

## COMBINED AUTHORITY MEETING

22 JULY 2024

### Call for Projects

#### Report of the Head of Strategy

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#### 1.0 Purpose of the Report

- 1.1 The report sets out proposed investment programmes, linked to the Economic Framework, which could be funded via the Mayoral Investment Fund.

#### 2.0 Recommendations

- 2.1 It is recommended that the Combined Authority approve an indicative budget allocation of £27.5m over four years from the Mayoral Investment Fund, subject to further consultation with Members and full prospectus documents to be developed across the following programmes:

- Indicative £10m across 2024 to 2028 for the Carbon Negative Challenge Fund
- Indicative £10m across 2024 to 2028 for the Vibrant & Sustainable High Streets Fund
- Indicative £5m across 2024 to 2026 for the Business Innovation Fund
- Indicative £2.5m across 2024 to 2026 for the Skills Innovation Fund

- 2.2 It is recommended that the CA approves a maximum of 5% of the allocated £27.5m to be utilised towards management and administration fees, to ensure the programmes are fully resourced for successful delivery. Any required costs beyond this will need to seek further approval from the Combined Authority.

- 2.3 It is also recommended that the CA approve delegated authority for the Chief Executive, in consultation with the CA Members, to sign-off the full prospectuses and application packs of each fund. This will then enable the funds to formally launch.

#### 3.0 Background

- 3.1 The revised Economic Framework, which has been presented to the Combined Authority in a separate paper (see paper 'Approval of the Combined Authority Economic Framework'), identifies five key thematic priorities, including:

- Healthy & Thriving Communities
- Affordable & Sustainable Transport
- Vibrant & Sustainable Places

- Boosting Business and a Thriving Workforce
- Affordable & Sustainable Housing

**3.2** The Mayoral Investment Fund, as a flexible, fully devolved investment pot, provides an opportunity for the CA to contribute to these priorities and start delivering positive outcomes for York and North Yorkshire. This will also contribute significantly to the CA's three overarching ambitions of: 'Transition to Carbon Negative', 'Deliver Inclusive Economic Growth', and 'Create Opportunities for All'.

**3.3** The proposed Funds, set out in this report, provides initial activity against delivering the thematic priorities of the Economic Framework. Further Funds and investment propositions will be developed further. The below table sets out under each of the thematic priorities the current position and how the proposed Funds, that require investment support from the Mayoral Investment Fund, compliment other activity:

Thematic Priority	Summary
Healthy & Thriving Communities	A Cost-of-Living Plan will be developed, which will help to scope the investment needs and priorities of York and North Yorkshire's communities. This activity was agreed at the May 2024 CA meeting (details can be found <a href="#">here</a> ). Further scoping of existing community funds is underway to ensure that CA Funding provides added value and additionality. It is therefore not proposed to create a further Fund at this stage.
Affordable & Sustainable Transport	Funding from the Mayoral Investment Fund is not required for transport schemes at this stage. The CA is currently developing a Transport Strategy and preparing for transport funding from the Department for Transport. Investment may be required in the future, but these needs will be identified in the strategy and the Mayoral Investment Fund will only be utilised to fill gaps in the transport funding and ensure added value to current funding.
Vibrant & Sustainable Places	<p>There are two investment proposals for this thematic priority:</p> <ol style="list-style-type: none"> <li>1. Vibrant &amp; Sustainable High Street Fund</li> <li>2. Carbon Negative Challenge Fund</li> </ol> <p>Further details on these proposals are in section 4 'Investment Proposals'.</p>
Boosting Business and a Thriving Workforce	<p>There are two investment proposals for this thematic priority:</p> <ol style="list-style-type: none"> <li>1. Business Innovation Fund</li> <li>2. Skills Innovation Fund</li> </ol> <p>Further details on these proposals are in section 4 'Investment Proposals'.</p>

Affordable & Sustainable Housing	Housing is a key enabler to the CA’s economic ambitions, so investment will be critical in the future. However, the CA must ensure that it’s truly addressing the housing needs of our residents. It is proposed in the Economic Framework that a housing strategy for York and North Yorkshire is completed first, which will begin to identify a pipeline of projects and how to address key challenges such as affordability. Current funding for housing through the CA is currently through the devolved Brownfield Housing Fund.
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#### 4.0 Investment Proposals

4.1 For each investment request listed in the table in section 3, a proposal document has been developed (and included in the appendices) which outlines the following in more detail:

- Background / context of the fund;
- How the fund will meet local strategic priorities;
- Purpose of the fund and outcomes;
- The type of activity covered by the fund;
- Criteria on who can apply;
- The level of funding that can be applied for; and
- Indicative timelines.

