

Rural England Prosperity Fund (REPF)

Business and Community Grants

Guidance Note 2024/5

1. Overview

North Somerset Council will launch Year 2 of its Rural England Prosperity Fund (REPF) in May 2024. This funding is for capital projects only and is designed to benefit North Somerset businesses and community organisations in eligible rural areas as shown on the [map](#)

The REPF supports the aims of the Government's Levelling Up White Paper and Future Farming Programme. The programme 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 the main UKSPF Programme 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

Two extra interventions are specific to REPF:

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

To learn more about the Rural England Prosperity fund in general please [read the REPF Prospectus on the Government website](#) and the local information, based on the Defra requirements [here](#).

2. How much funding is available in North Somerset?

North Somerset Council has a total of £293,965 of funding available in 2024/5 for business and community projects. This funding has been split across two main priorities, Supporting Local Business and Community and Place.

REPF Priorities	Funding available in 2024/5
Supporting local business	£167,685
Community and place	£126,280

3. Timescales for the 2024/25 funding round

24 May 2024	Applications are open for REPF business and community grants.
24 May – 28 June	Team on hand to deal with queries via email business@n-somerset.gov.uk
12 noon 28 June	Deadline: applications close. No applications will be accepted after this point.
July	Initial due diligence checks will be undertaken. Appraisal by Grant Review Panel.
July	All applicants will be informed about the outcome of their application. Successful projects will be sent Conditional offer letters, subject to the sight of accounts, licences, and permissions.
July/August	Completion of evidence checks, final grant offer letters issued, and successful applicants to sign and return their grant offer letters. Successful projects to establish their baseline figures before they start project delivery.

Aug/Sept 2024 - March 2025	Project delivery. Monitoring of milestones and outputs/outcomes.
3 March 2025	All physical works are to be completed
12 March 2025	All final invoices to be submitted
31 March 2025	End of Year 2 programme.
April 2025 onwards	Many projects will be required to continue monitoring beyond the end of March completion deadline to allow outcomes to be delivered.

3.1 When can I start?

If you are successful, you will receive a conditional grant offer letter requesting several 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 Funding Agreement (GFA) 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 early August, 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 and final 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. Enter your postcode and address in the map function to find out if you are eligible to 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:

- Charitable Incorporated Organisation (CIO)
- Charitable Trust
- Charitable Community Benefit Society
- Community Benefit Society (CBS)
- Town or parish council
- Charitable company limited by guarantee (CLG)
- Cooperative Society
- Community Interest Company (CIC)

In addition, your business/organisation must confirm that it has not or will not exceed the state subsidy limit of £315,000 Minimum Financial Assistance (MFA) as set out in Section 42 of the Subsidy Control Act 2022.

Other eligibility requirements are stated in the application form.

Eligible areas of North Somerset, for the purposes of REPF, have been determined by DEFRA (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. 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](#).

4.2 Can I apply again if I was awarded a REPF Grant in 2023/4?

Yes, you may apply again but the project must be new and distinctly different from your original application. You must have completed the monitoring for your initial project and have achieved the outcomes as set out in your Grant Offer Agreement. The new application must clearly demonstrate why you need still need further public funding and provide a new set of additional outcomes. Priority will be given to applicants that have not received REPF funding before.

5. Who cannot 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?

Grants from £5000 to a maximum of £25,000 are available to eligible businesses and community organisations with strong and relevant project ideas.

In 2023/4 we funded 16 projects, eight business and seven community projects, with an average grant size of £10,000. A list of projects can be found [here](#)

Projects that include building work and the purchase of large pieces of equipment over £10,000 must be able to clearly demonstrate longer-term impacts, wider benefits for the local rural economy and be able to successfully deliver several key outcomes. Your project will be scored on its value for money in terms of its cost versus benefits.

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 will be required to provide an element of match funding. This helps to show your commitment and belief in the project, ensures that projects represent

good 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 cannot be 'in-kind' e.g. volunteer/staff 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 £8000 you will be required to contribute at least 25% of the project cost which we refer to as your match funding. If you contribute £2000, the minimum 25% match that is required, you can apply for a grant of £6000 (the minimum grant offered through this programme is £5000).

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 £8,000 you will be required to contribute at least 10% of the project cost which we refer to as your match funding. If you contribute £800, the minimum 10% match funding that is required, you can apply for a grant of £7200.

