

The Royal Engineers Association

(Registered under the Charities Act 1992 and a charity registered in Scotland)

Patron: HER MAJESTY THE QUEEN



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12th October 2016

THE MINUTES OF 48th ANNUAL GENERAL MEETING OF THE ROYAL ENGINEERS ASSOCIATION HELD IN THE VICTORY SERVICE CLUB, LONDON, ON 8th OCTOBER 2016

OPENING REMARKS

1. The Annual General Meeting was opened at 1600hrs by the President of the Association, Lt General Sir Mark Mans KCB CBE DL, who welcomed all those present and thanked them for attending; he made special mention of those who had travelled long distances. He noted that there were 67 attendees at the AGM: 14 REA Trustees, 26 REA Branch Delegates and 27 other REA members.
2. Apologies for absence had been received from:
 - Lt Col (Retd) Adrian Bunting – Central Southern Gp
 - Mr Eric Hargreaves – North West Gp
 - Mr John Bell – Scotland & NI Gp
 - Mr Garrie Owens – South East Gp
3. The President commented on the fact that the number of Branches represented at the AGM appeared to be dwindling. Branch delegates attending the AGM make up just 25% of the total number of Branches. He noted that were Branch members from a number of Branches attending the Dinner but not represented at the AGM. He hoped for better attendance and representation at the next meeting.
4. Executive members of the Association seated at the top table were introduced by the President. He also introduced Ann Richardson and Julia Ferguson from HQ REA who are the strength behind the scenes. They do fantastic work in putting the AGM and Dinner together and these events would not happen without their input. The President reminded Branch Delegates to brief their branches on the matters discussed at the meeting, and asked that once the Minutes had been published, Branches would ensure the widest distribution to all their members.
5. In order to ensure correctness of the records, the President asked that whenever someone rose to speak, they would clearly announce their name and Branch or official position.

ITEM 1 - To confirm the Minutes of the 47th AGM held on Saturday 10th October 2015

6. The President emphasised that this Item was dealing only with the accuracy of the Minutes. The document had been widely circulated and HQ REA had not received any comments or proposed amendments. There were no comments from the floor.

Proposal: That the Minutes of the 47th AGM be accepted

Proposer: Mr G Doughty – Medway Branch

Secunder: Mr R Price - Trustee North Midlands Group

Carried

ITEM 2 - Matters Arising from the Minutes of the 47th Annual General Meeting.

7. There were no Matters Arising.

ITEM 3 – To Receive the Council's 48th Annual Report to the AGM

8. The President invited the REA Chairman, Maj Gen Alastair Dickinson CBE, to present Council's report. The report was produced to supplement the Annual Report and Financial Statement required by the Charity Commissioners and to meet the Association's own internal requirements.

9. Maj Gen Dickinson started by saying the Association was in excellent health but seeks to evolve to continue that state of affairs. HQ REA under-manning was a real concern but said that the necessary processes were in place to move that issue forward. He recognised the strain that HQ REA is under and paid tribute to the A/Controller and his staff for ensuring that the Association continued to provide a high level of service in spite of damaging staff shortages.

10. The REA Chairman congratulated the eleven members who were awarded the prestigious REA Badge of Merit this year and paid tribute to the support given by the serving Corps at Chilwell, Minley and Chatham for laying on the highly successful Veterans Weekends at those locations.

11. Before finishing his report Maj Gen Dickinson invited the Chairman of the Benevolence Committee, Brig Andy Craig OBE, to give some examples of where REA benevolence had made a difference in the last year. After giving his examples Brig Craig said it was really important for Branches and members to seek-out those former sappers or dependants in their area who might be in need of assistance. It is this networking that needs to be developed further.

