

 THE ARMED FORCES  
COVENANT FUND TRUST



Ministry  
of Defence

# Armed Forces Families Fund

## Early Years Programme

### FAQs



2023/24

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## Early Years Programme

### FAQS

#### What is the aim of this programme?

The Armed Forces Families Fund support projects that meet the aims of the [Armed Forces Families Strategy](#). Under this programme, we want to help Armed Forces families access good quality early childhood education and childcare provision that is located close to where they are living or serving.

#### What is the overall aim of this programme?

The overall aim of this programme is to support projects that directly address problems that Armed Forces families are currently having in accessing good quality childcare for their children.

#### Is there more than one application route?

There are two application routes under this programme.

You can apply if your childcare setting is on an Armed Forces base or unit. Please read the **Guidance for Settings on Defence Estates**

You can also apply if your project is located near an Armed Forces base; and you have a significant number of children from Armed Forces families using your childcare setting. For any projects meeting this criteria; please read the **Guidance for nurseries and childcare facilities located near Armed Forces Bases**.

#### Who will benefit under this programme?

Your project must clearly benefit Armed Forces families with a child aged 0-5 and not yet in school, any benefits from the project to be highly focused on meeting the needs of the children from Armed Forces families and that any benefits to other children are incidental.

#### What types of projects are we looking for?

For projects **on Defence Estates**, you can apply for funding up to £80,000 to create/and or improve the outdoor learning environment; access specialist equipment/and or training; help you to meet additional costs to enable more Armed Forces families to access childcare or general training to enable more to access qualifications to work with young children from Armed Forces families; including Send and SENCO training and resources.

In our programme guidance for **Settings on Defence Estates**, we have broken this into themes. These themes are:

- Outdoor learning environment improvements
- Accessibility/ Availability
- Training

For projects **not on Defence Estates**, you can apply for funding of up to £80,000 to help you meet additional costs to enable more Armed Forces families to access childcare; access specialist training or general training to enable more to access qualifications to work with young children from Armed Forces families; including SEND and SENCO training and resources.

In our programme guidance, **for nurseries and childcare facilities located near Armed Forces Bases**, we have broken this into themes. These themes are:

- Accessibility/ Availability
- Training

### **Can my project focus on more than one theme?**

Yes, your project can focus and include one, or all of the themes contained, in the relevant guidance document (depending on your location), as long as your application and budget met the criteria set out in our guidance.

### **What is the application timetable for this programme?**

There will be two application deadlines this year:

- If you apply **by 5pm on 11-October 2023**, you'll receive a decision before the end of November 2023
- If you apply **by 5pm on 12 January 2024**, you'll receive a decision before the end of February 2024

We highly recommend you plan to submit your application before the deadline to avoid the risk of missing the cut-off because of technological or other unexpected problems.

### **Why are there two sets of guidance for this programme, and how do I know which one applies to our setting?**

For this programme, we have devised two guidance documents, depending on the location of the Early Years providers. Both guidance documents can be downloaded from our website [here](#).

- If you are an Early Years provider, located on DIO owned land, with a significant proportion of children from Armed Forces families (40%+), then you should refer to guidance for **Settings on Defence Estates**.
- If you are an Early Years provider, not located on DOI owned land, with a significant proportion of children from Armed Forces families (40% +), and are located near an Armed Forces Base, then you should refer to the guidance for **nurseries and childcare facilities located near Armed Forces Bases**.

## **What do you mean by settings close to an Armed Forces Base?**

For this programme, our definition of “close to an Armed Forces Base” refers to those settings placed outside of the wire away from any part of a Defence estate, but who support a high number (40%+) of Service Children. These settings should be within 5 miles of an Armed Forces Base or sited on non-defence estates where there is a high percentage of Service Personnel residing in private or rented properties.

It is still possible to apply if your setting is beyond the 5 mile radius; and you can clearly demonstrate that you have a high number of Service Children.

