**REGENERATION CAPITAL GRANT FUND**

**STAGE 1 (EXPRESSION OF INTEREST) GUIDANCE**

**Overview**

The Regeneration Capital Grant Fund (RCGF) will streamline the funding previously delivered through the Vacant and Derelict Investment Programme (VDLIP) and the Regeneration Capital Grant Fund (RCGF) to support place-based community-led regeneration in our most disadvantaged communities.

The RCGF will support the provision of new infrastructure, enhancing existing infrastructure, as well as helping to tackle persistent vacant and derelict land to deliver large-scale transformational change with strong regeneration outcomes.

It is open to project proposals from local councils in Scotland and Clyde Gateway URC.

Assessment of project proposals is a two-stage process. This guidance covers stage one of the process.

Applications for stage one are open for projects ready to commence during the 2026 to 2027 financial year if funded.

The closing date for applications is 5pm on 27 June 2025.

Read this guidance for full details, scheme criteria, the application process and round timings.

**Who can apply**

The fund is open on a competitive basis to:

• all local councils in Scotland

• Clyde Gateway URC

**Eligible projects**

At stage one, you must demonstrate that your project:

• meets the programme aims

• can spend or commit any funding by end March 2027

• has involved the community in its design

• will help to achieve net-zero targets

You can apply for 100% of project costs, but projects that can demonstrate match funding will be looked on more favourably by the investment panel.

A key consideration will be whether the proposed project is ready to commence in financial year 2026/27. Do not include projects that are still at feasibility stage.

Please note, where a project is successful in receiving a recommendation and offer of RCGF, drawdown must commence in the 2026-27 financial year. There is no facility to carry over the grant into subsequent financial years. Failure to meet the timescales in the offer of grant may result in the offer of grant being withdrawn. Project end dates may go beyond the funding period outlined in the application; however, it should be clear what the sources of funding for this activity will be.

**Ineligible Projects and Expenditure**

The fund is a capital expenditure fund. Costs associated with feasibility, early design costs and future running costs are not eligible.

The fund is not intended be a primary source of funding for:

• Major infrastructure projects relating to transport

• Purchase of moveable infrastructure, e.g. furniture and fittings.

• Projects relating solely to hotel or retail developments – these are unlikely to be supported if there are no clear regeneration outcomes

• Projects that focus solely on public realm improvements, new roads / paths or upgrades - these are unlikely to be funded. However, these may be eligible if they are elements within wider regeneration projects which will produce economic and social outcomes

• Flood protection/work/upgrades

While the fund is not intended for projects that solely focus on housing, it can support unlocking vacant and derelict land and/or buildings for future housing development where this forms part of a wider place-based community regeneration project or programme.

Applications to the Regeneration Capital Grant Fund must be made through the local authority or URC using the stage one proposal template.

You will be asked to provide details of:

• estimated costs

• any match funding

• how your project will meet the programme aims

• community involvement in your project

**Dates**

The estimated timeline for the 2026 to 2027 funding round is as follows:

Stage one

• 27 June 2025 - application deadline to Scottish Government

• August 2025 - investment panel recommendations and applicants notified

Stage two

• November 2025 - application deadline

• December 2025 - investment panel recommendations agreed

• early 2026 - projects for 2026-27 funding announced

• by end March 2027 - grant drawdown/project delivery (1 year)

**How proposals will be assessed**

All stage one proposals will be evaluated by an independent investment panel. The investment panel is co-chaired by the Scottish Government and COSLA.

Proposals will be assessed against the following:

• basic eligibility criteria

• ability to meet the aims and objectives of the programme

• readiness to make use of available grant in 2026 to 2027

• wider strategic fit

Local authorities will be notified of the panel’s decision by the end of August 2025.

If your stage one proposal is successful, you will be invited to provide more details about your project at stage two. We will publish guidance on stage two in due course.

If your project is unsuccessful, you will be provided feedback from the Scottish Government..

Please be aware that we may speak to other funders and/or relevant organisations about your proposal.

The panel’s recommendations are final and will not be reconsidered.

**Legal requirements**

Project proposals are invited on the basis that necessary legal requirements are covered for projects to deliver in 2026-27.

This means that Public Procurement, Subsidy Control, Environmental Impact, Equalities Impact Assessment, Planning Permission, Fairer Scotland Duty (as part of the Equality Act 2010,) and any other legal requirements which are specific to individual projects have been considered and addressed by applicants.

All projects will need to comply with all relevant legislation relating to the implementation of projects. Local authorities / Clyde Gateway URC will be responsible for ensuring these elements. Further information may be required from applicant organisations at stage 2 and potentially prior to any offer of grant being issued.

**Aims and objectives**

The RCGF supports place-based approaches to delivering regeneration and inclusive growth and is aligned to the Place Principle. It aims to sustain longer term renewal, promoting the resilience, health and wellbeing of communities across Scotland.

The programme will help to address persistent vacant and derelict land as well as supporting locally developed, place-based regeneration projects that involve local communities, helping to tackle inequalities and improving the economic, social, and physical environment of deprived, disadvantaged and fragile remote communities across Scotland.

Projects should also detail how they are contributing towards the target of net-zero carbon emissions by 2045.

Projects should:

• focus on areas that suffer from high levels of deprivation and disadvantage

• demonstrate clear community involvement

• deliver large scale transformational change with strong regeneration outcomes

• encourage additional investment and address market failure in communities

Applications are not restricted in geography, size or type of project; it will be for the applicant to demonstrate that the project fits with the aims and objectives of the fund.

**Strategic Context**

Projects supported through RCGF will reflect the Scottish Government’s four priorities to eradicate child poverty, grow the economy, tackle the climate emergency, and ensure high quality and sustainable public services.

The following strategic areas of priority and core principles should also be considered:

* [Regeneration Strategy](https://www.gov.scot/publications/achieving-sustainable-future-regeneration-strategy/)
* [Town Centre Action Plan](https://www.gov.scot/publications/town-centre-action-plan-review-joint-scottish-government-cosla-response/) and [Town Centre First Principle](https://www.gov.scot/policies/regeneration/town-centre-regeneration/)
* [The Place Principle](https://www.gov.scot/publications/place-principle-introduction/)
* [A Culture Strategy for Scotland](https://www.gov.scot/publications/culture-strategy-scotland/)
* [Tackling Child Poverty Delivery Plan](https://www.gov.scot/publications/best-start-bright-futures-tackling-child-poverty-delivery-plan-2022-26/)
* [Climate Change Plan](https://www.gov.scot/publications/securing-green-recovery-path-net-zero-update-climate-change-plan-20182032/)
* [National Flood Resilience Strategy](https://www.gov.scot/publications/national-flood-resilience-strategy-3/)
* [National Planning Framework 4](https://www.gov.scot/publications/national-planning-framework-4/)
* [Scotland’s National Strategy for Economic Transformation](https://www.gov.scot/publications/scotlands-national-strategy-economic-transformation/)
* [Place and Wellbeing Outcomes](https://www.improvementservice.org.uk/__data/assets/pdf_file/0020/30719/PWO-briefing-paper-v3-oct-2024.pdf)
* [Fair Work and Pay](https://www.gov.scot/publications/fair-work-first-guidance-3/)
* Local Authority Local Economic Development, Regeneration, Local Development and Strategic Development Plans

In addition, projects should consider alignment to Community Wealth Building principles in advance of forthcoming legislation.