

CABINET

23 MAY 2025

REPORT OF THE PORTFOLIO HOLDER FOR ECONOMIC GROWTH, REGENERATION & TOURISM

A.1 RURAL ENGLAND PROSPERITY FUND TRANSITION YEAR 2025/26

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To recommend for approval the acceptance of the Rural England Prosperity Fund (REPF) transition year 2025/26 allocation to the Council which totals £197,761.00, and recommends an approach to its spend, building on the successes of the previous REPF programme over the past two financial years, which aligns with Tendring District Council's (TDC) External Funding Framework.

EXECUTIVE SUMMARY

The REPF programme, established in 2022 by Central Government, is part of a wider programme which has allocated funding nationwide to Councils for locally led delivery. Funding has been delivered via the Multiply, REPF, and Shared Prosperity Fund (UKSPF) Programmes.

The REPF covers the majority of the Tendring District, however Clacton and Holland-on-Sea are not classed as rural and are therefore not eligible to apply for any of this funding.

The 2024/25 REPF has now closed; a transition year has been announced (March 2025) for 2025/26 ahead of the longer term funding arrangement to be announced in the Government's Spending Review 2025.

Via an updated funding formula, the Council has been allocated £197,761.00 (made up of all capital funding) to be allocated to grants/projects across two themes in 2025/26, unchanged from the previous programme and supported by sub-themes as follows:

- Communities and Place
 - Healthy, Safe, and Inclusive Communities
 - Thriving Places
- Supporting Local Business
 - Support for Business

With regard to monitoring, the Department for Environment Food and Rural Affairs (DEFRA) issued the following interventions, objectives, outputs and outcomes:

[Rural England Prosperity Fund interventions objectives outputs and outcomes list.pdf](#)
(Please see Appendix B)

The decisions for the last approval of criteria and process for the REPF grant schemes can be found here [Decision - Approval of Criteria and Process for Rural England Prosperity \(REPF\) Grants Schemes](#) and [Decision - Rural England Prosperity Fund \(REPF\) Years 1 & 2, Shared Prosperity Fund \(SPF\) Years 2 & 3](#)

Monitoring will continue to take place in the same way as previously administered, with six-monthly updates reported to Government via the Delta system. This programme allows for spend, outputs, and outcomes to be reported to Government and signed off by the Council's s151 Officer.

Some of the standard questions from DEFRA for 2023-2025 were as follows:

- Spend to date against the investment priorities and forecast;
- Summary of progress with an overall Red, Amber, Green (RAG) rating of the progress and trend, plus, short narrative progress summary update (250 words maximum); and
- Forecast underspend at the end of the financial year.

Over the past two years of grant funding, the REPF has proven to be highly successful for both businesses and community groups in Tendring. The benefits for businesses include:

- Revitalising pub kitchens, enabling them to serve home-cooked food, which has significantly increased footfall and popularity.
- Facilitating business expansion by providing funding for new websites, a machine tool controlled by a computer (CNC machines), 3D printers, ERP systems, and other essential machinery.

Community groups have also derived substantial benefits, including:

- Provision of special equipment for SEN children, allowing them to participate in activities alongside their peers.
- Upgrading swimming pool equipment, ensuring accessibility for all.
- Restoration of an old swimming pool for community use.
- Replacement of radio equipment for a local community radio station following an arson attack.

In years 2023/24 (year one) and 2024/25 (year two), the REPF has financed the following projects:

- Twenty-eight existing rural businesses, with a total funding of £359,000.
- Twenty-three new and improved community infrastructure projects, with a total funding of £251,000.

Feedback from grant recipients underscores the positive impact of the REPF, with many reporting they have been able to “employ more staff,” “take on more work,” and “have been able to complete jobs more efficiently.”

The REPF grants awarded over the past two years are expected to have a lasting positive impact on both businesses and residents of Tendring.

