



## Rural England Prosperity Fund – Guidance Notes

### 1. Introduction

In September 2022, Stroud District Council was identified by Defra as an eligible place for the Rural England Prosperity Fund (REPF). REPF aims to improve productivity and strengthen the economy and communities in rural areas. Stroud district has been awarded an allocation of capital funding that will be available November 2023 – March 2025.

The total funding for Stroud district for years 2023-24 and 2024-25, is £100,000 and £300,000 respectively, and is for capital projects only.

For the purposes of the funding, Defra has defined ‘rural’ as an area that does not exceed 10,000 residents, as such, some of the district is unable to apply for funding. For more information eligible areas please refer to Section 15. Geographical Areas & Eligibility (below).

Stroud District Council is looking to support small businesses and community projects to enable improvements to productivity and to strengthen the rural economy and communities. The capital grant scheme is open to existing micro-businesses (fewer than 10 employees), small businesses (fewer than 250 employees), social enterprises and community groups.

The desired activities from grant funded projects include:

- Small-scale investment in micro and small enterprises
- Supporting new-to-firm innovation to energy efficient and low carbon technologies
- Farm diversification to generate new income streams.
- Developing and promoting tourism and the visitor economy
- Supporting existing cultural, historic and heritage institutions
- Investment into capacity building and infrastructure support for local civil society and community groups
- Growing the local social economy
- Creation and improvements to local green spaces
- Support for new and existing circular economy projects.
- Support for new and existing volunteering and social action projects to develop improved social and human capital in the district.

Successful grant funded projects will deliver one or more of the following:

- Creation of new jobs / safeguarding of jobs
- Improved business productivity / business growth
- Businesses adopting new-to-the-firm technologies or processes.
- Inward investment
- Businesses increasing their export capability.
- Greenhouse gas reductions
- Improved perception of community facilities, infrastructure project, event/s, or amenities
- Increased users of community facilities or amenities



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- Increased footfall / increased visitor numbers
- Increased use of cycleways or footpaths
- New community-led programmes
- Improved engagement / increased volunteer numbers.

The Rural England Prosperity Fund prospectus identifies the types of projects we expect to see funded. The REPF [list of interventions, objectives, outputs and outcomes](#) should be used to inform your project application. In addition, please also read the Government's [25 Year Environment Plan](#) summary to assist you in completing your application.

**For Round 7, grant funding will be between £3,000 - £9,000 with 60% match funding required.**

**In exceptional circumstances, a grant will support 100% of the funding required, up to £9,000. This is at the discretion of the grants panel.**

**Please note this is a competitive grant competition. Submission of an application does not guarantee funding will be awarded.**

Also, due to the anticipated high volume of applications, we will not be able to provide feedback to unsuccessful applicants.

## 2. Grant Programme Eligibility

The grant programme is open to existing micro-businesses (fewer than 10 employees), small businesses (fewer than 250 employees) and social enterprises / CICs. You must be registered with Companies House or have a partnership registered with HMRC for at least 3 years. The grant is not available to sole traders.

The business must be based and trading from a business premises (i.e., subject to business rates or an agricultural premises that is exempt from business rates) and located in an eligible area within Stroud district.

Applications may be made by a business on behalf of a group of businesses / organisations (as a partnership or consortium) who wish to collaborate on a project.

New start-up businesses may apply; however, you must have a business bank account. You may be asked to provide further information about your business once your application has been reviewed.

Applications are also welcomed from town and parish councils, registered charities, higher and further education institutions, public sector organisations and constituted community groups based within eligible rural areas.

All applicants must have a business bank account to receive the grant. Funding cannot be paid into a personal bank account.

There must be a single lead applicant who is responsible for receiving and spending the full grant award directly with suppliers.



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The grant monies cannot be distributed to any other businesses / organisations to spend as part of the project.

