own Yeomanry, the Royal Yeomanry, the Royal Wessex Yeomanry and the Scottish and North Irish Yeomanry.

The Royal Regiment of Artillery, the Corps of Royal Engineers, the Brigade of Gurkhas and the Royal Logistic Corps also have one central benevolent charity; but there are other small benevolent funds connected to them registered with CCEW. One example is the Samaritan Fund of the Royal Engineers Officers' Widows Society (CC no. 264432), with an income of £18,000 in the year ended 31/12/2012.

Table 6.2

<b>Corps with a registered benevolent fund with connected smaller benevolent funds</b>		
<i>Corps</i>	<i>In active service since</i>	<i>Benevolent charity</i>
Royal Regiment of Artillery	1716	Royal Artillery Charitable Fund (CC no. 210202)
Corps of Royal Engineers	1717	Royal Engineers Association (CC no. 258322)
Brigade of Gurkhas	1948	Gurkha Welfare Trust (CC no. 1103669)
Royal Logistic Corps	1993	Royal Logistic Corps Association Trust (CC no. 1024036)

The Adjutant General's Corps, responsible for the British Army's general administrative services, has five associated benevolent charities. The Adjutant General's Corps Regimental Association (CC no. 1035939) is the main one and provides for all members of the Adjutant General's Corps. However, there are also four benevolent charities connected to predecessor corps that were amalgamated into the Adjutant General's Corps when it was created in 1992: the Military Provost Staff Corps, the Corps of Royal Military Police, the Royal Army Educational Corps and the Royal Army Pay Corps.

Besides these, there are three benevolent charities connected to British Army Special Forces regiments, and one benevolent charity connected to the Women's Royal Army Corps (WRAC). The WRAC was the women's branch of the British Army between 1949 and 1992, the year when the WRAC was disbanded and its members were transferred into appropriate units of the British Army.

There are also 29 benevolent charities (see figure 6.2) connected to both former and current regiments of the Territorial Army, now renamed the Army Reserve. Two of them are connected to current Yeomanry regiments of the Royal Armoured Corps and 17 are connected to former Yeomanry regiments which were reduced to squadron strength in the late 1960s and merged into larger regiments.

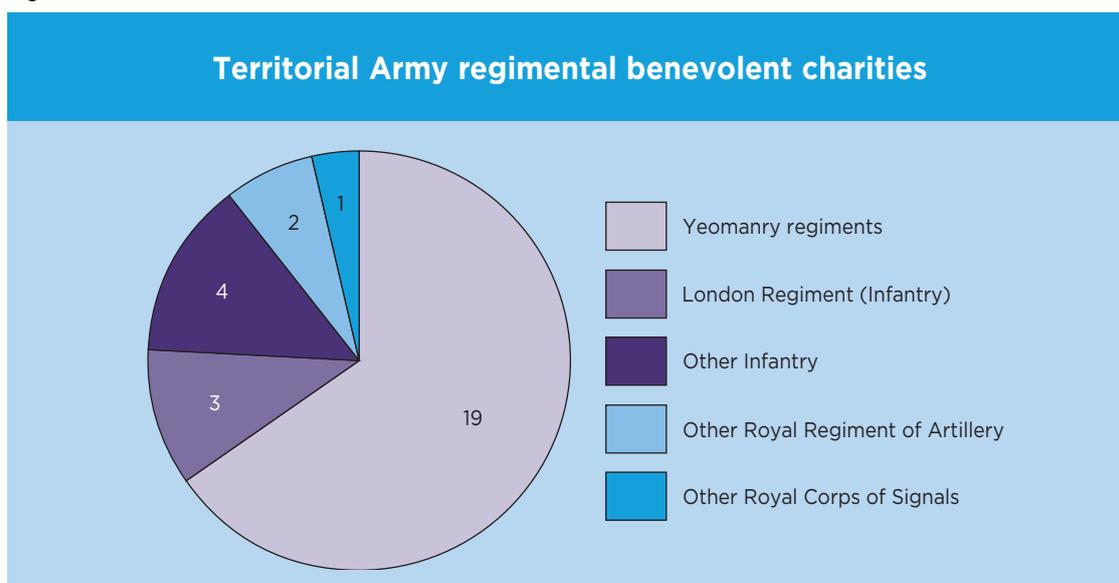
As explained in the annual report of the Yeomanry Benevolent Fund (CC no. 259125):

Yeomanry history begins with the French declaration of war in 1793 ... when the British Government realised that the regular forces of the Crown would be inadequate to resist a French invasion. A non-regular or volunteer force was advocated and in 1794 Parliament passed an Act which regulated the raising of volunteer corps ... of both cavalry and infantry. Infantry volunteers were drawn mainly from the ranks of the unskilled workers, while cavalry recruits came from landowners, farmers and tradesmen, and were thus styled Yeomanry. ... [By 1920] only fourteen Yeomanry regiments were required as cavalry. The remainder were offered the choice of becoming artillery (with the attraction that they still used horses), or armoured car companies, or to re-role as signal regiments ... In the major reorganisation of 1967 many of the surviving regiments were reduced to squadron strength and merged into new regiments.

**YBF 2013, pp. 1-2**

At present, there are four large Yeomanry regiments which are part of the Royal Armoured Corps. Many squadrons within those regiments still preserve the title of their predecessor Yeomanry regiments. There are also Yeomanry squadrons currently serving in the Royal Corps of Signals.

Figure 6.2



Benevolent charities linked to Territorial Army regiments (now the Army Reserve) are fairly small. Their average income in the year 2012 was £14,000, excluding the Honourable Artillery Company which is a unique case. It is important to understand that reservists do not participate in the Army-wide system of the Day's Pay Scheme, although they have the same rights to benevolence as their regular counterparts from the corps and regimental benevolent charities to which their units are affiliated. It is also important to understand that reservists can (and many do) contribute financially to the benevolent system through voluntary donations outside the Day's Pay Scheme system.

### **The Honourable Artillery Company: a unique case**

As explained on the charity's website, the Honourable Artillery Company has been a regiment of the Territorial Army since 1908 'and the Ministry of Defence is entirely responsible for training, equipping and ... housing the Regiment, although much of the Company's charitable funding goes towards supporting the Regiment in areas where public money is scarce or unavailable.'

The Honourable Artillery Company's charitable activities include the management of a benevolent fund for members or former members of the Company who are in need, and their dependants.

It is a unique Territorial Army charity because it owns valuable estates and property which allows the charity to operate on a different financial model compared with other Territorial Army charities, and to generate a much higher level of income.

The charity owns property in London and Wales. The London Estate has been occupied by the Honourable Artillery Company since 1641 and it comprises the Armoury House (home of the Company and of the Regiment) and the grounds to the south of the House which are known as the Artillery Garden.

Through trading subsidiary companies, the charity undertakes commercial activities such as venue hire services in the Armoury House for corporate events or wedding receptions. Income from trading subsidiaries amounted to a total of £2.29 million in the year ended 31/10/2012. Additionally, the charity generated £1.13 million investment property income.

### **6.1.1.2 ABF The Soldiers' Charity and the Army Dependants' Trust**

Second-line benevolent support to British Army personnel, ex-Service personnel and their families is provided by ABF The Soldiers' Charity (formerly known as the Army Benevolent Fund): 'If the Regiments and Corps are the front line of Army benevolence support, then ABF The Soldiers' Charity is the "backbone", providing vital financial support to Regiments and Corps, delivery charities and the wider Army family' (ABF 2014, p. 1).

ABF The Soldiers' charity works in liaison with corps and regimental charities and other benevolent organisations and provides them with financial assistance to help meet the costs of individual benevolent cases involving members of the British Army community. (It also gives grants to other charities and specialist organisations to support the welfare of soldiers, ex-soldiers and their families).

The Army Dependants' Trust is also an important component of the British Army benevolent infrastructure. It provides immediate relief grants to dependants (or next of kin) of deceased British Army personnel who die from whatever cause. Any surplus income that is not required for this purpose is transferred to ABF The Soldiers' charity for its general purposes.

## 6.1.2 Royal Navy, Royal Marines and RAF benevolent charities

The Royal Navy (including the Royal Marines) and the RAF have a less complex structure than the British Army and this translates into a less complex organisational structure for benevolence support as well.

The largest charities providing benevolent grants and support to the Royal Navy and RAF communities are shown in tables 6.3 to 6.5.