12. Mr Dave Pinder, Solent Branch, asked what the response time was between receiving a request for assistance and actually providing it. The A/Controller said that applications for assistance came in every day but due to staff shortages he was only able to deal with cases every other day. Within two days a case will be considered and, if appropriate, processed for payment. Payments are never made to the individuals in need; the caseworker charity receives the payment electronically and expends it on our behalf. Urgent cases that are beyond the Controller's delegated powers are normally dealt with outside of the monthly Benevolence Committee meeting. A quorum of the Committee will assess the cases by email; the turnaround time for such cases will not be much different to those cases considered by the Controller.

13. Mr Graham Doughty, Medway Branch, said that he knew of two former sappers locally who he thought would benefit from some assistance. He said the Branch Welfare Officer was aware of the cases and would be speaking to the A/Controller to take the matter forward. The President said such cases should be pursued urgently and advised that early contact be made with a SSAFA or Royal British Legion (RBL) caseworker.

14. Mr Tam Pearce, Willich Branch, himself a RBL caseworker for some ten years, said he thought the RBL was becoming more of a business and lacked caseworkers on the ground to provide the service it should. He asked if it was not possible for the REA to have its own caseworkers. The President advised those assembled that there were considerable training, legal and financial issues with such a

move. He said he would be extremely reluctant to support such a move as it would involve the employment of a large caseworker and support organisation that the REA would be find difficult to fund. His view was that we use both SSAFA and RBL in a more hands-on way and lobby them for improvements where they were needed. He agreed that Germany was a separate issue and that there was a paucity of caseworkers there, but he said he was quite prepared to speak with HQ RBL in London to ensure that they were able to respond adequately to request for help, not just in Germany, but also other overseas locations.

15. Adrian Lovell, Reading & West Berks Branch, said his Branch deals with benevolence issues in-house and had recently provided financial assistance for the provision of an EPV. He asked if HQ REA would prefer that requests for benevolence assistance were sent to them. The A/Controller said that whilst Branches with adequate funds could provide a quick and short term response to requests for local assistance, he advised that those being assisted in this way may have more complex issues that needed addressing. HQ REA cannot deal direct with Branches or individual in the provision of benevolence. It can provide guidance on how to access benevolence and this will almost always recommend the intervention of a charity such as SSAFA or the RBL. A trained caseworker would look at the whole situation and provide a report with recommendations. The report would be seen by the REA and the RBL, it would also be sent to any other charity related to the applicants past employment, i.e. civil service, post office et al. £1000 spread amongst three charities is better than one charity shouldering the weight the whole amount; this is called almonisation. The President again urged Branches to involve SSAFA or the RBL at an early stage where those in need, for whatever reason, were identified.

16. Mr Edwin Lowbridge, Chesterfield Branch, asked about the planned reorganisation of Branches and Groups and also the future of the Corps Memorial at the National Memorial Arboretum (NMA). The President said that until the Basing and Infrastructure review had been announced in December, nothing was being considered in terms of Branch and Group reorganisation. With regard to the Corps Memorial at the NMA, the President said that Maj Gen Tickell CBE, Chairman of the Corps Affairs Committee, was leading on the matter of enhancements, governance, maintenance and funding of the Memorial. He advised that Maj Gen Tickell would be updating the President at the next Chief Royals Committee meeting in December.

17. The Chairman REA thanked the Chairman REA Benevolence for his and his Committee's outstanding work throughout the year. The full text of Council's report is at **Annex A** to these Minutes.

Proposal: That the 48th Annual Report be accepted.

Proposer: WO2 S M Tolley – Branch Delegate Walsall Branch

Secunder: Maj (Retd) P Gill – Trustee South West Gp

Carried

ITEM 4 – To receive the Annual Report and Financial Statements for the REA for the period 01 January to 31 December 2015

18. The President reminded attendees that the full accounts were distributed to all Trustees and all REA Branches in May 2016. He invited the Honorary Treasurer, Col Chris Davies MBE, to present his report. The full text of the report is at **Annex B**.