Additional eligibility criteria will also apply as follows:

- Grants cannot contribute to projects that are already underway, any costs incurred before confirmation of the grant award are not eligible and will not be included. For the avoidance of doubt, retrospective project costs will not be eligible.
- Grants can only fund capital projects to be delivered by 31 March 2025
- Salary costs are not eligible.
- Minimum grant value: £3,000
- Maximum grant value for Round 7: £9,000
- There is a limit of one grant award per project. A business may apply for a grant to support an additional project; however, no double counting of outcomes or outputs will be approved.
- Your business must comply with at least one of the three elements of the Minimal Financial Assistance (MFA) criteria, see Section 6. Minimal Financial Assistance (below)
- Your business must be viable or have a credible plan to return to viability.
- **If your project requires planning permission this must be in place at the time of application**, or we will not be able to progress your application. If you are unsure of whether planning is required you may need to apply for pre planning advice (please visit [SDC Planning and Building Control](#) for further info). Checks will be carried out on all applications to assess the likely planning requirements of each project. However, the responsibility for confirming planning requirements rests with the applicant.

**The final decision on whether a project is determined as ‘capital’ rests with Stroud District Council.**

### 3. Ineligible Projects

Examples of what the grant CANNOT support:

- Working capital, e.g., rent payments, hire costs, stock purchases,
- Any motorised vehicles
- Funding for the payment of wage subsidies
- Activities which would contradict, duplicate, or undermine HM Government domestic initiatives.
- VAT payments
- Paying off debts or refinancing
- Purchase of financial investments
- Any statutory or legislative obligations, duties, or requirements (including statutory training)
- Hire purchases and/or asset finance arrangements.
- “Like-for-like” replacement of obsolete equipment with little or no added value.

Under the UK Subsidy Control Commitments in force from 1st January 2021, some elements of activity cannot be supported. Therefore, The Rural Grants cannot be:



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- Dependent on export performance – for example linking the grant to a specific export performance.
- Contingent on the use of domestic content – for example stating that the grant recipient must use a minimum percentage of UK inputs in their product.
- Provided to a non-viable business unless that business has a valid plan in place to return the company to viability.

The fund cannot support projects that have received funding from Defra schemes, including:

- [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 - the Farming Equipment and Technology Fund and the Farming Transformation Fund
- [The Platinum Jubilee Village Hall Improvement Grant Fund](#) - grant funding over 3 years (to 2025) to support capital improvement projects for village halls, covering extending buildings and modernising facilities.

## 4. The Rural Grant Timeline

A timeline for 2024/25 applications is detailed below:

<b>Activity</b>	<b>Round 3</b>	<b>Round 4</b>	<b>Round 5</b>	<b>Round 6</b>	<b>Round 7 (final)</b>
Application submission deadline	01/04/2024	01/06/2024	01/09/2024	08/11/2024	10/01/2025
Grants Panel Meeting	18/04/2024	19/06/2024	18/09/2024	27/11/2024	29/01/2025
Spend to be confirmed*	28/02/2025	28/02/2025	28/02/2025	28/02/2025	28/02/2025

\*Grant will be available 7 – 14 working days after confirmation of spend, subject to grants panel quorum

**Please note, for successful grant applications for year 2024-25 proof of spend will be required 28 February 2025. Any submissions of proof of spend after these dates will not be eligible for payment.**

## 5. The Funding Available

Grants for Round 7 will be £3,000 - £9,000, with the applicant needing to provide at least 60% of the total project costs (match funding).

At the grant panels discretion, grants can support 100% of the project cost, up to £9,000 for Round 7. To be eligible for 100% support, the business or community organisation will need to evidence why they cannot utilise private sector investment. A fully funded project is at the discretion of the grants panel.



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Grant projects will be paid in arrears, on receipt of confirmation of spend. Correct claims made on time will be paid approximately 7 – 14 working days later, therefore applicants must be confident that they can cash flow their project pending reimbursement.

Prior to Round 7, grants were between £3,000 – £20,000 match funded, with a maximum grant of £10,000 for 100% funded projects. Due to limited funds remaining for Round 7 we have had to reduce the maximum grants available. Please note - we expect to be oversubscribed.

## **6. Minimal Financial Assistance**

All businesses (SMEs) which receive support under this programme are being aided under the UK Subsidy Control Act (2022) as governed by The Subsidy Control (Gross Cash Amount and Gross Cash Equivalent) Regulations (2022 No. 1186). All grants are awarded as part of the Minimal Financial Assistance (MFA) exemption.

MFA allows SMEs to receive up to £315,000 over any period of 3 financial years (the current and two previous financial years).

