



Department for
Business & Trade

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The Community and Regeneration Streamlined Subsidy Scheme

January 2026

Paper to lie before both Houses of Parliament for a period of 40 days, during which time either House may resolve that the scheme be not approved.

Department for Business and Trade

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Presented to Parliament pursuant to section 10 (5) of the Subsidy Control Act 2022

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The Community and Regeneration Streamlined Route: scheme document

1. Introduction and compliance with the subsidy control principles

- 1.1. The Secretary of State at the Department for Business and Trade, having considered the subsidy control principles in accordance with Chapter 1 of Part 2 of the Subsidy Control Act 2022 (“the Act”) and being of the view that the subsidies given under the scheme will be consistent with those principles, makes the following subsidy scheme (“the Scheme”) as a streamlined subsidy scheme for the purposes of the Act, in accordance with section 10(4) of the Act.
- 1.2. The Scheme is made on 12 January 2026.
- 1.3. The Scheme may be used by any public authority in the United Kingdom to give subsidies on or after 12 January 2026 until 11 January 2032.
- 1.4. The Scheme is to be laid in Parliament in accordance with section 10(5) of the Act and published on the subsidy database in accordance with section 33(1)(b) of the Act.
- 1.5. The Scheme may be referred to as the Community and Regeneration Streamlined Subsidy Scheme.

2. Purpose

- 2.1. The Scheme provides for the giving of subsidies by public authorities that fall within the following strands set out in the Schedule:
 - 2.1.1. Strand 1: community
 - 2.1.2. Strand 2: regeneration

3. General definitions

- 3.1. In the Scheme:
 - 3.1.1. “the Act” means the Subsidy Control Act 2022;
 - 3.1.2. “building” has the meaning given by section 121 of the Building Act 1984;
 - 3.1.3. “brownfield land” refers to developed land that is, or was, previously occupied. It typically includes sites that were formerly used for industrial or commercial purposes and now offer opportunities for regeneration;

- 3.1.4. “community infrastructure” refers to physical facilities, spaces, and places that provide communities with the services and resources they need to thrive;
- 3.1.5. “enterprise” has the meaning given by section 7 of the Act;
- 3.1.6. “land” has the meaning given by section 205 of the Law of Property Act 1925;
- 3.1.7. “public authority” has the meaning under section 6(1) of the Act;
- 3.1.8. “underused buildings” refers to structures that are not being utilised to their full potential. This can include buildings that are:
 - 3.1.8.1. Derelict;
 - 3.1.8.2. Partially occupied;
 - 3.1.8.3. Only used during limited hours;
 - 3.1.8.4. Vacant or idle for extended periods;
 - 3.1.8.5. Functionally obsolete, meaning they no longer meet current needs or standards; or
 - 3.1.8.6. Inefficiently used, such as having excess space relative to operational requirements.

4. General conditions

4.1. Eligible costs

- 4.1.1. All eligible costs must be incurred directly as a result of the project or activity.
- 4.1.2. All eligible costs should be limited to those strictly necessary for the project or activity, and in respect of project, limited to the period of the project.
- 4.1.3. Where the construction contract has already been let to commence a community infrastructure or regeneration project, the project is out of scope of the Scheme.

4.2. Eligible location

- 4.2.1. A regeneration or community infrastructure project can be located anywhere in the United Kingdom.

4.3. Form of subsidy

4.3.1. Subsidies under this Scheme will take the form of grants, loans or a combination of both.

4.3.2. Loans cannot be provided to refinance existing debt.

4.4. Prohibited subsidies

4.4.1. A public authority must not give any subsidy that would, save for section 30(1) of the Act, be prohibited or subject to the requirements in sections 15 – 29 of the Act.

4.5. Selection criteria

4.5.1. Public authorities are strongly encouraged to use objective and transparent selection criteria that are available to potential recipients in advance of giving the subsidy.