As a result of this success, the following two grant schemes are recommended to continue and open for applications for a period of two months using the same criteria as established in Appendix A, and in the light of government expectations for the scheme set out in Appendix B.

REPF for Businesses £120,000.00

“The Rural England Prosperity Fund Business Grants Scheme” allows for rural businesses

across Tendring ('rural' as defined by DEFRA's Magic Maps platform) to apply for between £5,000 and £20,000 for capital works to diversify or expand their operations or adopt new technologies to the business.

Grants must be matched with at least 25 percent funding from private sources (so, if the total project cost is £10,000, a REPF grant could fund a maximum of £7,500). Match funding can be either revenue or capital. £20,000 in grant funding is the maximum a business can receive from this Scheme but is not a cap on the total project cost.

REPF for Communities £77,761.00

"The Rural England Prosperity Fund Community Grants Scheme" allows for rural not-for-profit organisations across Tendring ('rural' as defined by DEFRA's Magic Maps platform) to apply for between £1,000 and £20,000 for capital works to improve perceptions of their local area, increase use of existing facilities and support local community programmes.

There is no match funding requirement as standard, however REPF can only support capital works. £20,000 in grant funding is the maximum an organisation can receive from this Scheme but is not a cap on the total project cost.

All projects within both grants must be delivered by 31st March 2026.

Over the past two years, the successful implementation of the REPF has laid a strong foundation for continued progress. The strategic provisions established during this period have been instrumental in ensuring that the grants provided under the REPF will continue to deliver substantial benefits. These grants are designed to maximise their positive impact on both businesses and residents within the designated REPF area. By fostering economic growth and enhancing community well-being, the REPF is poised to create a lasting legacy of prosperity and development for all stakeholders involved.

RECOMMENDATION(S)

It is recommended that Cabinet:

- a) accepts £197,761.00 the Rural England Prosperity Fund for 2025 to 2026;**
- b) subject to a) approves the allocation of: £120,000.00 for the Rural England Prosperity Fund Business Grants Scheme and approves the allocation of £77,761.00 for the Rural England Prosperity Fund Community Grants Scheme;**
- c) approves the criteria for assessment of grants for both Schemes under the Rural England Prosperity Fund (Appendix A);**
- d) delegates to the Portfolio Holder for Economic Growth, Regeneration and Tourism and the Portfolio Holder for Arts, Culture and Heritage to approve the award of grants to organisations under the Rural England Prosperity Fund in line with its sister fund the UK Shared Prosperity Fund criteria;**
- e) subject to a) acknowledges documentation to accept the grant funding from Government will require signing by the Council's Section 151 Officer, which will be undertaken following consultation with the Portfolio Holder for Economic Growth and Tourism.**

REASON(S) FOR THE RECOMMENDATION(S)

The REPF 25/26 funding is allocated to TDC and will therefore definitely be paid to the Council this financial year. By recommending these grants for external projects, Officers are able to

prepare in advance of payment and maximise the time available for grants to be delivered in full by the deadline of 31st March 2026.

Following the successful delivery of the REPF over the last 2 years, and the provisions that have been put in place throughout this time, ensures that the grants will continue to give maximum impact for both businesses and residents in the designated REPF area.

By implementing the recommendations, we will create a valuable opportunity to address the unmet demand from the previous funding round. This approach not only ensures that the needs of those who were previously underserved are met but also enhances the overall effectiveness and reach of our funding initiatives. By strategically targeting these areas of demand, we can maximise the impact of our resources, fostering greater inclusivity and support for all stakeholders involved. This proactive step will pave the way for more comprehensive and equitable distribution of funds, ultimately contributing to the sustained growth and development of our community.

Without approval at this stage, this preparation time will be lost, reducing time available for any grant recipients to deliver.

ALTERNATIVE OPTIONS CONSIDERED

Do not accept/allocate the funding and return it to Central Government.