4.2 Sections 4.3 ‘Carbon Negative Challenge Fund’, 4.4 ‘Vibrant & Sustainable High Streets Fund’, 4.5 ‘Business Innovation Fund’, and 4.6 ‘Skills Innovation Fund’ provide a summary of each funding proposal.

#### 4.3 Carbon Negative Challenge Fund

4.3.1 An overarching ambition of the CA is for the subregion to transition to carbon negative, building on its strong sustainability asset base (such as natural carbon capture and sequestration opportunities supported by the two National Parks, three National Landscapes and marine assets). This ambition was agreed in May 2024 in the first approved Economic Framework for the CA (details [here](#)). A revised Economic Framework has been proposed to the CA, which continues to recognise the importance of this ambition.

4.3.2 To combat the climate crisis and reach the CA’s ambition, pace and scale will be needed. The CA has already made commitments to the agenda through its Net Zero Fund, which was a commitment from government of £7 million in the CA’s original Devolution Deal. Twenty-three schemes, covering capital projects such as natural capital restoration and retrofitting, and a number of revenue investments have been supported. To strengthen the impact of these projects, further investment is required, as the Net Zero Fund alone will not achieve our carbon negative ambitions.

4.3.3 Further investment in this agenda provides York and North Yorkshire the opportunity to be a strong leader on the climate agenda, it can also bring major benefits to our environment and our communities, particularly health-related outcomes (e.g. cleaner air, warm, energy efficient homes).

**4.3.4** Consequently, it is recommended that an indicative allocation of £10m across 2024 to 2028 is made from the Mayoral Investment Fund to support the creation of a Carbon Negative Challenge Fund.

**4.3.5** A proposal for the Carbon Negative Challenge Fund is included as Appendix A which sets out the scope of the investment.

#### **4.4 Vibrant & Sustainable High Streets Fund**

**4.4.1** York and North Yorkshire is an incredibly diverse geography, covering urban, rural and coastal communities. The diversity of York and North Yorkshire's geography makes it a highly attractive place to live, work and learn, but our places also differ in terms of their success. Some areas are doing very well, whilst others are grappling with significant challenges, particularly within our high streets.

**4.4.2** Factors such as the growth of online retail, the rise in home working since the Covid-19 pandemic, and the increased cost of living, have led to uncertainty about the future of high streets across the UK. Many services, such as banks and post offices, traditionally associated with the high street are likely to disappear over the next decade. It is essential to support high streets to adapt and rejuvenate to ensure people continue to have a reason to visit and our local businesses can thrive. If our high streets don't start adapting now, even those in a strong position, could become vulnerable.

**4.4.3** Consequently, it is proposed that an indicative allocation of £10m from 2024 to 2028 from the Mayoral Investment Fund is committed to a Vibrant & Sustainable High Streets Fund (which also aligns with the Mayor's manifesto commitment to creating a High Street Fund).

**4.4.4** A proposal for the Vibrant & Sustainable High Streets Fund is included as Appendix B which fully details the scope of the investment.

#### **4.5 Business Innovation Fund**

**4.5.1** The York and North Yorkshire Combined Authority Economic Framework sets out the key assets that have the potential to support and deliver good economic growth:

- A highly qualified and educated workforce - over half of the working-age population qualified to NVQ 4+ level and there are very low rates of people with no qualifications (5.4%). Unemployment levels are also low at 1.7%;
- Home to significant research and innovation assets, including high-performing academic institutions (three universities are based here), research and development, innovation and sector specialisms (e.g. Stockbridge Technology Centre, York Biotech Campus, Network Rail's Training Centre, Green Chemistry Centre of Excellence). These assets can support our businesses to be more resilient, productive and innovative.
- Strong presence of foundational sectors: The key employment sectors for residents include: Wholesale and Retail (14.8%), Health and Social Care (12.8%) and Accommodation and Food Service Activities (12%). Although

a small employment sector overall, Agriculture is a specialism of the subregion with a much larger proportion of businesses than national levels.

- A diverse economy dominated by micro and small businesses: The York and North Yorkshire economy does not rely on one singular industry, primarily made up of micro businesses, reflecting a similar picture to national levels, alongside high levels of entrepreneurship and start-ups.
- High opportunity sector potential: Several sectors have been identified that have scope to develop now and into the future, which can help to generate innovative, technology focussed roles and make a significant contribution to productivity.

