



Mayoral Investment Fund

# Business Innovation Fund





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# Foreword

from Mayor  
David Skaith

I am delighted to welcome applications to the Business Innovation Fund.

The Mayoral Investment Fund is devolution in action. Devolution enables regions to govern more effectively for their communities; utilising local insight and taking a collaborative approach to place regions at the heart of all decision-making.

As part of York and North Yorkshire's devolution deal, a Mayoral Investment Fund worth £540 million was agreed over a 30-year period. The Mayoral Investment Fund will deliver on York and North Yorkshire Combined Authority's local growth priorities and align with my vision as Mayor.

Funds have been designed to overcome major challenges and encourage growth. Those who play an integral part in our economy are aware of the barriers, but they are also the key drivers who have the resilience, resourcefulness and confidence to make us prosper as a region.

In July 2024, I announced plans for four funds worth up to £27.5million over four years. These are the **Vibrant and Sustainable High Streets Fund, Carbon Negative Challenge Fund, Skills Innovation Fund and Business Innovation Fund**.

Since being elected as Mayor and following on from July's announcement, I have had the privilege of meeting with our diverse communities who make our region unique. It has been important to take the time to listen and understand

the challenges that our local economy faces. This feedback has been invaluable and helped to shape the direction of funds that will make a real difference.

I have listened, understood the concerns, and now it is time to deliver.

York and North Yorkshire has a unique set of challenges due to our rural, urban and coastal setting. However, with challenge comes great opportunity, and I want to support the innovation, talent and collaborative spirit that we possess as a region. We are distinct in York and North Yorkshire, that's why we do things differently.

My vision is for York and North Yorkshire to be made up of healthy and thriving communities that are connected to opportunity. The creation of these funds will ensure that support is bespoke to our region's needs.

Innovation is a vital enabler to growth in York and North Yorkshire. It will help us unlock our region's potential as a city region and rural powerhouse. This is why on the back of developing our 10 year Growth Plan, we are also working on shaping our innovation strategy and co-writing a Local Action Plan with Innovate UK.

Business innovation has the potential to drive inclusive economic growth and support the region's transition to a carbon-negative economy by 2040.

Home to world-class universities and R&D centres as well as a dynamic and diverse eco-system of sectoral clusters, our region is

an ideal place for businesses to grow and innovate.

To help our businesses innovate more and with greater impact, innovation support needs to reflect their needs. There is no 'one size fits all' solution.

This Business Innovation Fund has been co-created with businesses and innovation experts to complement existing regional and national innovation support, offering businesses a range of programmes to target potential growth opportunities.

The following prospectus will provide information on why the Business Innovation Fund was identified, along with key milestones, how to apply and what happens next.

We look forward to receiving applications and I would like to thank you for taking the time for applying to this fund.



# Background

## Why the Business Innovation Fund has been identified

### Introduction

Innovation is a vital enabler to growth in York and North Yorkshire. It will help us unlock our region's potential as a city region and rural powerhouse.

Helping businesses to innovate can drive inclusive economic growth and support the region's transition to a carbon-negative economy by 2040.

York and North Yorkshire is an ideal place for businesses to grow and innovate. It is home to world-class universities and R&D centres and has a dynamic and diverse ecosystem of sectoral clusters.

To help our businesses innovate more and with greater impact, support needs to reflect their needs. There is no 'one size fits all' solution.

This Business Innovation Mayoral Investment Fund has been co-created with businesses and innovation experts to complement existing regional and national innovation support,

offering businesses a range of programmes to target potential growth opportunities.

The following prospectus provides information on this fund, including details on who can apply, how and by when.

### Background

York and North Yorkshire's economy worth £23 billion GVA is a strong and growing economy.

Micro (88.8%) and small enterprises (9.5%) form the backbone of this economy; however, they are innovating less than larger businesses (as evidenced in the [UKRI State of Innovation 2024 Report](#)) and productivity is also an issue.