Table 6.3

<b>Royal Navy (including Royal Marines) benevolent charities</b>	
	<i>Income 2012</i>
Royal Navy and Royal Marines Charity (CC no. 1117794)	£7,389,668
Royal Naval Benevolent Trust (Grand Fleet and Kindred Funds) (CC no. 206243)	£5,318,263
Royal Navy and Royal Marines Children's Fund (CC no. 1075015)	£1,270,833
Royal Naval Benevolent Society for Officers (CC no. 207405)	£491,609

Table 6.4

<b>Royal Marines (only) benevolent charities</b>	
	<i>Income 2012</i>
Royal Marines Charitable Trust Fund (CC no. 1134205)	£3,050,340
Royal Marines Association (CC no. 206003)	£744,467

Table 6.5

<b>RAF benevolent charities</b>	
	<i>Income 2012</i>
Royal Air Force Benevolent Fund (CC no. 1081009)	£17,301,000
Royal Air Forces Association - Corporate Body (CC no. 226686)	£9,484,000
Royal Air Force Dependants Fund (CC no. 253492)	£318,834

There are also three benevolent charities connected to specific services within the Royal Navy, the Royal Marines and the RAF. These are the Queen Alexandra's Royal Naval Nursing Service Association (CC no. 276376), the Special Boat Service Association (CC no. 1105052) and the Princess Mary's Royal Air Force Nursing Service Trust (CC no. 1055421).

There is also one benevolent charity connected to the disbanded Women's Royal Naval Service (whose members were popularly known as Wrens). This was the women's branch of the Royal Navy until November 1993, when it was integrated into the Royal Navy.

Besides these, there is one benevolent fund for Royal Naval Reserves and two benevolent funds for World War Two veterans who served in the Royal Naval Patrol Service and the Royal Observer Corps (both were disbanded after the war).

### 6.1.3 Other benevolent charities

In addition to benevolent charities of the Royal Navy, British Army and RAF; there are 92 armed forces charities that may also award grants to individuals for relief-in-need purposes.

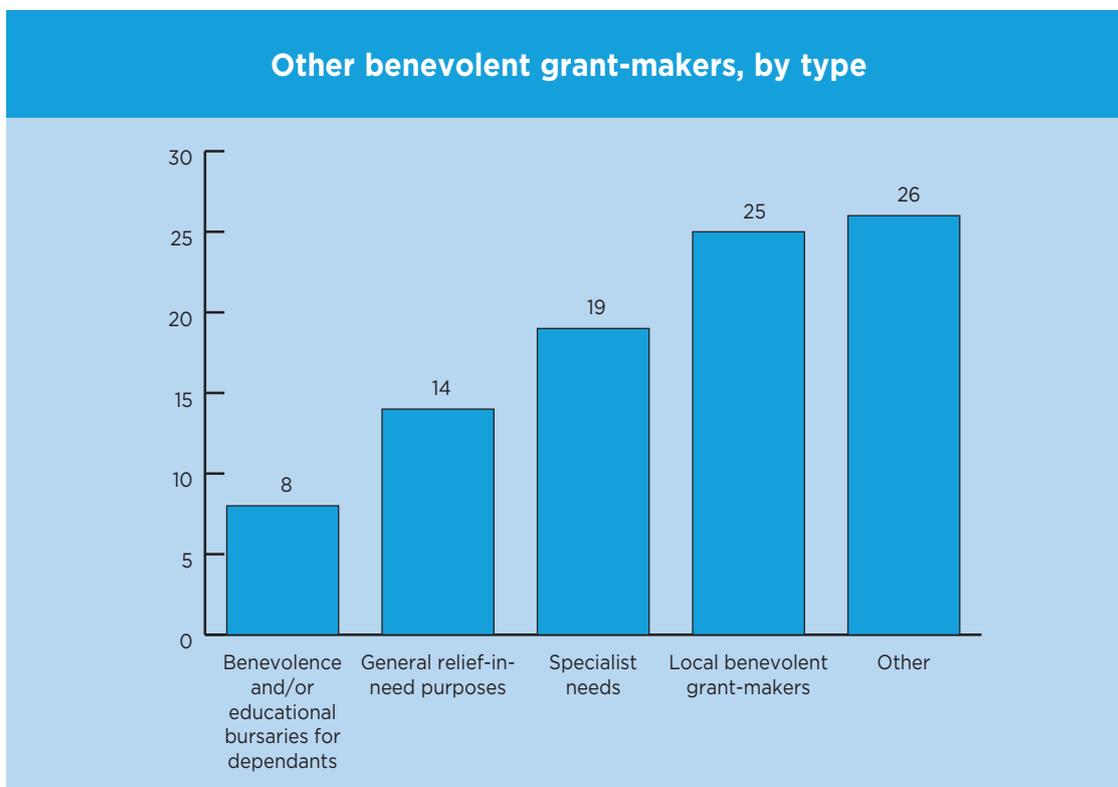
These include:

- tri-service charities that provide 'general needs' benevolent grants, such as The Royal British Legion, the Royal Commonwealth Ex-Services League, the Officers' Association and SSAFA;
- tri-service charities that provide 'specialist needs' benevolent grants such as Help for Heroes (grants for the wounded, injured and disabled) and Blind Veterans UK (grants for blind or severely impaired ex-Service personnel);
- small local grant-makers such as the Cambridge Fund for Old and Disabled Soldiers, the Mayor of Pendle's War Benevolent Fund or the Luton War Memorial Fund;
- charities that provide benevolence and/or educational bursaries for the children and dependants of serving, ex-Service and deceased service personnel, such as the Royal Caledonian Education Trust and the Explora Scholarship Fund.

These also include a number of benevolent grant-makers serving the needs of very specific groups of beneficiaries. For instance:

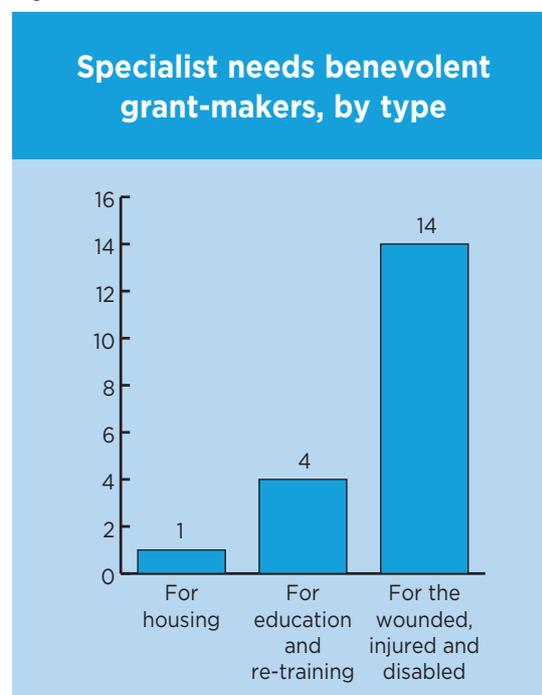
- The Surplus Fund of the Royal Navy Club (CC no. 248962) provides relief-in-need grants to 'provide financial assistance to needy widows, widowers, orphaned children, siblings and dependants of former members of the Royal Navy Club of 1765 and 1785 (United 1889).' (RNC 2013, p. 4).
- The Chindits Old Comrades Association Welfare Fund awards benevolent grants to members of the association who are in need. Members are ex-Service personnel who served with the Chindit Forces during the Burma Campaign in the Second World War.
- The Commandos Benevolent Fund provides financial assistance to ex-Army Commandos and their dependants. As explained on the charity's website, Army Commandos were disbanded at the end of the Second World War and 'service with any other [post-war] Commando groups does not entitle people to help under the Commando Benevolent Fund's charity charter' (CBF n.d.).

Figure 6.3



Interestingly, 27 of these 92 'other benevolent grant-makers' shown in figure 6.3 started operating after 2007. This was the year when Help for Heroes was launched, rapidly becoming one of the largest and most successful fundraising charities in the sector. Help for Heroes focuses its charitable activities on serving the needs of wounded, injured and sick personnel and ex-Service personnel as a result of recent conflicts in the theatres of war of Iraq and Afghanistan. The needs of the wounded, injured and sick and those with physical and mental health needs are also the focus for many charities that were established after 2007. It seems that public awareness of the issues faced by ex-Service personnel injured in Iraq and Afghanistan has led to the emergence of new charities for them in the last few years.

Figure 6.4



None of them, however, have achieved the success of Help for Heroes, which raised over £40 million in 2012. The combined income of all other grant-making charities established after 2007 was £2 million. Other than Help for Heroes, the most successful fundraiser in this group is Walking With The Wounded (£1.2 million income in 2012).