19. During his report Col Davies said that the uptake of reservists contributing to the Day's Pay Scheme (DPS) via JPA was disappointing. He said that only 5% of RE reservists had signed up to the DPS and that we had to do much better than that. The President interjected and said that he had taken a personal interest in the matter of reservists contributing to the DPS. He said although it was early days, the volume of reservist contributors was just not there and he was closely monitoring the situation. In outlining the monitoring process that had been put in place, he said that once every six months the Corps Treasurer would put together a list, by reserve unit and sub-unit, of the numbers contributing to the DPS. That list would be circulated through the chain of command to 'encourage' those who perhaps are not featuring too highly on the list, to do more. The process has the full support of Commander 8 Brigade who commands almost all sapper regulars and reservists. The President urged all those who came into contact with the serving reserve community to gently make the point with them about contributing to the DPS. He advised that the REA was now publicising its benevolence support to reservists. Indeed, he said, Table 1 in Council's Report to the AGM summarised the benevolence cases

considered and cost of associated grants 2015 – 2012. This clearly showed that in benevolent and financial terms, the reserve community had benefited considerably.

20. Mr Norman Jones, Minley Branch, asked about the Royal Engineers Vocational Education and Training Trust (REVETT) and its activities. The President outlined the situation in respect of REVETT. He said that REVETT had been around for a number of years but about 5 years ago a large chunk of its income stream was cut. This loss of revenue had impacted greatly on REVETT's ability to map military skills and qualifications to recognisable civilian qualifications. In order to connect the REA a little better with the serving community REA financial support to REVETT will enable the mapping to continue. This activity will produce accredited civilian qualifications and, ultimately, benefit recruiting, retention and transition.

21. Mr Graham Doughty, Medway Branch, asked if the delegated powers of the Controller would be regularly reviewed to ensure that he had adequate resources to meet his benevolence commitments in a timely manner. The President said that the Controller delegated powers would be reviewed at every meeting of the REA Finance Committee and thereafter at each meeting of Council (biannually).

22. The President thanked the Honorary Treasurer for his report.

Proposal: That the 2014 REA Annual Report and Financial Statements be accepted

Proposal: Lt Col (Retd) L Inge – Retired Officer Trustee

Seconder: Mr J Ettles – Newcastle Branch

Carried

ITEM 5 – To note the appointment of Kreston Reeves LLP (Formerly Reeves LLP) as the Auditors of the Association

23. The President advised those assembled that the responsibility for appointing auditors to the Corps charities rests with the Chief Royal's Committee. At the last Chief Royal's Committee meeting, Kreston Reeves LLP were approved as auditors of the Corps' charities. REA Council has approved the appointment.

ITEM – 6 - Appointment of Honorary Treasurer 2017

24. The President said that Colonel Chris Davies had kindly agreed to continue as the REA Hon Treasurer.

Proposal: That Col Chris Davies is appointed as REA Honorary Treasurer for 2017.

Proposer: Mr E C Prosser – Trustee North East Group

Seconder: Mr G Scarborough – Medway Branch Delegate

Carried

ITEM 7 – Date of next meeting

25. The date of the next AGM will be 14th October 2017 at the Victory Services Club, London.

ITEM 8 - A presentation by the Corps RSM WO1 (CRSM) C McLennan

26. The President introduced the CRSM who gave a short presentation on the state of the Corps from a soldier's perspective.

27. The President thanked the CRSM for his presentation.

Presidents Closing Remarks

28. The President reminded those assembled that as usual Sapper Sunday will take place at The Royal Hospital Chelsea the next day and provided outline timings.

29. He said the Association relies on the dedication and work of everyone in it, at the very top he paid tribute to Council and the Management Committee for their valuable contribution to the development of the Association. He thanked the Col Chris Davies for his thoroughness in managing the Associations funds, the Benevolence Committee under Brig Andy Craig for its outstanding work which is in effect the main effort of the Association and the Chairman, Maj Gen Dickinson, for his guidance and support.

