



Office for  
Veterans' Affairs

 THE ARMED FORCES  
COVENANT FUND TRUST

# Veterans' Capital Housing Fund

## Development Grants Programme



## Programme Guidance

**The Armed Forces Covenant Fund Trust**  
**Veteran Capital Housing Fund**  
**Development Grants Programme**  
**PROGRAMME GUIDANCE**

**Under this programme, the Armed Forces Covenant Fund Trust will award grants of up to £25,000 on behalf of the Office for Veterans' Affairs towards projects that assist in the development of new build projects that will offer high quality support for Veterans with a housing need.**

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## **Why are we running this programme?**

This is a development grant programme. It is for capital projects that would ultimately offer high quality housing for social rent to Veterans. You can apply to this programme if

- Your project is at an early stage of development, we will only fund activities up to and including stage four of the RIBA Plan of Work; and
- You require funding for professional support costs such as architects, qualified construction project managers or quantity surveyors to develop detailed building plans and cost assessments for projects that would provide additional capacity in services for Veterans who are at risk of homelessness.

You can apply for up to £25,000 for projects lasting up to one year.

You cannot use this programme to apply for direct capital costs to create or refurbish buildings. You can apply to help with the costs of getting your building idea to the stage where on site works could start.

If you would like to apply for a refurbishment grant, please read our refurbishment grants guidance. It is available on our website.

If you would like to apply for a new build or major refurbishment capital project; this programme will open later in 2023.

**You can only apply if you are a registered charity or registered social housing provider and can show that you support Veterans.**

## About aims and needs

We want to provide funding to enable good projects to get off the ground and to a point where they can get started. Through doing this we can help reduce Veteran homelessness by increasing the stock of quality housing available to veterans. If we award you a grant, you can use it to develop your building project to the stage where you know

- That your building plan is viable and achievable
- How much it will cost you to deliver your building plans

We will be opening a refurbishment grant programme at the same time as this one, followed by a new build and major refurbishment programme that will award Capital grants from 2024/25 (opening for applications in the autumn of 2023). There is no guarantee that if you are successful under this programme that you will later be able access funding under the Capital Grants programmes. You will need to review the guidance for the Capital Grants programmes carefully when it is launched if you wish to apply for a Capital Grant.

You should show us how your project will meet the aims of this programme which are:

- To contribute to the aims of the UK Government's ambitions to ensure every veteran has a secure place to live. To deliver sustainable and affordable housing and ensure Veterans have access to good quality housing, including housing at affordable rents, that meets their needs.

You should demonstrate how your development project aims to develop a viable and well-planned future larger scale capital project.

Your application should include detailed information on the following:

- What stage of development your capital building project has reached according to the RIBA work plan
- Your aspirations for the building; and how it will support Veterans

You need to be able to show us how a development grant to support your building idea would meet **ALL** of the wider aims of the Veteran Capital Housing Fund, which are:

- increasing homes/housing units available to Veterans at affordable rents:
- ensuring properties meet decent homes standards and energy efficiency standards
- meeting identified need for both transitional and long-term Veteran housing

If you are applying for a project in Scotland, you should ensure that your project will meet the requirements of the Scottish Quality Housing Standard

If you are applying for a project in Wales, you should ensure that your project will meet the requirements of the Welsh Government Design Quality requirements (WDQR2021) and Welsh Housing Quality Standard (WHQS) which are the standards met by affordable homes

In your application you will need to show us that you have appropriate governance to manage risks effectively, including how you intend to use professionals to help you develop a comprehensive development appraisal and plan for the proposed work.

A strong application should be able to clearly demonstrate a commitment to the aims of the government's ambition to ensure every veteran has a secure place to live.. It should show who you would work with to deliver the project and how the benefits of the work would contribute to the overall aims of this programme.

You should think carefully about value for money and show in your application why you believe your costs to be reasonable. You should tell us whether a professional has been used to help determine the budget or whether the costs are based on experience of running other similar projects.

