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TEST VALLEY RURAL ENGLAND PROSPERITY FUNDS

Guidance for Business Grants

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1. Background to the Rural England Prosperity Fund

Test Valley Borough Council (TVBC) has been awarded just over £500,000 of Rural England Prosperity Fund (REPF) money to support its rural communities and businesses.

Rural areas often face specific challenges including:

- lower productivity rates
- poorer connectivity
- poorer access to key services.

The REPF supports the aims of the Government's Levelling Up White Paper and Future Farming Programme. It funds capital projects for small businesses and community infrastructure. This will help to improve productivity and strengthen the rural economy and rural communities.

The REPF is integrated into the UK Shared Prosperity Fund (UKSPF) which supports productivity and prosperity in places that need it most. It supports activities that specifically address the particular challenges that rural areas face. It is complementary to funding used to support rural areas under the UKSPF.



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The REPF sits alongside existing schemes from the Department for Environment, Food and Rural Affairs (DEFRA), including:

- [The Farming in Protected Landscapes programme](#)
- [The Farming Investment Fund](#)
- [The Platinum Jubilee Village Hall Improvement Grant Fund](#)

REPF grants must be used for capital projects. This means that the grants must be spent on lasting assets such as a building or equipment.

Grants must be for local rural businesses or for community purposes.

Funding is available to rural businesses and communities. The total amount available is £514k to be split equally between business and community grants.

2. Our priorities

Rural Businesses

- Small scale investments in micro and small enterprises (fewer than 50 employees).
- Development and promotion of the visitor economy through micro, small and medium sized enterprises (fewer than 250 employees).
- Growing the local social economy & supporting innovation through micro, small and medium sized enterprises (fewer than 250 employees).

Grants to rural businesses will have a minimum value of £5k and a maximum value of £25k. **They should support new and existing 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.

3. Eligibility

Any organisation with legal status can get funding to deliver a REPF intervention. In most cases, organisations applying for business grants will be private sector companies. Other organisation types will be considered on a case-by-case basis. Only businesses with fewer than 50 employees are eligible for grants for small scale investments; only businesses with fewer than 250 employees are eligible for grants for the development and promotion of the visitor economy or for growing the local social economy and supporting innovation.

Projects must be in a rural area. For REPF purposes, rural areas are:

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



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- 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.

You can check the areas that are eligible for REPF, through [DEFRA's Magic Map](#). Under 'Table of Contents' select 'Administrative Geographies' then 'Other Administrative Boundaries' then select 'Rural England Prosperity Fund'.

Search for the location by entering the postcode within the search bar (top left of page) or manually zoom in on a location.

You will find a toolbar of icons above the map. Select the 'Identify' icon. Move the cursor (a cross) onto the map and click on the location of your project. A pop-up box will appear confirming whether or not the area is considered rural for the purposes of the REPF.

4. Projects and businesses that cannot be funded

We cannot fund the following:

- Revenue costs such as running costs or promotional activities – this is a fund for capital projects only.
- Domestic property improvements.
- The purchase of private vehicles.
- Businesses located outside the eligible Test Valley REPF area that cannot demonstrate that the grant funded investment will benefit the Test Valley area.
- Projects that have received funding from other DEFRA schemes. These include:
 - [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 two 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.
- Projects for which the capital asset would be on land or property not owned or leased by the applicant.
- Projects for which the necessary planning consent has not been secured at the time the work is done.
- Projects or costs where there is a statutory duty to provide them.
- Projects that could be fully funded using private finance.
- Businesses in financial difficulty or that have ceased trading.



- Businesses with 50 or more employees for the small-scale business investments.
- Businesses with 250 or more employees for visitor economy or social economy grants.
- Projects with a total cost of less than £10,000 – the minimum grant is £5,000 and businesses must provide 50% of the total in match funding.
- Businesses for whom receipt of the requested REPF grant from the Council will exceed the Minimum Financial Assistance (MFA) threshold for the business as specified in section 36(1) of the Subsidy Control Act (2022). The total amount of 'Minimum Financial Assistance' (MFA) received over a rolling period of three fiscal years should not exceed £315,000 per business including the total amount of MFA received over the relevant period of three fiscal years across all businesses at company group level (including the grant you are applying for).
- Projects which may be construed as radicalising or encouraging people into terrorism, to ensure compliance with the Counter-Terrorism and Security Act 2015¹.

5. Match Funding

Rural business projects will be expected to provide a minimum of 50% of project costs. Other UKSPF grants cannot be used for match funding.

Examples of match funding levels are provided in the following table:

Type of project	Total cost	REPF contribution	Minimum match funding
Rural business projects	£5k	Not eligible – minimum project cost £10k due to match funding requirement	N/A
	£10k	£5k (minimum grant)	£5k (50%)
	£30k	£15k	£15k (50%)
	£60k	£25k (maximum grant)	£35k

¹ Any activity which may be construed as radicalising or encouraging people into terrorism must be reported. Should any allegation be received, or if the Council has reason to suspect noncompliance, the Council will investigate and may decide to cancel, modify or withdraw any offer or grant made to ensure compliance with the Counter-Terrorism and Security Act 2015.



6. Evaluation

Eligible applications will be scored, and the scores weighted against the following criteria:

Assessment Area	Evidence to be considered	Weight
Achievement of REPF strategic objectives	Fit of project to objectives Evidence of need Anticipated impact – eg jobs created, jobs safeguarded, enterprises created, business growth, adoption of new technologies, creation or improvement of tourism, culture or heritage assets	40%
Value for money* and additionality	Finance plan Potential for the project to unlock future investment Engagement with other rural partners	25%
Deliverability	Project plan Project leadership Monitoring and evaluation plan Previous experience of applicants	25%
Contribution to net zero and nature recovery objectives	Reduction in greenhouse gases Fit with 25 year environment plan Wider environmental considerations	10%

*Value for Money:

- Achieving value for money can be described as using public resources in a way that creates and maximises public value.
- Public value is defined as the total well-being of the UK public as a whole. This covers all the economic, social and environmental impacts of a proposal.
- The aim of value for money assessments is to help decision-makers judge whether the expected costs of a proposal are justified by its expected benefits to the UK public as a whole, including both positive and negative impacts of the proposal on the economy, society, environment, and public accounts.

