

Rural England Prosperity Fund (REPF)

Business and Community Grants

Guidance Note

1. Overview

North Somerset Council is launching a rural grant programme, to benefit both businesses and community groups. The funding is for capital projects only (not revenue). It is called the Rural England Prosperity Fund (REPF).

The REPF supports the aims of the Government's Levelling Up White Paper and Future Farming Programme. Funding is available for activity that will have a positive impact on rural business and communities by strengthening buildings, equipment and assets.

The REPF is integrated into the UK Shared Prosperity Fund (UKSPF) which supports productivity and prosperity in places that need it most. It is a rural top-up to UKSPF allocations and supports activities that specifically address the challenges rural areas face such as lower productivity rates, reduced connectivity and poorer access to key services. It will do this by:

- supporting rural businesses to develop new products and facilities that will be of wider benefit to the local economy. This includes farm businesses looking to diversify income streams.
- supporting new and improved community infrastructure, providing essential community services and assets for local people and businesses to benefit the local economy.

The REPF interventions and objectives sit within the main UKSPF investment priorities for:

- supporting local business
- community and place

There are two extra interventions that are specific to REPF:

- small scale investment in micro and small enterprises in rural areas
- rural circular economy projects

To find out more about the Rural England Prosperity fund in general please [read the REPF Prospectus on the Government website](#) and to find out specific information about the objectives and interventions that projects must deliver nationally use the link [here](#) for businesses and [here](#) for community organisations. Local information based on the Defra requirements is [here](#).

2. How much funding is available in North Somerset?

£442,617 of REPF funding has been awarded to North Somerset Council for 2023/24 and 2024/25.

The following funds have been awarded for each investment priority.

2023/24		
	Supporting local business	£106,229
	Community and place	£70,817
2024/25		
	Supporting local business	£159,342
	Community and place	£106,229

3. Timescales for the 2023/24 funding round

16 June 2023	Applications open for REPF business grants and community grants.
16 June – 4 August	Team on hand to deal with queries via email business@n-somerset.gov.uk
12 noon Friday 4 August	Deadline: applications close.
August	Initial due diligence checks undertaken. Appraisal by Grant Review Panel.
Aug/Sept	All applicants informed about the outcome of their application. Those successful at this stage are sent conditional offer letters, subject to sight of accounts, licenses, and permissions.
Sept/Oct	Completion of evidence checks, final grant offer letters issued, successful applicants sign and return their grant offer letters. Successful projects establish their baseline figures before they start project delivery.

Sept/Oct 2023 to March 2024	Project delivery. Monitoring of milestones and outputs/outcomes.
1 March 2024	Date when work should be completed on projects.
11 March 2024	Successful projects must complete their end-of-project reports and monitoring and submit all invoices by this date.
31 March 2024	End of Year 1 programme.
April 2024 onwards	Some projects may be required to continue monitoring beyond the end of March completion deadline.
May/June 2024	Start of year 2 programme (funding applications re-open).

3.1 When can I start?

If you are successful, you will receive a conditional grant offer letter requesting a number of specific pieces of information such as accounts, permissions, licences and so on.

Once we have received that information back and, subject to all the checks having been made satisfactorily, we will issue you with a final grant offer letter which you will need to sign and return.

Your project can start from the date you sign and return your final grant offer letter. This is likely to be in September, so please do not plan to start earlier than this.

We will not fund projects retrospectively. You will be liable for any costs incurred before any firm grant offer letter is issued.

4. Who can apply?

Community organisations and businesses located in an [eligible rural area](#), with legal status in the UK as listed below, can apply.

REPF **business grants** will fund capital projects for micro, small and medium sized businesses. Your business must have fewer than 250 employees and a turnover

equal to or less than £50m or a balance sheet equal to or less than £43m (including any partnership your business is a part of).

Your legal status must be one of the following:

- Partnership
- Private Limited Company
- Company Limited by Guarantee
- Unlimited Company
- Community Interest Company
- Sole Trader registered with HMRC
- Public Limited Company
- Limited Liability Partnership
- Co-operative Society

For REPF **community grants** your community group or organisation must be one of the following:

- Unincorporated Association
- Charitable Incorporated Organisation (CIO)
- Charitable Trust
- Charitable Community Benefit Society
- Town or parish council
- Charitable company
- Cooperative Society
- Community Interest Company (CIC)

Additionally, your business/organisation must be below Subsidy Control limits (you will be required to confirm this as part of the application process).