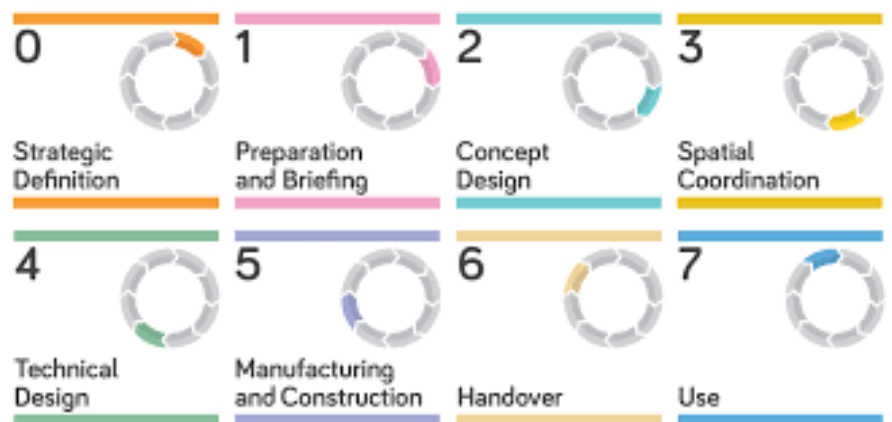
## What types of projects are we looking for?

We are looking for projects that can clearly demonstrate and evidence the need for the project and show how the impact of the project will continue after the grant has ended.

The RIBA Plan of Work is a framework that defines the phases and activities needed to take a project from its initial conception to completion. The plan describes eight stages (0 being the first) for each project, but in practice and depending on the size of your project, you may find that projects go through fewer or more than this.

The RIBA Plan of Work stages:

- 0 – Strategic Definition
- 1 – Preparation and Brief
- 2 – Concept Design
- 3 – Spatial Coordination
- 4 – Technical Design
- 5 – Manufacturing and Construction
- 6 – Handover
- 7 – Use



You will need to tell us which stage your project is currently at; and which stage you will reach if we award you a grant.

We will only fund activities up to and including Stage 4 under this programme. We will not fund Manufacturing and/or Construction works under this programme. We will not retrospectively fund expert input or professional fees that have already started or taken place.

**Your application will need to show that:**

- ✓ **Your project is needed and targeted:** You should be able to clearly explain why you are confident that the building project you are developing is an effective way to help provide extra housing for Veterans. You should also tell us how well developed your plans are; and why you need help from us to develop these plans further.
- ✓ **It was developed with people from Armed Forces communities:** Show us how the idea for your project has been shaped by the people it will benefit.

- ✓ **It does not duplicate and is complementary to existing provision:** Please show us how your project fills a gap in Veteran housing; and explain what other housing for Veterans is available in your project location.
  
- ✓ **It will support longer-term change:** This means there should be a wider impact to your work, which will endure beyond the life of your grant. Your project should show that it offers a positive benefit to members of Armed Forces communities and how you anticipate being able to meet the costs of supporting Veterans if your building is created.

We also need to be able to see that you have the skills and experience necessary to be able to carry out your project. You can work together with other organisations as part of your project. There is more information on working with others later in this guidance. You'll be asked in your application form how you will ensure this and particularly whether you have already consulted with your local authority.

Your application should also show how your organisation effectively delivers your existing services', confirming your organisation's capacity to deliver, and ability to assess and manage risks associated with delivery.

## **Who will benefit?**

Your project will contribute to ensuring that Veterans have access to good quality housing, including housing at affordable rents, that meets their needs by developing viable and well-planned future larger scale capital delivery projects to inform new build projects and refurbishment.

Priorities:

- Single Veterans
- Veterans and their families including veterans who have shared custody arrangements for their children
- Veterans with disabilities
- Homeless Veterans
- Female Veterans
- LGBT+ Veterans
- Veterans leaving prison



## How much funding can you apply for?

You can apply for a grant of up to £25K in total towards a project being delivered over a period of one year.

Any grant that we award under this programme would be in line with our charitable objectives.

The Armed Forces Covenant Fund Trust is a public body. 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.

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.

This funding must be compliant under the Subsidy Control Act 2022. As such grantees will have their applicant and grant details published on the publicly available Subsidy Database, managed by the Department for Business and Trade. You will be expected to co-operate with our subsidy control assessment process.

You will be expected to comply with the principles of the subsidy control regime and to satisfy any future requirements. Agreements that have been entered into will be reviewed accordingly. We reserve the right to impose further requirements and additional conditions in relation to this matter.

## **Ethics**

Our work supports the Armed Forces Covenant through funding projects that deliver real change to Armed Forces communities. The projects we support need to be carried out to the highest possible ethical standards.

We therefore need to know that you have the skills and experience to work with the groups of people that your project focuses on; can ensure that they are kept safe; and that you take an ethical approach to your work.

Our ethical values are Respect, Competence, and Integrity.

