

Covid Recovery Variation Guidance

Programmes other than
Veterans' Community
Centres programme

March 2021



 THE ARMED FORCES
COVENANT FUND TRUST

Covid Recovery Variation Guidance for Grant holders

March 2021

Introduction

We know that many organisations in receipt of grants from the Trust are finding it difficult to undertake the funded project as scheduled and planned.

Whilst many have already requested and agreed with us variations to timings and delivery, the ongoing restrictions, and the financial and resource limitations that organisations are experiencing due to Covid has meant the obstacles to delivering the projects as funded have remained or, for some, increased in recent weeks.

At the Trust, we want to do what we can to help you support the beneficiaries who are most in need, now, rather waiting until conditions are ideal for delivering the project as originally planned.

We are therefore inviting most of our grant holders* to consider whether they need to make changes to the way their grant is going to be used.

- If you need to make changes, we are here to help. We want to assist your organisation to be able to best support people from Armed Forces communities at this challenging time.
- We want to make this process as easy as possible for you and are not at this stage asking for you to give us details about the changes you seek to make.
- As long as you act in line with your terms and conditions of grant - and the Guidance that we have set out here - your project costs and activities will be acceptable to us. We know that Covid has had a significant effect on Armed Forces communities and the organisations that support them. We want to help you to spend your grant in the way that makes the best difference at this time.

* **Note this does not apply to all grant programmes** – particularly those where projects are in their final months; those which are specifically for Covid related support; and some larger grants. If your grant can be extended under this guidance, we will have written to you.

Guidance for Covid Recovery Variations

We have written to organisations we have funded, to see if you'd like to make any changes to your project as a result of Covid. You can make changes if the continuing effect of the Covid pandemic has stopped you from doing things in the way that you had planned.

What do I need to do?

You **must** respond to the email that we have sent you by logging into our grants portal and completing the Covid Recovery Variation Requirement Form (You will find this by clicking on the Requirements tab).

There will be a separate Variation Requirement Form for every eligible live grant you have with us across our programmes.

You must complete each form for every grant about which we have contacted you – even if you are not seeking any new variation. You must do this before 12 April 2021

If you do not need to make any changes to your project, please simply complete the Covid Recovery Variation Requirement Form by saying 'no' to the question about whether you plan to make changes, and then confirm your planned project completion date, whether or not this had changed.

If your organisation needs to, or is thinking about making changes, please read on:

The types of changes you can make

We want to help you support the beneficiaries who you originally told us needed help. This might mean that you need more time to complete your project due to difficulties caused by the Covid pandemic. But, it might be that the needs of the Armed Forces communities that you work with have changed, and you can make a bigger difference at the moment by changing the type of activity or support that you are offering.

So, you may use any funds not yet spent for the following – or a combination of these:

- The project as originally planned if it can be delivered within 12 months of your already agreed end date (this may have been already been subject to an agreed variation from that in your original application). Any further extension will be by exception only – and is unlikely to be acceptable to us. Any organisation seeking longer will also be asked to consider what benefit they could provide sooner and fully justify the longer wait.
- The costs of another way of supporting the same beneficiaries. This might involve slightly or wholly different activities, but with the same intended outcomes.
- Costs of digitising the planned project, or the organisation's work in general (which may mean not doing the funded project, or only part of it).
- For dedicated Armed Forces charities and CICs only: Towards core costs – e.g. staffing, rent and other running costs etc.

- For charities and CICs that do not solely support the Armed Forces: Funds may be used for direct staffing and other costs related to Armed Forces support.

All these are acceptable as long as the funding will be supporting the same type of, albeit perhaps fewer, beneficiaries in the same or different way.

We'll now explore in more detail the types of changes that you can make:

Extending the time of your project

If you have been funded under the Positive Pathways programme, Removing Barriers to Family Life programme or the Force for Change programme, you can have an extension of up to 12 more months for your project if you need one, even if you have already accessed an extension in the past. (If you have been funded under the Veterans' Community Centres programme you can have an extension until 31 March 2022).

You should only ask for an extension if you are confident that you can complete your project within the time extension that you have requested.

Changing the funded activity

The Covid pandemic, with the ongoing need to isolate or maintain social distancing, has made it challenging for many projects to deliver their work as first planned. Many projects have changed their work to enable them to deliver in different ways that are socially distant.

- Digitisation: You can spend some or all of your remaining project budget on IT costs of any kind to help you deliver your project in a different way.
- Changing elements of your project such as the specific activity or the location (e.g. sports that can be done with social distancing or expeditions in local countryside rather than overseas).
- Equipment costs: You may choose to purchase activity equipment to support beneficiaries' preparation for taking part in the funded activity or adequately complete training elements of your projects that will be delivered remotely.
- Core costs: (Armed Forces charities and CICs only) If it would help your organisation, at this challenging time, to spend more of your grant on rent or salary costs to help your organisation continue offering support to Armed Forces communities, then you can do this as long as your costs are reasonable.
- Salaries and related costs: For charities and CICs that are not primarily Armed Forces focused, you can use some or all of your remaining project funds to pay for the staff or contractors who are *directly* supporting your

Armed Forces beneficiaries on other projects/services. You may not use these funds for any core costs or other salaries.