#### 6.1.4 How does the benevolent grant-making system work for the beneficiary?

Although there are a total of 239 armed forces charities which may be able to provide benevolent grants to individuals in the context of a highly decentralised management of funds, the grant-making process appears to be highly coordinated and flexible to respond to the particular needs of every beneficiary. Very few charities deal directly with the casework (the formal assessment of need) and ultimately the individual is likely to receive a grant, in one single payment, that has been partially funded by a number of different charities.<sup>5</sup>

The process of sourcing and combining funds from different benevolent organisations to pay them as a single grant to the beneficiary is known in the armed forces charity sector as ‘almonisation’. The Royal Marines Charitable Trust Fund (CC no. 1134205) explains on its website how this system works in general and how it applies to the Fund:

The Royal Marines Charitable Trust Fund works closely with other charities particularly in the field of benevolence. It relies on Case Worker reports from the Royal British Legion or SSAFA which identify the scale of need. It then contributes to resolving the issues usually with support from organisations such as The Royal British Legion, Royal Naval Benevolent Trust, the Royal Navy Officers Charity, the Royal Navy and Royal Marines Children’s Fund or other more specialised charities depending on the nature of the case – a process known as almonisation ... In cases where other charities are unable to help, the Royal Marines Charitable Trust Fund will try to meet the need in its entirety from its own resources.

**RMCTF 2014**

Caseworkers from SSAFA and The Royal British Legion are key pillars in the infrastructure of benevolent support available to the armed forces community. They are usually the ones who directly interact with the individual, visiting applicants and assessing the nature and scale of need. Other armed forces charities such as the Officers’ Association or the Royal Commonwealth Ex-Services League are also able to carry out casework for their beneficiaries (i.e. officers of the armed forces and ex-Service personnel from Commonwealth countries other than the UK).

Once the nature and scale of need has been assessed, caseworkers will help beneficiaries to access the right assistance, which may or may not include financial assistance in the form of a benevolent grant funded by different organisations (including, in some instances, funds from the caseworking agency’s own resources).

<sup>5</sup> Further research would be required to assess the effectiveness of the grant-making process. For instance: how long it takes for applications to be processed and what the recipients’ views of the process are.

As explained in SSAFA's annual report (CC no. 210760):

The delivery of casework remains the prime purpose of our Branch network of 6,239 volunteers, of which we have 4,229 trained caseworkers. ... During the year, our trained volunteers conducted 40,645 cases and visits across the UK, Ireland, France, Germany and Cyprus, enabling us to deliver practical, financial and emotional support ... Of our cases in 2012, 17,873 received financial assistance. A total of £12,772,419 was paid out in individual grants from benevolent funds.

**SSAFA 2012**

The entry point to the system of benevolence is not necessarily a caseworking agency, however. When an individual or family unit find themselves in need, they may seek assistance through their association (when they are members of one), their regimental secretary, or welfare officer in the case of British Army personnel. If they are still in active service, they may seek assistance through the chain of command or via their unit welfare officer. Other armed forces charities and civilian charities as well as public services may also identify cases of need.

Regardless of how cases are identified, it is likely for them to be referred to a SSAFA or Royal British Legion caseworker who will conduct an assessment of need.

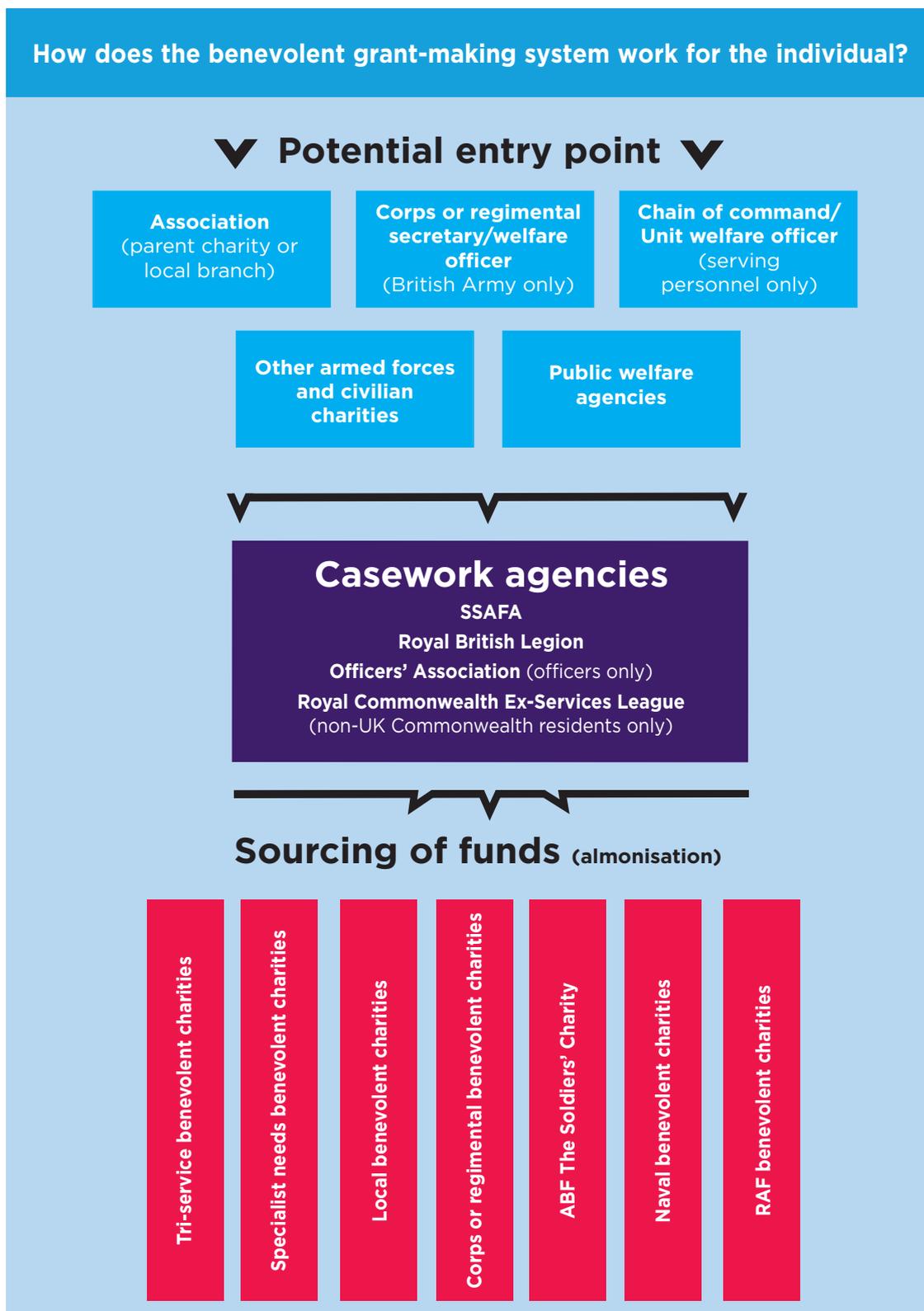
In a report about the Royal Artillery Charitable Fund (RACF), Lieutenant Colonel I. A. Vere Nicoll MBE explains that:

Cases were once referred to the RACF by members of the Royal Artillery Association but now come from mainly the Soldiers, Sailors and Air Force Association (SSAFA), The Royal British Legion (RBL), the Officers Association and the Royal Commonwealth Ex-Services League (RCEL). All of whom have trained staff that can assess needs and requirements and can arrange for our benevolence to be spent appropriately. RAA Members can and do still identify those in need but the RACF then tasks one of the agencies to interview the potential beneficiary and assess the need. Much work is also spent in almonising funds from other charities to increase the grant given to the needy.

**Vere Nicoll n.d.**

The agency that carries out all the casework – be it SSAFA, The Royal British Legion or other welfare agency – is commonly referred to as the ‘sponsoring organisation’. This organisation will normally be the one receiving funds from other charities and organisations as part of the process of almonisation. It will also be the one making the final single payment to the individual. This is the reason why, out of a total grants expenditure of £18.47 million incurred by SSAFA in 2012, more than £12 million was given to SSAFA by other benevolent funds and organisations for the benefit of individuals in need.

Figure 6.5



## 6.2 GRANTS TO ORGANISATIONS

There are 105 benevolent charities that make grants to individuals in need which also award grants to other organisations to contribute towards the costs of welfare services such as care homes, healthcare and rehabilitation and so on.<sup>6</sup> Examples include The Royal British Legion, Help for Heroes, the RAF Benevolent Fund and ABF The Soldiers' Charity.