We have a Code of Conduct; and free online training to explain our approach to ethics. We will ask you to confirm in your application form that you will run your project in line with our Code of Conduct. If your organisation has its own Code of Ethical Conduct; then you will need to explore whether your Code is compatible with ours; and tell us about this.

You can access our ethics resources [here](#)

## Our assessment criteria

Our criteria are set out below. We will consider each application to see how well it meets these criteria and fund those that we believe will best achieve the programme aims.

<b>The difference that your project is making</b>	
What are we looking for?	<p>That the project is contributing to the early-stage development of wider work on Veteran housing and homelessness that it will</p> <ul style="list-style-type: none"> <li>● Be able to make a significant difference to people's lives</li> <li>● Be able to show that the grant will have longer term sustainable benefits that will have ongoing legacy after the end of the grant</li> </ul>
What do you need to show us?	<ul style="list-style-type: none"> <li>● Why there is a need for your planned building</li> <li>● Why you need help from us to develop your plans further</li> <li>● How people from Armed Forces communities have shaped this project or service; and how you know that they will use it</li> <li>● How many people this would be likely to help, and what difference this will make</li> <li>● What the long-term benefits will be?</li> </ul>

<b>Delivery of your project</b>	
What are we looking for?	<p>That you have the skills and experience to run your project; and that the approach to running your project would be likely to lead to the long-term legacy that you are seeking to have.</p>
What do you need to show us?	<ul style="list-style-type: none"> <li>● That you can provide evidence that your organisation is well run and well managed. This includes telling us about how your organisation is run; and how your Trustees or others in a governance role receive assurance regarding your organisation's activities</li> <li>● That you'll be able to start your grant activity quickly. We would expect professionals to have been commissioned within two months of the grant decision.</li> <li>● That your project will be delivered in line with our ethical values</li> <li>● Why your project offers good value for money.</li> </ul>

	<ul style="list-style-type: none"><li>● Whether you will be working with others to achieve your aims, and how you will do this.</li><li>● How you will measure the impact of your project</li><li>● Your plans to ensure a long-term legacy of your work that will continue after the end of the grant</li></ul>
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## Which organisations are eligible to apply?

To be eligible for this funding, you must be one of the following:

- A registered Charity that can show that it has experience of supporting Veterans *or*
- A registered social housing provider that can show that it supports Veterans. We will check against the appropriate register for social housing providers in the country which your project is located.

The following additional eligibility requirements also apply:

**Registered charities:** Your organisation must have been registered with the relevant regulator in your part of the UK (for at least three years at the time of your application) and able to provide published accounts for all three years if requested.

**All applicants:** Your organisation must have a minimum of three unrelated trustees or directors at the time of applying, and, if successful, throughout the life of your grant, and this must be verifiable at all times on the relevant charity regulator in your part of the UK or Companies House website.

### The following restrictions also apply

- Organisations cannot apply more than once under this programme
- Applications may be declined from current Trust grant holders if the reporting requirements for existing grants from the Trust are not up to date.

## **Working with other organisations**

You can work with other organisations as part of your project. If any of the organisations that you will be working with will receive part of your grant, then you need to read our guidance below on delivery partners.

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.

### **Role of the lead organisation**

The organisation that submits the application is the lead organisation. It will have legal responsibility for all funding we award and will be financially accountable for any funds that may be distributed by the lead organisation to delivery partners.

### **Delivery partnership agreements**

If we award you funding and you plan to work with one or more delivery partners, it will be a term and condition of your grant offer that you have a formal signed partnership agreement with them. If you're successful, the draft delivery partnership agreement must be deemed to be compliant (with our terms and conditions) by us and finalised prior to any funding being released. We may request changes to the draft agreement before it's finalised. You can find guidance on what a [delivery partnership agreement](#) should include on our website.

## Preparing your project budget

### What can funds be spent on?

We can pay for most of the things you'll need for your development project.

Your project might include the following costs.

- ✓ Professional fees that are directly related to the development of your early stage building project. These can include but are not limited to architects, qualified construction project managers or quantity surveyors and associated costs.
- ✓ Some staff time for this fixed-term project. This can include but not limited to developing options appraisals or co-ordinating with the professionals who are advising you.

