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Rural England Prosperity Fund - Guidance Notes 2025-26

*If you are applying for a UK Shared Prosperity Fund capital grant please follow all guidance EXCEPT Section 3: Eligible Areas

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 strengthen the economy and communities in rural areas.

For 2025-26, Stroud district has been awarded £120,261 of REPF for capital projects in eligible rural areas 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 3. 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.

REPF will support projects within the following categories:

- Growing the local social economy and supporting innovation
- Small scale investment in micro and small enterprises in rural areas
- The development and promotion of the visitor economy
- Existing cultural, historic and heritage institutions which make up the local cultural heritage offer
- Local arts, cultural, heritage and creative activities
- Investment in capacity building and infrastructure support for local civil society and community groups
- Rural circular economy projects
- Impactful volunteering and social action projects to develop social and human capital
- Investment and support for digital infrastructure for local community facilities
- Creation of and improvements to local rural green space
- Active travel enhancements in the local area

[The Rural England Prosperity Fund Prospectus for 2025-26](#) provides further detail on the grant programme. Please also read the Government's [25 Year Environment Plan](#) summary to assist you in completing your application.

2. Grant details:

- Minimum grant - £5,000
- Maximum grant with 60% match funding - £20,000
- Maximum grant with no match funding - £10,000



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

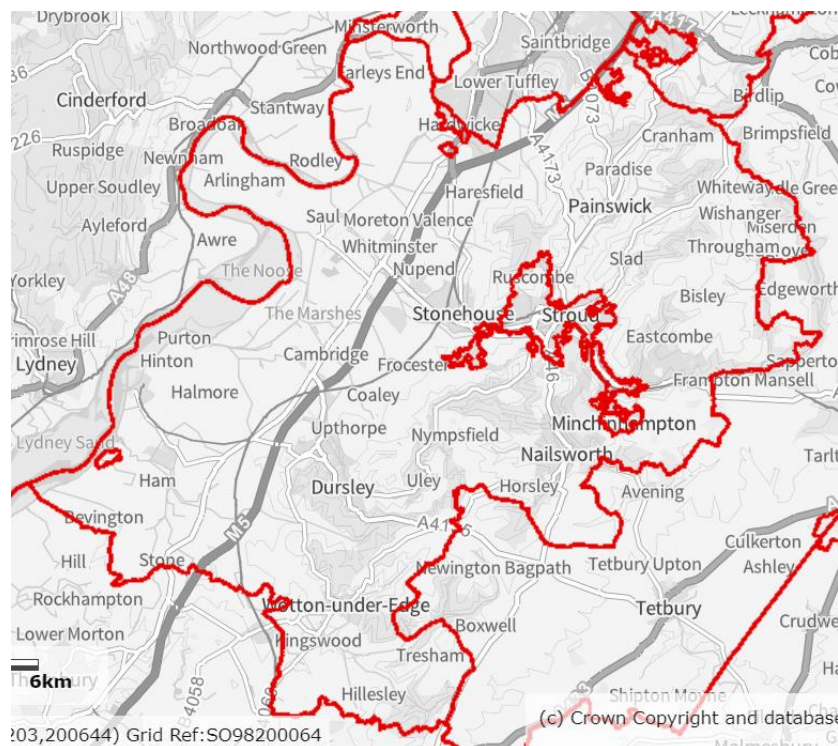
3. Eligible Areas

The Rural England Prosperity Fund is available via Defra. They have identified which areas of Stroud district are and are not eligible. For detailed information please see [this leaflet](#).

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 need to check their precise location carefully to ensure eligibility. To check your project's 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 determine whether your location is eligible 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. Type the postcode of your project's location in the top bar to identify if it sits in an eligible area.





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Defra have been clear that there is no flexibility on their map. Projects must be located within the red lines of an eligible area. Stroud District Council is not able to make exceptions or changes to Defra's map or their definition of 'rural'.

4. Eligibility Criteria

Businesses:

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 must indicate on your application form that you are applying as a new start-up and we will contact you to discuss further.

Community organisations:

Applications are welcomed from town and parish councils, registered charities, higher and further education institutions, public sector organisations, social enterprises, CICs, 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.

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

Additional eligibility criteria are as follows:

- Grants can only fund capital projects to be delivered by 31 March 2026
- There is a limit of one grant award per project. An organisation may apply for a second grant to support a different project; however, second applications must meet different outputs & outcomes
- Grants can support farm diversification projects outside agriculture (for example, creating rural leisure and tourism facilities)
- Businesses 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



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- **If your project requires planning permission this must be in place at the time of application**, or we will not be able to accept 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. 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.

5. Ineligible Projects & Costs

Examples of what the grant CANNOT support:

- Grants cannot support projects that are already underway. Any costs incurred before email confirmation of the grant award are not eligible and will not be included in grant payments. For the avoidance of doubt, retrospective project costs are not eligible
- Projects which require planning permission and do not have this in place at the time of application
- Farm equipment or grants for farmer-owned businesses diversifying within agriculture. Such funding may be available from other Defra schemes, such as the Farming Investment Fund, see <https://www.gov.uk/guidance/farming-investment-fund>
- Working capital, e.g., rent payments, stock purchases
- Private vehicles
- Salary costs and funding for the payment of wage subsidies
- Activities which would contradict, duplicate, or undermine HM Government domestic initiatives
- VAT costs
- 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, REPF grants cannot be:

- 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:



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- [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 2026) to support capital improvement projects for village halls, covering extending buildings and modernising facilities.

6. REPF Timeline

A timeline for 2025-26 applications is detailed below:

<u>Activity</u>	<u>Round 1</u>	<u>Round 2</u>
Application submission deadline	23/06/2025	12/09/2025
Grants Panel Meeting	04/07/2025	26/09/2025
Grant claim deadline*	28/02/2026	28/02/2026

7. Funding Available

Grants for Round 7 will be £5,000 - £20,000, 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 £10,000. To be eligible for 100% support, the business or community organisation will need to evidence why they cannot provide match funding. A fully-funded grant is at the discretion of the grants panel.

Grants will be paid in arrears, on receipt of proof of spend. Correct claims made on time will be paid approximately 10 working days later, therefore applicants must be confident that they can cash flow their project pending reimbursement.

8. 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.

9. VAT

VAT is an ineligible cost for REPF and cannot be supported, therefore should not be included in grant applications or grant claims.

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.

10. 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

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.



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11. 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 has been chosen for each item.

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.

You must submit:

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

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.

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

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.

12. Project Outputs & Outcomes

On the application form you will need to provide details of the outputs and outcomes that you believe your project can achieve by 31 March 2026. You must quantify your outcomes by providing numerical values.

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



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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 2026.

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 reports.

13. The Grant Offer

If your grant is approved by the grants panel, you will be notified by email. After you have received this email you are then able to make purchases and/or begin work on your project.

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.

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.

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:



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- 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.

14. Making Your Grant Claim

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

To make a grant claim applicants should email economic.development@stroud.gov.uk copies of invoices & receipts for all project costs, along with copies of bank statements showing the corresponding debits. At this stage we will check that the dates of invoices and bank payments took place after the project was notified of their grant award. We will also ensure that VAT has been excluded.

Applicants need to provide proof of spend for their full project costs, including the match-funded portion. For example, if a project is awarded a £20,000 grant with 60% match funding, they must provide proof of spend for at least £50,000.

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

Your project claim must demonstrate that the project expenditure has been made through 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.

15. 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



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- 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.

16. 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.

17. 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

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