In addition, 38 armed forces charities make grants to other organisations to support the provision of welfare services to the armed forces community but do not award individual benevolent grants.<sup>7</sup> Examples include:

- **Queen Mary's Roehampton Trust (CC no. 211715):** as stated in the Register of Charities for England and Wales entry, this charity 'makes grants to organisations which provide services for war disabled ex-service personnel (and former members of the mercantile marine disabled in war) and their dependants'.
- **Aldershot Church of England Services Trust (CC no. 204018):** Grants are mostly given to armed forces establishments and other organisations for the benefit of serving personnel and their immediate families. However, 'Where Trust funds have been available grants have been made to projects helping serving and ex-service personnel ... such as Royal Star & Garter Home, Richmond, and Blind Veterans UK ... Recently, the Trustees have been pleased to support the creation of a therapeutic garden and a vegetable garden for Combat Stress at their treatment centre in Leatherhead' (ACEST 2014).

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<sup>6</sup> This includes 50 welfare charities, 24 associations and 31 mixed-type charities registered in England and Wales. Classification data is not available for charities registered in Scotland only. See Chapter 3 for further details.

<sup>7</sup> This includes 23 welfare charities, 3 associations and 12 mixed-type charities registered in England and Wales. Classification data is not available for charities registered in Scotland only. See Chapter 3 for further details.

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Note: All annual reports and accounts are accessible from the Charity Commission for England and Wales.

## CHAPTER SEVEN

# The last word: key insights from the research

In this chapter we analyse the myths and truths of the UK armed forces charity sector, examine its current financial health, its distinctiveness in the context of the UK charity sector as a whole and explore the challenges armed forces charities face in the future.

## 7.1 ARE PERCEPTIONS OF THE ARMED FORCES CHARITY SECTOR GROUNDED IN EVIDENCE?

There appear to be a number of myths surrounding the armed forces charity sector which will be explored in this chapter. These are that:

- 1 there are too many armed forces charities;<sup>1</sup>
- 2 new entrants into the sector have created unwarranted competition and have taken income away from more established charities;<sup>2</sup>
- 3 there is little or no coordination in the sector.<sup>3</sup>

The summary findings of our research surrounding these assumptions are as follows:

- 1 Claims about there being 'too many charities' are partly driven by a lack of understanding of the huge diversity of armed forces charities operating in the sector. These claims have also been boosted by a perception that the armed forces charity sector has undergone a large expansion in recent years. Our research shows that the armed forces charity sector has actually contracted over the last few years. While it is true that a number of new armed forces charities have been established since 2008, the increase has been offset by a larger number of closures (some of which have resulted from mergers and other rationalisation efforts of pre-existing provision).
- 2 New entrants into the sector are having a generally positive effect on the armed forces charity sector, creating new growth which benefits the sector as a whole,
- 3 The armed forces charity sector shows greater collaboration and coordination than other charitable sub-sectors we have examined for this research. In particular, the benevolent grant-making process within the armed forces charity sector appears to be highly coordinated and flexible in responding to the particular needs of every beneficiaries.

The evidence for these findings is outlined in the following sections.

<sup>1</sup> See, for instance, [www.civilsociety.co.uk/governance/news/content/16918/lord\\_ashcroft\\_report\\_suggests\\_there\\_are\\_too\\_many\\_armed\\_forces\\_charities](http://www.civilsociety.co.uk/governance/news/content/16918/lord_ashcroft_report_suggests_there_are_too_many_armed_forces_charities)

<sup>2</sup> See, for instance, [www.theguardian.com/uk/2010/nov/12/help-for-heroes-fundraising-phenomenon](http://www.theguardian.com/uk/2010/nov/12/help-for-heroes-fundraising-phenomenon)

<sup>3</sup> See, for instance, [www.telegraph.co.uk/news/uknews/defence/8261482/Sir-Richard-Dannatt-calls-for-military-charities-to-work-together.html](http://www.telegraph.co.uk/news/uknews/defence/8261482/Sir-Richard-Dannatt-calls-for-military-charities-to-work-together.html)

## 7.2 ARE THERE 'TOO MANY CHARITIES'?

The UK's armed forces charity sector comprises 1,818 registered charities in England and Wales, 419 registered charities in Scotland and at least 25 charitable organisations in Northern Ireland. The sector is made up of a wide range of organisations with different objects, activities, operating models and beneficiary groups. Concerns raised in some quarters that there are too many charities and calls for greater consolidation and cooperation have sometimes failed to acknowledge the complexity and diversity of the sector.

For instance, over half of registered armed forces charities in Great Britain are local association branches and local cadet units. In addition, 11% are museums and other heritage organisations and 7% are relatively small funds that provide services, social and/or recreational activities in particular Army garrisons, naval bases or Royal Air Force (RAF) stations for the benefit of Service personnel and their families. The existence of these charities does not imply over-provision or need for greater consolidation, as they all perform very specific, distinct roles within the sector and their income is mostly self-generated via membership subscriptions and other charges paid furthermore by beneficiaries themselves.

This research has identified 409 armed forces charities (18% of the total) that provide welfare services, benevolent grants to individuals and/or grants to other organisations with the ultimate aim of relieving need among members of the armed forces community (serving and ex-Service personnel and their dependants) who fall on hard times (such as those facing financial hardship, unemployment, illness, disability, homelessness, etc.).<sup>4</sup> These include 278 charities with a primary welfare (relief-in-need) remit plus 131 charities that also provide welfare services and/or benevolent grants but operate within broader charitable objects.<sup>5</sup>

It is within this group of 409 armed forces charities that calls for greater consolidation and cooperation should be examined. The rest of the sector (for instance Service funds for the wellbeing of Service personnel and their families, museums or local cadet units) do not compete for donations from the general public and do not form part of the safety net of charitable support available to individuals in need.

Claims about there being too many charities have recently been boosted by a perception that the armed forces charity sector has undergone a large expansion in recent years. For example, in 2011 an investigation by *British Forces News*, part of the British Forces Broadcasting Services, reported its own analysis that the number of new charities set up to support the armed forces had tripled each year since 2005, which led to calls for greater consolidation and cooperation in the sector (*The Telegraph* 2011).

The evidence for this assertion is lacking. While it is true that a number of new armed forces charities have been registered since 2008; the increase has been offset by a larger number of removals from the Charity Commission for England and Wales (CCEW) register.<sup>6</sup> This research has identified 272 armed forces charities registered with CCEW between 1 January

<sup>4</sup> These are registered charities in England and Wales. No detailed classification data is available for charities registered in Scotland and Northern Ireland.

<sup>5</sup> 66 associations and 65 mixed-type charities. See chapter 3 sections 3.3.3 and 3.3.5 for further details.

<sup>6</sup> There is no historical data available for charities registered in Scotland and Northern Ireland.

2008 and 30 June 2014.<sup>7</sup> During the same period, at least 407 armed forces charities were removed from the register. This means that, overall, the sector contracted by 7% over the period; 32% of new registrations and 37% of removals were local branches of the Royal Naval Association, the Royal Air Forces Association and the Parachute Regimental Association. Excluding these, the sector contracted by 5% over the period with a total of 186 newly registered charities and 258 removals.

An analysis published in 2013 by CCEW's lead specialist on armed forces charities, Harvey Grenville, suggested that the registered armed forces charity sector may contract further over the next few years to 2020 if projected demographic trends remain stable (Grenville 2013).

However, concerns about the expansion of the sector are not completely unfounded:

- Since 2008, 128 new armed forces charities that provide welfare services and/or grants have registered with CCEW.
- This represents over a quarter of the total number of armed forces charities currently providing welfare services and/or grants.
- A number of removals since 2008 have resulted from mergers and other efforts to rationalise pre-existing provision. New entrants to the market may be perceived by some as jeopardising those efforts.

Help for Heroes, which was founded in 2007 and rapidly became one of the most successful fundraisers in the sector, paved the way for a number of new armed forces charities registered since 2008 which appear to have a focus on the specialist needs of Service and ex-Service personnel affected by recent conflicts. The case of Help for Heroes in particular seems to indicate that new entrants to the sector do not necessarily introduce unwarranted competition for funds and donations but can have a positive effect by boosting the profile and overall levels of donations to the sector. Furthermore, given that Help for Heroes awards grants to other organisations as part of its wider portfolio of support to the wounded, injured and disabled, a number of new charities as well as long-established charities have directly benefited from its fundraising success. This positive effect is analysed in further detail in section 7.3.

<sup>7</sup> This figure excludes 152 Service funds registered since 2008 as these were pre-existing charities previously excepted from registration.

## 7.3 THE EFFECT OF NEW ENTRANTS INTO THE ARMED FORCES CHARITY SECTOR

In 2013, Harvey Grenville indicated the possibility that some contemporary new entrants may be replacing some of the older armed forces welfare charities (i.e. charities that provide services and/or grants to relieve need, hardship or distress among members of the armed forces community) (Grenville 2013). This possibility appears to have been cause for concern for some in a sector with a very long and established history. For instance, when Help for Heroes was established in 2007, it rapidly attracted headlines for its levels of donations and became the target of some negative press for potentially 'poaching' supporters and funds from the longer established charities (Barkham 2010):

There was a lot of resentment from certain charities at the beginning: we were seen to be the cocky new kid on the block and we were being very energetic and making a lot of noise. Service charities feared we would come along and take away some of the monies they were trying to raise.

