

Babergh & Mid Suffolk District Council (BMSDC) Rural Prosperity Fund

Grant guidance notes



About the fund

On 3 September 2022, the Government announced a new, £110m Rural England Prosperity Fund (REPF), which aims to improve productivity and strengthen the rural economy and rural communities.

For a summary of the fund please see: [UK Shared Prosperity Fund – BMSDC](#)

Babergh & Mid Suffolk District Councils (BMSDC) are providing three new capital grant schemes using REPF funding to provide **capital** grants to small businesses and community organisations in the district's rural areas:

1. Rural Business Growth Fund*
2. Rural Culture & Creativity Fund**
3. Rural Communities Fund**

Grants are available of between £5,000 - £10,000 per application for all funds*.

All grants will fund a maximum of 50% of total project costs up to a maximum value of £10,000.**

Funds are available to micro, small and medium sized businesses / organisations who are located within the geographical area of Babergh or Mid Suffolk (*please note that some geographical exclusions apply, please see slide 25 for more details*).

Please note that this is a **capital** only fund. Capital means assets that have monetary value, such as equipment, real estate, and inventory. This fund **cannot** be used to purchase a property.

All payments are made at the end of the process, so you will need to be able to fund the project fully by yourself before any reimbursements are made. Funding cannot be used to pay for items purchased prior to the grant being determined.

*Due to increased funding in year two of the scheme running from April 2024-March 2025, we may be able to provide increased funding values to larger, phased projects spanning the funding period until March 2025. If you have a longer term project please contact us before applying to discuss further. Please note maximum funding values in the second year will be £30,000.

** Match funding for Rural Culture & Creativity Fund and the Rural Communities Fund can include in-kind costs and we may be able to offer a higher intervention rate depending on the nature of the project. Please contact us before applying to discuss further.





Rural Business Growth Fund

Funding scheme overview

Types of organisations this grant is suitable for



The Rural Business Growth Fund is suitable for micro, small and medium sized businesses who are located within the geographical area of Babergh & Mid Suffolk (*please note that some geographical exclusions apply, please see slide 25 for more details*):

- ▶ Have a physical premises that you operate from and are seeking funding to support premises upgrades. This could include improvements for energy efficiency, general refurbishment of premises, machinery, technology etc.

Or are a business within the agriculture and farming sector looking to diversify your business through other offers and supplement your existing income.

Applications will be accepted from:

- ▶ Sole traders
- ▶ Limited companies
- ▶ Business partnerships

There are no restrictions on the sector that can apply for the funding however you must be an SME (employ less than 250 people and your turnover is less than EUR 50m/~£43m or annual balance sheet less than EUR 43m /~£37m).

Funds are limited, the total amount of funding available is:

	2023/24	2024/25
Babergh	£50,342.25	£151,026.75
Mid Suffolk	£70,414.50	£201,243.50

Priorities of the grant scheme



The main objectives of the Rural Business Growth Fund is to provide:

1. Funding (capital grants) for small scale investment in micro, small and medium enterprises in rural areas. Including capital funding for net zero infrastructure for rural businesses, and diversification of farm businesses outside of agriculture to encourage start up, expansion or scale up of these businesses where this involves converting farm buildings into other commercial or business uses.
2. Supporting development of rural tourist attractions and infrastructure to increase the range of attractions available within a locality, which in turn will encourage tourists/visitors to stay longer, increase spend and extend the tourism period beyond April to October
3. Purchase of equipment for food-processing for non-farmer owned businesses to support expansion or diversification

The Rural Business Growth Fund, is **100% capital fund grant** that will allow rural businesses to apply for funding across the following four priorities.

All applicants must ensure that their application evidences how it meets at least one of the priorities:

1. Net zero
2. SME investments and diversification
3. Agriculture and farm diversification
4. Visitor economy business expansion

We are particularly keen to receive applications that take a holistic approach and address multiple priorities where possible within their submitted project.

Types of projects

Net zero projects

This should include investment in net zero technologies that reduce energy consumption

- ▶ We are specifically seeking projects from businesses that wish to implement innovative approaches to their process development and end products that result in reduced carbon emissions. This could also include innovative approaches to expanding premises through sustainable materials.
- ▶ All projects must have a transformational impact on the business. A project is considered transformational if it can achieve either of the following:
 - Measurable carbon reduction within their business
 - The adoption of new technologies or processes to increase productivity/improve efficiency of the business
- ▶ Examples of the types of projects this could fund includes purchase of capital investment to make small adaptations for businesses, energy efficiency improvements, building fabric upgrades and machinery upgrades.