Other eligibility requirements are given in the application form.

Eligible areas of North Somerset for the purposes of REPF have been determined by DEFRA (the Department for Environment, Food and Rural Affairs). These are broadly classed as:

- towns, villages and hamlets with populations below 10,000 and the wider countryside
- market or 'hub towns' with populations of up to 30,000 that serve their surrounding rural areas as centres of employment and in providing services

Applications can be made by businesses and community groups located in eligible rural areas. This includes farmers (including those looking to diversify), growers and foresters but any businesses and community groups located in an eligible part of North Somerset and who meet the application criteria are encouraged to apply.

Your trading address must be in an eligible part of North Somerset and your project must be too. You can check if your trading address and project is in an eligible area using the map [here](#).

5. Who can't apply?

- Individuals who are not running a registered business or part of a constituted community organisation.
- Those who are already in receipt of DEFRA funding from the Farming in Protected Landscapes programme, The Farming Investment Fund or The Platinum Jubilee Village Halls Fund.
- Businesses and community groups who are not trading or based in an eligible part of rural North Somerset.
- Those who cannot meet the eligibility requirements within the application form.

6. Financial Information

6.1 How much funding can I apply for?

The minimum grant request is £3000, with a maximum request of £30,000.

We anticipate most applications will be under £10,000. More significant infrastructure projects over £10,000 must be able to demonstrate longer term impacts, wider benefits for the local rural economy and meet a range of objectives and outcomes.

Businesses must demonstrate in their application that they have sufficient funds to cash-flow the project and pay for the project costs upfront.

Grants for community projects can be paid in instalments if required but you must be able to show that all match funding is in place before a grant award letter can be issued.

6.2 Match funding

All projects must include an element of match funding. This helps to show commitment, better value for money and makes the funding stretch further so we can support as many projects as possible.

Please tell us the source of your match funding, this can be from your own bank accounts, crowdfunding, other grants, fundraisers or legacies. This match funding must be cash-based and cannot be time or labour or materials. The ability to provide match funding above the minimum level (see sections 6.2.1 and 6.2.2) will be scored as part of the assessment process.

We will need to see evidence that your match funding contribution is in place before we can issue you with a grant offer letter.

6.2.1 Businesses

Businesses must directly contribute (or secure from another source) a minimum of 25% funding towards the total project costs. This means your grant request should not exceed 75% of the total eligible capital project costs.

For example, if your total capital project expenditure is £5000 you will be required to contribute at least 25% of the project cost which we refer to as your match funding. If you contribute £1250, which is minimum 25% of the total project costs, you will need to apply for a grant of £3750 (the minimum grant offered through this programme is £3000).

6.2.2 Community Groups and Organisations

Community organisations are asked to make a minimum financial contribution of 10% towards the total project costs. This means your grant request should not exceed 90% of the total eligible capital project costs.

For example, if your capital project expenditure totals £5000 you will be required to contribute at least 10% of the project cost which we refer to as your match funding. If you contribute the minimum 10% match funding which is £500 you would then apply to us for a grant of £4500.

6.3 Procurement

As a condition of the grant, all capital (physical assets) expenditure must follow the procurement procedures below.

We will require evidence of three quotes, as a minimum, to ensure value for money on all expenditure over £2,499.

This shall include adopting the following minimum procedures:

Value of Purchase	Procedure to be followed
£0 - £2499	One quote or cost obtained from a supplier
£2500 - £49,999	3 written quotes or prices from relevant suppliers of goods, works/services and lowest quote used
£50,000 plus	Contact us (business@n-somerset.gov.uk) to confirm

6.4 What costs are eligible?

We can provide capital funding only. Any revenue costs associated with the project must be met by yourself and not included in your project expenditure costs. This means you must spend grants on lasting assets such as a building or equipment. We

are NOT able to fund revenue projects or provide revenue funding to support a capital project.