Not to relaunch the existing successful grants schemes and look at other projects, this reduced time would have an impact on the time available for tangible delivery. Any underspend money cannot be carried forward but rather paid back to Government if unspent by 31st March 2026.

The projects recommended above have been selected from the REPF 2023-2025 based on the success of their work, their impact, and the enthusiasm with which they have been taken up by the community.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The outlined proposal aligns with TDC's Corporate Plan (Our Vision 2024-28) in the following areas:

- Working with partners to improve quality of life – via inviting applications for funding across our District to address true demand and need via partner organisations who may receive the available grants and inviting applications from elsewhere across TDC.
- Financial sustainability and openness – via this opportunity for grant awards being made available to as many local businesses and groups as possible via the application process.
- Acceptance of this funding complies with the External Funding Framework which was approved by Cabinet in September 2024.

OUTCOME OF CONSULTATION AND ENGAGEMENT (including with the relevant Overview and Scrutiny Committee and other stakeholders where the item concerns proposals relating to the Budget and Policy Framework)

For this final year of REPF, it has been recommended to continue with the two grant opportunities model to allow for as much interaction and input from local businesses /

community groups via their applications. Applications will continue to be assessed against value for money considerations, but this direct approach ensures that projects District-wide can be considered and assessed based on demand and need locally.

The recommended grants to be internally led, are recommended based on the success they have already demonstrated in the previous REPF allocation, bolster the success of those previously funded projects, and/or reduce a cost pressure on TDC which also meets the REPF criteria.

When looking at approving both grants, a scoring criteria is used, and this is then double scored by a second Officer. Due diligence on each application is carried out by Officers using the tools available when a grant is being considered to be recommended for approval; this may include Companies House, national non-domestic rates (NNDR), Land Registry, Charities Commission, and other appropriate means depending on the applicant. Then, when a grant is offered, Officers require that the applicant signs to say they understand the allocation of funding is subject to their compliance with the terms and standard conditions that is set out on the offer letter.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

Is the recommendation a Key Decision (see the criteria stated here)	YES/	If Yes, indicate which by which criteria it is a Key Decision	<input type="checkbox"/> Significant effect on two or more wards <input checked="" type="checkbox"/> Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	Added to forward plan 4th April 2025

Future decisions for the allocation of the grant payments will need to be recorded and published in the required format.

X The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:

The Department for Environment, Food and Rural Affairs (DEFRA) published Guidance and prospectus updates on 4 April 2025 for the Rural England Prosperity Fund for 2025 to 2026, which must be used along with the [original REPF Prospectus](#), to guide delivery of the Rural Fund from April 2025.

The guidance states the Rural England Prosperity Fund is integrated into the UKSPF which supports productivity and prosperity in places that need it most. For eligible local authorities, the Rural England Prosperity Fund is a rural top-up to UKSPF allocations. It supports activities that specifically address the particular challenges rural areas face. It is complementary to funding used to support rural areas under the UKSPF.

As per the updated UKSPF prospectus, lead local authorities are required to comply with the

Subsidy Control Act 2022 and the Procurement Act 2023 in delivering their schemes.

Section 7 of the updated guidance replaces the previous REPF prospectus, in relation to how the local authorities will be paid. *The Rural Fund operates England-wide and will continue to use financial assistance powers in the UK Internal Market Act 2020 for 2025 to 2026 to deliver funding to rural places in England. Local authorities should defer to the updated UKSPF [technical note](#) and [additional guidance](#), their payment schedule, updated memorandum of understanding, and grant determination letter for the 2025 to 2026 financial year.*

In addition, it is expressly stated, the government reserves the right to withhold or delay payment and will ask for any underspends at the end of the financial year to be returned to them.

FINANCE AND OTHER RESOURCE IMPLICATIONS

The REPF is already administered by the Council, and therefore this represents a continuation of business as usual. Other than the income expected in the new financial year, totalling £197,761.00, no further implications are anticipated.