### 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.

- ✗ Where funding is not benefiting people from the Armed Forces community.
- ✗ Projects that do not clearly meet the aims of the programme.
- ✗ Manufacturing and Construction activities.
- ✗ Where money only benefits one person. By this we mean where your whole project would only benefit one person.
- ✗ Making grants or donations of money or items of value to individuals or families.
- ✗ Repeat or regular projects that require a source of uncommitted funding.
- ✗ Endowments (to provide a source of income).
- ✗ Topping up existing grants and aid from a government department.
- ✗ Investments.
- ✗ Fundraising costs, including organising fundraising events and activities.
- ✗ Paying for ongoing costs of existing partnership activity.
- ✗ Projects, activities or services that the state has a legal obligation to provide.
- ✗ Retrospective funding for expert input or professional fees that have already started or taken place.
- ✗ Excessive management or professional fees or contingency costs.

This is not an exhaustive list as we feel it's more useful to focus on what you're trying to achieve and how you're going about this, than to issue long lists of eligible and ineligible costs.

Any grant that we award under this programme would be in line with our charitable objectives. As such; any grant that we award will be for non-economic activities only.

### **What financial information should you include in your application?**

The application form will ask you to give details of your project budget, so that we can understand the costs for which you are asking for funding towards. Whilst you can show this in categories we will need to have sufficient information to assure us that you have fully considered how much the work will cost and told us how you know this.

We will expect you to have engaged with relevant professionals; and have a clear understanding of the costs that you have included within your budget. We may ask for additional information throughout the process, if this is not clear.

If we award you a grant, you will need to send us a full budget, and project milestones before we can pay the first instalment of your grant.

## **Timetable:**

There will be two deadlines for applications in the 2023/24 financial year:

- If you apply by **midday on 23 October 2023** , you'll receive a decision before the end of December 2023.
- If you apply by **midday 8 January 2024**, you'll receive a decision before the end of March 2024

We cannot accept any late applications.

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.



## How to apply - the application form

You need to apply using our online application form which you can access through this [link](#)

If you don't yet have an account for our online application portal, then you will need to create one. (You will need this anyway if you are successful in receiving a grant, so that you can submit reports and receive grant payments). On our system, you can save a draft application form to complete later or send a draft copy to colleagues. You can also access copies of the application that you've submitted at any time.

We strongly recommend that you complete your application in a Word document, save it locally as you work on it and when it is complete you then cut and paste the answers into the online form. You will find a Word document with a list of the project related questions on our website. Please don't use any formatting, such as tables or numbered lists, in your Word document, as the online form may not accept this formatting and you might have trouble submitting the form.

When you are entering data onto the online form we suggest you save your form every 10-15 minutes whilst you are completing it, to avoid the risk of it 'timing out'.

You will be emailed when you both save and when you submit the application, please be aware of this when completing the application. We can only consider applications that have been fully submitted. Please check the "Submitted Applications" tab on your grant portal, to ensure the application has been fully submitted.

It's important that we can contact your organisation, particularly, of course, if you receive a grant. You will need to provide two contacts from your organisation on the application. At least one of these should have an email address that belongs to your organisation. At least one contact must hold the relevant authority (CEO/ CO or equivalent) to authorise any grant contract and bank account to be used should you be successful. The main contact must have an email address that belongs to your organisation. If this is not provided, your application may be considered ineligible.

Please think carefully about who these should be, as they will need to be able to sign acceptance of the grant and use of the bank account on the Offer Letter/ Terms and Conditions if your application is successful. If either contact changes, do let us know as soon as you can.

Do check that you have fully answered all the questions because, if not, we might not be able to consider your application.

Do not submit any other documents with your form. Any other documents will not be considered.

You do not need to send any additional information once the application has been submitted. Any additional information received will not be considered unless specifically asked for by our assessors.

Do not send your application by email or post to the Covenant Fund Trust – only applications submitted via the online form can be considered.

You must also make sure that the Trustees/Directors/ senior staff within your organisation know that you are submitting this grant application.

## **After you submit your application**

You will get an automated email to confirm that your application has been submitted. This email will come from an address called [mailuk@grantapplication.com](mailto:mailuk@grantapplication.com). You may wish to add this email to a safe senders list on your email system to ensure that it can come through to you.

**If you have not received this email, then your application was not submitted successfully. Please log back into the portal to submit it.**

We will check your application to ensure that you've provided all the information we have requested. We may contact you during our assessment if there are any issues we are unclear about – please do not assume any contact or lack of contact is an indication of your likelihood of being successful or declined.

We will review the information you provide in your application and, where relevant, data and information from the Charity Commission, Companies House or other regulators' websites relating to your constitution and recent audited accounts. We may also look at other publicly available sources such as your organisation's website and social media activity.

After submitting your application, you must advise the Trust of any significant changes in your organisation, its governance or finances which might impact on our consideration of your application.

We will assess your application against the key criteria of the programme.