6.3 Procurement

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

You will need to obtain one quote or cost for purchases under £2500 and three quotes for purchases over £2500. This is to ensure your costs are accurate and the quotes are competitive. You should consider value for money as part of your purchasing but there are also other informed choices you can make, e.g. by selecting local independent suppliers this helps to support other local businesses, the wider local economy, reduces transport costs and environmental impacts. You may also wish to select suppliers and products that are ethical and sustainable and have social value objectives.

Value of Purchase	Procedure to be followed
£0 - £2500	One quote or cost obtained from a supplier
£2500 -	Three written quotes or prices from relevant suppliers of goods, works/services.

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 breakdown of 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 that is part of 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 and 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 can 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.
- Surveys and studies related to planning permission and/or pre-application advice.
- 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 that 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 several 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. Your project must have all the necessary permissions and finance in place before we can issue a final Grant Funding Agreement.

7.1 Planning permissions and licences

Grants will only be approved, and a Grant Funding Agreement issued if you already have planning permission in place. If you need planning permission for your building works you may still apply but we can only make you a conditional offer until planning permission has been obtained. Without planning permission in place there is not guarantee your project can be delivered so we would strongly suggest that you do not apply unless you either have or expect to have planning permission in place by July 2024. Please remember your project must be able to start within six months of your final Grant Funding agreement and be completed by 3 March 2025.

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 to confirm you are legally entitled to carry out the works. This authorisation can be uploaded at the application stage or within a month of any conditional offer if your grant application is successful.

7.2 Key Project Milestones

The application form requires you to set out clear stages or what we call milestones for your project. These milestones show us that you have planned your project in a logical way, and you have provided us with a realistic timeframe for the purchasing of equipment, materials, works, installation, and fit-out.

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, the start of electrical/plumbing works, and so on.

Please ensure you have considered the Programme start and endpoints. Projects will not be able to start before August 2024 and must be completed by 3 March 2025

8. Completing the application form

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

8.1 About your project

Please remember this is a rural, capital grant funding programme for activities that will have a positive impact on rural businesses and communities by strengthening buildings, equipment, and assets. Ensure that your answers to each question demonstrate how your project will not only benefit your business or organisation but also how the project will benefit local rural residents and the rural economy. You must provide us with enough information to be able to evaluate the relevance of your project to the programme priorities, the strengths, and benefits of your project, and its deliverability. Projects are assessed and scored against set criteria and based on the answers you provide to the following questions.

Project Description

This is your opportunity to give us a clear overview of your project, what you intend to spend the money on, and what this will enable you to do as a result. Will this project enable you to diversify your offer, scale up, continue to improve what you already do, attract new customers/residents/clients, and offer new activities? Please make sure we understand how the project relates to your core business/organisational activity.

Addressing Rural Challenges

Rural areas often face specific challenges including lower productivity rates, reduced connectivity, and poorer access to key services. Please tell us how your project will help you address the challenge of being in a rural area. For example - do you need to offer different products and services to meet the needs of your rural customers as they cannot access public transport or afford to travel elsewhere to purchase goods or activities; do you need to invest in and improve the quality of your building and equipment to provide new or extended services not provided locally; are you investing in buildings or equipment to attract new customers or retain existing customers to diversify or keep your business or organisation viable in the local community, will your business support the local supply chain and local producers, are you a grower/landowner trying to add value to local producer or diversify your activities.

Justification for Grant

We only have limited funding available so please tell us why we should fund your rural project and support your rural organisation or business. You might want to include how you have successfully delivered other projects in the past and have a strong track record. Make sure that you can demonstrate why your project is needed and that it will be used. Think about how the project will impact your business or organisation and what you will be able to do because of the funding, that you could not do before. 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 of new or upgraded kitchen or 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 allowing you to spend on other areas of work?

Wider benefits

We expect any projects that we fund to bring wider benefits to the local rural economy and bring positive benefits to as many rural residents and businesses in North Somerset as possible. Please tell us how your project will benefit local residents, community groups, local businesses and suppliers across North Somerset. Please provide details of any specific groups, clubs or individuals who will also stand to benefit because of this grant. This includes groups or individuals who are not already engaged with your project or activity but would, because of works to the building, new equipment, or infrastructure (digital, EV (Electric Vehicle) charging etc).