4.5.2 Whilst economic opportunity will be achieved as a result of these characteristics, there is potential to strengthen it further, and more quickly, by providing the right conditions to attract new investment and supporting our businesses to be more innovative, productive and resilient. The value of the York and North Yorkshire economy is comparable to other areas across the UK although productivity is lagging behind national levels. Wage levels are also lagging when compared to the national average. Low skilled and low wage roles remain a challenge, but there is huge potential for transferable skills to move into growing and higher value sectors of the economy.

4.5.3 There is currently a range of specialist business support available through the York and North Yorkshire Growth Hub Service, and complementary services provided to businesses in localities by North Yorkshire and City of York Councils. In addition, other Government and publicly funded support programmes are available for businesses to access, but the opportunity to develop specific bespoke programmes – harnessing the characteristics set out at 4.5.1 above and tailored to maximise the opportunities in our local economy - could be enabled through the Mayoral Investment Fund, to deliver the Boosting Business theme of the Economic Framework to support our businesses to be more innovative, productive and resilient.

4.5.4 The principles for a Business Innovation Fund are set out at Appendix C, with an initial indicative allocation proposed of £5m over the period 2024 to 2026.

## **4.6 Skills Innovation Fund**

4.6.1 The Skills Strategy, which is included in the paper ‘York and North Yorkshire Skills Framework and Strategy’, sets out a number of challenges for the skills landscape, including:

- A decline in engagement in learning: The numbers participating in Adult Education are 29% below 2018/19 levels. Apprenticeship starts remain 5% below their pre pandemic levels. A comparison of the subject profile of education and training provision with the profile of labour market demand shows major disparities between the two for apprenticeships, adult education and higher education.
- Rurality, connectivity and access to services: Remote locations and a lack of digital connectivity and transport options present a particular challenge

to individuals seeking training and support and local employers in recruiting and retaining staff.

- Modes of delivery are not meeting business or learner needs: There is a lack of flexibility in how provision is delivered. More modular and bitesize provision is required with flexibility in when, where and how delivered - this was particularly highlighted in the work of the Local Skills Improvement Plan.

4.6.2 For skills and training to be effective, the above challenges need to be addressed. A Skills Innovation Fund would enable the CA to work with key partners, such as training providers, to explore new ways to engage people in skills and overcome the deep-rooted engagement and accessibility challenges. With greater people engaged in training, the CA would be able to better maximise the outcomes from the Adult Skills Fund, Skills Bootcamps and other skills provision.

4.6.3 It is recommended that an indicative allocation of £2.5m over 2024 to 2026 from the Mayoral Investment Fund is allocated to the Skills Innovation Fund. A full proposal is included at Appendix D.

## 5.0 Summary of Investment Proposals

5.1 The table below sets out the indicative levels of funding that is requested from the Mayoral Investment Fund:

Thematic Priority	Fund	Lead Officer	Total Funding Required	Timeframe
Sustainable & Vibrant Places	Carbon Negative Challenge Fund	Senior Strategy Manager for Low Carbon & Environment	£10,000,000	2024 - 2028
	High Street Fund	Policy Officer for Sustainable & Vibrant Places*	£10,000,000	2024 - 2028
Boosting Business and a Thriving Workforce	Business Innovation Fund	Head of Delivery	£5,000,000	2024-2026
	Skills Innovation Fund	Skills & Employability Manager	£2,500,000	2024 - 2026
<b>Total</b>			£27.5m	

\*At the [May 2024 CA meeting](#), the following was approved: “To deliver great places to live and work across the region, a Policy Officer post will be created to scope and develop a High Street Investment Fund”. The other Lead Officers are posts that already exist within the Combined Authority.

## 6.0 Next Steps

6.1 If the Combined Authority approves the investment proposals in principle, the following activity will then need to be undertaken:

- full prospectus and application pack will be developed for each fund;
- the comprehensive process designed for each fund which aligns with the CA’s Assurance Framework;

- CA members will be consulted on the design of each fund;
- Approval will need to be given to the final prospectuses before any funds can formally launch.

6.2 To enable the funds to launch at pace, it is recommended that the CA approves delegated authority to the Chief Executive of the CA to sign off on the final prospectuses and application packs of each investment fund. However, the CA members will be engaged throughout the design process of each prospectus.

## 7.0 Financial Implications

7.1 Approval of the investment proposals would result in £27.5m incurred against the Mayoral Investment Fund budget across 2024 to 2028. Essential programme management and other associated support services costs will also be considered as part of the £27.5m, ensuring that there will be sufficient resource to ensure delivery of the approved funding.