**Bryn Parry, former British Army captain and co-founder, with his wife Emma, of Help for Heroes**

Yet the picture is not as clear-cut as it may seem on first glance. Evidence suggests that the entry of new armed forces charities does not necessarily squeeze out more established ones. In this regard, Grenville's analysis found that 'the top 50 established benevolent funds increased their annual income by around 20% from 2008 to 2011' (Grenville 2013). This seems to indicate that the appearance of Help for Heroes in 2007 and other new entrants did not have a negative impact on the income of long-established organisations.

In fact, new entrants may actually have helped to raise the profile of the sector as a whole, increasing levels of donations across the board. Figures published by the Charities Aid Foundation (CAF) showed that giving to armed forces charities was up by 26% in real terms (i.e. adjusting for inflation) between 2008 to 2010 while donations to all other large charities dropped by an aggregate of 4% over the same period (CAF 2012). Another study found that awareness of Help for Heroes (and other armed forces charities) is associated with donating to the Poppy Appeal; the annual fundraising campaign led by The Royal British Legion that started 90 years ago. This suggests that knowledge of any armed forces charity may be beneficial for increasing donations in the sector as a whole and that competition for donations may not be as important for larger armed forces charities, given their prominent public profile (Gribble et al. 2014).

## 7.4 NEW CHARITIES FOR NEW NEEDS?

For those who perceive that the sector has been expanding in recent years, leading to unwarranted competition or too many charities, it is important to clarify that close to 60% of currently registered armed forces charities which provide welfare services and/or grants are benevolent grant-makers and the majority of them are long-established charities. It is in the area of welfare services' provision where the sector has expanded in recent years due to new entrants.

## 7.4.1 Service providers

Of all armed forces charities, 181 provide welfare services to the armed forces community including:

- housing;
- care homes, healthcare, rehabilitation, disability support and mental health support;
- education and training;
- employment and career services;
- respite breaks, adaptive sports and recreation for people with particular needs;
- other general advice to and support services for those in need.

Many of these charities also provide grants to individuals in need and/or grants to support the work of other organisations - The Royal British Legion and Help for Heroes are good examples in this regard.

Almost half of welfare services' providers are new armed forces charities registered since 2008.<sup>8</sup> The majority of new entrants have emerged in the fields of general advice, support and signpost services to those in need. Some of these are local charities such as Hull Veterans Support Centre, Armed Forces Group Preston or Where Do I Belong? (based in Brighton).

There are also a considerable number of new armed forces charities that provide for individuals with specialist needs resulting from recent conflicts (such as amputees and those with other physical injuries and mental health needs). Some of these provide respite breaks, adaptive sports and opportunities for recreation to people with physical injuries or mental health needs (for example Fishing for Heroes, Pilgrimbandits, Row2Recovery Foundation and Surf Action); others provide other healthcare, rehabilitation and disability support services (for instance Hounds for Heroes and Woundcare 4 Heroes); and a few provide mental health (including post-traumatic stress disorder (PTSD)) support services (such as Talking2Minds Ltd, Healing The Wounds Limited and PTSD Resolution). A few charities have also emerged in the area of employment and career services (such as Heropreneurs and Hire a Hero).

However, in terms of income, the provision of welfare services to the armed forces community is still overwhelmingly dominated by longer-established charities which were already in operation prior to 2008. In 2012, armed forces charities that provide welfare services to those in need generated an income of £424 million:

- 88% of the money was commanded by long-established charities including SSAFA; The Royal British Legion, Combat Stress, Blind Veterans UK and many others;
- 10% of the income was generated by Help for Heroes, founded in 2007;
- only 2% of the income was generated by new entrants to the market since 2008 (however, we are yet to see how the picture evolves over time).

<sup>8</sup> Note that this research focuses on the evolution of the armed forces charity sector since 2008 as this is the first year covered by our financial dataset (2008-2012). Therefore, we have looked at the number of new registrations since 1 January 2008.

Although they are still relatively small in their aggregate contribution to the total sector income, some new welfare services' providers registered since 2008 appear to have found their niche in the pre-existing infrastructure of charitable support and they work as part of the whole in coordination with other armed forces charities. Others, however, have more general, overlapping objects and in some cases it is difficult to find information about what they do or what their strategy is.

## 7.4.2 Grant-makers

There are 277 armed forces charities that make benevolent grants to individuals in need and/or award grants to other organisations to contribute towards the costs of welfare services' provision. This figure includes 49 charities which are also service providers themselves such as SSAFA, The Royal British Legion and Help for Heroes. It is important to understand that the relatively high number of benevolent grant-makers in the armed forces charity sector is to a large extent explained by the historical decentralisation of benevolent provision to the level of corps and regiments in the British Army. Indeed, approximately half of all benevolent grant-making charities are connected to corps and regiments of the British Army (see Chapter 6 for further details).

The majority of grant-making charities were already in existence before 2008 (81% of the total). Since 2008, there have been 40 new registrations of grant-making charities:<sup>9</sup> 31 were genuinely new grant-makers whereas the other nine were the result of mergers and rationalisation efforts of pre-existing provision; for instance, the Royal Marines Charitable Trust Fund was registered on 8 February 2010 and resulted from the amalgamation of six former Royal Marines charities.

## 7.5 COLLABORATION AND COORDINATION

### 7.5.1 Service providers

Although further research would be needed to analyse collaboration and cooperation arrangements in the area of welfare services' provision, during the course of this research we have come across many examples of partnership working in service provision as well as examples of financial support provided by armed forces charities to other armed forces charities.

In 2012, the top 45 armed forces welfare charities spent £22 million in grants to other organisations and at least half of this expenditure was awarded to other armed forces charities to support welfare services' provision.<sup>10</sup> In this regard, the fundraising success of the largest armed forces charities benefits the entire sector as more funds become available for grant-making purposes.

<sup>9</sup> These figures exclude 12 new service providers that also provide grants to individuals and/or other organisations, as they have been already accounted for as new charities in section 7.4.1.

<sup>10</sup> The exact figure is difficult to estimate as charities' accounts rarely provide a comprehensive list of grant recipients and corresponding amounts.

## Example: the Not Forgotten Association

The Not Forgotten Association (CC no. 1150541) is an armed forces charity that provides 'leisure and recreation for the benefit of serving and ex-service personnel who are wounded or have sustained permanent injuries'. The charity generated an income of over £1 million in the financial year ended 31/03/2013, and a quarter of that income was received in grants from other armed forces charities:

We enjoy the continued support of our largest donor Help for Heroes (£150,000), of the main service benevolent charities: ABF The Soldiers' Charity (£40,000), the Royal Navy & Royal Marines Charity (£30,000), the RAF Benevolent Fund (£25,000) and Seafarers UK (£10,000), as well as The Royal British Legion (£12,500).

**NFA 2013**

As noted earlier, a number of new welfare services' providers registered since 2008 have found their niche in the pre-existing infrastructure of charitable provision and they work in a coordinated manner with other organisations and armed forces charities. For instance, Row2Recovery Foundation (CC no. 1142371) raises 'vital funds through extreme Para-Rowing Endeavours for larger military charities that support injured service personnel and their families'. The charity is also 'the official provider of Para-Rowing for the British Military in partnership with British Rowing, the GB Rowing Team, Help for Heroes and Battleback' (Row2Recovery 2013, p. 4).

## 7.5.2 Grant-makers

As explained in detail in Chapter 6, there are 239 armed forces charities that make benevolent grants to individuals in need. In the context of a highly decentralised management of funds - where different charities provide for different needs and/or take care of different beneficiary groups - the grant-making process involves a great deal of collaboration and cooperation. Very few charities directly deal with the casework (which is usually routed through SSAFA or The Royal British Legion) and different charities will work together to almonise funds if necessary to meet an individual's needs.<sup>11</sup>

The Directory of Social Change (DSC) has decades of experience in researching UK charitable grant-makers, including benevolent organisations which give to individuals in need. In the context of our wider expertise in this area, the armed forces charity sector appears to be highly coordinated in its approach to grant-making to its beneficiary population as a whole. In particular, there is a standard applications process (standard Form A or online Casework Management System), which is employed by many, if not most, of the benevolent armed forces charities which DSC has researched for its fundraising guides:

With clear direction and leadership from SSAFA FH on behalf of Cobseo [the central umbrella body for the armed forces charity sector] the caseworking charities have

<sup>11</sup> 'Almonisation' refers to the process of sourcing and combining funds from different benevolent organisations to pay them as a single grant to the beneficiary. The payment is usually made by the caseworker who has conducted the assessment of need.

worked together to develop and launch the system. It went live in 2009 and has been going from strength to strength as more and more charities are using it with an increasing number of Welfare cases for Service and ex-service people and their families dealt with using CMS.