30. The President asked that his thanks be extended to all Branch and Group officials and the highly valued grassroots membership for the work that goes on in terms of promoting the REA and maintaining esprit de corps. He was keen that the serving Corps became more engaged with the REA and noted that whilst there were some Group Directors and Group Secretaries present at the meeting, he expected even more to attend the 2017 AGM.

02 November 2016

Deputy Controller

Minutes Approved

Date

President
Lt General Sir Mark Mans KCB CBE DL

REA Council Report to the 48th Annual General Meeting - Saturday 8th October 2016

Forward by Chairman REA – Maj Gen A S Dickinson CBE

1. The report makes clear the true purpose of the REA is to support those of the Sapper family, be they serving, veteran or a relative who are in need for whatever reason. The Branch structure has, and continues to, serve us well. But beyond this, there is more that can be done to adjust REA activity to improve serving member's involvement thereby smoothing the flow from serving to retired status whilst firmly remaining within the Sapper (and REA) family. The successes of our National Branches supported by the internet are real positives that the REA over the coming years will wish to develop.

2. The Association continually seeks initiatives to use its assets to meet the strategic objectives of the Corps through fostering esprit de corps and camaraderie. Three such initiatives were recently approved by Council:

a. Royal Engineers Vocational Educational Training Trust (REVETT) Annual Grant. Other than the dividends from its investments REVETT has no income stream. Council has approved an annual grant of £30,000 for each of three years which will generate the necessary resource to map and introduce new qualifications for the direct benefit of our sappers.

b. REA Welfare Grant. Earlier this year Council approved a proposal to give the serving and retired members of the Corps an opportunity to bid against a £1m allocation from its funds in support of on-going, or aspirational, projects or activities which lack financial support from public funds. All Engineer units and REA Group HQs have been advised of the grant and the first allocations will be released in FY2017.

c. REA Membership – Scoping Study. We have been concerned about the challenges of maintaining a growing active membership in changing times and of how to reach out to a different and far more diverse membership. To address these challenges, and more, Council has approved a proposal to engage an external consultant to carry out a health check of our membership, both serving and retired. This will help determine their expectations, enable us to adapt to recognised changes and advise us on how we can better discover those within the wider sapper family who are in need. The consultants, John Hall Associates Europe, have a good record of results and have recently completed assignments for both the Royal Navy Association and the REME Association. The REA scoping study is expected to take about eight weeks to complete and cost in the region of £7k.

Council's Report

3. The REA is governed by the Deeds of Trust 1968 supplemented by the REA Rules 2009. Trustees of the REA are recommended to the Council after a thorough search for suitable candidates in the eleven REA Group areas and by ex-officio appointments for REA representation by the Chief Royal Engineer. On appointment each Trustee is given a standard Trustee briefing pack and is strongly encouraged to attend Trustee briefing days where they are given updates on various matters on the running of their Association.

4. Trustees make and approve Association policy and delegate the day to day running to the Controller REA and his staff through different committees for management, benevolence, recruiting and finance. At each Council meeting the Minutes of each of the delegated committees are reviewed recommending adjustments as necessary. Council also carries out an annual review of the Risk

Register. Council is content that all measures are in hand to minimise risk.

5. The delivery of benevolence is at the heart of what the REA does and the Association is structured in a way to ensure that this is done in a caring and efficient manner. Government initiatives over the past few years have increased the awareness of the general public and local authorities as to the availability of benevolence assistance for those who have served in the Corps and their dependents. The total number of benevolence cases considered in 2015 was 7.5% less than the previous year; this is more than the 2.5% drop in 2014 but the total net grants for each year compare favourably. The majority of cases continue to be processed by SSAFA and The Royal British Legion (TRBL) on behalf of the REA Benevolence Committee.

6. With the help of other charities like The Army Benevolent Fund – The Soldiers Charity, Help for Heroes and The Royal British Legion our seriously injured Sappers are now given extensive treatment and advice in the Personnel Recovery Units as they prepare for the return to civilian life. In the case of the The Soldiers’ Charity, last year £189,517.00 was given by them to provide support towards 205 of our serving and retired sapper family. This is significant support for which we are extremely grateful.