7.2 At this stage, an allocation of the £27.5m for management and admin has not yet been determined, as this will be shaped by the prospectuses that need to be developed. It is recommended that an allowance of up to 5% is made for management and admin costs. Anything over 5% would require further formal approval from the Combined Authority with a clear rationale for the need. All costs will be closely monitored.

7.3 If the Combined Authority approve the £27.5m requested within this report, this would leave £30.1m within the Mayoral Investment Fund's budget for 2023/24 to 2027/28. The table below details the current commitments that have been made and the remaining balance:

<b>Mayoral Investment Fund Commitments</b>	<b>Total (£m)</b>
<b>Amount available (2023/24 to 2027/28)</b>	<b>81</b>
Less:	
Core operating costs, including contingency	12.4
Implementation Costs	2.1
Election	4
Previously agreed over allocation (net zero)	0.5
Adult Skills Fund (formerly named Adult Education Budget)	0.3
Allocation to CYC & NYC for pipeline of investible schemes	1
Mayoral Priorities	2.2
<b>Balance</b>	<b>58.5</b>
<b>For approval July 2024</b>	
Call for projects	27.5
Brownfield Housing	0.9
<b>Balance remaining</b>	<b>30.1</b>

## 8.0 Legal Implications

8.1 It is not anticipated that there will be any legal implications by approving the recommendations within this paper, but the following will need to be addressed if the funding programmes are launched:

- All of the proposed investment programmes will need to be HM Treasury's Green Book compliant and align with the CA's [Assurance Framework](#) processes, with clear decision-making stages mapped out. These processes will be identified as part of the prospectus and application development.
- Standard legal procedures will need to be approved for any project investment and this will be judged on a case-by-case basis, mitigating any potential risk through formal funding agreements.
- As these funds are seeking investment from the Mayoral Investment Fund, each one will be subject to the formal monitoring and evaluation requirements that government has set out as part of the National Evaluation Framework for the Mayoral Investment Fund. If the funds are approved, evaluation plans will need to be developed and this will form part of a Local Evaluation Framework, which the CA is formally required to develop for the Mayoral Investment Fund.

## 9.0 Equalities Implications

9.1 It is not anticipated that the proposed funding would have any negative impacts on equalities. The investment is seeking to address some of the inequalities between our communities and help to strengthen their resilience. As part of the assessment process, officers will ensure that there are no negative impacts on equalities.

## 10.0 Environmental Implications

10.1 It is not anticipated that the funding programmes will cause any negative impacts on the environment, with much of the investment focussed on supporting the transition to carbon negative. As part of the assessment process, officers will ensure that there are no negative impacts on the environment.

## 11.0 Combined Authority Areas Impacted (Council Areas/Wards/Divisions)

11.1 All of the proposed funds covered the entirety of York and North Yorkshire. There is no plan for the investment to target specific geographies.

<b>12.0</b>	<b>Recommendations</b>
12.1	<p>It is recommended that the Combined Authority approve an indicative budget allocation of £27.5m over four years from the Mayoral Investment Fund, subject to further consultation with Members and full prospectus documents to be developed across the following programmes:</p> <ul style="list-style-type: none"><li>• Indicative £10m across 2024 to 2028 for the Carbon Negative Challenge Fund</li><li>• Indicative £10m across 2024 to 2028 for the Vibrant &amp; Sustainable High Streets Fund</li></ul>



- Indicative £5m across 2024 to 2026 for the Business Innovation Fund
- Indicative £2.5m across 2024 to 2026 for the Skills Innovation Fund

12.2

It is recommended that the CA approves a maximum of 5% of the allocated £27.5m to be utilised towards management and administration fees, to ensure the programmes are fully resourced for successful delivery. Any required costs beyond this will need to seek further approval from the Combined Authority.

12.3

It is also recommended that the CA approve delegated authority for the Chief Executive, in consultation with the CA Members, to sign-off the full prospectuses and application packs of each fund. This will then enable the funds to formally launch.

### 13.0 Reasons For Recommendations

13.1 The requested investment will help the Combined Authority to deliver on the priorities set out within the revised Economic Framework.

### 14.0 Contact Details

For further information please contact the authors of this Report.