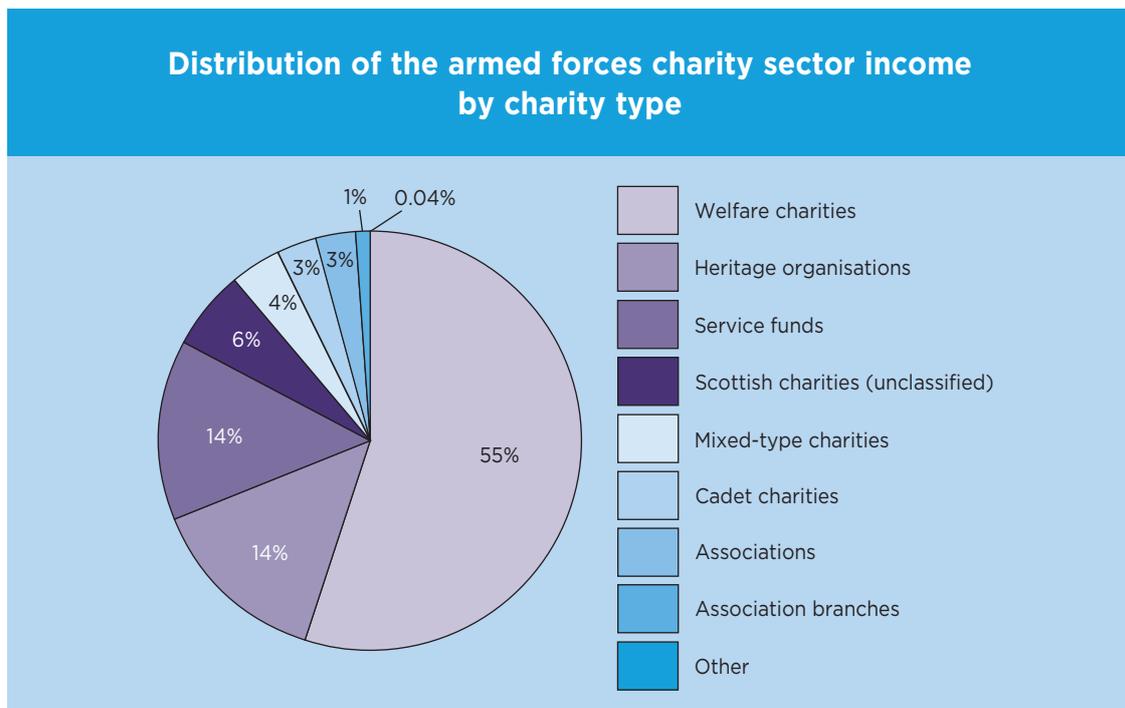
**Cobseo 2011**

While there is evidence of some coordination in other subsectors (the automotive and railway sectors, for example) it is generally small-scale and usually involves one larger organisation having better infrastructure through which to administer grants than another.<sup>12</sup>

## 7.6 THE CURRENT HEALTH OF THE ARMED FORCES CHARITY SECTOR

In 2012, the UK's armed forces charity sector generated an income of £872 million.<sup>13</sup> Over half of the income was commanded by welfare charities.

Figure 7.1



In terms of their finances, only armed forces charities which provide welfare services and/or benevolent grants typically fundraise from the general public and other sources, and are thus subject to the caprices of public opinion.

<sup>12</sup> One exception is the freemasonry sector: The Grand Charity (of Freemasons) now shares a joint application form with two other masons' charities, though it is not electronic and the coordination is on a far smaller scale than in the armed forces charity sector.

<sup>13</sup> Excluding armed forces charities in Northern Ireland (no data available).

A number of these charities, such as benevolent funds connected to corps and regiments of the British Army, mostly rely on regular voluntary donations raised through payroll-giving schemes to which the majority of active Service personnel subscribe. The expected reduction in the size of the armed forces over the coming years, coupled with the need to raise sufficient funds to be able to provide for ex-Service personnel who have been affected by recent conflicts in Iraq and Afghanistan, have led some of these charities to move towards more active fundraising strategies where they try to engage with the general public and other donors outside the armed forces community. For an example, see the Care for Casualties appeal launched in 2010 by the Rifles Regimental Trust: [www.careforcasualties.org.uk](http://www.careforcasualties.org.uk). It should be noted that while potentially diversifying (and thereby strengthening) their funding streams, such charities may increase competition in what is currently a somewhat volatile marketplace.

The remainder of this section focuses on welfare charities only, as it is the most public-facing part of the armed forces charity sector and the one that provides the safety net of charitable support available to individuals in need. It summarises our findings in relation to:

- how the generosity of the public and other donors has been evolving during the five years between 2008 and 2012;
- how much charities are spending or retaining for future use;
- the way charities' assets and reserves have evolved during the five-year period and why.

### 7.6.1 Income

Our research shows that the income of armed forces welfare charities has been growing steadily between 2008 and 2012, increasing from £372 million in 2008 to a total of £479 million in 2012. In real terms, this represents a 14% increase over the period. The continuous rise of incoming resources available to meet the welfare needs of the armed forces community suggests that the general public and other donors have been giving generously to the sector in spite of the recession.

However, it is relevant to note that in the years 2011 and 2012, an important share of the total income growth was explained by the individual performance of two newly registered charities:

- In 2011, the Black Stork Charity raised over £12 million in voluntary donations – mostly from major donors – that are to be used for the construction of the new Defence and National Rehabilitation Centre near Loughborough. As of 31 December 2012, these funds had not yet been spent and were held by the charity as designated reserves.
- In 2012, the Forces in Mind Trust received a £35 million start-up endowment from the Big Lottery Fund that is to be used over a 20-year period to support the successful transition into civilian life of ex-Service personnel and their families. As of 30 November 2012, the charity had retained £33.7 million of this start-up endowment for future use.

Excluding these two charities and other new entrants to the market since 2008, the combined income of the armed forces welfare charity sector fell by 6% in real terms in 2012 after years of continuous, widespread growth. This change of trend is corroborated by the accounts of the three largest organisations – The Royal British Legion, SSAFA and Help for Heroes – all of which experienced decreases in income in 2012 compared with the previous year.

In this regard, a number of armed forces welfare charities have expressed concerns that public giving to the sector may decrease over time as ‘the immediacy of war is less apparent to the public in the media as we withdraw from Afghanistan’ (Armour 2014). The fall in income for the majority of charities in 2012 seems to confirm their concerns. Recently published income data for 2013 shows that some of the largest armed forces charities (such as The Royal British Legion and Help for Heroes) have continued to experience a fall in income.

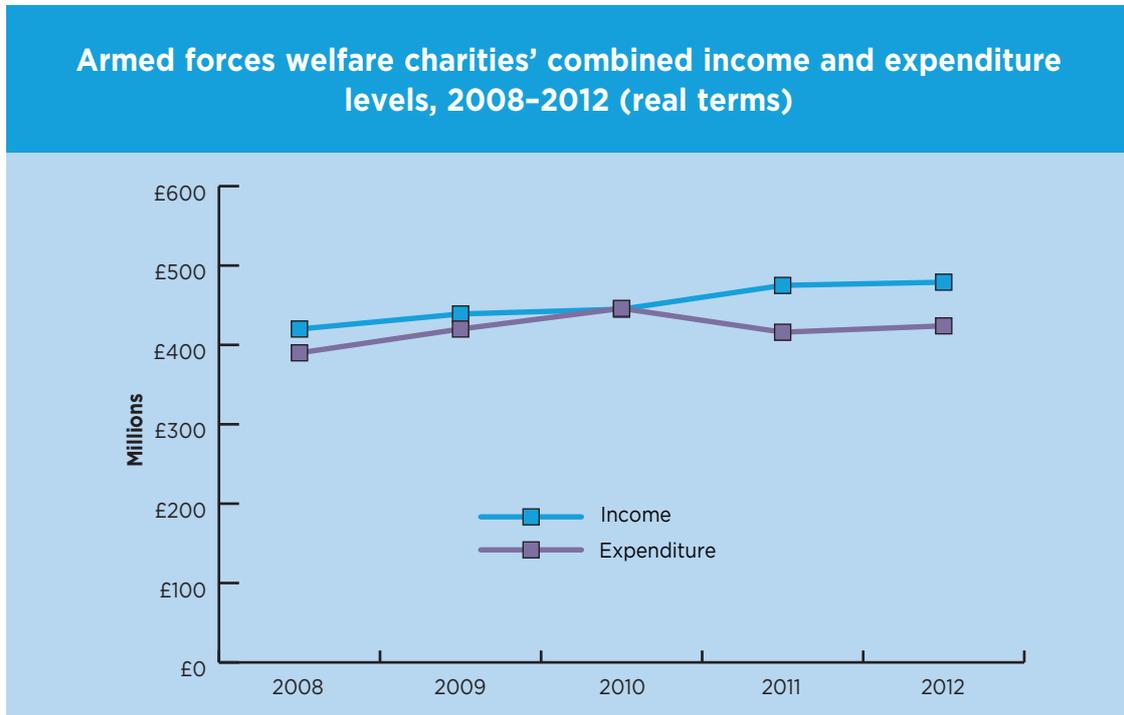
## 7.6.2 Expenditure

The expenditure of the armed forces welfare charity sector also grew between 2008 and 2012, rising from £345 million in 2008 to £424 million in 2012. In real terms, this represents a 9% increase over the period.