Research looking at innovation in YNY highlights that the region boasts excellent innovation assets and has a high proportion of businesses claiming to be 'innovation-active'. Negatively, it found that there are lower numbers of business start-ups per 10k

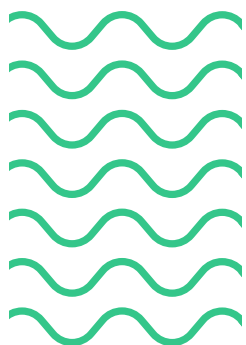


of working-age population in the region.

External stakeholder engagement in January 2025 highlighted several opportunities for fuelling innovation-led growth in YNY:

- Strengthening and growing the clusters in our priority sectors so that the innovation eco-system is better connected, accessible to all, with effective knowledge and skills exchange.
- Working with Academia and Industry to ensure that world-leading research conducted in the region translates into commercial and economic benefits for businesses and stimulates more new start-ups and spin-outs.
- Developing and maximising international trade opportunities, including exporting.
- Driving greater awareness of existing innovation support, whilst providing additional continuous, more intensive support that is flexible in design and provision.
- Connecting and leveraging innovation finance, public and private, to grow local clusters and sectors, making finance easier to access.





# About the Fund

The Business Innovation Fund is an allocation from the YNY Mayoral Investment Fund to increase business innovation, enabling businesses to achieve greater growth, faster.

The funding will support businesses across the wide geography to become more innovative, productive, and resilient.

It will enable businesses to better access R&D, innovation and funding support already available, as well as provide complementary support to access identified growth opportunities.

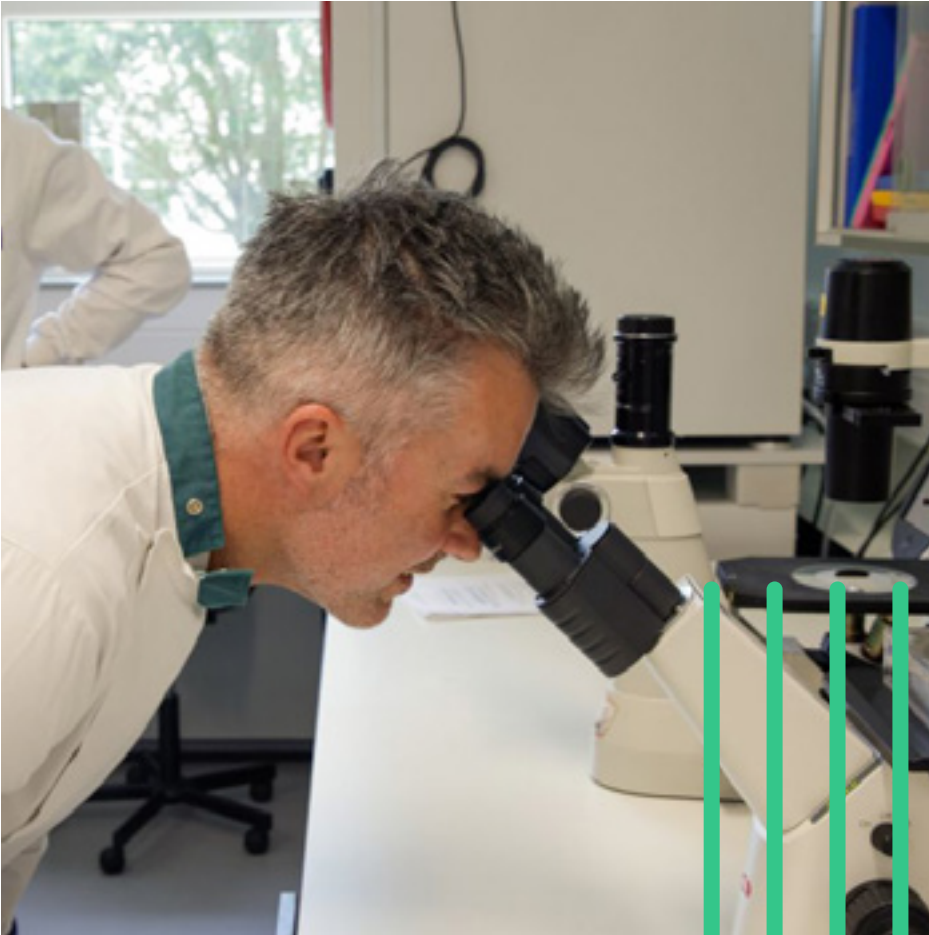
This fund will run from April 2025 to Jan 2027, with

potential for an extension of up to 4 years if required.