Examples of what the capital funding can be used for (this is not an exhaustive list):

- Food processing equipment to scale up from domestic to commercial kitchens (non-farming businesses only).
- Converting farm buildings to other business uses.
- Rural tourism e.g. as investments in visitor accommodation and farm diversification for event venues.
- To acquire, build or upgrade physical assets.
- Building and construction costs.
- Professional fees associated with building and construction.
- Plant and machinery.
- Display boards e.g. visitor economy-related work.
- Gigabit Broadband infrastructure for community facilities.
- Green community infrastructure – biomass, solar, heat pumps.
- Equipment for kitchens, food production, packaging, vending, display.
- Resilience infrastructure and nature-based solutions that protect local businesses and community areas from natural hazards.
- Tools and equipment for repair cafes, community growing projects, kitchens, green clubs.

Guidance on the key objectives of the fund, example projects and outputs and outcomes can be found [here](#).

6.5 What can't we fund?

Ineligible costs include:

- Revenue costs e.g. salaries, rent, overheads, insurance
- Applications from individuals – we cannot make grant payments to individuals.
- VAT: If you are able to claim back VAT then VAT is not eligible as part of the costs of your project and should not be included.
- Projects unable to start within 6 months of the grant award date.
- Improvements to domestic buildings.
- Private vehicles.
- Own labour costs.
- Costs connected with any leasing contract.
- Consents needed, for example planning permission.
- Licence fees, subscriptions, and service charges.
- Any cost incurred before the date of the final grant funding agreement, i.e. retrospective costs.
- Items or projects which only benefit an individual.
- Projects that will displace existing provision.
- Activities that are statutory obligations
- Paid for lobbying, entertaining, petitioning, or challenging decisions, which means using the fund to lobby (via an external firm or in-house staff).

- Payments for activities of a party political or exclusively religious nature
- Payments for statutory works.
- Contingencies and contingent liabilities.
- Bad debts and costs resulting from the deferral of payments to creditors or winding up a company.
- Expenses in respect of litigation, unfair dismissal or other compensation.
- Standard agricultural equipment and inputs, like animals and annual crops.
- Agricultural production rights and payment entitlements.
- Purchase of equipment by farmers for food processing that could otherwise be funded under DEFRA's Farming Investment Fund (FIF).

We cannot support projects that have received funding from other DEFRA schemes, as listed below:

- **The Farming in Protected Landscapes Programme** - funding for farmers and land managers to work in partnership with National Parks and Areas of Outstanding Natural Beauty bodies to deliver projects on climate, nature, people and place.
- **The Farming Investment Fund** - grants to improve productivity and bring environmental benefits, covering 2 funds:
 - Farming Equipment and Technology Fund and
 - Farming Transformation Fund Rural Business Investment Programme
- **The Platinum Jubilee Village Hall Improvement Grant Fund**

7. Other requirements

In the application form we ask you to confirm that you have a number of pieces of information, permissions, and finance in place. If you are provisionally successful, we will need to see this evidence before we are able to confirm your grant offer.

7.1 Planning permissions and licenses

If you are applying for any physical upgrades or improvements that will require planning permission, grants will only be approved if planning permission has already been provided or if there is evidence that planning permission is currently being sought. The grant will be awarded on a conditional basis that planning permission is approved and the project can complete before 11 March 2024.

To find out more about how to gain planning permission, please visit: <https://n-somerset.gov.uk/my-services/planning-building-control/planning-applications>

You will also be asked within the application form to declare any other permissions or licences that are required for your project and when they will be obtained.

If your project is taking place on rented / leased / tenanted land or premises, please ensure you submit a letter of authority from the land or premises owner. If you do not own the building/land you will be required to supply written permission from the landlord/landowner within a month of any grant award, if your grant application is successful.

If you are successful and awarded a REPF grant, and wish to request any changes in cost or focus of the project you must apply in writing to the REPF Project Manager at business@n-somerset.gov.uk and please understand this may be refused.

7.2 Key Project Milestones

The application form requires you to specify important stages of your project. These milestones give us an indication that you have carefully planned your project and are likely to be monitored.

Please ensure you have considered the availability of contractors, ordering and delivery times of equipment, particularly anything that needs to be imported and uncertainties like delays due to weather. Please specify key dates, for example: start work on site, order equipment, installation of equipment, start of electrical/plumbing works and so on.