Expenditure levels have, however, tended to be lower than income over the period. In 2012, for instance, the armed forces welfare charity sector retained £55 million for future use (11% of its incoming resources for that year). However, this is not indicative of an operating surplus across the board. Income has been retained by some of the largest organisations for designated purposes and future projects that will enhance the infrastructure of charitable support available to the armed forces community in years to come.

Help for Heroes, for instance, is transitioning from being exclusively a grant-making charity to also delivering services through a network of Personnel Recovery Centres that provide specialist treatment and comprehensive support to those who have suffered from life-changing injuries or illnesses as a result of their service. As of 30 September 2012, the charity had £33 million of designated reserves for the future capital and running costs of these centres.

Figure 7.2



### 7.6.3 Assets and reserves

Data on charities' assets and reserves is only available for the top 45 armed forces welfare charities which collectively generated £465 million income in 2012. This represents 97% of the total income generated by the armed forces welfare charity sector in that same year.

At the end of 2012, the top 45 armed forces welfare charities had total net assets worth £1.22 billion. Of these, £374 million was held as free reserves; a figure that equates to 10.9 months' expenditure.<sup>14</sup> Free reserves are unrestricted funds that are freely available to use at the discretion of the trustees. This excludes funds that have been designated for specific purposes or future projects (£370 million at the end of 2012).

The top 45 armed forces welfare charities have been able to increase their assets and reserves since the start of the recession thanks to the generosity of the public and other donors over these years. The combined total funds of these top charities rose from £861 million at the end of 2008 to a total of £1.22 billion at the end of 2012. In real terms, this represents a 26% increase over the period.<sup>15</sup>

The growth in assets and reserves over the last few years has been motivated by different factors. On the one hand, some of the largest welfare services' providers in the sector have built capacity to be able to respond better to both existing demand for services and

<sup>14</sup> The average level of free reserves across the UK voluntary sector was estimated to equate to 15.4 months' expenditure in 2011/12 (latest year available), or just 8.3 months' expenditure when grant-making trusts and research bodies were excluded from the sample (Kane et al. 2014, p. 64)

<sup>15</sup> A few of the top 45 armed forces welfare charities saw their total funds reduced over the period. These decreases, however, were offset by larger increases in total funds held by other armed forces welfare charities.

anticipated future need. A good example is Combat Stress, the largest provider of mental health (including PTSD) support services:

In recent years, we have substantially increased and improved our services and facilities. ... This growth has only been possible as a result of generating surpluses each year which have funded capital projects to give us capacity to treat more Veterans and to plan for increased expenditure on services in subsequent years.

**Combat Stress 2013**

Many of the large and medium-sized benevolent grant-makers have also built up their reserves during this period of income growth in order to be better positioned to face an uncertain future. This prudent approach is based on several assumptions which are commonly mentioned in charities' accounts:

### **Expected fall in income**

- With the involvement of the armed forces in Afghanistan coming to an end, the issues faced by Service and ex-Service personnel and their families may be less present in the public's mind and levels of donations may fall as a result.
- Planned cuts to the size of the armed forces will reduce income from payroll-giving schemes such as the Army's Day's Pay Scheme. These donations have traditionally been the major regular source of income for benevolent funds connected to corps and regiments of the British Army.

### **More complex and expensive needs**

- If projected demographic trends remain stable, the number of cases requiring benevolent assistance may decline over time due to falling numbers of elderly beneficiaries. Indeed, large benevolent charities already experienced a slight decline in demand in 2012 compared with the previous year. However, the complexity of need is increasing as a result of recent conflicts in Iraq and Afghanistan and the average cost of benevolent assistance is rising.<sup>16</sup>

Other factors that have been taken into account to build up reserves include the impact of Army 2020 reforms, Ministry of Defence (MOD) cuts and other austerity measures across public services such as the NHS. In this regard, ABF The Soldiers' Charity makes the following 'planning assumptions' in its strategy:

Integration of Regulars and Reserves permeates every aspect of the Army's future plans ... the Charity's liability for supporting the Reserves is therefore likely to increase. ... The future viability of some Regimental and Corps Associations may be in question if subject to increasing scrutiny and challenge over their publicly-funded components ... We should assume continuing fiscal constraint and further Government-imposed savings measures which will result in significant contraction of statutory public service provision to beneficiaries. The Charity, with other Third Sector providers, is likely to be expected to 'fill the void' with provision of increased levels of benevolence support.

**ABF 2014, p. 2**

<sup>16</sup> See, for example, SSAFA's accounts and annual report 2012 and ABF The Soldiers' Charity's *Three-Year Strategy Framework 2014-2017*.

In 2012, the government response to the *House of Commons Defence Committee's Seventh Report of Session 2010–12* stated that 'COBSEO should encourage charities to use some of their reserves as it is now a "rainy day"' (House of Commons 2012, p. 24). If the fall in income experienced by the majority of armed forces welfare charities in 2012 continues in the future, we are likely to see some, if not many, of these charities making use of the reserves they have been building over the last few years to increase services and grant-making capacity and get ready for tougher times ahead.

## 7.7 ARMED FORCES CHARITIES IN THE CONTEXT OF THE WIDER CHARITABLE SECTOR

The 1,818 armed forces charities registered with CCEW represent 1.1% of the total number of CCEW-registered charities and received 1.3% of the overall income in 2012. The top 122 armed forces charities (which generated more than 80% of the total sector income) had total net assets of £2.1 billion at the end of 2012.

To compare these figures with another charitable sub-sector, there were around 6,626 registered charities in the healthcare sector with a combined income of £6.4 billion and £4.3 billion in assets in 2011/12 (Kane et al. 2014, p.19). For another comparison, Cancer Research UK, as a single charity, had an income of £537 million in 2012/13 (Cancer Research 2013). This is more than half of the combined annual income of the whole armed forces charity sector (£872 million in 2012). So, in this context, the armed forces charity sector as a whole is not huge in size or finances although it is also true that it serves a smaller beneficiary population compared with other charitable sub-sectors or major single charities.

The largest UK armed forces charity, The Royal British Legion, is large enough to rank among the top 30 registered charities in England and Wales. In 2011/12 (latest year available) the Legion ranked 21st largest in terms of annual income (Kane et al, 2014, p.16).

As noted earlier, our research has identified 409 registered armed forces charities that provide welfare services and/or grants for relief-in-need purposes. These charities are actually a small portion of a much wider charitable sector in England and Wales that provides a safety net of support to individuals in need. This includes a wide variety of social services (29,711 registered charities), health services (6,626 registered charities), employment and training services (1,978 registered charities) and housing (3,706 registered charities) (Kane et al. 2014, pp.19–20).

In this regard, the general socioeconomic context of the UK and the health of its wider charitable sector are relevant to the armed forces charity sector, as they have an impact upon:

- the degree of social need (and therefore demand for charitable support);
- the extent of services and support available to the armed forces community from other charities outside the armed forces charity sector.

The recent years of recession have increased demands for services in most local authorities while simultaneous cuts to public spending have created significant challenges for local

communities and charities (Telfer n.d.). It has been estimated that, at the start of 2014, just 40% of cuts in government funding for public services have been implemented, with a further 60% yet to come (Emmerson et al. 2014). This is important to note since the NHS and other publicly funded services are key to the provision of care and support to the armed forces community.