## **There are 5 programmes of activity:**

- Sector Activity Programme
- Spin-Out & Start-Up Programme
- 'Get Exporting' programme
- 'Great Ideas' innovation programme
- 'Get Funded' programme





# 1. Sector Activity Programme

Business clusters are geographical concentrations of businesses, suppliers and associated institutions from a particular sector. Creating and growing such clusters has been shown to increase innovation and the success with which companies can compete, both nationally and globally.

## Programme objectives

To **convene & mobilise clusters** within the YNYCA's high growth sectors: **Health & Lifesciences, Bio-Economy, Agri-tech, Digital & Creative, Manufacturing & Rail**, as well as the **Marine** sector in North Yorkshire and the **Business & Professional Services** sector in the City of York.

## Programme targets

Clusters within the specified sectors are strengthened: more active, innovative and commercially successful

Increase in the number of clusters in specified sectors

Increase in the number of potential sector-strengthening projects developed to investment-ready status

## What we are offering

Revenue-based grants of between £3,000 - £50,000 to form and/or develop strategic networks or 'clusters' in the sectors specified above. Eligible expenditure would cover costs associated with promoting and hosting networking events and similar activity. (Total indicative budget of £300K).

Revenue-based grants of between £3,000 - £30,000 to conduct or fund feasibility studies/ development of business cases, with the aim of attracting future investment to sector-strengthening projects/ regional sector assets. (Total indicative budget of £300K).

## Who can apply

Existing clusters and those wishing to form new clusters. Clusters must be based in York and/or North Yorkshire.

All applications must be made by business groups, local partnerships, etc. with a lead partner identified. The lead partner will act as an accountable body for the project.

We cannot accept applications from an individual business or organisation.

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## How to apply

Potential applicants to this programme should first register their interest with the appropriate sector contact:

- Manufacturing: Mark Bates  
Mark.Bates@yorknorthyorks-ca.gov.uk
- Agri-Tech and Bio-Economy: Tracey Taylor-Preston  
tracey.taylor-preston@yorknorthyorks-ca.gov.uk
- Creative & Digital: Sue Brandom  
Susan.Brandom@yorknorthyorks-ca.gov.uk
- Health & Life Sciences: Sophie Hartley  
sophie.hartley@yorknorthyorks-ca.gov.uk
- Rail & Business/Professional Services: Charles Storr  
charles.storr@york.gov.uk
- Maritime: Neil Macgillivray  
Neil.Macgillivray@northyorks.gov.uk

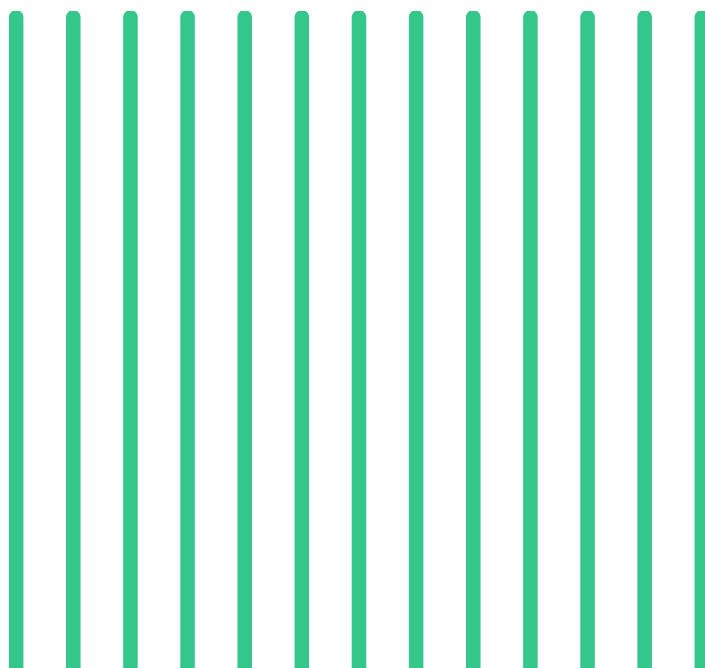
Applicants whose projects fit with the programme objectives will be directed to make a formal application.



