
Title: Rural England Prosperity Fund (REPF) Transitional Year 2025-2026 Update
Report of: Mags Scott, Director of Finance and Investment
Portfolio: Finance and Investment

Report Summary

The purpose of this report is to seek endorsement of two Rural England Prosperity Fund (REPF) projects in relation to the former North of Tyne area utilising the North East Combined Authority (North East CA) confirmed REPF allocations for 2025-2026 Transition Year REPF Programme. The report also seeks approval to passport £1,053,436 REPF to Durham County Council via a funding agreement for the delivery of the 2025-2026 Transition Year REPF programme.

At its 28 January 2025 Cabinet meeting, the North East CA Cabinet agreed to delegate authority to the Chief Executive, in consultation with the Director of Finance and Investment, Monitoring Officer and relevant Cabinet Member to approve project applications and contracts brought forward through UK SPF, in line with the North East Single Assurance Framework. The subsequent UKSPF and approach to the REPF programme was approved under delegated authority in March 2025. All activity will be delivered between 1 April 2025 and 31 March 2026.

Recommendations

The Chief Executive is asked to approve the following funding awards and authorise entry into required agreements to facilitate approvals as set out in this report:

- Award of £1,053,436 of REPF to Durham County Council via a funding agreement in line with the approach agreed in the delegated decision on 31 March 2025 for UKSPF and REPF.
- Award of £300,000 REPF Capital to Northumberland County Council for the continued delivery of the U0011 Northumberland Small Business Service (NSBS) Rural and Animating Ashington Phase 2 project. This is in addition to the £475K UKSPF approved on 31 March 2025.
- Award of £612,848 REPF Capital to Northumberland County Council for the continued delivery of the U0031 Rural Asset Multiplier Pilot project in addition to the £200K UKSPF approved on 31 March 2025.

A. Summary of Investment Proposal (Context)

1. Background

Rural England Prosperity Fund 2025/26

- 1.1 The REPF is a rural top up to UK Shared Prosperity Fund (UKSPF), providing allocations for eligible local authorities in England to help address the additional needs and challenges facing rural areas. The REPF supports the government's agenda in particular its ambition for economic growth funding capital projects for small businesses and community infrastructure.
- 1.2 On 4 March 2025 Government confirmed that the REPF will continue for a further year with £33m allocated nationally to eligible local authorities. Government advised on 27 March 2025 that £1,053,436 is allocated for Durham and £912,848 for Northumberland. In April 2025, the Chief Executive under delegated authority agreed the approach to operationalising the REPF funding for financial year 2025/26.
- 1.3 As with UKSPF the timescale for finalising and delivering the North East programme is extremely tight, a practical approach is therefore proposed mirroring that undertaken for UKSPF. This will include passporting the obligations and investment to Durham County Council in respect of the REPF transition year funding, and working with Northumberland County Council to develop a former North of Tyne programme that is achievable within the constraints of the funding and deliver maximum

impact within our rural areas. The latter has focused on extending current successful delivery arrangements.

- 1.4 Work has been underway with delivery partners to ensure the North East CA is able to operationalise the REPF at pace, now regional allocations have been confirmed by Government. Updated UKSPF delivery plans for the Northumberland Small Business Service and Rural Assets Multiplier projects have been submitted by Northumberland County Council to incorporate REPF funding in addition to approved UKSPF. The original UKSPF £675K allocation was agreed in April 2025 as part of the Northumberland Small Business Service project; however, on further development and submission of the delivery plans from Northumberland County Council, £200K of the £675K is to be reallocated to the RAMP project. This will enable continued delivery of these two successful projects at a similar scale to that delivered within the 2022-2025 programme. Delivery plans have been appraised for value for money, deliverability and strategic fit with both projects rated Green.

2. Potential Impact on North East Combined Authority Objectives

- 2.1 REPF is a capital only fund and provides resources which supports activity in the areas of rural business support, economic development and community engagement – priority areas for the North East CA and constituent local authorities. By supporting businesses to create jobs; and by helping to sustain rural communities, these projects align with the North East CA missions of creating a 'Home to a growing and vibrant economy for all' and 'creating a North East we are proud to call home'.

3. Key risks

- 3.1 There are tight delivery constraints to ensure funding is contracted and spent within the North East by 31 March 2026. This has been mitigated in part through our approach to extend current delivery arrangements.
- 3.2 Government formally confirmed regional REPF allocations for 2025/26 on 27 March 25, the late confirmation of funding for financial year 25/26 will require either an element of delivery at risk or a delayed start to the programme impacting on timeframe for delivery.

4. Financial and other resources implications

- 4.1 The overall regional UKSPF allocation for the FY 2025/26 is £54.7m, of which an allocation of £16,032,739 of UKSPF funding for former North of Tyne project extensions in financial year 2025/26 under delegated authority was approved on 31 March 2025.
- 4.2 The regional REPF allocations for 2025/26 is £1,966,284 of which £1,053,436 is allocated for Durham and £912,848 for Northumberland.

5. Legal implications

- 5.1 North East CA legal team have advised on our approach to extending existing contracts through formal variations of Grant Funding Agreements.
- 5.2 Legal colleagues will be consulted on any new UKSPF or REPF investment in accordance with our Single Assurance Framework processes.

6. Consultation and engagement

- 6.1 Officers have worked closely with officers from all seven North East CA member authorities to operationalise the UKSPF and REPF 2025/26 programme. This engagement will be ongoing to ensure the opportunity of UKSPF and REPF investment is maximised in the region.

7. Appendices

Appendix 1 – Former North of Tyne REPF Project Extensions and Outputs/Outcomes.

8. Background papers

UKSPF and REPF Transition Year Update [Delegated Decision Report](#) 31 March 2025.

9. Contact officers.

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Appendix 1

1.REPF allocations

Northumberland

Project Name	Project Status	Project Reference	Lead Delivery Partner Name	2025/26 REPF Capital(£)	2025/26 UKSPF Revenue (£)	Total
Rural Asset Multiplier Project	Existing	U0031	Northumberland County Council	612,848	200,000	812,848
Northumberland Small Business Support (inc Towns)	Existing	U0011	Northumberland County Council	300,000	475,000	775,000
			Total	912,848	675,000	1,587,848

Durham

Project Name	Project Status	Project Reference	Lead Delivery Partner Name	2025/26 REPF Capital(£)	Total
Durham County Council REPF allocation	New	N/A	Durham County Council	1,053,436	1,053,436
			Total	1,053,436	1,053,436

2.Outputs and Outcomes

U0011 Northumberland Small Business Service (NSMS) Rural and Animating Ashington Phase 2 project

Outputs	25/26
OP9 - Number of enterprises receiving grants	30
OP11 - Number of potential entrepreneurs provided assistance to be enterprise ready	30
OP25 - Number of organisations receiving grants	6
Outcomes	25/26
OC8 - Jobs created as a result of support	25
OC9 - Jobs safeguarded as a result of support	25
OC10 - Number of new enterprises created as a result of support	15

U0031 Rural Asset Multiplier Pilot

Outputs	25/26
OP3 - Amount of public realm created or improved	1000
OP12 - Number of local events or activities supported	20

OP25 - Number of organisations receiving grants	15
OP27 - Number of volunteering opportunities supported	150

Outcomes	25/26
OC5 - Increased visitor numbers	1000
OC29 - Number of volunteering opportunities created as a result of support	100