Each area will be scored from 0-5 based on the following framework:

0	Unacceptable	No detail, or a totally unacceptable level of detail that does not allow for the bid to be assessed against the criteria, such that the applicant should be failed at this point and not considered further.
1	Inadequate	Substantially unacceptable response that does not meet the scheme's requirements. An inadequate level of detail.



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		Considerable reservations about the capacity of the project to meet the criteria.
2	Weak	Weak response that does not fully meet the scheme's requirements. Response may be minimal with little detail or evidence given to support and demonstrate the capacity of the project to meet the criteria.
3	Satisfactory	Response that largely covers the scheme's requirements Brief evidence given to support and demonstrate the capacity of the project to meet the criteria.
4	Good	Good evidence provided to demonstrate the capacity of the project to meet the criteria.
5	Excellent	Exceptional response that inspires confidence and indicates that a high level of commitment and benefits will be provided. Full and comprehensive evidence provided to demonstrate the capacity of the project to meet the criteria.

All applications will be independently scored. Any scores of zero will result in rejection at this stage. A Panel Report will be prepared for eligible applications and shared with REPF Grant Panel members. This will be presented at the next REPF panel meeting. Panel members will discuss each proposal, raise any queries or concerns, and make decisions. Where necessary, queries and concerns will be shared with the applicants and their answers will be fed back to the panel members so that a decision can be reached.

The Council may use discretion to award a different grant amount to that requested depending on the number of applications received and what it considers appropriate to enable the fund to support more businesses.

7. Timeline

The funding is limited. Applications will be assessed at regular Panel meetings.

All REPF funding awards must be paid out by 31 March 2025.



8. Financial and approval requirements

Procurement of products and services must meet the following minimum procedures:

Value	Minimum procedure
Up to £5000	Single quotation - Direct award
£5k-£20k	Two written quotations or evidence of current market price from relevant suppliers of such goods, works and/or services
More than £20k	Three written quotations or evidence of current market price from relevant suppliers of such goods, works and/or services

Approval must be granted before expenditure is incurred; grants will not be paid for any expenditure incurred before the date of the Grant Offer letter.

You are expected to check that contractors for works have suitable insurance in place.

Applicants must hold Third-Party Public Liability Insurance, and Employers' Liability Insurance, if applicable. A current safeguarding policy and child protection will be required if the project will involve children or vulnerable adults.

You are responsible for arranging all relevant consents, permissions, exemptions and written advice needed. You will not be paid for any work undertaken without all the necessary consents and permissions being in place.

Grant monies are paid retrospectively and to the business bank account only, not to contractors or suppliers. You must pay for the items in full once they are on site and in your ownership. You can then submit a grant claim form to us with supporting information for processing.

An updated spend, output and outcome report, and a project narrative will be required quarterly.

All project expenditure must be auditable.

If your business is registered for VAT, you cannot claim the VAT element of any expenditure in your REPF grant claim. If your business is not VAT registered, you are entitled to claim against the gross cost. We may ask for evidence to support your VAT status.

Successful applicants must promote that the project was part funded by the UK Government through the REPF Levelling Up funds via TVBC (eg via their website, newsletter and on-site signage).



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9. Supporting information

Together with your application form, we will need:

- A copy of the business's child protection and safeguarding policies where the project will involve children or vulnerable adults.
- Any additional information you want to provide to support your application.
- A copy of the most recent statement from the business bank account. The statement must be dated within 2 months of the application date and show the bank account name and business address.
- A copy of the most recent full statutory audited / unaudited accounts for the business or, if self-employed, a copy of your most recent HMRC self-assessment return.
- Valid, detailed quotes or catalogue listings for the proposed expenditure. The number of quotations required will be determined by the value of the quotation as described in Section 8.
- Written confirmation from your landlord of permission to undertake the project (if applicable).
- A copy of your current lease if applicable. We normally expect a minimum of 5 years to remain.

Your personal information will be used only for the purposes of assessing your application or providing you with information including the TVBC Business Newsletter to support your business; it will not be transferred outside of the European Economic Area. Should you decide you do not wish to receive the TVBC newsletter, you can unsubscribe by clicking the unsubscribe option at the bottom of the newsletter. Information on the Council's use of your data can be found here: [GDPR Privacy Statement | Test Valley Borough Council](#).

10. Submitting your application

Applications must be made via the online application form found on our website.

The guidance document should help you to complete the form; if you require any additional support, please contact pfunds@testvalley.gov.uk. Please email your completed form together with supporting documentation to pfunds@testvalley.gov.uk.

On submission of your application, you will receive an acknowledgement. Your application will be checked for eligibility and reviewed for completeness. You will be contacted if there are any outstanding queries. If eligible and complete, your proposal will be considered by the next Panel review meeting.

We will let you know the outcome of your application by email using the contact details that you have provided.



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If your application is successful, we will send you a grant offer letter which details the agreed project and your ongoing obligations under the terms and conditions of the grant. If you want to accept the grant offer letter you must sign and return the declaration within 20 working days. If you do not accept your offer in this time period, it will be withdrawn.

If your application is unsuccessful, we will explain the reasons for this. There are no appeals rights for the grant; our decision is final.