# When to apply

Sector Mobilisation Grants		
	Programme opens	Deadline for completed applications
Phase 1	May 2025	5pm 30 June 2025
Phase 2	April 2026	5pm 30 June 2026

Feasibility Study Grants		
	Programme opens	Deadline for completed applications
Phase 1	May 2025	5pm 30 June 2025
Phase 2	December 2025	5pm 28 February 2026
Phase 3	June 2026	5pm 1 September 2026





## Additional information

Applicants can apply for the sector mobilisation and feasibility study grants, as long as they meet the criteria.

Match funding is not a mandatory requirement of this programme. However applicants will be required to demonstrate how their project maximises public benefit through additional project contributions (cash and/or in kind).

There is no set duration for projects; this will be discussed and agreed on a case by case basis with successful applicants. However, all projects must be complete by March 2027.

It is anticipated that there will be multiple funding rounds for both grant programmes. However, we reserve the right to close the programme early should the initial phases absorb all the funds.

For general guidance on how applications will be assessed and our expectations of successful applicants, see page 26.

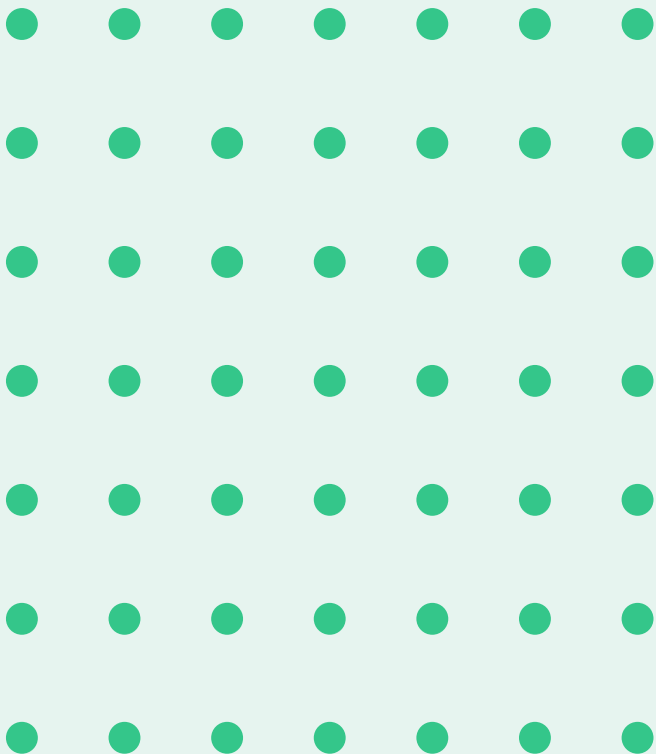
# 2. Spin-Out and Start-Up Programme

The retention of graduates and post-graduates in our region is an acknowledged issue. Keeping talent and expertise in YNY is key to our future innovation potential and success. This programme aims to understand and address the current situation, ensuring graduates can access the support they need to start up businesses and be successful in our region.

Initial research will be carried out to understand the issues and opportunities in this area, and create corresponding action plans.

Following the completion of the research project, the CA will discuss the findings with relevant higher education institutions and seek their proposals for actioning the recommendations and creating sustainable mechanisms that support spin-out and start-up opportunities.

Any questions about this programme should be emailed to [David.Ryden@yorknorthyorks-ca.gov.uk](mailto:David.Ryden@yorknorthyorks-ca.gov.uk)







# 3. 'Get Exporting' Programme

## Programme objectives

To encourage YNY businesses to **start and/or increase their export activity**.