If a company has already received £315,000 of MFA (also known as Small Amounts of Financial Assistance, Special Drawing Right (SDR)) or De Minimis State Aid within a three-year fiscal period, it will have to rely on one of the other allowances:

- COVID-19 Business Grant Allowance – up to £1,600,000
- COVID-19 Business Grant Special Allowance - if businesses have reached limits under the Small Amounts of Financial Assistance Allowance and COVID-19 Business Grant Allowance, they may be able to access a further allowance of funding under these scheme rules of up to £9,000,000.

For the avoidance of doubt, provided certain conditions are met, these three allowances can be combined for a potential total allowance of up to £10,915,000 (subject to exchange rates). If in doubt, please talk to an appropriate member of your organisation to check before submitting your application form. This may take the form of other grants or business support received in the past.

You must complete the table in Section 7 of the Application Form in full to declare all previous public sector support received in the last three years to confirm that you are eligible.

You must inform us if you receive other public funding towards your project as this will have an impact on the level of grant funding that we can offer.

## **7. VAT**

VAT is an ineligible cost for the Rural Grant programme and will not be supported.

It is your responsibility to ensure that VAT is correctly treated within your grant project. Incorrect VAT treatment could lead to penalties from HMRC and you having to repay the VAT element of the grant that should not have been claimed.



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## 8. Procurement

Provided you are not a Contracting Authority as defined in the Public Contracts Regulations (2015) you will be able to provide direct awards to suppliers for contracts below £24,999. You are required to justify the selected supplier by seeking and providing copies of at least three written quotes. Where there is only one possible supplier for an item of expenditure, then best value must be demonstrated.

If your total project costs are higher than £24,999 and you believe that a single supplier contract will be over £24,999 then you must discuss this prior to submission of your application. Please contact [economic.development@stroud.gov.uk](mailto:economic.development@stroud.gov.uk)

The evidence that you need to provide alongside your application for all procurement / supplier selections is:

- Copies of all quotations/screenshots
- Quotations/screenshots must be clearly identifiable to the supplier and include the supplier's name, a date, price per item to be purchased/procured, if the amount is inclusive or exclusive of VAT and (where possible) the supplier letterhead/logo.
- Quotations/screenshots must reference which project cost they are associated to.

**Please note – if you do not provide at least three written quotes for an item of expenditure or a detailed justification of best value your application will not be assessed.**

## 9. The Application Process

The application form can be found on the Stroud District Council website, [here](#). Applications must be completed in full.

We require three quotes or screenshots for each item or service being included in your project and justification why you have selected a specific supplier, and how they contribute value for money.

Quotations should be emailed with the application form and your Expenditure Profile Plan should reference which supplier is associated to each cost.

Quotations must be official and dated, e.g., be on headed paper / from the company's email account. They must include VAT where relevant. You must provide quotes for all items of expenditure included in the project, including those funded by your 60% match funding contribution.

Incomplete submissions will not be considered.

**You must submit:**

- **A completed online application form**
- **A minimum of 3 quotations/screenshots per item of expenditure or a detailed best-value explanation.**

Thorough checks will be carried out on all applications. Only applications which pass these checks will be submitted for discussion by the grants panel.



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Applicants will be notified by email following the grants panel meeting whether their application has been approved or refused. In some cases, the grants panel may request further information at this stage prior to making a decision.

## 10. Project Outputs & Outcomes

In the application form, you will need to provide details of the outputs and outcomes (i.e., increased visitor numbers - 50, jobs created as a result of support - 5, etc.) that your project aims to achieve. You must quantify your outcomes by providing numerical values. Please refer to the [REPF Interventions, Objectives, Outputs and Outcomes document](#).

Applications which offer good outcomes are likely to score more highly than those which do not. However, you must ensure that any outcomes promised are realistic as these are commitments not aspirations. Once your grant is approved, we will contact you to confirm the details of the outputs and outcomes that you provided in your application form, as these will be included as a Schedule of your Grant Agreement.

Government measures the impacts of the Rural England Prosperity Fund by collecting data on these outputs and outcomes. Stroud District Council is required to monitor all funded REPF projects and report back to Government every six months on the progress made in meeting these outputs and outcomes.

**As a condition of receiving the grant, you are required to complete six-monthly project monitoring reports on the project spend and your progress with meeting your outputs and outcomes, up to 31 March 2025.**

If you experience difficulties in achieving the outcomes as outlined in your Grant Agreement, please contact us at your earliest convenience so that we can understand and discuss the options in relation to the grant payment.