7. The audited net cost of REA benevolence in 2015 made up of Grants, Christmas grants, weekly allowances and grants to other charities was £415,438. This is marginally higher than 2014 where the audited net cost of benevolence was £405,912. Table 1 summarises the benevolence cases considered and cost of associated grants 2015 – 2012. Comparison figures for reservists are shown in parentheses.

	2015	2014	2013	2012
Totals Cases (Reservists)	650 (45)	719 (53)	737 (22)	966 (39)
Total Cost of Grants (Reservists)	£302,730 (£20,318)	£306,072 (£18,217)	£283,542 (£6,630)	£446,249 (£19,796)

Table 1

8. Effective benevolence requires many organisations working together to bring the help needed to the applicant. The REA relies on the volunteer caseworkers of SSAFA and The Royal British Legion to act as its “eyes and ears”. They inform us of the requirements of the applicant and help him or her complete the application form comprehensively and succinctly so the right type of financial assistance is accurately and speedily delivered. Additionally, Veterans UK through their Veterans Welfare Service (VWS) signpost the REA to those RE service personnel and veterans who may need assistance. Our link with the Army Benevolent Fund – The Soldiers Charity is also important as it contributes to the homes and other military charities, such as BLESMA and St Dunstan’s and Combat Stress. In the case of the The Soldiers’ Charity, last year £189,517.00 was given by them to provide support to 205 of our serving and retired sapper family. This is significant support for which we are extremely grateful. In recognition of the valuable work done by the charities already supported annually by the REA, the Council authorised an increase of £5K to the ABF with an annual grant of £40K, a 100% increase SSAFA with an annual grant of £15K, a 100% increase to Combat Stress with an annual grant of £5K. Council also directed that BLESMA be included as one of the charities to receive a standing annual grant; this was set at £5K.

9. The REA Council wish to record their gratitude and appreciation to all these organisations and to the volunteers who act as caseworkers and fund raisers in a combined “partnership” for the benefit of all those in need in our Corps family. Caseworkers for all these charities are always required and

volunteers are warmly welcomed.

10. Branch Changes. In January this year the Barnsley Branch advised HQ REA that it had decided to close but their status is still undecided. Also in January the Management Committee approved the re-formation of the Plymouth Branch. The Gosport Branch and the Solent & District Branch merged in April and in July the Management Committee approved the formation of the Warrington Branch.

11. Badges of Merit 2016. The Chairman REA and the REA Management Committee announced the award of Badges of Merit to the following:

Name	Branch	Group
Mr D Bishop	Junior Leaders Regt Branch	South East Gp
Mr E Burnett	Aberdeen Branch	Scotland & NI Gp
Mr P Farrington	Walsall Branch	South Midlands Gp
Mr R J Green	Northern Ireland Branch	Scotland & NI Gp
Mr G Head	Medway Branch	South East Gp
Mr C Hornsby	South Humberside Branch	North East Gp
Mr P C Mann	Colchester Branch	East Anglia Gp
Mr R Neilson	Paisley Branch	Scotland & NI Gp
Mr W H Seager-Hillier	Derby & Distr Branch	North Midlands Gp
Mr J Whiston	Preston Branch	North West Gp
Mr Brian Simm	As National Standard Bearer and Captain of Standards	East Anglia Gp

12. In May this year Council approved a £1M allocation to fund the 2017 REA Welfare Fund. This provides the opportunity for Sapper Units (Regular and Reserve) and REA Branches to bid for a grant from the £1M allocation in support of ongoing, or aspirational, projects or activities that lack financial support from public funds. These grants will be one-off with no long term commitment for maintenance or upkeep inferred. This initiative will provide much needed positive exposure of the REA to the serving Corps.