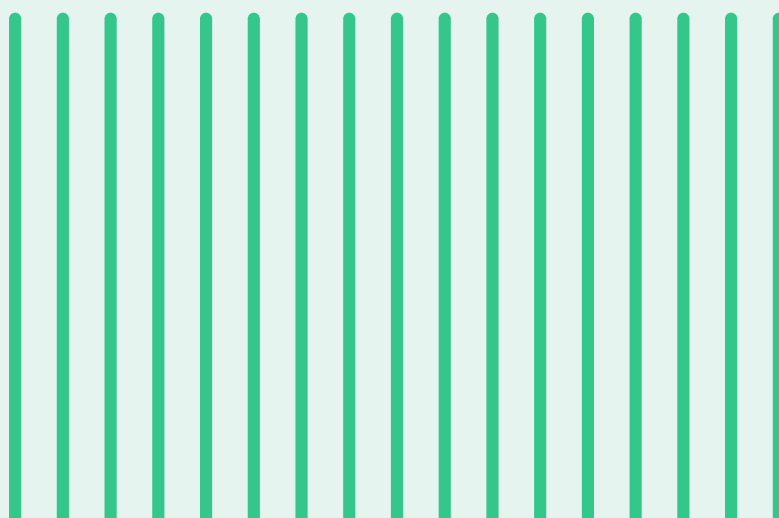
## Programme targets

Increase in the number of YNY-based businesses exporting.

Increase in the amount of exporting carried out by existing YNY-based exporters.

## What we are offering

**Grants of between £3,000 - £10,000** (mandatory 25% match funding contribution from the business required) to attend international events and/ or purchase support that facilitates entry to new markets, e.g. adapting websites and/or marketing materials to be relevant for international audiences, help with funding export-related consultancy or legal advice. Total indicative budget is £635K.



## Who can apply

Businesses with a trading address in **York or North Yorkshire** who have been trading for a **minimum of 12 months**. By 'trading' we mean customer trading, i.e. when the business took their first order.

Businesses must have an existing demonstrable interest in exporting, e.g. the business is already working with the Department for Business and Trade (DBT) or has conducted initial research.

Applicants who have benefitted from export grants within the last 18 months should note that additional grant funding will only be offered should incremental export growth be clearly attainable.

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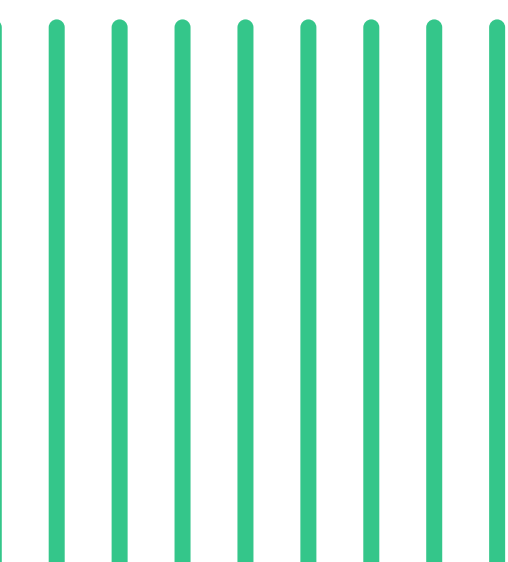
## How to apply

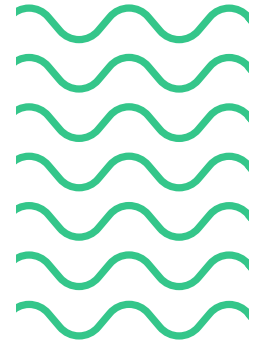
Application forms will be available from the YNYCA website at the start of each funding round.