## **What do you mean by settings on Defence Estates?**

By ‘Defence Estate’ we mean settings on land owned by Defence, this could be behind the wire, on the patch or at the main gate- (Known as Defence Infrastructure Organisation – DIO)

## **We are an early childhood education and childcare setting, located near an Armed Forces Base, with a significant proportion of Armed Forces children, are we eligible to apply?**

Yes, if you are located near an Armed Forces Base and have a significant proportion of children from Armed Forces families (a minimum of 40%); and can show us why your project is needed; how young children from Armed Forces families would benefit, you are eligible to apply. You should refer to the guidance for **nurseries and childcare facilities located near Armed Forces Bases, for more information.**

## **We are an early childhood education and childcare setting, located on an Armed Forces Base, with a significant proportion of Armed Forces children, are we eligible to apply?**

Yes, if the land is owned by Defence, and you have a significant proportion of children from Armed Forces families (a minimum of 40%) and can show us why your project is needed; and how young children from Armed Forces families would benefit, you are eligible to apply. You should refer to the guidance for **Settings on Defence Estates, for more information.**

## **How much funding can be applied for?**

MOD’s Armed Forces Families Early Years Fund invites applications for grants between £5,000 and £80,000.

## **What can funds be spent on?**

We can pay for most of the things you’ll need for your project or activity, whether it is people’s time, costs of delivering work online or buying/hiring equipment.

## What can't funds be spent on?

There are several things we can't pay for, either because they're not in the spirit of the Fund, or because of relevant legislation or tax rules you should refer to the guidance document for more information regarding this.

## What should my application show?

Your application should show that your project is needed and targeted; that it was developed with people from Armed Forces communities and does not duplicate, and is complementary, to existing provision. You should also show how your project will support longer-term change and that funding is not available anywhere else, for example through the Local Authority, and that you have the skills and experience necessary to be able to carry out your project, within the agreed timescale.

## I have read the guidance document and it mentions the Subsidy Control Act. What is a subsidy?

We are a public body, and we are required under the Subsidy Control Act 2022's transparency requirements to publish details concerning individual awards which may be considered to be subsidies.

There are four key characteristics which must all be present for funding to be classed as a subsidy:

1. a financial contribution
2. given by a public authority from public funds.
3. given to an organisation giving them an economic advantage that is not available on market terms.
4. Affects, or is capable of affecting, competition or investment within the UK, or trade or investment between the UK and a country or territory outside of the UK.

If our funding meets **all four key characteristics**, then it will be a subsidy. For a subsidy to be permitted it has to comply with [seven common principles as set out on the UK government website](#).

The previous EU state aid law will still apply to some grants awarded before 31 December 2020, and there may be additional considerations to take into account in Northern Ireland.

UK state aid guidance can be found on [the UK government website](#).

## The Subsidy Control Act 2022

Since the UK left the European Union on 1 January 2021, the UK government has enacted domestic legislation to replace EU law: **the Subsidy Control Act 2022** ('the Act').

The Act aims to control the provision of subsidies – it prevents unfair competition or effects on trade and investment. This might happen if an organisation receives funding from state resources (which includes our funding, as our funds are public money) while another organisation can only use their own private funding.

You should familiarise yourself with the requirements of the new subsidy control regime when considering applying to us.

The Act will be fully in force from 4 January 2023. The Department for Business, Energy and Industrial Strategy (BEIS), has issued [draft guidance on the operation of the Act](#). This guidance helps public authorities, such as the Armed Forces Covenant Fund Trust, to award subsidies in a way which minimises any negative effects on competition and investment, as well as promoting the effective and efficient use of public money. These subsidies are permitted provided they satisfy the criteria set out in the Act.

Subsidies above a certain financial threshold (currently £100,000) must be published on both our own website, and on [a database held by BEIS](#).

Smaller grants may be outside the scope of the Act if they are not considered to be a subsidy. For example, because they are unlikely to have an impact on trade or investment.