SME investments and diversification

- ▶ Flexibility according to business need is applied under this theme for businesses looking to invest in capital assets, such as machinery, equipment, hardware, refurbishment of premises.
- ▶ The applicant must demonstrate how the investment will help their business move forward and deliver your business plan and long-term goals.
- ▶ We would specifically like to see projects that focus on investments that will support new processes, new to firm technologies, modernisation and improving business efficiency.



Types of projects

Agriculture and farm diversification:

- ▶ Projects that enable farming businesses to diversify into non-farming activities or complimentary to the underlying farming business. With the aim to help farmers support the underlying farm business by bringing in supplementary income in addition to that from traditional farming pursuits.
- ▶ This may be by putting under used resources to better use, for example old farm buildings, or it may be by being able to meet a local demand for a product or service that is not currently being met.

Visitor economy business expansion:

Project examples could include:

- ▶ Creating event venues or farm tourism facilities such as wedding venues or hospitality or leisure facilities
- ▶ Creation or expansion of visitor accommodation, particularly in redundant agricultural buildings.
- ▶ Development of local visitor trails and infrastructure to support this such as information boards or visitor centres.
- ▶ Projects that will increase the ability to sell locally such as processing equipment, fridge units and vending machines or using innovative technologies to make the business more efficient
- ▶ Provision of event venues, food & drink tours and tasting and tourism experiences

Please note that we encourage you to speak to BMSDC's planning department to explore whether your project needs planning permission. Please visit:

<https://www.babergh.gov.uk/planning/>





Rural Culture & Creativity Fund

Funding scheme overview

Priorities of the grant scheme



The main objective for the Rural Culture & Creativity Fund is to provide funding (capital grants) for local arts, cultural, heritage and creative activities.

This Fund is suitable for Arts, culture and heritage providers who have a proposal for delivering activity that would help enliven our town centres, attract new audiences and increase footfall.

Examples of activity:

- ▶ Grants for provision of maker spaces
- ▶ Funding for local art galleries, museums and libraries for artists to showcase work
- ▶ Grants to enable venues to support locally-led music and theatre, tours, authors evenings, film screenings etc
- ▶ Grants for creation of trails or tours

The Rural Culture & Creativity Fund, is a 100% capital fund grant

We are particularly keen to receive applications that take a holistic approach and cover multiple priorities within their submitted project as well projects that are focused in areas outside of our town centres and focus on activities and events around key dates such as Christmas, Easter and school holidays.

Funds are limited, the total amount of funding available is:

	2023/24	2024/25
Babergh	£25,000	£60,000
Mid Suffolk	£40,000	£80,000

Who can apply?



The fund is available to micro, small and medium sized businesses who are located within the geographical area of Babergh & Mid Suffolk (*please note that some geographical exclusions apply, please see slide 25 for more details*).

Applications will be accepted from:

- ▶ Sole traders
- ▶ Limited companies
- ▶ Business or cultural partnerships
- ▶ Cultural, heritage or arts organisations or partnerships
- ▶ CICs, charities or voluntary organisations

There are no restrictions on the sector that can apply for the funding however businesses must be within SME definition (employ less than 250 people and your turnover is less than EUR 50m/~£43m or annual balance sheet less than EUR 43m /~£37m).



Rural Communities Fund

Funding scheme overview

Priorities of the grant scheme



Capital improvements to create suitable space for community and business use:

Capital improvements that will support the development of:

Community Facilities:

- ▶ Rural community businesses e.g., community shops, community cafés, pantries and / or fridges in community hubs that support local food production
- ▶ Setting up or enhancement of rural community-led repair cafes or mend workshops

Business Facilities:

- ▶ multi-functional rural hubs providing shared workspace and networking for rural businesses
- ▶ Accreditation for food and drink entrepreneurs

Net Zero provision:

- ▶ Grants for provision of net zero infrastructure for local communities e.g. EV charge points, community energy schemes

Tourism provision:

- ▶ Grants to support rural tourism activity
- ▶ Grants to develop, restore or refurbish local natural, cultural and heritage assets and sites

Funds are limited, the total amount of funding available is:

	2023/24	2024/25
Babergh	£55,000	£70,000
Mid Suffolk	£70,000	£125,000

Types of organisations that this grant is suitable for?