Source of Inspiration

What inspired this project? Is this just your good idea or does the project have support and input from your staff, residents, local businesses, users, and customers? This section needs to tell us who you have involved and consulted in the development of your project idea. Please tell us how you have involved these people and any evidence you have, e.g. questionnaires, surveys, events, consultation sessions, or direct customer feedback that you have received. This evidence gives us confidence that your project is responsive to a need, and ideally has local buy-in. The Involvement of others at this project design stage means these people are likely to be invested in your project and will be keen to see it succeed.

Need for Grant funding

We have limited funding so we 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 sector funding for this project, and why it cannot be wholly funded from your own sources. What will happen if you do not get the funding, will it still go ahead, will proceed but to a lesser extent or will it be delayed until you can secure other funds? Tell us about any alternative funding sources you have looked at. If this project is time-sensitive and is responding to a specific need now, please include details.

Environmental impact

Please explain how your project will meet climate change objectives, improve sustainability, and enhance the local environment and the wider community. You can also use this section to tell us about your purchasing decisions, and choice of equipment and materials. If your project falls under the rural circular economy intervention and sustainability is a key focus of your project, please make this clear and outline the expected benefits.

8.2 The “REPF Interventions” section

Your project must fit the DEFRA-defined REPF interventions, objectives and outcomes/outputs for this programme. Throughout the lifetime of your project and beyond its physical completion date we will ask you to provide us with regular progress updates and the outcomes you have achieved as your project progresses. Therefore, please ensure the outcomes you select, and the target numbers you provide us are realistic and deliverable.

North Somerset has funding for specific business and community interventions as listed in the application and described in the Interventions, Objectives, and Outcomes (IOO) document that can be found [here](#). You must read this document to ensure that your project fits with the focus of this rural grant programme and the priorities that North Somerset has selected.

The link for business interventions can be found [here](#) and the link for interventions for community organisations [here](#).

Businesses will be asked to select one of two interventions and Communities organisations have the option to select from three interventions. Please choose the intervention that fits your project best, ideally just one as they are quite broad, but it could be more. Consider the associated outcomes for each intervention as these will help you decide which intervention your project should fall under.

There are specific outcomes for each intervention that you will need to select from. Again, these can be found in the IOO document [here](#). You will be asked in the application form to provide us with a target that you think your project can deliver e.g. number of jobs created, number of new to the firm processes or products, number of new users, number of community-led programmes provided because of the support.

The Interventions, Objectives, and Outcomes document provides specific details on how to calculate or record the outcomes you have chosen and what evidence we will need to see. We will use the outcomes you have selected as a basis of our project scoring but please be realistic about the number of outcomes and targets you provide. If you are successful, they will form the basis of your Grant Funding Agreement and we will require you to provide regular progress updates. Think about the capacity of your business or community organisation to monitor some of these outcomes and what process you have in place to enable you to provide the evidence.

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 reporting will take place on a quarterly basis and may, for some projects, continue for some months after the end of the project to enable you sufficient time to see the results of the investment. Many projects will be asked, at the start of their project, to provide us with a baseline position 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 [IOO Guidance](#) and have understood the evidence that will 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.

Evidence

Please refer to the [Interventions, Objectives, Outputs and outcomes documentation](#) to see what evidence is acceptable for each outcome and how it should be recorded.

A few additional examples are provided below

Photographs or videos are a great way for all projects to record your progress and can be used to provide evidence that the project is underway, a milestone has been achieved, a new piece of equipment has been installed, an opening/ launch event or workshop, etc has taken place.

Feedback forms, questionnaires paper, and online surveys can all be used to monitor changes in perception. Remember that you will need to survey the same people before and after so perhaps pick some specific user groups, events, or meetings that you can easily monitor

Booking forms, simple sign-in sheets, and Eventbrite, can all show evidence of increased users. Think about how best to record any attendees at any free-to-attend or drop-in events. Remember to consider what period you will use to record an increase in numbers and what events and activities you have coming up. This will help to determine how long your monitoring period needs to be to see a clear uptake.

Payroll and contracts can be used to evidence new jobs created. Please remember that these jobs must be new and must not have existed before your Grant Funding Agreement was issued.

If you are not sure, please contact the project team.

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.