4.6. Other conditions

4.6.1. Prior to awarding a subsidy an enterprise must submit an application to a public authority confirming as a minimum:

4.6.1.1. Name of the enterprise

4.6.1.2. Location of the project

4.6.1.3. Description of the project including planned activities

4.6.1.4. Estimated eligible costs and supporting evidence

4.6.1.5. Written confirmation that the enterprise has not commenced or legally committed to construction activities.

4.6.2. Where a subsidy is granted for the acquisition of land and/or buildings as part of a linked construction project, the public authority shall include in the legal agreement with the enterprise a condition that, if the linked construction project does not proceed, or proceeds only in part to the extent agreed, the public authority shall be entitled to recover the full amount of the subsidy or such proportion as it may determine, together with any increase in the value of the land and/or buildings attributable to the subsidy, such recovery being enforceable as a contractual obligation of the enterprise.

5. Transparency

5.1. A public authority must meet the transparency requirements set out in Chapter 3 of Part 2 of the Act and upload any subsidy given under the Scheme to the subsidy database where required by the Act.

6. Cumulation

- 6.1. When applying the maximum subsidy awards set out in the schedules, a public authority must take into account the cumulative amount of subsidies received by the enterprise for each particular project or activity, whether given under the Scheme or otherwise. A subsidy given under the Scheme which falls below the maximum award amounts must not cause the maximum award amounts to be exceeded on a cumulative basis.
- 6.2. An existing subsidy must be cumulated with the proposed subsidy under the Scheme if it was given:
 - 6.2.1. to the same enterprise by any public authority,
 - 6.2.2. for the same project or activity,
 - 6.2.3. for the same or substantially the same specific purposes' and
 - 6.2.4. within the last 3 financial years (that is, the last 2 complete financial years, running from 1 April to 31 March, and the lapsed part of the current financial year).
- 6.3. The subsidy ratios or maximum award amounts may not be circumvented by artificially splitting up a single project into several constituent projects with similar characteristics or objectives.

7. Misuse of subsidy

- 7.1. A public authority should ensure that any subsidy given under the Scheme is given subject to a condition that allows the authority to recover the whole or part of the subsidy amount to the extent that the subsidy is used for a purpose other than the purpose for which it was given.

Schedule

Strand 1: Community

1. Scope

1.1. The 'community strand' provides for the giving of subsidies by public authorities in the United Kingdom to support the development of stronger, sustainable, cohesive, and attractive communities by allowing investment in community infrastructure. Community infrastructure refers to physical facilities, spaces, and places that provide communities with the services and resources they need to thrive.

2. Eligible enterprises

2.1. Eligible enterprises under this Scheme will be non-profit distributing organisations.

3. Eligible activity and costs

3.1. Under this strand there are three categories of eligible activity.

Category 1 – community infrastructure feasibility support

3.2. Under this category a subsidy can be awarded to an eligible enterprise to support feasibility work directly linked with the acquisition and/ or renovation of existing community infrastructure, and the creation of new community infrastructure.

3.3. Eligible costs will include the costs of professional advice for feasibility work in connection with the acquisition and/ or refurbishment of existing community infrastructure, and the creation of new community infrastructure.

Category 2 – support for the acquisition and/ or renovation of existing community infrastructure, and support for the creation of new community infrastructure

3.4. Under this category a subsidy can be awarded to eligible enterprises to support the acquisition and/ or renovation of existing community infrastructure, and support the construction of new community infrastructure which includes repurposing existing land and buildings.

3.5. Eligible costs will be:

3.5.1. Acquisition – the costs of acquiring existing community infrastructure and/ or the costs of acquiring land and buildings to create new community infrastructure, and associated survey and legal fees.

- 3.5.2. Construction – the costs of construction including new build, renovation, and refurbishment.
- 3.5.3. Professional fees and capitalised management costs directly linked to the project.
- 3.5.4. Finance costs linked explicitly to the delivery of the project.

Category 3 – operational support for community infrastructure

- 3.6. Where an enterprise has received a subsidy under category 2, it may also receive support towards the operational costs associated with the existing community infrastructure and new community infrastructure for a limited period under category 3.
- 3.7. Eligible costs will be:
 - 3.7.1. Wage costs – to support the wage costs of staff working in existing and new community infrastructure.
 - 3.7.2. Business support – to cover the costs of external providers to help enterprises realise the potential of the existing and new community infrastructure.
 - 3.7.3. Training – to cover the costs of staff members to undertake training and/ or attend courses which will support the sustainability of existing or new community infrastructure.