At the same time, the UK voluntary sector as a whole was hit by the recession, enduring falling levels of state grants and public donations, and only recently appears to have started to slowly recover, with levels of donations starting to gain pace in 2014 (Rawstrone 2014; CAF 2014). By contrast, the armed forces welfare charity sector enjoyed a period of growth during the recession at a time when the rest of the infrastructure of support available to the armed forces community through public services and other charities was struggling financially. Armed forces welfare charities increased their expenditure levels during this period which may have helped to offset cuts elsewhere.

Armed forces welfare charities also retained some income for future use to get ready for tougher times under the assumption that public giving to the armed forces sector would fall after the withdrawal of troops from Afghanistan. This assumption appears to be correct, with most armed forces welfare charities seeing a fall in income in 2012 (the accounting year of our analysis) for the first time in years. The slow recovery in levels of donations to the wider charitable sector, together with the increased levels of reserves of armed forces charities, might help to offset the expected fall in income to armed forces charities in the future. However, making use of reserves is not a strategy that can be maintained indefinitely if support for the armed forces community (both serving and ex-serving) is to match need in the years to come.

## 7.8 FUTURE CHALLENGES FACING THE SECTOR

A survey sent out by DSC to more than 400 armed forces welfare charities in the summer of 2014 asked armed forces welfare charities for their opinion on 'the main challenges facing the charity in the years to come' (response rate of 22% (N=96)).<sup>17</sup>

The responses mirror very closely the issues we have discussed in our analysis, and illustrate the genuine concerns of those working in the sector in response both to the realities of the changing environment they are facing, and to the myths promulgated around these (see figure 7.3). The top three responses were:

- 1 maintaining or increasing income (particularly voluntary from the public or the MOD), 30%;
- 2 other financial challenges (reduced investment income, financial liquidity, MOD funding), 10%;
- 3 reduced visibility and relevance of the armed forces community (reduction in armed forces footprint) and lack of understanding of the sector, 10%.

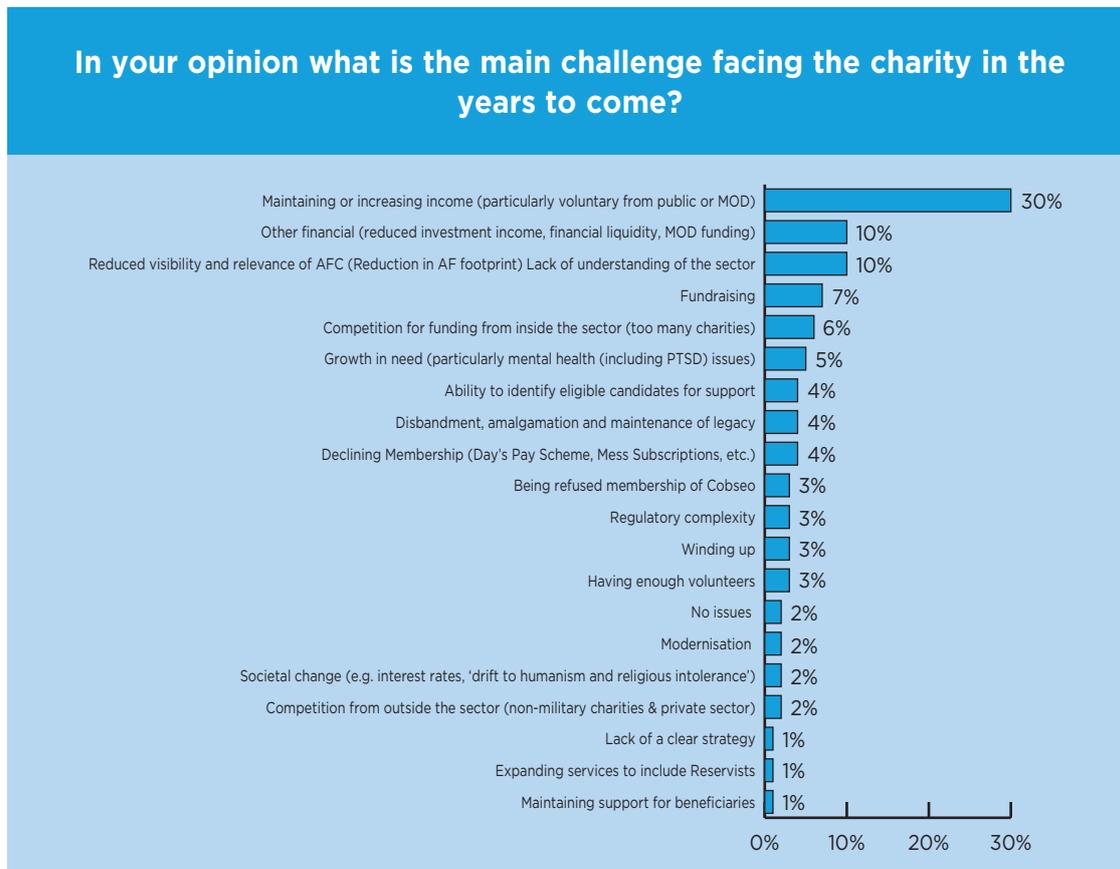
<sup>17</sup> The survey had a better than industry average (non-profit) open-rate and click-through rate. However, the results cannot be thought of as representative and are used only for illustrative purposes; 91 charities answered this question.

Indeed, four out of the five top responses were concerns about finances and the ability to fundraise, especially in the context of reduced visibility and relevance of the armed forces community after the withdrawal from Afghanistan:

As the armed forces move out of the media spotlight and once the withdrawal from Afghanistan is complete, the public perception may be that the need has also gone. It will be challenging to ensure that the message of the need for long-term care and support is maintained.

[We will face] a shrinking pool of potential legators.

Figure 7.3



Competition from within and without the armed forces charity sector was perceived as a major challenge by 8% of respondents:

[The last 10 years or so] has seen a growth in the number of armed forces charities and this will result in many charities competing for the same fundraising pound. Something will have to give and maybe this will be the time for the sector [to] consider rationalisation on a significant scale.

An increased infringement from outside the sector either in the form of non-Service based charities looking for revenue opportunities in the 'Hero' market; or private sector

infringement from training and/or recruitment companies. This over proliferation [is] leading to an unhealthy rise in competition and a decrease on co-operation.

Some respondents expressed concerns about rising levels of need and their ability to respond in the face of diminishing income:

Our biggest issue is the vast growth of members seeking our services particularly with PTSD rather than physical disabilities.

[We are seeing an] increase in [the number of] Veterans wanting our services and the challenge in raising funds to meet this demand.

One respondent considered that the sector should move towards more preventive interventions to increase the efficiency and sustainability of the sector:

Lack of awareness ... of the long term significant financial costs that are imposed upon individuals because of lack of preparation for incapacity is resulting in retrospective support being offered by Armed forces Charities and third party agencies including Government Departments that is not sustainable.

A number of charities were preparing to close down (or merge) in the near future as they were initially set up to serve a finite group of beneficiaries (such as veterans from the Second World War):

Our potential beneficiaries are fast disappearing since they are a finite group. So we will in due course probably agree with another larger Army charity to take over any residual funds and responsibilities.

These expressed concerns, coupled with the more objective findings of our research regarding income and other financial trends, indicate that the armed forces welfare charity sector is faced with an evolving fundraising landscape. This will make ongoing efforts of cooperation, modernisation and rationalisation even more challenging and important in the near future.

In this context, DSC recommends:

### 7.8.1 Better data

- At present, data on armed forces charities registered in Scotland and Northern Ireland is limited by the lack of comparable regulatory systems and standards to England and Wales, particularly access to information in charity reports and accounts. Further data would help complete the funding picture across the UK.
- Data on the location and needs of the armed forces community needs to be improved. While The Royal British Legion and Compass Partnership have done an excellent job of profiling the community, statutory bodies such as the MOD and the NHS should work with the sector to introduce better systems to identify beneficiaries and their needs.

## 7.8.2 Monitoring how the armed forces charity sector evolves in numbers and financial performance

- Is it a good or bad thing that the sector is contracting and evolving? Will further rationalisation efforts be needed in an evolving fundraising landscape?
- Will charities use their reserves in the near future? In what ways?

## 7.8.3 Assessing the extent and effectiveness of cooperation and coordination arrangements in the sector

- Is there enough cooperation and coordination in the sector?
- What are the views of the beneficiaries? Do they feel their needs are well-served?
- What are the views of donors? Does the complexity and diversity of the sector undermine its fundraising capacity?
- Is there a need for further rationalisation of provision?
- Are there any gaps in provision? If so, who is better positioned to fill them?

While the analyses presented in this report go a long way towards helping us to understand the armed forces charity sector, DSC believes that further analysis in the areas outlined above would help to guide the sector and those who engage with it in the challenging years ahead.

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