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#### Supporting Documents

22 July Combined Authority Paper: Approval of the Combined Authority Economic Framework

#### Appendices

Appendix A: Carbon Negative Challenge Fund Proposal

Appendix B: Vibrant & Sustainable High Streets Fund Proposal

Appendix C: Business Innovation Fund Proposal

Appendix D: Skills Innovation Fund Proposal



# Carbon Negative Challenge Fund



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# Introduction

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## Background

York and North Yorkshire have the ambition to be net zero by 2034, and carbon negative by 2040. The scale of our ambition is based on our unique innovation and industrial capabilities; our nationally significant business base in low carbon energy; and diverse and extensive landscapes, owing to the area's rural and coastal geography. As a leader in decarbonisation and world class innovation assets, we can harness the opportunities of the transition, strengthening our communities, creating jobs and attracting investment to the region.

At the start of 2023, we launched our Net Zero Fund which provided £7 million to support the development and delivery of net zero projects. Taking the learnings from the delivery of the previous Fund, the Carbon Negative Challenge Fund seeks to maximise the use of public funding to enable innovative projects to tackle some of the most challenging areas in the journey to a carbon negative York and North Yorkshire.

## Meeting local Strategic Priorities

An overarching ambition of the CA is for the subregion to transition to carbon negative, building on its strong sustainability asset base (such as natural carbon capture and sequestration opportunities supported by the two National Parks, three National Landscapes and marine assets). This ambition was agreed in May 2024 in the first approved Economic Framework for the CA (details [here](#)). A revised Economic Framework has been proposed to the CA, which continues to recognise the importance of this ambition.

## Purpose of the Fund

The Fund seeks to support the development and delivery of projects that can unlock carbon savings, increase carbon sequestration and support climate adaptation to accelerate progress towards York and North Yorkshire becoming England's first carbon negative region. Projects must be innovative in nature; for example, trialling new approaches or technology, serving as a "demonstrator" project that others can replicate, or projects that will enable systems change across the region.

Rounds of funding will focus on specific challenges that are holding back progress to reaching net zero by 2034 and carbon negative by 2040.

The first round of the Carbon Negative Challenge Fund, opening in Autumn 2024 will focus on:

1. Financing retrofit
2. Community energy & circular economy demonstrators
3. Innovative, place-based solutions to decarbonise heat
4. Scaling-up regenerative agriculture
5. Innovative approaches to increase carbon sequestration in marine & coastal areas

*Projects that do not fit these thematic areas, but still contribute to climate mitigation and/or adaptation are still able to apply.*

The Fund is seeking to achieve the following outcomes:

- Reduced greenhouse gas (GHG) emissions & increased carbon sequestration
- Strengthened ability of communities to take climate action and receiving the benefits
- Improved climate adaptation
- Established pipeline of investible projects

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# What is the Carbon Negative Challenge Fund?

## What types of activity can be funded?

Activities will either support “project development” or “project delivery”.

**Project development funding** can fund a range of interventions that support project development up to, and including, business case stage and ensuring investor readiness.

Eligible expenditure includes:

- Project scoping
- Community engagement
- Feasibility study
- Business case development

**Project Delivery funding** can fund delivery of projects that otherwise would not happen. Eligible expenditure includes:

■ Installation of renewable energy generation & other technologies

■ Grid connection

Grants are available to public and private sector bodies operating within York

and North Yorkshire, including:

- Local Authorities and other public sector organisations
- Capacity to support delivery activity
- Community Groups
- Charities
- Businesses
- Collaborative applications (i.e. with more than one applicant) are welcomed.

## Who can apply?

## How much can you apply for?

£10 million has been allocated to the Fund from 2024 – 2028. There will be up to £4 million available in the first round of funding.

Applicants can apply for a minimum of £20k funding and a maximum of £1.5million. Applicants can apply for revenue and capital funding.

For “project development”, applicants can apply for up to 80% grant funding. For “project delivery”, applicants can apply for up to 60% grant funding (i.e. requiring at least 40% match funding). All applicants must clearly evidence the need for funding and the rationale for the level of funding that is being requested.

We encourage co-funding of schemes where the opportunity exists. Investments through this fund should always add the maximum value and this should be clearly proven and evidenced by the applicant. Early discussion with other funding bodies is needed to ascertain compatibility.

## Indicative Timeline

SEP 2024 – Full prospectus and application pack will be developed

OCT 2024 – Carbon Negative Challenge Fund (1<sup>st</sup> round) launches

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# Vibrant and Sustainable High Streets Fund

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# Introduction

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## Background

High Streets across the UK are facing significant challenges. Factors such as the growth of online retail, the rise in home working since the Covid-19 pandemic, and the increased cost of living, have led to uncertainty about the future of High Streets across the UK. Many services, such as banks and post offices, traditionally associated with the High Street are likely to disappear over the next decade. It is essential to support High Streets to adapt and rejuvenate, to ensure people continue to have a reason to visit and our local businesses can thrive.