Please note that we reserve the right to claim the grant funding back from you if you do not achieve your agreed outputs and outcomes, or if you fail to submit your quarterly reports.

## 11. The Grant Offer

If your grant is approved by the grants panel, you will be notified by email.

We will determine whether your grant will be subject to Subsidy Control (see Section 6). If so, you will be asked to sign an MFA notification letter.

Prior to sending your grant agreement, we are required to confirm the outputs and outcomes that your project will meet (see Section 10, above), and to check that your Expenditure Profile Plan is correct. We will also request your bank details in order to make arrangements for the grant to be paid.

Once we have this information you will be sent your Grant Agreement. You will need to check and sign this, then mail it to us. We will then email you a copy signed by both parties.

The Grant Agreement MUST be signed by a current Director of the organisation or someone who is authorised to sign by your organisation.



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If you are successful in being awarded a REPF grant, you will be expected to:

- Provide all evidence required to process and verify the grant application and any subsequent claims.
- Provide all evidence as set out in the grant agreement of any programme outputs and outcomes achieved because of the funding.
- Be proactive to promote and publicise the support you have received, e.g., success stories in the form of press releases, case studies.
- You must cooperate, if requested, with Freedom of Information Act requests or other communications unless there are clear reasons not to (for example, confidentiality around commercial issues, intellectual property, or patents etc.)
- Participate in any evaluation activities by the Economic Development Team, and the external evaluator.
- Maintain an asset register of all approved, funded items over £5000.

## 12. Making Your Grant Claim

Any grant that is approved is only for the purpose stated in the Grant Agreement. Should the circumstances on which a grant application was based change, you must contact the Economic Development team to discuss before committing to making any payments. This may include, but is not limited to:

- a change of expected completion date
- change of supplier
- change to the project value.
- expected project outcomes, or
- cancellation of the project.

If you are in any doubt, please contact the Economic Development team to discuss your grant.

If your project overspends, then you will only be able to claim the grant value awarded.

Grants should be claimed in line with the Expenditure Profile Plan you completed in Section 7 of the application form (this will be reflected as a Schedule of your Grant Agreement). Please note that only one grant claim is allowed. You should submit a completed claim form (to be supplied) to the Economic Development team on your claim date for review and payment, subject to review and compliance checks.

**Reimbursement is based on actual defrayed expenditure. If your approved expenditure is less than anticipated the grant will reduce.**

In any case grant claims cannot be accepted after 28th February 2025 for projects in year 2024 – 2025. This is in line with our funding requirements.

For all expenditure on your project, you will need to meet the regulatory audit trail requirements including evidence of defrayal (monies leaving your bank account). This includes:

- A copy of the supplier invoice(s) / receipts
- Proof of payment, namely a redacted business bank statement showing the relevant payment(s).





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Your project claim must demonstrate that the project expenditure has been made through the bank account provided when accepting the grant (at Grant Offer stage). This should be a business bank account. Business credit cards can be used, but you must be able to evidence that the credit card has been repaid (by the business) before you claim.

Payment of supplier invoices cannot be made by cash or contra arrangements.

### **13. Asset Register**

You will be required to maintain an asset register of all purchases of items over £5,000.

We may ask to see this register at any time and may also visit your premises to verify the purchase(s) and record identification details.

Please be aware that if you dispose of the item(s) before they are fully depreciated, the council reserves the right to reclaim a proportion of the grant.

The detailed information that you will be required to maintain includes:

- Asset name and description
- Serial or identification number
- Location of the asset (including post code)
- Purchase price (£) (net recoverable VAT)
- Date of acquisition
- Approved use of asset
- Legal registered owner of asset
- Method of depreciation
- Date of depreciation

We may require photographic evidence of assets to show to auditors. If this is necessary, we will contact you and confirm what images we need.

### **14. Further Information**

The Economic Development team reserve the right to visit you to ensure the grant has been used for the purpose it was intended as stated in the application form and to inspect records to show costs have been incurred by you.

Your grant activity may also be subject to scrutiny by auditors from Stroud District Council, the UK Government, and the National Audit Office.

