



Office for  
Veterans' Affairs

 THE ARMED FORCES  
COVENANT FUND TRUST

# Veterans' Capital Housing Fund

## Development Grants Programme



## Frequently Asked Questions

# **Veteran Capital Housing Fund**

## **Development Grants Programme**

### **FAQS**

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

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.

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

This is a development grant programme. It is for capital projects that would offer high quality housing for rent to Veterans. 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.

#### **Who can apply for this programme?**

You can apply for this programme if you are a registered Charity in the UK, (with one or more of the charity commissions for England and Wales, or Scotland or Northern Ireland and/or Companies House) for at least three years at the time of your application and be able to provide published accounts for all three years ( if requested), with a minimum of three, unrelated trustees that can show it works with Veterans, **or** you are a registered social housing provider and can show that you work with Veterans and

- Your project is at an early stage of development; 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.

#### **How much funding can we apply for and how long are projects expected to run?**

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

#### **What can be funded under this programme?**

You can apply to help with the costs of getting your building idea to the stage where on site works could start. 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.

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

## **What can't be funded under this programme?**

Please read our development grants guidance to see if you are eligible for this programme.

You cannot use this programme to apply for direct capital costs to create or refurbish buildings. If you would like to apply for costs of refurbishment, please apply for our **Refurbishment Grant Programme**

There are also several other 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.

## **I have read the programme guidance, and it mentions the Subsidy Control Act, what is this?**

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.

## **Who will benefit under this programme?**

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.

## **Our project includes refurbishment to existing housing, can I include it in my application?**

No, this programme is to help with the costs of getting your building idea to the stage where on site works can start. If you would like to apply for a refurbishment grant, you should look refer to the **Refurbishment Grant programme Guidance** for more information.

## **If we are successful in our application under this programme, can we receive additional funding to help us implement our building idea?**

We will be opening 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 other 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.

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

We are looking for applications 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.

## **How can we evidence our projects phases and activities?**

You should use the RIBA Plan of Work framework to tell us which stage your project is currently at; and which stage you will reach if we award you a grant. Please note, we will only fund activities up to and including Stage 4 under this programme. There is more information in the programme guidance.

## **We have already started our project and have sought professional input, using the RIBA Plan of Work framework, can we apply for retrospective funding?**

No, we will not retrospectively fund expert input or professional fees that have already started or taken place.

## **We are a registered social housing provider, working with veterans and will be applying for this programme, what should our project aim to achieve?**

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 and energy efficiency standards
- meeting identified need for both transitional and long-term Veteran housing

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

## **What should my application show?**

You should be able to clearly explain why you are confident that the building project you are developing is an effective way to support Veterans at risk of homelessness. Your application should also show how your project fills a gap in support and does not duplicate existing provision, and that there is a wider impact to your work that will endure beyond the life of your grant.

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.

## **What does a strong application look like?**

A strong application should be able to clearly demonstrate a commitment to the aims of the government's ambition to reduce Veteran homelessness and end rough sleeping. 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.

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 and that you have thought carefully about value for money and why you believe your costs are reasonable, including whether a professional has been used to determine the budget or whether your costs are based on experience of running other similar projects.

## **We meet all the eligibility criteria and would like to apply twice, for different projects to this programme, is that possible?**

No, organisations cannot apply more than once under this programme.

## **We are a registered Charity working with veterans who would like to partner with another organisation for our project, is this possible?**

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, we will require that you have a formal signed partnership agreement with them. Please 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.

## **What is a Lead organisation?**

A lead organisation is the organisation that submits the application is the lead organisation and should have significant control of the project. A lead organisation 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.

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## **Would any of your capital grant programmes pay for costs of running the building such as utilities, council tax?**

Our capital programmes are for capital projects and would not fund contributions towards running costs such as utilities or council tax as these are considered revenue costs. However, we would consider paying for staff time, where a staff members time has been used in developing an options appraisal or time spent coordinating with professionals that are advising you, we would expect this to be a small cost within the budget.

## **What is social rent?**

A. Under this programme, we are seeking to support projects that will develop homes for veterans with a range of additional needs that create barriers for them accessing housing.

Social rents aim to be more affordable than private renting and provide a more secure, long-term tenancy. Social homes have rents pegged to local incomes and provide affordable secure housing options for people across the country. It is provided by either a Housing Association (not for profit organisations that own, let, and manage rented housing) or the local councils.

Most rented social housing properties are let at 'Social Rent'. Social Rents are set using a government formula. This creates a 'formula rent' for each property, which is calculated in a way that takes account of the relative value of the property, the size of the property and relative local income levels. Landlords have flexibility to set rents up to 5% above the formula rent (10% in the case of supported housing) – this is known as the 'rent flexibility level'. Formula rent is also subject to rent caps, which vary according to the size of the property. More information is available on social rents; and you may wish to take your own advice separately.

In 2011, the government introduced 'Affordable Rent' which permits rents to be set at up to 80% of market rent (inclusive of service charges). The introduction of Affordable Rent made it possible to build more homes for a given amount of up-front investment, allowing more people in housing need to have access to a good quality home at a sub-market rent. Landlords can only let new properties at Affordable Rent where certain conditions apply.

## **Is my project eligible if my organisation plans to set rent levels at an affordable rent rather than a social rent?**

Our capital programmes are for capital projects that would offer high quality housing providing social rent to Veterans. We would not fund projects that were offering affordable or market rent or planned to offer affordable or market rent under this grant programme. This restriction would apply both during and after the period of funding (this will be detailed in the terms and conditions of grant).