Example 1:

Anytown veterans club received funding to offer coffee mornings and an outreach project for older veterans. They raise other funds through community fundraising activities, which have been badly impacted by Covid. They change the focus of the funding to pay the rent for the next six months, contribute towards the co-ordinator's salary, and purchase some additional IT equipment so they can offer fun and engaging online sessions to veterans isolating at home. Veterans have told them that they are really looking forward to being able to come back to the club as soon as they can.

Example 2:

A project changed how they were delivering fitness sessions for older veterans. They now have an 'Online Active Programme' offering weekly live sessions. They sent out packs of work out bands to those in isolation and uploaded work out videos on their website to ensure they could continue supporting beneficiaries in wheelchairs to exercise safely during lockdown.

Shortening the time on your project

Some projects, particularly if they have already had an extension and were not able to carry out their activities due to lockdown restrictions, may like to consider completing their grant in a shorter period of time, if that means that more intensive support can be offered, which better meets the needs of Armed Forces communities.

Example

25% of children at Green Street school come from Armed Forces families. The school was awarded a grant to give children from Forces families more support and help them form stronger friendships with children from local civilian communities. The Covid pandemic has meant that children have been isolated and now struggle socially. The school would like to change what they do to offer a play project when schools can return. Due to ongoing need for social distancing, they wish to bring in specialist play therapists rather than the shared community garden that they had planned. The school then offers more intensive support to children from Armed Forces families over a shorter period of time.

Note: If you have a grant through the Positive Pathway programme, we recommend that you speak with your Strategic Partner before you change the activity that you offer on your grant.

For all grant holders planning change, you will need to do the following.

1. Make a new project plan working out your new key activities by month or quarter, and setting your new project budget. You can make your plan in the way that best suits your organisation.
2. Keep your project plan, but don't send it to us yet. You need to keep it safe as we may ask to see it.
3. Complete the Covid Recovery Variation form on our grants' portal.
4. If you don't need a time extension/reduction for your project, confirm your existing end date.
5. If you do need extra time, (or think you may complete sooner due to the changes you are making) then enter your new project end date on our grants' portal.
6. At your next scheduled reporting date, tell us about how your project is progressing/has progressed. Tell us then about the changes you have made. You may find it useful to refer back to your project plan.

What can I spend my grant on?

You can spend your grant on activities or costs that your organisation has, where you are confident that spending your funding in this way will make a difference to people from Armed Forces communities.

The costs that you might have include:

- rent and other running costs
- staff salaries
- IT and activity equipment that can be used for remote activities with an online group
- costs of running activities.

For rent and staff salaries, we would expect any costs to be reasonable. This means 'would an average person who did not know your organisation, think that this was a reasonable amount to spend?' Your costs need to be reasonable, and not excessive.

If your organisation was trying to work out if your rent costs were reasonable, you might look at average rent costs in your area. If you were looking at IT equipment, you should look at different options to ensure that what you purchase is good value.

As long as you act in line with your terms and conditions of grant - and the guidance that we have set out here - your project costs will be acceptable to us.

We know that Covid has had a significant effect on Armed Forces communities and the organisations that support them. We want to help you to spend your grant in the way that makes the best difference at this time.

What can't I spend my grant on?

If your organisation works with other groups of people who are not part of the Armed Forces community then you **cannot** use any of your grant to support them.

If this applies to your organisation, then you should take care to ensure that any rent or salary costs that you use from your project budget proportionally reflect the costs to your organisation of supporting Armed Forces communities.

Unless you have agreed it with us, you cannot spend your project on purchasing land or vehicles, or capital projects.

There are a number of other things that the grant cannot be used for. These include the following.

- Where money only benefits one person.
- Investments.
- Fundraising costs. This includes fundraising events such as sponsored walks or similar.
- Grant giving (to other organisations or individuals).
- Endowments (to provide a source of income).
- Projects, activities or services that the state has a legal obligation to provide.
- Retrospective funding for activities or management costs for projects that have already taken place before the start date of the project.
- Providing a contingency or adding to reserves.

If you are planning to use your grant towards core running costs, staffing, or digitisation costs, as permitted, then you will be expected to confirm to us that there is no duplication of funding of these expenses from other sources.

For accounting purposes, the Trust's funding should continue to be considered restricted funds, and identifiable in your annual accounts.

Questions

I don't think we can complete our project at all due to the impact that Covid has had. What should we do?

Firstly, do think carefully about whether you can change your activity to be able to help support Armed Forces communities. If, after discussing this guidance with your Trustees (if you are a charity) or senior managers/ directors (if you are another type of organisation); your organisation feels that it can no longer deliver your project, even with a time extension of one year, then please contact us. If there are no viable options for delivery, we may need to discuss whether you can continue to meet the terms and conditions under which a grant was awarded.