In York and North Yorkshire, our town centres and high streets perform a number of vital roles for our businesses and communities. They provide a range of services and opportunities, including retail, hospitality, employment, leisure, training, and socialising. They also play an important role in fostering a sense of place and are a source of local pride, which is no surprise when many of our high streets are thriving. But not all of them are in this strong position and these places will be most vulnerable to changing trends. Equally our highest performing high streets could also struggle in the future if they don't start adapting now.

The aim of this programme is to make high streets across our region into vibrant and sustainable places. This will be achieved by supporting new and existing small businesses operating on high streets to thrive and investing in projects that will serve to future-proof the high street. This may involve adapting (empty) premises to enable high streets to provide a balanced mix of services to meet the needs of local people.

**The ambition is for our high streets to be not only a focal point for local commerce, but a focal point for local communities.**

Recognising that high streets across the region are varied and have different needs, this programme will be open to flexible approaches and innovative solutions led by the local businesses and community groups who know their high streets best.

## Purpose of the Fund

The purpose of this programme is to support projects and initiatives aiming to rejuvenate and reanimate high streets across York and North Yorkshire. The key objectives are:

- To support high street businesses to improve their resilience
- To support high street businesses to expand their offer and introduce new goods and services
- To support high street businesses to increase their turnover
- To increase the number of workshops and classes providing tailored support and advice to high street businesses and stakeholders
- To increase the number of events and activities attracting residents and visitors to the high street
- To reduce the number of vacant units (where they are present)
- To repurpose and adapt empty spaces, creating mixed-use high streets that serve the needs of local communities
- To increase footfall (where it is low)
- To increase the number of businesses operating in town centres (where it is low)
- To increase the levels of community engagement and activity in high street locations
- To improve the perceptions of high streets amongst both residents and visitors

## Meeting local Strategic Priorities

This investment delivers on multiple Priorities and Ambitions identified in the Economic Framework:

- Vibrant and Sustainable Places
- Boosting Business and a Thriving Workforce
- Healthy and Thriving Communities





# What is the Vibrant and Sustainable High Streets Fund?

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## What types of activity can be funded?

The activity that can be supported must be linked to one of the following themes:

1. Supporting the growth and resilience of **Small Businesses** on the high street
2. **Repurposing** the high street
3. Building **Leadership, Partnerships and Networking Opportunities** for high street stakeholders
4. Engaging in **Place Marketing and Promotion**
5. Improving the **Appearance and Experience** of the high street

## Who can apply?

Credible collectives of local business and/or community organisations that represent the interests of the high street. Local businesses and/or community organisations are encouraged to form 'local partnerships' with a defined shared interest and goal. An accountable lead applicant will need to be identified. Eligible lead applicants may include:

- Business Improvement Districts; Local business or trade associations; Town Councils; Community Interest Companies (on behalf of an established local partnership); Individual businesses (on behalf of an established local partnership)

## How much can you apply for?

- £10m has been allocated to the fund over a 4-year period
- There are no set limits on the amount applicants can apply for. However, consideration will be given to the type and scale of project being proposed.
- Both revenue and capital funding will be available for projects. There are currently no limits set on the amounts or proportions of each. This is to allow for flexibility in responding to the priorities and needs of local businesses and communities.
- There will be no requirement for match funding. However, the presence of match funding will be viewed favourably as evidence of 'added value' in the appraisal process.

## Indicative Timeline

**August 2024** – Full prospectus and application pack will be developed

**September 2024** - Fund launches – invite businesses / organisations to provide contact details to register their interest

**October 2024** – Open to pre-applications (remain open on a rolling basis)

### Two-stage Application Process

**Pre-application** (Gateway check completed by CA officers)

Applicants must provide information about:

- The 'Local Partnership' – which businesses/organisations are involved?
- The Local Context – what are the specific needs/challenges facing the high street?
- An outline of the project

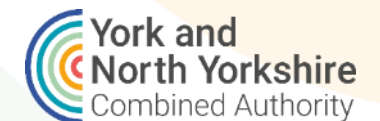
**Full Application** (Appraised by CA officers and a panel)

Applicants must provide more detailed information about:

- The need for the project and the impact it will have
- Delivery plans - project milestones and timescales, cost breakdown, cashflow management, etc.
- How progress will be measured

The Appraisal process will factor in:

- Strategic fit with the 'High Streets' objectives
- Alignment with overarching ambitions of the YNYCA Economic Framework
- Additionality and Impact
- Longevity
- Added Value
- Overall Distribution of the funding



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# Business Innovation Fund

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# Introduction

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## Background

The existing York and North Yorkshire economy has a range of strengths and presents high potential opportunities for significant growth, with the right targeted interventions that can be supported by the public sector. The value of the York and North Yorkshire economy is comparable to other areas across the UK although productivity is around 87% of national levels. Wage levels are also lagging when compared to the national average. Low skilled and low wage roles remain a challenge, but there is huge potential for transferable skills to move into growing and higher value sectors of the economy. This approach aims to support the economy to grow at a faster rate than would otherwise be possible and achieve greater impact as a result of the Business Innovation Fund interventions.

## Meeting local Strategic Priorities

The Business Innovation Fund will deliver against the Boosting Business priority of the York and North Yorkshire Economic Framework and will be designed to support the York and North Yorkshire Innovation Plan, to be developed in partnership with UKRI/Innovate UK.

The Business Innovation Fund will support businesses to develop commercial strengths, focus on new innovation, and realise high growth potential. Priority will be the six sectors that are being developed to maximise the economic specialisms that are unique to York and North Yorkshire – Rail, Agri-tech, Industrial Bio-Economy, Advanced Manufacturing, Healthy Ageing and Life Sciences, Digital & Creative.

## Purpose of the Fund

The fund will help to achieve greater progress, and at a faster rate, in delivering economic opportunity across York and North Yorkshire by providing the right conditions to attract new investment and support our businesses to be more innovative, productive and resilient.

The fund will be delivered through a phased approach :

- Short term Business Innovation Fund support - to ensure that there is equal access across York and North Yorkshire to local business support programmes, particularly aimed at expansion of business operations and/or innovation activity.
- In parallel, further work will be done to map the business base of York and North Yorkshire and quantify the potential for targeted business innovation programmes.

Having a good understanding of the existing business base and local economy is essential to maximising the effectiveness of business support programmes, and this stage of work will inform more detailed design of further support to be made available and how it should be directed.

Specific targets will be developed relating to the Business Innovation Fund to ensure that impacts can be tracked and evaluated.

# What is the Business Innovation Fund?

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## What types of activity can be funded?

The Business Innovation Fund will enable development of specialist business support programmes to help business realise growth and development opportunities to :

- increase productivity;
- enable innovation of new products, processes or services that are significantly ahead of others currently available;
- enable innovative use of existing products, processes or services;
- adopt new or innovative business models;
- develop improved business resilience.

Other opportunities could include :

- Investment in development of Research and Development collaborations, Industrial Research, Knowledge Transfer Partnerships and “Spin Out” enterprise, leading to high value commercialisation.
- Establishment of business development accelerator facilities linked to the York and North Yorkshire high opportunity potential sectors.
- Development of supply chain initiatives and collaborations in the core and high opportunity sectors.
- Support for mobilisation and formalised economic clusters relating to unique specialisms, which may be targeted on particular locations, and linked to development of relevant skills to support the potential growth and increase opportunities for employment of local residents.

## Who can apply?

Details will be developed, but most activity is likely to be made available through commissioned programmes, to enable tailored business support approaches.

## How much can you apply for?

£5million is proposed to be made available from September 2024 to March 2026, with potential for further extension up to a 4 year period

Individual programmes will be launched with specific details for support to be provided.

Individual programmes are expected to provide a combination of both business support and investment support, therefore likely to include both revenue and capital funding.

## Indicative Timeline

Initial phase of expanded business support programmes to be launched by Autumn 2024.

Development of York and North Yorkshire Innovation Plan in partnership with UKRI/Innovate UK by early 2025.

Details of bespoke Business Innovation Fund programmes to be launched early 2025, following completion of scoping evidence base and programme design/prospectus.



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# Skills Innovation Fund

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**City** region  
**Rural** powerhouse

# Introduction

City region  
Rural powerhouse

## Background

The YNY Skills Strategy has been revised in collaboration with partners and stakeholders, aligning the ambitions of the Local Skills Improvement Plan (LSIP) and the YNY LEP Skills Strategy. The Strategy is also informed by detailed labour market analysis commissioned by the YNY LEP in 2023 to understand the supply and demand for skills, as well as consideration of where there may be evidence of mismatch and market failure. Revision of the strategy has been overseen by the CA's Skills and Employability Working, an advisory group set up to support work on key skills priorities including the revised Skills Strategy, Adult Skills Fund (ASF) Strategic Skills Plan and as the thematic sub-group for the People and Skills theme of North Yorkshire's UKSPF.