13. Recruiting Branch membership continues to occupy the thoughts of the REA Recruiting Committee. Overall Branch membership in 2015 was 10% lower than in 2014. Table 2 shows the number of new Life Members enrolled for each of the last five years and, of those members, how many were enrolled into the three National Branches with the highest membership.

	2015	2014	2013	2012	2011
Total new Life Members enrolled (all Branches)	528	581	442	469	458
Airborne Engr Branch (new members)	1	8	10	9	52
Bomb Disposal Branch (new members)	73	50	57	15	18
Cdo Engr Branch (new members)	21	31	24	47	42

Table 2

14. The REA Recruiting Committee continues to review ways of publicising the work of the REA to serving Members and marketing the REA with the aim of attracting more members to each of the

Branches. The Committee has been expanded to include representation from the serving Corps in the shape of the Corps Colonel and the Corps RSM. A renewed effort is being made through the chain of command in order to capture those leaving the Corps. The REA is hopeful of complete support for this initiative from the serving Corps as part of the Chief Royal Engineers' 'Corps Through Life Concept'.

15. In addition to the Welcome Packs, the following recruiting initiatives are in place:

- a. REA Spider Dome tents
- b. REA Website
- c. REA Facebook

16. Re-unions. The Association reunions have again been a great success and we wish to give you brief details on them:

a. Chilwell. The REA Chilwell Veterans weekend was held 10 – 12 Jun 16. The event this year was conducted in conjunction with 170 (Infra Sp) Engr Gp Sapper 300 celebrations and was a huge success. Thankfully the weather held throughout which facilitated attendance from across Chilwell Station. Attendance from across the REA was excellent; over 180 REA members including guest/partners attended. The weekend commenced in the Cpls Club with over 100 attendees and several teams entering a games night, sadly the REA lead team was narrowly beaten via a play off on the pool table from a well loaded team from the Cpls Club. A Standard Bearers competition took place early Saturday morning and was well spectated from across the REA, 4 participants took to the floor with the overall winner being Mr D Hadfield representing the Bridlington Branch. An open day commenced at 1200hrs with several demonstrations and stands spanning most capabilities of 170 (Infra Sp) Engr Gp, including several local non-military organisations such as mountain rescue and other emergency services. Background music throughout the open day was provided by Nottinghamshire Band of the Royal Engineers. The Gp RSM hosted a Regimental dinner in the WOs' and Sgts' Mess on the Saturday evening with 245 personnel seated, Maj Gen A S Dickinson CBE was among the VIPs attending which included HM Lord Lieutenant of Nottinghamshire and the Lord Mayor of Nottingham. Gen Dickinson took the opportunity to present the REA Badge of Merit to Mr Brian Simm for his achievements with the REA as the Captain of Standards and National Standard Bearer.

b. Minley. The 2016 REA Minley weekend was held over the period 29 – 31 July 16 and was deemed to be a great success judging by the comments and feedback that have been received. In total 136 REA members were scheduled to attend with the actual attendance figure of 120 which is a vast improvement over previous years. The weekend was planned around last year's event and was held on the same weekend as the Minley Station family's day. The Friday night was a chance for REA members to meet and greet fellow comrades across the various groups and all in station WO's and SNCO's, along with the Officers from 55 Trg Sqn. Saturday started early with a series of briefings, starting with a Corps update presented by 8 Bde allowing the REA to gain an insight into what the wider Corps is currently engaged with, followed by briefs by a Tp Comd and Sect Comd on Project Combat Sapper, a new method of training delivery that is being implemented across 3 RSME utilising digital devices. REA members were then welcomed at the Minley Station family's day where a variety of static and moving stands were on show displaying the capabilities of the Corps. Members took the opportunity to chat with young recruits currently going through training, with instructors and with the WW2 Chelsea Pensioners who attended the afternoon's activities. The daytime events were brought to a close by the Chief Royal Engineer, who kindly addressed the REA during his visit of the Station for the Sapper 300 celebration. Saturday evening was the REA dinner night held within the WOs' and Sgts' Mess which included a

live band and a raffle with some great prizes. Sunday saw a well turned out REA attend their Act of Remembrance. The Standard Bearers performed their duties extremely well within the confines of the WOs' and Sgts' Mess (no holes in the ceiling this year). This was followed by REA members being fell in and marched up the hill to the Officers Mess for a carvery lunch. The whole weekend was bought to a close around 1500hrs on the Sunday afternoon.