The Rural Communities Fund is suitable for constituted voluntary, community and social enterprise groups and Micro, Small or Medium Sized businesses that:

- ▶ Provide or are looking to provide a community or for-public-benefit facility and build on the idea of becoming central hubs to the local community by developing multi-purpose centres that provide access to a range of high quality and cost-effective services.
- ▶ The organisations should be seeking capital improvements to their premises to make them fit for modern day use and attractive for community use.
- ▶ When we refer to organisations/locations that are for 'community or for-public benefit' this could include:
 - ▶ Business and co-working spaces
 - ▶ Health, wellbeing and mental health provision
 - ▶ Sports and recreation provision
 - ▶ Arts, culture and heritage provision
 - ▶ Village halls
 - ▶ Local skills/education facilities

Who can apply?



The fund is available to the following organisations who are located within the geographical area of Babergh & Mid Suffolk (*please note that some geographical exclusions apply, please see slide 25 for more details*).

- ▶ Sole Trader
- ▶ Limited Company
- ▶ Business partnership
- ▶ Community Interest Company (CIC)
- ▶ Charitable Company Limited by Guarantee
- ▶ Social Enterprise
- ▶ Community, voluntary or business group
- ▶ Village Hall/Recreation Ground Committee
- ▶ Local Branch of a National Organisation
- ▶ Town/Parish Council

The fund is also be open to landlords of commercial and voluntary space, mobile community assets, community buildings and commercial space looking to have a new purpose, to diversify their offer and ensure long term survival.

There are no restrictions on the sector that can apply for the funding however businesses must meet the SME definition (employ less than 250 people and your turnover is less than EUR 50m/~£43m or annual balance



Further information on all schemes

Project Enablement Support and other sources of funding

There may be other sources of funding available for your project, or other projects that require revenue* funding that is not supported by the capital funding grants outlined in this guidance.

For additional information on available funding please contact the following organisations:

- ▶ New Anglia Growth Hub - business advice for all sectors and sizes of business: [Contact Us - New Anglia Growth Hub](#)
- ▶ MENTA - business start-up support : [Business Support, Training & Space Across Norfolk and Suffolk – MENTA](#)
- ▶ Groundworks: - Net Zero Consultancy <https://groundworksbs.org.uk/pathways-to-net-zero/>
- ▶ Small Business Grant Scheme - Revenue grants are available ranging from £5,000 - £10,000 to provide support to businesses across Suffolk to grow and become more productive, to encourage innovation and to become more environmentally sustainable, For further information please visit <https://www.newangliagrowthhub.co.uk/contact-us/> *Anticipated launch date September 2023

Alternatively, the following schemes are also managed by Babergh and Mid Suffolk, please read the information available on the following links for further information and contact details to discuss further:

- ▶ BMSDC Business Innovation Support Scheme - Grants available to small businesses within Babergh and Mid Suffolk ranging from £2,500 - £5,000 depending on eligibility. For further information please review the guidance available [here](#).
- ▶ Through our Community Grants team, a range of grants are available for projects that deliver clear community benefits within our districts. For further information please visit [Babergh and Mid Suffolk District Council Funding » Babergh Mid Suffolk](#)

**Revenue funding is for the purchase of non-lasting assets. For example, this could be digital platforms, consultancy, and project management resource.*



Grant funding intervention rate



The following grant intervention rates apply:

- ▶ Rural Business Growth Fund: up to 50%
- ▶ Rural Culture & Creativity Fund: up to 50%*
- ▶ Rural Communities Fund: up to 50%*

**Match funding for Rural Culture & Creativity Fund and the Rural Communities Fund can include in-kind costs such as through staff and volunteering hours.*

We may be able to offer a higher intervention rate depending on the nature of the project. Please contact us before applying to discuss further.

Grant intervention rate is the amount of funding a grant will provide. This is calculated as a percentage of the total eligible expenditure of a project.

You must provide evidence within your application on what other match funding has been secured / you are seeking and how you will fund the remaining costs of the project.