Consideration has been given to how this acceptance of funding and the proposed process would align with TDC's external grants policy. By taking the recommendation to accept the funding to Cabinet the Council is maintaining transparency around the funding available.

x	The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:
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There are no significant comments over and above those set out elsewhere in the report. It is welcomed that the previous approach of applying a strong mechanism to manage public funds will continue to be applied in 2025/26 and the Service will need to continue to take account of the Council's external funding policy as part of the proposed delegations etc.

USE OF RESOURCES AND VALUE FOR MONEY

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	REPF will continue to be administered by the Council as part of business as usual and requires no new allocation of further resource. Up to 4% of the total allocation can be used for administrative costs should that be required, but it is not anticipated that this would be the case and was not required during 2023-25 programme.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	Each grant will be subject to value for money considerations. Recommended grants for award are then subject to approval via Executive Decision (with Portfolio Holder for Economic Growth, Regeneration and Tourism, and the Portfolio Holder for Arts, Culture and Heritage. Standard due diligence to any applicant,

	including Companies House checks, Land Registry, Charities Commission etc. where applicable take place as part of the application appraisal process.
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	REPF will continue to be administered by the Officers as part of business as usual of the Council and requires no new allocation of further resource.
MILESTONES AND DELIVERY	
It is proposed to relaunch the two grant schemes as soon as possible.	
Government also sets six-monthly reporting deadlines across the year which act as delivery milestones, and the final deadline for entire spend and delivery is 31 st March 2026.	
ASSOCIATED RISKS AND MITIGATION	
<p>There is a risk that no applications are received, and the funding will have to be returned to Central Government. There is also a risk that the grants are oversubscribed, and this leads to a shortage in staff time, due to the time needed to process all the applications and responding to queries.</p> <p>By beginning the process early in 25/26 to accept and allocate the funding, the Council is mitigating as far as possible the risk of underspend at the end of the 25/26 programme, which would result in returning money to Government.</p> <p>As standard, Grant Offer Letters across the REPF contain clawback arrangements which would be pursued if necessary – for non-delivery, any misspent funds, etc. However, rigorous monitoring and reporting processes are in place in line with Government's six-monthly reporting requirements and therefore this has not, thus far, presented an issue in the life of the REPF.</p> <p>Due diligence is carried out on each application by Officers using the tools available when a grant is being considered to be recommended for approval; this may include Companies House, NNDR, Land Registry, Charities Commission, and other appropriate means depending on the applicant, to mitigate the risk of fraud.</p>	
EQUALITY IMPLICATIONS	
This paper does not recommend any specific project; individual projects will be subject to EQIA procedures as part of the value for money criteria and individual project owners will be responsible for outlining how they have considered the equality implications of their project.	
SOCIAL VALUE CONSIDERATIONS	
The grant scheme by its very nature will have social value considerations as a central consideration, as successful applications will be those which demonstrate tangible benefit to their communities; either by direct support such as community interventions or indirect support such as improved town centres and visitor economy.	
IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050	
None. It is possible that some projects will work to address climate change given the success of investments under REPF in previous years, for example for solar panels on community buildings; but this is as yet unknown for 2025/6 grants.	
OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS	
Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.	

Crime and Disorder	None
Health Inequalities	None
Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance)	Grants awarded will be part of an open application process and therefore will not constitute subsidy.
Area or Ward affected	All covered by the Defra Magic Map

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The Rural England Prosperity Fund (REPF) is a government initiative which allocates funding as an add-on to the existing UK Shared Prosperity Fund (UKSPF). Tendring has been allocated £197,761.00 for 2025/26

The Rural Fund provides capital funding to:

- Support new and existing rural businesses to develop new products and facilities that will be of wider benefit to the local economy.
- Support new and improved community infrastructure, providing essential community services and assets for local people and businesses to benefit the local economy.

