



## **York & North Yorkshire Combined Authority**

### **UK Shared Prosperity Fund and Rural England Prosperity Fund Subsidy Scheme 2025-2026**

This Subsidy Scheme has been made by York and North Yorkshire Combined Authority ("**YNYCA**") under the Subsidy Control Act 2022. It may be used to award subsidies, at the sole discretion of YNYCA, provided the relevant terms and conditions are met.

# York and North Yorkshire Combined Authority

## UK Shared Prosperity Fund and Rural England Prosperity Fund Subsidy Scheme 2025-2026 - Subsidy Scheme

### Part A: Common Provisions

1. York and North Yorkshire Combined Authority ("**YNYCA**") makes the following subsidy scheme (the "**Scheme**") in compliance with the [Subsidy Control Act 2022](#) (the "**Act**") having due regard to, inter alia, Section 10(1) of the Act and the Subsidy Control Principles set out at Schedule I of the Act and relevant [Statutory Guidance](#) ("**SG**").
2. The Scheme is made by Rachel Antonelli, Director of Legal & Governance, on behalf of York and North Yorkshire Combined Authority on 24 July 2025 and those local authorities, namely City of York Council and North Yorkshire Council (hereafter "**Awarding Bodies**") duly authorised by YNYCA to deliver the Scheme.
3. The purpose of the Scheme (hereafter the "**Purpose**") is to enable the YNYCA to deliver its allocations of the [UK Shared Prosperity Fund](#) (**UKSPF**) and the [Rural England Prosperity Fund](#) (**REPF**) (the "**Relevant Funds**"). The overarching aim of the UKSPF is to build pride in place and increase life chances across the UK. Underneath this, there are further investment priorities: communities and place; supporting local business; people and skills; and the Rural England Prosperity Fund itself:
  - a) **Community and Place** - investment in activities that enhance physical, cultural and social ties and access to amenities, such as community infrastructure and local green space, and community-led projects.
  - b) **Supporting Local Business** – providing local businesses with support and funding opportunities to thrive, innovate and grow.
  - c) **People and Skills** – reducing the barriers some people face to employment, supporting them to move towards employment and education, and targeting funding into skills for local areas to support employment and local growth.
  - d) **Rural England Prosperity Fund** – capital investment in business and community infrastructure in rural areas to strengthen the rural economy and rural communities.

A subsidy will only be awarded under the Scheme provided that the activity relates to at least one of the above investment priorities, and therefore aligns with the Purpose.

4. The policy objectives referred to in Part B (the **Specific Provisions**) of the Scheme can be located within the [York and North Yorkshire Combined Authority's Economic Framework](#).
5. The Scheme may be used to make awards of subsidy by:
  - a) YNYCA; and
  - b) An Awarding Body.
6. A subsidy shall only be regarded as having been made under the Scheme where it can be demonstrated that the award:
  - a) is wholly or partly funded through the YNYCA's allocation of the **Relevant Funds**
  - b) aligns with the Purpose; and
  - c) fulfils each of the Common Provisions set out in the Scheme and all the conditions of at least one of the Specific Provisions, to the reasonable satisfaction of YNYCA or any Awarding Body.
7. The legal basis for awards made by YNYCA under this Scheme shall be Section 1 of the Localism Act 2011 and the York and North Yorkshire Combined Authority Order 2023. YNYCA reserves the right to make awards under any other legal power available to it.
8. The Scheme is effective from 24 July 2025 until 31 March 2026 (the "**Term**") and shall apply to subsidies which are legally committed during the Term in line with the relevant terms and conditions set out within this Scheme.
9. The Scheme budget in so far as it relates to the Relevant Funds is £10,530,916
10. A recipient may receive more than one award of subsidy under the Scheme during the Term provided that this can be demonstrated to be for a separate project.
11. The Scheme may be used to award grants to any entity with legal personality operating within York and North Yorkshire that is delivering a project which has been approved by YNYCA or an Awarding Body and aligns with the Purpose ("**Eligible Enterprise**").
12. The Scheme may be used to award subsidies as capital and revenue grants for the delivery of projects which relate to the Purpose. Only eligible costs may be incurred by the recipients and delivery partners (provided these are named in application documents submitted to the YNYCA or any Awarding Body). Eligible types of project activity are outlined below in the **Specific Provisions**.
13. Subsidies awarded under the Scheme will not be permitted to contribute to ineligible costs. These include (but are not limited to):