### **15. Geographical Areas & Eligibility**

The Rural England Prosperity Fund is available via Defra. They have identified which areas of Stroud district are and are not eligible, the following methodology has been used to determine this:

For the purposes of REPF, Defra defines 'rural' areas as:

- Towns, villages, and hamlets with populations below 10,000 and the wider countryside



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- Certain 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. (Note that this does not apply to all towns up to 30,000 population.)

Local Authority District and Unitary Authority boundaries are 2021-based. Within eligible authorities, Defra has determined that built-up areas with populations of 10,000 or more are NOT RURAL. These areas have been identified using Office for National Statistics 2011-based Built-Up Area and Built-Up Area Sub-Division geographies.

However, some built-up areas with populations between 10,000 and 30,000 which serve the wider rural area have been identified by Defra as 'rural hub towns' and are eligible for REPF.

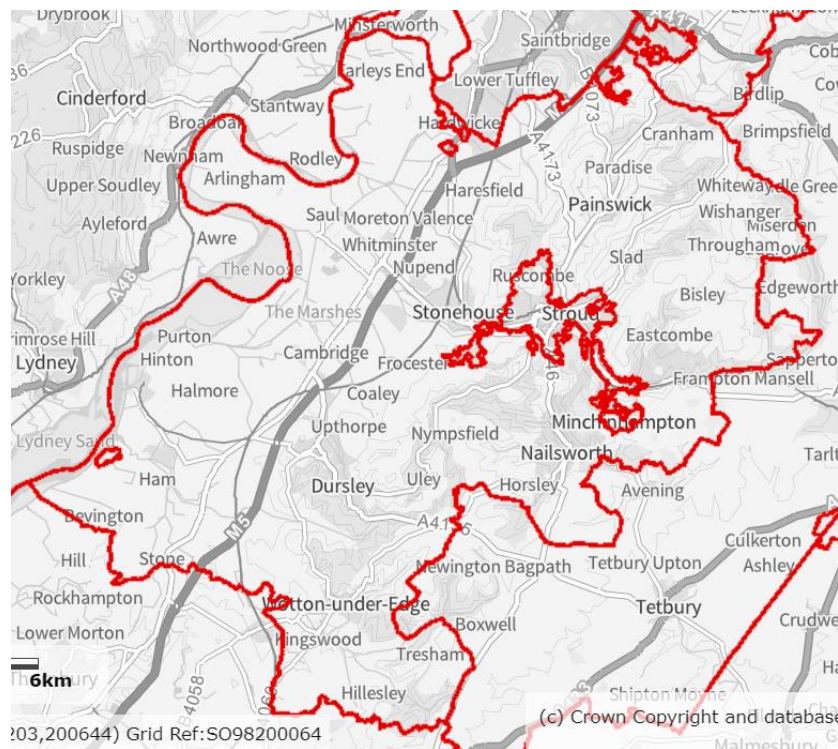
Within the Stroud district, Defra has identified Dursley as a 'rural hub town' and eligible for REPF. Defra have also confirmed that Nailsworth and Stonehouse are eligible. However, built-up areas within Stroud town, and some built-up areas within the parishes of Brimscombe, Minchinhampton, Upton St Leonards and Leonard Stanley are not eligible.

The eligible / ineligible areas are not based on town or parish boundaries. Applicants will need to check their precise location carefully to ensure eligibility. To check your location, you will need to access the Defra mapping system, Magic Maps. The image below shows which areas of the district can apply for funding. The areas surrounded by the second red line are ineligible areas. To clarify the eligibility of your businesses or community organisation's postcode on Magic Maps please follow the steps below:

1. Open <https://magic.defra.gov.uk/magicmap.aspx>
2. Click "Administrative Geographies" and select "Other Administrative Boundaries" from the drop-down menu.
3. Select "Rural England Prosperity Fund"
4. Once the funding boundaries are highlighted on the map, zoom in to the South West and find the district of Stroud.
5. To identify if your businesses postcode is in an eligible area, type this in the top bar to identify if it sits in an area of eligibility.



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## 15. Contact Us

Please ensure that you read these Guidance Notes in full prior to submitting a query. Further information is available at [www.stroud.gov.uk/REPF](http://www.stroud.gov.uk/REPF)

If you still have any outstanding questions having reviewed all the supporting material, please contact us via email at [economic.development@stroud.gov.uk](mailto:economic.development@stroud.gov.uk)