# When to apply

Export Grants		
	Programme opens	Deadline for completed applications
Phase 1	May 2025	5pm 30 June 2025
Phase 2	November 2025	5pm 2 January 2026
Phase 3	May 2026	5pm 30 June 2026
Phase 4	November 2026	5pm 2 January 2027





## Additional information

There is no set duration for projects; this will be discussed and agreed on a case by case basis with successful applicants. However, all projects must be complete by March 2027.

It is anticipated that there will be multiple funding rounds. However we reserve the right to close the programme early should the initial phases absorb all the funds.

Export Grant applications can support growth in any sector but are particularly encouraged from Health & Lifesciences, Bio-Economy, Agri-tech, Digital & Creative, Manufacturing & Rail.

A series of export roadshows to support this programme will be run each October.

Ineligible expenditure for this programme includes: Capital expenditure; routine revenue costs; salary/employment costs; production/operational costs including product development; any costs relating to the transport and logistics of exporting goods e.g. insurance, documentation services, packaging, warehousing.

For general guidance on how applications will be assessed and our expectations of successful applicants, see page 26.

For any queries about this programme, please use the [contact form on this page](#).

# 4. 'Great Ideas' Programme

## Programme objectives

Through an appointed business support provider, to assist YNY-based businesses of all sizes to develop new ideas, including products and services.

To attract innovators to the region.

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## Programme targets

Innovation-led growth of YNY businesses.

Increased number of YNY businesses claiming to be 'innovation active'.

Increased number of innovative businesses attracted into YNY in order to benefit from the programme.

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## What we are offering

**£2.5m in funding** for (ideally) a single provider to deliver an end-to-end business support and grant programme over a 2 year period starting January 2026. Aspects of the programme to include:

- a 'dragon's den' style application process and wrap around coaching and support focus
- accessing grants and finance

Administering revenue grants of up to £60K, e.g. to access specialist support, develop business cases.

Getting appropriate businesses/projects investment-ready.



## Who can apply

Experienced innovation, business support and grant providers.

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## How and when to apply

This programme will be tendered as part of a formal procurement process that will start in Spring 2025. Further information will be provided on the YNYCA website at procurement launch. It is expected the contract will be awarded in early Autumn 2025, for a programme launch in January 2026.

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## Additional information for applicants

Potential programme providers should direct any pre-launch questions relating to this fund to David Ryden of YNYCA:  
David.Ryden@yorknorthyorks-ca.gov.uk

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## Additional information for potential programme participants

Please note that delivery of the support and grant programme, once the lead provider(s) is secured, will not start until January 2026. Information will be provided on YNYCA's website at that time about which external provider has been appointed to deliver the programme. The external provider will handle all programme enquiries, e.g. eligibility criteria, application process etc.

# 5. 'Get Funded' Programme

## Programme objectives

To support businesses and projects within businesses to be investment- ready.

Spread awareness of funding options and help them to apply for finance/grants.

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## Programme targets

Increased number of YNY businesses successfully winning grants and accessing finance.

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## What we are offering

**£200k in funding** for (ideally) a single provider to deliver a business support programme over a 2 year period starting January 2026. Aspects of the programme will include helping businesses to become **knowledgeable about the finance and grants available**, as well as **coaching them to win investment**.

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## Who can apply

Experienced business support providers with a proven track record of supporting business finance models.

## How and when to apply

This programme will be tendered as part of a formal procurement process in Spring 2025. Further information will be provided on the YNYCA website at procurement launch. It is expected the contract will be awarded in early Autumn 2025, for a programme launch in January 2026.

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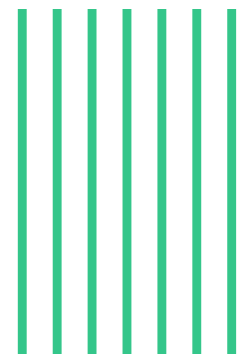
## Additional information for applicants

Potential programme providers should direct any pre-launch questions relating to this fund to David Ryden of YNYCA:  
David.Ryden@yorknorthyorks-ca.gov.uk

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## Additional information for potential programme participants

Please note that delivery of the support programme, once the lead provider(s) is secured, will not start until January 2026. Information will be provided on YNYCA's website at that time about which external provider has been appointed to deliver the programme. The external provider will handle all programme enquiries, e.g. eligibility criteria, application process etc.