c. Corps Memorial & Veterans Weekend. The 2016 Corps Memorial and Veterans Weekend was a great success. The event was supported by the serving Corps and REA Branches nationwide, in total the REA attendance was approximately 200 with many being accommodated in Wildfire Block (formerly HMS Collingwood) and surrounding hotels in the Medway Towns. The Weekend started off on the Friday evening with an informal meet and greet in the WOs' & Sgts' Mess, hosted by Mess members. The event was very well attended and everybody enjoyed the music performed by Wally and the REA Band. Saturday morning saw some of the veterans and their partners receiving a brief from the Corps RSM on recent changes within the Corps before being split down into several groups ready for the day's activities. During the day, veterans and their guests moved around various stands including a MGOB display by the fastest bridging team in the Corps, pistol and rifle shooting on the 25m range, and the RE Museum, however, the highlight of the day was getting out on the River Medway on the Mk 3 Rigid Raider and Combat Support Boats. Both the regular and reserve bands performed together in the afternoon providing a spectacular display of traditional and contemporary music on the Regimental Square. The National Standard Bearers Competition and the Dove Cup (darts) ran concurrent to the day's activities. The prizes for the competitions were formally presented during the evening at the official function in the WOs' & Sgts' Mess by the Corps Colonel, Don Bigger ADC, and Lt Col Neil Jordan, Acting Controller REA. As always the function was well attended with some veterans staying until the early hours. On a fine Sunday morning, albeit later than usual, some 65 veterans and 21 Standard Bearers sipped a glass of port before marching on parade – the numbers were impressive and they certainly added value to the parade. In the afternoon Rochester Cathedral was filled to capacity for the Memorial Service, after the service the veterans once again 'fell in' with the serving Corps to march through Rochester to exercise the Freedom of the Medway Towns. In summary a fantastic weekend was had by all and we look forward to doing it all again next year.

17. Media Matters.

a. REA Facebook. This has proved a most useful interactive REA promotional tool. It is an excellent and modern means of delivering REA information and many REA branches are making themselves known by this medium.

b. REA Website. The website continues to be the main REA information pool for those able to access the internet. The provision of the most recent Minutes of meetings, regularly used REA Forms and the Annual Trustees' report and financial statement has proved very popular and beneficial.

c. Corps Memorial Book. Since its commencement, this has proven to be a most popular development. The facility provided through 'Friends & Relations' that allows friends and families to add comments and reflections to those who have passed away is also popular.

Honorary Treasurer's Report to the 2016 AGM
of the Royal Engineers Association
8 October 2016