- a) lobbying, entertaining, petitioning or challenging decisions
  - b) payments for activities of a party political or exclusively religious nature
  - c) VAT reclaimable from HMRC
  - d) gifts, or payments for gifts or donations
  - e) statutory fines, criminal fines or penalties
  - f) payments for works or activities which the lead local authority, project deliverer, end beneficiary, or any member of their partnership has a statutory duty to undertake, or that are fully funded by other sources
  - g) contingencies and contingent liabilities
  - h) dividends
  - i) bad debts, costs resulting from the deferral of payments to creditors, or winding up a company
  - j) expenses in respect of litigation, unfair dismissal or other compensation
  - k) costs incurred by individuals in setting up and contributing towards private pension schemes
14. Subsidies may only be given under the Scheme where YNYCA has sufficient and reasonable grounds in its sole discretion to determine that the subsidy:
- a) will cause the recipient to act in a manner which is different from that which might reasonably be expected in the absence of the subsidy to be provided; and
  - b) will be spent upon new and additional activities and eligible costs not yet substantively committed or incurred and which contribute to the Purpose during the Term.
15. Where goods, works or services are obtained from third parties to deliver relevant activities funded under the Scheme, appropriate steps shall be taken by the recipient to demonstrate the remuneration is at or below market rate, including, where appropriate, undertaking an open and transparent procurement process.
16. Subsidies may be awarded in the form of grants or any other in-kind support which YNYCA or an Awarding Body regards to be appropriate. Where any support other than grant is provided, the value of the subsidy shall be determined, in advance, in line with any reasonable method and/or the [Subsidy Control \(Gross Cash Amount and Gross Cash Equivalent\) Regulations 2022](#).

17. The Scheme may be used to provide a subsidy towards a project which has received subsidy from other public authorities but in such circumstances the recipient shall provide evidence that the funding is being provided towards additional costs and that the activities funded are incremental from that which is being separately publicly funded and that the same would not proceed in any event.
18. YNYCA and Awarding Bodies shall have the right to take all reasonable steps to monitor and check the compliance of any award of subsidy made under this Scheme, including to ascertain that the subsidy is being used for the Purpose, and reserves the right to recover the subsidy in the event of misuse.
19. Each party using the Scheme (whether Awarding Body or Eligible Enterprise) is responsible for making its own independent assessment of compliance with the requirements of the conditions of the Scheme and the Act. YNYCA shall not be liable for any act or omission if a measure is found by a competent court or other competent regulatory authority not to meet the terms of the Scheme.
20. Nothing written in the Scheme should be interpreted as providing any potential recipient of subsidy with any entitlement to subsidy. In choosing whether to apply the Scheme to a particular proposed award of subsidy YNYCA and/or an Awarding Body's judgement shall be final and nor is YNYCA or an Awarding Body obliged to use the Scheme in making a subsidy or other award of financial assistance for the Purpose.
21. The Scheme shall not be used to award a subsidy which:
  - a) is subject to EU State aid law, either because it falls within [Article 10 of the Northern Ireland Protocol](#) (as amended by the Windsor Framework) or [Article 138 of the Withdrawal Agreement 2019](#);
  - b) would relieve the beneficiary from any liabilities arising from its responsibilities as a polluter under the law of England and Wales, Scotland or Northern Ireland; or
  - c) would, but for Section 30(1) of the Act, be subject to any of the prohibitions or any other requirement contained in Sections 15 to 29 of the Act.
22. YNYCA or the respective Awarding Body shall be responsible for ensuring that all transparency obligations are fulfilled with respect to each subsidy awarded under the Scheme. This shall include, where relevant, posting the required information on to the national [Subsidy Database](#) in line with the requirements of the Act within not more than 3 months of awarding the subsidy.
23. The Scheme does not give cover to a subsidy which would be classed as a "Subsidy of Particular Interest" under the Act and any implementing Regulations including the [Subsidy Control \(Subsidies and Schemes of Interest or Particular Interest\) Regulations 2022](#) and as amended from time to time.

24. Any grant which has not been spent by the end of the Term shall be repayable to YNYCA or the respective Awarding Body to the extent it has not been fully spent as at that date.