4. Form and calculation of the subsidy

- 4.1. Subsidies provided under this strand will take the form of grants, loans or a combination of both.

- 4.2. Maximum subsidy value and subsidy calculation:

Category 1 – community infrastructure feasibility support

- 4.2.1. The maximum subsidy value available under this category will be £300,000.
- 4.2.2. The maximum subsidy ratio under this category will be up to 100% of eligible costs.

Category 2 – support for the acquisition and/ or renovation of existing community infrastructure, and support for the creation of new community infrastructure

- 4.2.3. The maximum subsidy value available under this category will be £2,500,000.

4.2.4. The maximum subsidy ratio under this category will be up to 80% of eligible costs.

Category 3 – operational support for community infrastructure

4.2.5. The maximum subsidy value available under this category will be up to:

- 4.2.5.1. Year 1 – £100,000, maximum subsidy ratio of 75%
- 4.2.5.2. Year 2 – £60,000, maximum subsidy ratio of 50%
- 4.2.5.3. Year 3 – £40,000, maximum subsidy ratio of 25%

5. Cumulation

5.1. An enterprise can receive subsidies from each category. The maximum subsidy available under the strand is:

- 5.1.1. Category 1 – £300,000
- 5.1.2. Category 2 – £2,500,000
- 5.1.3. Category 3 – £200,000

5.2. The total maximum subsidy that can be given under the community strand is £3,000,000

Strand 2: Regeneration

1. Scope

1.1. The 'regeneration strand' provides for the giving of subsidies by public authorities in the United Kingdom to support regeneration projects. The policy objective is to drive economic growth through investment in brownfield land and underused buildings. The policy supports the creation of physical infrastructure that can attract high-skilled businesses and jobs, contributing to place-based growth.

2. Eligible enterprises

2.1. This includes any type of enterprise planning to deliver a regeneration project.

3. Eligible activity

3.1. Under this strand a subsidy can be awarded to support the delivery of a regeneration project. A regeneration project shall involve the redevelopment of brownfield land and/ or underused buildings into a use that will improve productivity and support economic growth.

3.2. A regeneration project is expected to deliver against one or more of the following direct outputs:

- 3.2.1. Increase the supply of sites ready for development
- 3.2.2. Increase the supply of sites with new or improved infrastructure
- 3.2.3. Increase the supply of new or repurposed buildings

4. Eligible costs

4.1. Eligible costs are limited to the following capital expenditure categories incurred by an enterprise in delivering a regeneration project:

- 4.1.1. The acquisition of brownfield land and/ or underused buildings. A standalone acquisition is only eligible for support when a linked regeneration project, that is designed to meet the requirements of this Streamlined Route, commences within 3 years.
- 4.1.2. Preparing brownfield land and/ or underused buildings for development which will include activities such as the completion of demolition activity, site clearance, land remediation, groundworks, and levelling.

- 4.1.3. The construction of infrastructure such as roads, drainage, digital services, utilities, and active travel routes.
- 4.1.4. The delivery of new, refurbished, and repurposed buildings.
- 4.1.5. Professional fees and capitalised management costs linked explicitly to the delivery of the regeneration project.
- 4.1.6. Finance costs linked explicitly to the delivery of the regeneration project.

5. Other conditions

- 5.1. Prior to awarding a subsidy an enterprise must submit an application to a public authority including a viability gap analysis and supporting evidence.
- 5.2. To ensure a level playing field, the sales and lettings of land developed, and buildings created by a regeneration project must reflect prevailing market conditions.
- 5.3. The legal agreement between the public authority and the enterprise shall, as a minimum, specify the outputs to be achieved by a regeneration project and include a clawback provision entitling the public authority to recover all or part of the subsidy in the event of underperformance against the agreed outputs.

6. Form and calculation of the subsidy

6.1. Maximum subsidy value

- 6.1.1. The maximum subsidy value available under the Scheme to support a regeneration project will be £12m.

6.2. Calculation of the subsidy

- 6.2.1. There will be no maximum prescribed subsidy ratio. Instead, the subsidy amount will not exceed the regeneration project's 'viability gap' determined by the awarding public authority.

Kate Dearden.

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