Milestones should be mindful of the deadlines given in Section 3 above (timescales).

8. Completing the application form

This section gives further guidance on some of the questions set out in the application form.

8.1 The “about your project” section

Describe your project to us; for example, what will you buy with the grant, and what will it enable you to do differently?

Your project must support one or more of the objectives of the REPF programme and create outcomes that are consistent with these objectives. These are described in more detail in the section 8.2 below. Please also [see our note](#) for further details of the outcomes and objectives that must be met.

What are the challenges and barriers your rural project is looking to address?

Rural areas often face specific challenges including lower productivity rates, reduced connectivity, poorer access to key services. Please tell us about the specific challenges and barriers faced by your rural business/organisation and how your project will help to address them.

Why should we give this grant to your rural organisation or business and how will this project impact your activities?

Tell us why your organisation or business needs this grant. You might want to include how you have successfully delivered other projects in the past and have a strong track record. Demonstrate that your project is needed and that it will be used. Think about how the project will impact your business and organisation. For example, what will you be able to do or not do as a result of the funding. Will the project put your organisation on a more stable financial footing by enabling you to attract more and a greater variety of groups and increase your income levels? Will you be able to provide a wider range of services and facilities by the addition or upgrading of kitchen, digital equipment? Will any new equipment or building upgrades help to attract or retain more users and raise awareness of your organisation and its work? Will the improvements reduce your energy costs and save your organisation money, helping the long-term viability of your organisation or allow you to spend on other areas of work?

Who else will benefit from this project and how? Please state any wider benefits to the local community and local economy.

We expect the grants that we offer to bring wider benefits to the local economy and bring positive benefits to as many people and businesses in North Somerset as possible. Please tell us how your project will benefit residents, groups, and other organisations, e.g. local businesses, suppliers across North Somerset or groups who use your facilities. Please give specific details of any other groups, clubs or individuals who would stand to benefit because of this grant. This includes groups or individuals who are not already engaged with your project or activity but would, as a result of works to the building, new equipment or infrastructure (digital, EV charging etc).

Who have you involved in developing the project, and how have you involved them?

Is this your good idea or does the project have support and input from your staff, local residents, other local businesses, users and customers? This section needs to specify who you have involved and consulted in the development of your project idea to ensure the project meets a real need, can be delivered and has wider buy-in. Please tell us about any questionnaires, surveys, events, consultation, or feedback that show this wider involvement and support for your project.

Why do you need public sector funding and what alternatives have you sought, if any?

We have limited funding so want to ensure that we are funding high quality projects that would not be able to be funded by other means. Please explain why you need public funding for this project, and it cannot be funded from your own sources. What would happen if you don't get the funding? Tell us about any alternative sources you have looked at. If this project is time sensitive and responding to a specific need now, please include details.

We are keen to support projects that are environmentally friendly or "green" in order to reduce climate change. Please provide a brief summary of how your project will address this challenge.

Please explain how your project will meet climate change objectives, improve sustainability and will improve the local environment and the wider community. You can also use this section to tell us about your purchasing decisions, choice of equipment and materials.

8.2 The "REPF Interventions" section

It is essential that your project fits with the DEFRA-defined REPF interventions, objectives and outcomes/outputs for this programme. North Somerset has funding for specific business and community interventions as listed in the application and described in more detail [here](#).

Additional information is available on the DEFRA website: [here](#) is the link for businesses and [here](#) is the link for community organisations.

In your application form please consider which interventions most closely apply to your project. Business projects will also need to select the most relevant objectives. The objectives are fairly broad in order to support a wide variety of rural projects.

The two key REPF **interventions** (areas of focus) for **business projects** are:

- Funding (capital grants) for small scale investment in micro, small and medium size enterprises in rural areas. Including capital funding for net zero infrastructure for rural businesses, and diversification of farm businesses outside of agriculture to encourage start up, expansion or scale up of these businesses where this involves converting farm buildings into other commercial or business uses.
- Funding (capital grants) for growing the local social economy and supporting innovation.