## **What types of organisations are eligible to apply?**

**For nurseries and childcare facilities located near Armed Forces Bases** you must be one of the following:

An early childhood education and childcare provider operating within 5 miles of where Armed forces families live or work and have 40% of Service Children on roll, as a minimum, and be registered with, and inspected by one of the following:

- Ofsted (England),
- Care Inspectorate (Scotland),
- Care Inspectorate (Wales),<sup>1</sup>
- Early Years Teams within Health and Social Care Trusts (Northern Ireland).
- Or a Local Authority which wishes to supply specific training to early childhood education and childcare providers who operate within 5 miles of where Armed forces families live or work.
- Or an appropriately constituted organisation (see below) which provides Childminder training.

**For nurseries and childcare facilities located on Defence Estates** you must be one of the following:

An early childhood education and childcare provider which operates on Defence Estate, such as an armed forces base, station unit or within the Patch offering group-based childcare and have 40% of Service Children on roll, as a minimum, and be registered with, and inspected by one of the following.

- Ofsted (England),
- Care Inspectorate (Scotland),
- Care Inspectorate (Wales),
- Early Years Teams within Health and Social Care Trusts (Northern Ireland).
- Or a Local Authority which wishes to supply specific training to early childhood education and childcare providers which operate on Defence Estate
- Or an appropriately constituted organisation (see below) which provides Childminder training for those working with Service Children on Defence Estate.

**We are a local authority wishing to apply for a project to enhance the capacity of childcare availability for Armed Forces families, are we eligible to apply?**

Yes, A Local Authority can apply for a project which wishes to supply specific training to early childhood education and childcare providers who operate within 5 miles of where Armed forces families live or work. Please read the **guidance for nurseries and childcare facilities located near Armed Forces Bases** for more information.

**We are a registered charity providing early childhood education and childcare provision to a high proportion of Service Children and are registered and inspected by Ofsted, are we eligible to apply?**

Yes, if you have been registered in the UK (with one or more of the charity commissions for England and Wales, or Scotland or Northern Ireland) for at least three years, at the time of your application and can provide published accounts for all three years (if requested), and you have three unrelated trustees at the time of applying and throughout your grant, if successful.

**We are a CIC providing early childhood education and childcare provision to a high proportion of Service Children, and are registered and inspected by Ofsted, are we eligible to apply?**

Yes, if your organisation has been registered in the UK for at least three years at the time of your application, and you can provide published accounts for all three years (if requested); have three unrelated directors at the time of applying, and, if successful, throughout the life of your grant and your Articles of Association have a nominated beneficiary organisation/s in your Asset Lock clause.

## **We are a Private Limited Company providing early childhood education and childcare provision to a high proportion of Service Children, and are registered and inspected by Ofsted, are we eligible to apply?**

Applications from Private Limited Companies may be considered as long as you have been registered, and working in the Early Years sector, for at least 3 years. Please note, Private Limited Companies will be subject to additional eligibility and monitoring checks to evidence that any grant will be fully expended on direct costs of the proposed project.

## **What types of organisations are ineligible to apply for funding under this programme?**

Under this programme, the following are ineligible to apply for funding:

- Commercial organisations aiming to charge for services to childcare providers - for example, an organisation could not be awarded a grant to develop a training course which it then charges schools to attend.
- Sole traders or partnerships.
- Organisations delivering childcare that do not hold a valid OFSTED or equivalent regulatory registration including the Care Inspectorate in Scotland Early Years Teams within Health and Social Care Trusts, in Northern Ireland
- Unincorporated or voluntary community groups.
- Schools, universities, or colleges (whether private or publicly operated); unless operating nursery education that meets the definition set out in the guidance document.

## **We are a voluntary organisation, are we eligible for funding under this programme?**

No, unincorporated or voluntary community groups are not eligible for funding under this programme.

## **We are a charity who would like to partner with other organisations as part of our project, can we apply?**

Yes, you can work with other organisations as part of your project. However, if any of the organisations that you will be working with will receive part of your grant, you should refer to the section on delivery partners in our guidance.

## **What do you mean by a delivery partner?**

A delivery partner is an organisation which is either: receiving part of the grant or their involvement in the project, through providing resources or some other means, is critical to the delivery of the project.