A Skills Innovation Fund would support the 4 ambitions identified in the Skills Strategy: Integrated, Flexible and Responsive Skills System, Accessible Careers Support for All Ages, Thriving Businesses, and Empowered Communities.

This fund will aim to build on the success of skills development programmes eg the Strategic Development Fund (SDF) and the Local Skills Investment Fund, UKSPF, Skills Bootcamps and align to upcoming provision such as ASF, to demonstrate a commitment to continuity.

## Meeting local Strategic Priorities

The projects that a Skills Innovation Fund would support will align directly to the 'Boosting Business and a Thriving Workforce' thematic priority of the Economic Framework, and support all 3 of its overarching ambitions, predominantly 'Increase Opportunities for All'.

## Purpose of the Fund

The purpose of this fund is to build on previous skills programmes to ensure investment is maximised in terms of course development and delivery and take up by learners including disadvantaged/target groups (e.g. 50+, disengaged and hard to reach groups) by supporting investment in:

- skills capital and equipment
- Support for tutors/trainers – via CPD/industry exchanges
- Increased flexibility – through the development and delivery of more innovative modes of delivery, such as modular/bite size/outreach provision to meet employer and individual needs and address access/rural/transport issues.
- Building capacity in the local provider base to support the future delivery of ASF when the CA take responsibility of it from August 2024 – bring FE Colleges, Local Authority Skills Providers, Independent Training Providers, VCSE sector skills providers together to pilot new approaches to delivery.

The types of outcomes that the funding would be seeking to achieve would be:

- Increased tutors trained in industry related skills
- Increased adult learners trained in priority sectors
- New flexible courses developed (bize size/modular/outreach)



# What is the Skills Innovation Fund?

City region  
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## What types of activity can be funded?

The Skills Innovation Fund could support projects to deliver:

- Capital investment in YNY high potential and core sectors:
  - upgrading equipment and facilities with cutting edge technology.
  - significantly innovate teaching and learning practices using Immersive Technology, Virtual Reality and Artificial Intelligence.
- CPD and staff development to upskill existing skills delivery staff to ensure that tutors/trainers have up to date industry knowledge.
- Programmes of activity to encourage those within industry to engage with teaching to increase capacity e.g. delivering teaching skills to armed forces service leavers.
- Development and delivery of bite-size, flexible and modular provision that meets employer needs, and targets individuals with barriers to accessing learning.
- Bridging provision to other skills programmes such as Adult Skills Fund, Skills Bootcamps and Apprenticeships – to enable pathways to progression.
- Innovative approaches to engaging target groups to ensure capital investment and new flexible provision and can be fully utilised.

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## Who can apply?

Skills delivery providers, such as FE Colleges, Local Authority Skills Providers (such as York Learning and North Yorkshire Adult Learning and Skills Service), Independent Training Providers, and VCSE Skills Providers.

Collaboration will be encouraged to ensure successful engagement and delivery, to share best practice and to increase skills provider capacity and capability.

## How much can you apply for?

**How much money has been allocated to the fund?**

£2.5million over 2 years (£3.5m including match) – Jan 2025 to Dec 2026.

**Is there a limit on the amount applicants can apply for?**

This will be determined by each individual call

**Revenue or capital?**

Mix of capital and revenue (£1m capital, £1.5m revenue)

**Is it 100% or does it need to be match-funded?**

Capital funding would be 50% match funded (£1m funding, £1m match)

Revenue funding will be 100% funded (£1.5m funding)

**Compatibility with other funding?**

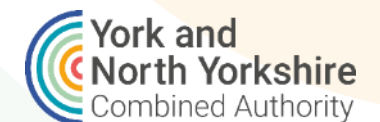
This funding will align to other provision available in the region managed by the CA, specifically the Adult Skills Fund that the CA take responsibility for from August 2025, and any future Skills Bootcamp or UKSPF People and Skills Funds. Wider provision available will also be considered as referral streams into, and out of this provision, to demonstrate a commitment to collaboration.

## Indicative Timeline

*September 2024 – Full prospectus and application pack will be developed*

*October 2024 - Fund launches*

*January 2025 – Activity commences*



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