The key **objectives** for **business projects** are:

- Increase investment in and targeted support for small and medium sized businesses for
 - innovation activities
 - productivity enhancing, energy efficient and low carbon technologies and techniques.
- To create jobs and boost community cohesion. This includes starting businesses and visible improvements to local retail, hospitality and leisure sector facilities.
- Enhance rural visitor economy and rural leisure opportunities.

Community projects must have a focus on at least one of three DEFRA-defined **interventions**:

- capital grant funding for investment and support for **digital infrastructure** for local community facilities
- capital grant funding for rural **circular economy** projects
- capital grant funding for investment in **capacity building** and infrastructure support for local civil society and community groups

There is one key **objective** for **community projects**, which is:

- To foster a sense of local pride and belonging, through activities that enhance physical, cultural and social ties and amenities. This includes community infrastructure, local green space and community-led projects.

Your application will need to demonstrate how it fits with at least one of these DEFRA-defined interventions and at least one of the objectives.

There are several **outcomes** associated with the objectives. You must specify which outcomes your project will produce. Use the document [here](#) to assist you in choosing the most relevant outcomes for your project.

For example, if you are a **business** and you have selected the “jobs safeguarded” outcome, please provide us with an estimated number of full time equivalent (FTE) jobs that your project will safeguard. The DEFRA definition of a safeguarded job is classified as a permanent and paid job that was at risk prior to support being provided, and which the support helped the business to retain. Note:

- Safeguarded jobs **exclude** those created solely to deliver the intervention (e.g. construction workers putting up an extension to a building, where the extension was funded by the project)
- Both part-time and full-time jobs should be recorded relative to their full-time equivalent (FTE)
- FTE should be based on the standard full-time hours of the employer
- “At risk” is defined as being forecast to be lost within 6 months.

Another example might be a **community organisation** that has selected the “increased users of facilities” outcome. In order to measure this increase, you will need to use an appropriate baseline, such as the month before the project started or if your user numbers change seasonally use the same month from the previous year. We are likely to ask you for the number of users before the changes and the number of users after the changes. Or, if you believe your project will result in “improved perception of facilities” then you will need to measure this change in perception, from those who used your facility before and after the funding took place. We suggest that you use a quick a questionnaire or feedback form with a simple 5-point scale perception question (very poor, poor, acceptable, good, or very good). Ask the same users before the project commences and after to measure this change in perception.

Once you have selected the most appropriate outcomes of your project, please tell us in more detail how your project will deliver these outcomes. Explain how your project meets the REPF interventions, objectives, outcomes and output ([this](#)

[document](#) should assist). This is an important question so please take your time to respond to it carefully.

9. Monitoring

Applications for REPF funding are required to demonstrate their impact and the positive changes that your project makes to the REPF outcomes/outputs selected in your application.

You will be required to monitor your project and report to North Somerset Council. It is important to build monitoring, evaluation and reporting into the project from the beginning to understand what has worked well and what has not worked so well.

Depending on the nature and length of the project we will ask you to provide us with progress updates on spend, milestones and outcomes. This is likely to be midway through your project and at the end of the project and may be more often for longer, larger or more complex projects. An initial monitoring requirement at the start of your project is likely to be required, to establish a baseline position and to enable you to monitor any increase in jobs, growth, perception, use of facilities etc.

Projects must deliver specific outcomes and support the interventions and objectives of the Rural England Prosperity Fund. Please make sure you have read the definitions [guidance](#) and have understood the evidence that will be required as part of your reporting and monitoring.

The application form requires you to specify important stages of your project. These milestones give us an indication that you have carefully planned your project and are likely to be monitored too.

10. Subsidy Control

Please be aware that all applicants are expected to complete a subsidy declaration within the application form.

North Somerset Council will be providing this grant to the business / organisation as a Minimum Financial Assistance (MFA) subsidy under the Subsidy Control Act (2022). MFA subsidy limit is £315,000 over a three-year period (including your current financial year and the previous two financial years).

For more information on the UK Shared Prosperity Fund subsidy control please visit:

<https://www.gov.uk/guidance/uk-shared-prosperity-fund-subsidy-control-7>

11. Support for applicants

If you are unsure if your project is suitable or would like further advice before applying, please contact business@n-somerset.gov.uk before completing an application and we will respond within 7 working days. Please state REPF in the title of your email query.