All payments are made at the end of the process, so you will need to be able to fund the project fully by yourself before any reimbursements are made. Funding cannot be used to pay for items purchased prior to the grant being determined.

You will need to demonstrate in the application form that your business / organisation has explored other business finance options and why this was not feasible.

Quotations for works and services



As a condition of the grant, all capital (physical assets) expenditure, and services provided by another organisation on behalf of the applying organisation over the value of £5,000 will require evidence of three quotes obtained to ensure value for money. Please provide any quotations that you have obtained for the project along with the completed application form.

This shall include adopting the following minimum procedures:

Value of Purchase	Procedure to be followed
£0 - £10,000*	3 written quotes or prices sought from relevant suppliers of goods, works and / or services will be required for any goods or services totalling £5,000 or more in one transaction. For projects involving multiple items under £5,000, only one quotation per goods, works and / or services will be required.
Exemptions	In exceptional circumstances we may accept one quote, you will be asked within the application form to give reasoning why you have only been able to supply one quote. Examples may include there only being one specific supplier of a specialist item, or you are under contractual arrangements to a specific supplier.

*For grants over £10,000 that may be offered in the second year of the scheme (April 2024 - March 2025) the same quotation requirements will be applicable

Planning permission and license requirements



- ▶ If you are applying for any physical upgrades or improvements that will require planning permission or building control permissions, grants will only be approved if the relevant permissions have already been provided or if there is evidence that planning permission is currently being sought and the grant will be awarded on a conditional basis that planning permission is approved.
- ▶ To find out more about how to gain planning permission, please visit: [Babergh Planning](#) or [Mid Suffolk Planning](#)
- ▶ 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 or that the owner applies for the grant funding direct.

Options and market need



- ▶ As part of the application process, you will be asked to provide an overview of what other options you have considered and how you have chosen your preferred project.
- ▶ You will also be asked to provide evidence of the market need for your project and explain what research has been undertaken to support this.
- ▶ When we refer to 'market' this means the area and / or sector (also referred to as 'arena') in which you carry out your commercial dealings or for public benefit service. For example, you may wish to include how the funding will help you compete with your competition, increase your sales through improved services and products, attract additional users to your hub and/or how will it help you meet the needs of your customers or community?

Environmental impact, equality and diversity



As part of the application process, you will be asked how you have considered:

- ▶ Environmental impacts associated with the project
- ▶ And to explain how you have considered any equality and diversity impacts associated with the project, including how you have considered the impacts on the following groups: ethnicity, disability, age, gender, religious beliefs, marital status, gender reassignment and sexual orientation (protected characteristics).
- ▶ This means outlining how you have or will ensure your project will not negatively impact the local environment and how your project will ensure that no particular group in the community is discriminated against. For example, you may include a wheelchair ramp to a facility / business as part of your project.

Subsidy control



Please be aware that all applicants are expected to complete the subsidy declaration within the application form for both schemes.

The EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period, which ended on 31 December 2020. This does not impact the limited circumstances in which State aid rules still apply under the Withdrawal Agreement, specifically Article 10 of the Northern Ireland Protocol. The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU.

Babergh and Mid Suffolk District Councils are providing this grant to any 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>

What we cannot fund

- ▶ Applications from individuals – we cannot make grant payments to individuals
- ▶ VAT: please exclude VAT from your project costs.
- ▶ Annual/usual organisation running costs and core staffing costs
- ▶ Projects unable to start within 6 months of the grant award date
- ▶ Activities promoting political or religious beliefs
- ▶ Payments towards endowment funds, deficit funding or loans
- ▶ Sponsored or fundraising events
- ▶ Funding for trips abroad or hospitality to other organisations
- ▶ Repeat funding – i.e. if BMSDC has previously provided a grant for the same activity
- ▶ Items or projects which only benefit an individual
- ▶ Retrospective costs
- ▶ Projects that will displace existing provision
- ▶ Activities that are statutory obligations

Before applying, please note that this funding cannot be used to replace lost income / profits / hardship experienced as a result of the pandemic, although it can be used help you to resume activities suspended due to Covid-19. We cannot provide retrospective funding for projects i.e., for costs already incurred.

Please ensure that your application includes information about how your project adds value to the work of existing organisations, projects and activities in your target area.



What we cannot fund continued



We cannot support projects that have received funding from other Defra schemes. This includes:

- ▶ 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.