## General programme information

# Assessment of grant applications

We will conduct a standardised and transparent appraisal process with all applications. Appraisal of applications will utilise Green Book methodology and consider:

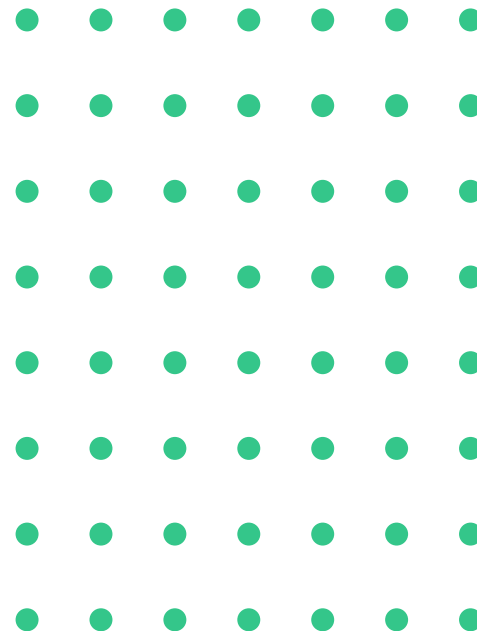
- **Deliverability** - the ability of applicants to deliver in full within the timeframe specified.
- **Impact** - the degree to which all outputs and outcomes are likely to be achieved.
- **Value for money** - the delivery of outputs and outcomes at reasonable cost.
- **Added value** - where an applicant can demonstrate added financial and social value.
- **Legacy** - where activity is considered to be sustainable into the future.
- **Wider place and sector impact** - where appropriate to the programme.

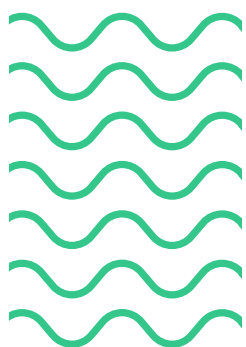


- **Group approaches** – demonstration of strong collaboration between partners, where appropriate to the programme.
- **Experience** – demonstrable experience of delivering similar programmes/ projects, where appropriate to the programme.

### Decision making

All applications passing basic programme eligibility criteria checks will be appraised and presented to an independent decision panel of internal and external experts





# Expectations of successful applicants

At the point of a successful applicant/consortium being awarded a grant offer, we will include details of:

- Monitoring expectations
- Project evaluation criteria – including final reporting requirements
- Our expectations around participation in case study work/ promotion of the scheme
- Data sharing protocols consistent with GDPR policy and YNYCA procedures
- The communications and branding guidelines issued by YNYCA.







# Appendices

- York and North Yorkshire Combined Authority - **Economic Framework**
- York and North Yorkshire Combined Authority - **Mayor's Vision**
- **Guide to developing the Project Business Case** – Chapter 2 outlines HM Treasury's 5 Cases Methodology
- **UK subsidy control regime: statutory guidance – GOV. UK**
- **SQW Innovation Research**



Business Innovation Fund Prospectus  
[yorknorthyorks-ca.gov.uk/project/business-innovation-fund](http://yorknorthyorks-ca.gov.uk/project/business-innovation-fund)

[enquiries@yorknorthyorks-ca.gov.uk](mailto:enquiries@yorknorthyorks-ca.gov.uk)  
[yorknorthyorks-ca.gov.uk](http://yorknorthyorks-ca.gov.uk)

York and North Yorkshire Combined Authority  
County Hall  
Racecourse Lane  
Northallerton  
DL7 8AD

## About us

The York and North Yorkshire Combined Authority has been created by the City of York Council and North Yorkshire Council and is a legally recognised, single body. Our role is to use some of the money and powers, that up to now have been held by central government, and work with local leaders and communities to invest in ways that will help to make York and North Yorkshire a better place for you to live, work and do business.