1. The 2015 Budget was authorised by Council with an income of £829,750 and an overall deficit of £16,320. The year closed on 31st December 2015 with a surplus of £296,015. Several factors contributed to this surplus including investment income exceeding forecast by £16k, expenditure on benevolence being some £181k under budget and the £30,000 grant in support of the Corps Museum Transformation project moving to the right again¹.
2. The budget for the current accounting year, which started on 1st January 2016, had an authorised income of £835,290 and an overall surplus of £54,333. The monthly FOOs and historical evidence indicate that the year should again finish with a surplus against the budget.
3. Next year's budget (2017) has been approved by Council with an income of £820,631 and an overall deficit of £961,844. The reason for this forecast deficit, is the £1M allocated to fund the 2017 REA Welfare Fund scheme initiated by your Finance Committee and ratified at Council. This provides the opportunity for Sapper Units (Regular and Reserve) and REA Branches to bid against a £1M allocation in support of ongoing, or aspirational, projects or activities that lack financial support from public funds. These grants will be one-off with no long term commitment for maintenance or upkeep inferred. This scheme will reduce our assets slightly whilst retaining sufficient reserves for future needs and significantly contributing to *esprit de corps*. It is worthy of note that, if one discounted the £1M allocation from 2017 expenditure (as a one-off allocation), it would actually return a £38,156 surplus.
4. A compelling case was submitted to Council, via the Finance Committee, from the RE Vocational Education Training Trust (REVETT) in which they requested an annual grant of £30k (for a 3 year period commencing in 2017) to support them (with research and development costs) in expanding its current portfolio of qualifications. This would be restricted to mapping military qualifications to equivalent Civilian qualifications and introducing new qualifications for the direct benefit of Sappers. This was supported by the Finance Committee, and subsequently agreed at Council, with the proviso that regular reports be provided to Council to highlight progress and cost (demonstrating propriety of spend and value for money).
5. REA capital is invested in the Armed Forces Common Investment Fund (AFCIF). At 1st August this year the capital value (including the Kitchener Scholarship Fund) was £10.4M compared to £10.1M in 2015 and £9.5M In 2014. The REA did not invest any further capital into AFCIF during 2015.
6. Benevolence remains a key part of REA business and its biggest expenditure. In 2015 £415,438 was spent in support of Benevolence against a budget of £596k. At 1st August 2016 a total of £250,981 had been disbursed against a budget of £476k. The estimated final figure for Benevolence in 2016 is expected to be over budget by circa £23k due to the 25% increase to Special Christmas Grants² and increases to grants to other charities³ as proposed by the

¹ The RE Museum's Heritage Lottery Fund bid was unsuccessful so the £30k and £45k pledges made by the REA have been moved to 2018 and 2019 budgets respectively pending re-submission of the Transformation bid.

² There are 5 categories of SCG of £60, £36, £30, £24 and £18. A 25% increase (rounded up) will result in grants of £75, £45, £38, £30 and £23. Total additional cost to the budget will be £2,904 per annum.

³ Increase ABF grant from £35k to £40k; The SSAFA grant from £7.5k to £15k; Combat Stress from £2.5k to £5k; add BLESMA as a 'standing' grant at £5k and retain the £3k annual grant for a charity to be nominated at Council. Total additional cost to the budget of £20k per annum.

Finance Committee and agreed at Council. It is relevant to note that our donations are more than offset by the support we receive by way of return for serving and retired Sappers in need and their dependants. In the case of the ABF (The Soldiers' Charity), last year £189,517.00 was given by this Charity to provide support towards 205 of our (RE) serving and retired cases. This is significant support for which we are extremely grateful.

7. Members will recall that, in last year's report, our investment portfolio manager (BlackRock) reassured us that our investments were safe with no need for concern over the 'blip' created by the Chinese market (as our investment portfolio is widespread and in low-to-medium-risk areas). Their calming analysis was correct as 2015 delivered dividends of £394k (£378k in 2014). During the period 1 January to 31 December 2015, the performance of distribution units invested in AFCIF was +5.2% after fees and expenses.
8. The funding for the post of REA Controller was discussed at the Finance Committee with a recommendation subsequently made to Council that the post be removed from the Civil Service establishment table and funded by the REA. This would provide the REA with the ability to recruit who they want; when they want. Council agreed in principle. The post is currently covered by Lt Col (Retd) Neil Jordan and funded by the REA. This salary, with associated NIC and pension contributions, has been reflected in the budgetary forecast from 2017 onwards.
9. Finally, an adjustment has been made to the REA Controller's delegated powers. His benevolence grant limit has been increased from £500 to £1,000 with due diligence over the dispersal of these funds retained by the Benevolence Committee. This will reduce the need for monthly Benevolence Committee meetings which could become quarterly events, delivering a significant saving to the travel budget.

Colonel (Retd) Chris Davies MBE
REA Honorary Treasurer