How to apply

If you would like to access funding through either the Rural Business Growth Fund or Rural Culture & Creativity Fund or Rural Communities Fund, please complete an application form via the following weblinks:

- ▶ Rural Business Growth Fund: [here](#)
- ▶ Rural Culture & Creativity Fund: [here](#)
- ▶ Rural Communities Fund: [here](#)

Applicants will be required to provide statutory information and upload the following evidence:

- ▶ Valid business/organisation insurance certificate
- ▶ Confirmation of compliance with Subsidy Control restrictions
<https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities/technical-guidance-on-the-uks-international-subsidy-control-commitments>
- ▶ Evidence of match funding required at 50% (e.g., copy of savings account bank statement)
- ▶ Minimum of 3 quotes for the proposed works and justification for not choosing the lowest quote (if applicable). Grant offers will be made based on the lowest quote.
- ▶ A copy of a bank statement dated within the last 3 months in the business name

Please note Funding cannot be used to fund projects that have already been funded by Babergh or Mid Suffolk District Councils.



Hints and tips

If you are unsure of what to put in a grant application, here are some suggestions that you may wish to consider:

- ▶ **What are you going to do?** Provide a statement about the activity you want to fund using this grant money.
- ▶ **Why do you want to do it?** Describe how this will add value to your business / organisation / community and what difference it will make, for example, would it enable you to;
 - Improve your productivity
 - Increase your useable customer space
 - Access new customers/users
 - Create or safeguard jobs
 - Increase your export capability
 - Allow for new to the firm technologies or processes
 - Provide services for specific groups e.g. young people or people with disabilities
- ▶ **How much will it cost?**

We need to see a breakdown of how you have reached the total fund you are asking for. This doesn't need to be to the penny but should evidence your main costs, confirmation of match funding, and estimates or quotes which could include detail of equipment costs, suppliers etc.

- ▶ **How does it match our priorities?**

Our priorities for the schemes are outlined in the guidance. We do not expect that your project will meet all of our priorities, however your application needs to describe where it does support those it can.



Hints and tips continued

- ▶ **What will the outcomes for your business / organisation be?** Provide figures to illustrate the anticipated improved outcomes for your business / organisation / community for example:

- Increased sales
- Increased customers / users
- Greater business efficiency
- Job creation or jobs safeguarded
- Improved productivity
- Increased business growth
- Increased export capability
- Improved community engagement
- Enhanced rural visitor economy and leisure opportunities
- Creating a sense of local pride and belonging
- boosting community cohesion
- Increased visitor numbers and spend
- Increase in pre-investment numbers for arts/cultural venues

- ▶ **When will the project start and finish?**

Provide expected dates including any milestone dates that will occur during the project, for example if new equipment is arriving when will it start to be used.

Our expectation is that projects will start within 6 months and will be completed within 12 months unless a longer delivery timeframe is agreed at the time your offer letter is issued.



Support

For business support and advice relating to areas such as training, grants and funding, land and premises, business associations and more, please visit our dedicated business support website, [Home - Heart of Suffolk](https://www.bmsdc.org.uk)

Or email:

BMSDCeconomicdevelopment@baberg-hmidsuffolk.gov.uk



If you are a VCFSE, (Voluntary, Community, Faith, Social Enterprise) organisation and seeking support and funding advice, please contact our grants officers in the Communities Team by emailing:

bmsdcgrants@baberg-hmidsuffolk.gov.uk



The Process

- ▶ We anticipate there will be a high demand for this fund so not all applications will be successful.
- ▶ Funding is limited so we would urge applicants to apply as soon as possible*.
- ▶ We will review applications on a first come first served basis and all applications will be subject to a detailed assessment process.
- ▶ Once an application is received you will hear from a member of our team within two weeks should any additional information be required.
- ▶ We will make decisions on applications at a monthly panel meeting.
- ▶ Applicants will be informed of the decision by email, and for those that are approved the applicant will receive a grant acceptance / offer letter.
- ▶ All payments are made at the end of the process, so you will need to be able to fund the project fully by yourself before any reimbursements are made. Funding cannot be used to pay for items purchased prior to the grant being determined.
- ▶ We anticipate applications for the second year of funding to open in April 2024.

*Please note applications will close once funds have been fully committed.