## Checks we may carry out on your organisation

We may carry out several checks on the information you provide us with and about your organisation. This is to make sure that the information is correct and there are no significant risks we can identify when awarding grants.

These may include checks:

- on whether financial information on your application form matches that held by your regulatory body (Companies House, Charity Commission etc.)
- that we can see that you have a minimum of three unrelated Directors or Trustees listed on your regulator's website.
- that your governing documents (such as constitutions and memorandum and articles of association) are up to date, correct and properly signed
- on your accounts that are accessible through regulatory bodies
- on any identified concerns about a person named as a contact or who has a position within your organisation
- that the signatories are valid and well informed about the project
- on your annual report and on your website/social media activity that your organisation is undertaking the activities as described in your application.
- To ensure you are up to date on all reporting with any active grants you hold with the Trust.
- If your organisation is a branch of a larger organisation (such as charities with regional branches or offices), as part of our due diligence checks we may be sharing key details of the application with your head office to confirm eligibility to apply for this funding.
- If you are awarded a grant, that your organisational name and address on your bank statement are consistent with the details you've provided in any completed form or the information that's held elsewhere in the public domain
- If you are awarded a grant, that your bank statement shows that your account is being managed in line with your own financial procedures and our programme requirements

We may ask you to send us additional information or answer specific questions about your organisation. If we ask you to do this, you'll need to send us this information within five working days.

## **Decisions and what happens next**

Final decisions will be made by the Board of Trustees, who will review the applications, using balancing criteria in addition to the key criteria. The balancing criteria include the relative strength and value for money of the project when viewed as part of a national portfolio of projects.

Funds are limited. Therefore, the Board will use their discretion to choose which projects to fund, ensuring a good spread of funded projects and to differentiate between projects that are considered fundable.

Please note that in order to minimise the risk to public funds the Trust may prioritise funding those applicants which have good track records on reporting to regulators, demonstrate transparent and appropriate governance arrangements and have comprehensive published accounts. For organisations which previously had grants from us, we expect all reporting on these grants to be up-to-date and may consider this when considering new applications.

Trustees may also take the decision to part-fund proposals. This may mean you are awarded less money than was applied for. If this is the case we will talk to you about what elements of the project were supported and why and discuss this with you.

After the Trustees have met, we will send an email to you using the primary contact email address you provided in your application. This will tell you whether or not you' have been awarded a grant.

Our programmes are often oversubscribed and, unfortunately, we often have to turn good applications down due to lack of available funding. If you have been unsuccessful, we will email you to tell you.

## What happens next if we award you a grant?

If we plan to fund your project, you'll need to accept our grant offer and the terms & conditions of the grant **within four weeks of receiving the Offer Letter** or risk the offer lapsing.

Our terms and conditions of grant can be accessed on our website. If we offer you a grant, you will need to confirm that you will follow these terms and conditions of grant before we can release any of your grant to you.

We will email you in the first instance to advise you that you have been successful. This email will give you full instructions of what you need to do next in order to receive your official offer letter, how to accept the grant and what documents you need to provide.

If we offer you a grant, we may invite you to come to a briefing session for new grant holders; and we'll send you the dates for these. The briefing will be held online and explains the next stages of your grant. Alternatively, we may request a virtual meeting with you to provide you with further information and answer any questions you may have.

Your formal Offer Letter and Terms and Conditions will be sent to you after the briefing or meeting. We won't be able to pay your grant until these documents have been signed.

Once we have all the necessary documents back, we will pay the first instalment of your grant. If there are any discrepancies/queries within these documents, this will delay your payment, so please read the accompanying information we provide, thoroughly. Grants will be paid in instalments, and the number and size of these will depend on the size and duration of the grant. A small proportion of the total amount awarded will be retained pending a satisfactory End of Grant report.

If you receive a grant, you will need to keep good records of how the funds were spent and how many people you helped and how. As part of the Terms and Conditions of funding we will ask you to update us on the progress of the project, this will include detailing how the funding has been spent.

We may also expect you to take part in evaluations, impact studies or other research related to the funding you have received. We will let you know what is required and how to participate.

The Trust has a Privacy Policy which explains what data we collect from our grant applicants, and how we use this. Please read this in advance of applying:

<https://covenantfund.org.uk/privacy-policy/>

If you have any questions relating to this programme, please look at the programme information that we have on our website.

Following this, if you still have queries and cannot find the answer in these guidance notes, please email [info@covenantfund.org.uk](mailto:info@covenantfund.org.uk)