This funding should not replace funding plans for rural areas under the UKSPF. It is a top-up to help address the extra needs and challenges facing rural areas. This funding must be used on capital projects meaning it must be spent on lasting assets such as a building or equipment.

In order to access Tendring's allocation, the Council must complete a 2025-26 forecast report on Delta. This report will be commissioned on 1 April 2025 and will be due by 1 May 2025.

The Rural Fund can only be used to meet costs relating to activity that takes place between the 1 April 2025 and 31 March 2026.

In years 2023/24 and 2024/25 the Rural England Prosperity Fund had funded the following projects:

- Twenty-eight existing rural businesses, totalling £359,000.00
- Twenty-three new and improved community infrastructure, totalling £251,000.00
- The Districtwide Witch Trail, £49,335.00

A process is already in place to monitor each grant six-monthly and at the completion of the project, to align with MHCLG's reporting requirements. This has been established via previous REPF grants the Council has been responsible for; Officers contact the grant recipient regularly and, on a case-by-case basis:

- examine receipts for eligible spend;
- make site visits to check applied-for work is completed/progressing on time and to cost;
- attend events paid for via the Fund to ensure they take place as agreed, to witness visitor numbers, etc.;

- require written reports to include number of attendees/new members, testimony from beneficiaries, other written evidence relevant to the project e.g. anecdotal/human interest benefits of a project;
- see photographs of new equipment/facilities in situ;
- see evidence of spend recorded formally such as entries onto payroll/invoices for freelancer time: and
- any other reasonable evidence as dictated by the specific project.

As previously, an assessment of the applications received will take place, to include due diligence on the applicant organisation itself as well as the veracity of the claims made about the project applied for, and in cases where match-funding is applied for, to check other funding sources are in place to ensure delivery of the project to meet the March 2026 REPF deadline. Decisions on whether to reject, award, or part-award will be made via the Council's standard governance procedure by Executive Decision with the Portfolio Holder for Economic Growth, Regeneration and Tourism, and the Portfolio Holder for Arts, Culture and Heritage, and subject to call-in by other Members. All successful grant recipients then receive a grant agreement letter which stipulates standard terms and conditions including the requirement to acknowledge the funding received, the requirement to provide evidence of spend in a timely manner, and financial clawback arrangements if money is found to have been misspent.

PREVIOUS RELEVANT DECISIONS

Decisions have been published across the 2-year programme, below are a selection which gives a 'skeleton' timeline of work to date, which also include UK Shared Prosperity Fund decisions:

- Rural England Prosperity Fund (REPF) Years 1 & 2, Shared Prosperity Fund (SPF) Years 2 & 3, 15th August 2024.
<https://tdcdemocracy.tendringdc.gov.uk/ieDecisionDetails.aspx?ID=12711>
- UK Shared Prosperity Fund Transition Year 2025/26
[Decision - Cabinet Members' Items - Report of the Economic Growth, Regeneration & Tourism Portfolio Holder - A.3 - UK Shared Prosperity Fund Transition Year 2025/26](#)
- Submission of UKSPF Investment Plan, 20th July 2022
<https://tdcdemocracy.tendringdc.gov.uk/ieDecisionDetails.aspx?ID=9463>
- Exemption to Call-In to Accept the UKSPF Allocation, 16th December 2022
<https://tdcdemocracy.tendringdc.gov.uk/ieDecisionDetails.aspx?ID=10509>

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

- Cabinet 15th July 2022, Item 39, Original submission of UKSPF Investment Plan
<https://tdcdemocracy.tendringdc.gov.uk/ieListDocuments.aspx?CId=134&MId=1978&Ver=4>
- A diagram of the themes and sub-themes, and how they replace 2023-2025's REPF Interventions, can be accessed at section 1.1 of the REPF 25/26 Technical Note at the following link: [Rural England Prosperity Fund: prospectus updates for 2025 to 2026 - GOV.UK](#)

APPENDICES

Appendix A Criteria

Appendix B REPF Outputs & Outcomes

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