## Part B: Specific Provisions

### Specific Provision 1: Business Sustainability Programme

1. Subsidies must be defrayed for activity which has taken place between 24 July 2025 and 31 March 2026.
2. The budget of this Specific Provision shall be £1,900,000
3. Subsidies may be awarded up to a maximum value of £50,000 under this Specific Provision
4. Subsidies shall be awarded in the form of grants which will be limited to a maximum of 60% of the total cost of delivering the project, with the remainder paid in match funding by the **Eligible Enterprise**.
5. Subsidies shall be awarded for Eligible project activity which includes (but is not limited to):
  - a. Energy efficiency measures
  - b. Retrofit of commercial buildings – lighting upgrades, insulation etc
  - c. Energy system optimisation measures
  - d. Renewable energy generation and battery storage
  - e. Reducing waste and making resources go further
  - f. Works with the aim of improving a business' climate resilience
  - g. Climate adaptation
  - h. Improving biodiversity

6. Subsidies may be awarded to businesses who have a trading address within the York and North Yorkshire region and who have been trading for a minimum of 2 years, including farming businesses and landlords of commercial units, business parks and other non-domestic buildings.
7. Subsidies may only be given under this Specific Provision where YNYCA or the Awarding Body has sufficient grounds to determine that:
  - a. the value of the subsidy shall be appropriate (which shall mean that the subsidy shall be limited to what is minimally necessary to enable the subsidised project to proceed, as duly evidenced to the reasonable satisfaction of and at the discretion of YNYCA or the Awarding Body in advance of the subsidy being awarded, while also having regard to the form of subsidy being offered and the potential for repayment (if any) so afforded).
  - b. the subsidy will contribute to YNYCA's policy objective of Transitioning to a Carbon Negative Region – becoming net zero carbon by 2034 and carbon negative by 2040, aligning with [York and North Yorkshire's Routemap to Carbon Negative](#) and the UKSPF Investment Priority of Supporting Local Business
  - c. the Eligible Enterprise would not proceed with the funded activity, within the same timeframe or to the same extent, without the subsidy; and
  - d. the level of the subsidy from all sources combined does not exceed the costs of the funded activity.

## Specific Provision 2: Community Buildings Programme

1. Subsidies must be defrayed for activity which has taken place between 24 July 2025 and 31 March 2026.
2. The budget of this Specific Provision shall be £1,700,000
3. Subsidies may be awarded up to a maximum value of £50,000 under this Specific Provision

4. Subsidies shall be awarded in the form of grants which will be limited to a maximum of 80% of the total cost of delivering the project, with the remainder paid in match funding by the Eligible Enterprise either from their own funds or secured from another funding source.
5. Subsidies shall be awarded for Eligible project activity which entails (but is not limited to) making improvements to facilities, to promote access, inclusion and physical and mental wellbeing, resulting in greater community participation and levels of volunteering.
6. Subsidies shall be awarded to registered Voluntary, Community and Social Enterprise (VCSE) organisations; Town and Parish Councils.
7. Subsidies may only be given under this Specific Provision where YNYCA or the Awarding Body has sufficient grounds to determine that:
  - a. the value of the subsidy shall be appropriate (which shall mean that the subsidy shall be limited to what is minimally necessary to enable the subsidised project to proceed, as duly evidenced to the reasonable satisfaction of and at the discretion of the Awarding Body in advance of the subsidy being awarded, while also having regard to the form of subsidy being offered and the potential for repayment (if any) so afforded).
  - b. the subsidy will contribute to YNYCA's policy objective to create and support Healthy & Thriving Communities in the York and North Yorkshire region and the UKSPF Investment Priority of Communities and Place.
  - c. the Eligible Enterprise would not proceed with the funded activity, within the same timeframe or to the same extent, without the subsidy; and
  - d. the level of the subsidy from all sources combined does not exceed the costs of the funded activity.

## Specific Provision 3: Digital Inclusion Programme

1. Subsidies must be defrayed for activity which has taken place between 24 July 2025 and 31 March 2026.
2. The budget of this Specific Provision shall be £750,000
3. Subsidies may be awarded up to a maximum value of £20,000 under this Specific Provision



4. Subsidies shall be awarded in the form of grants. The same recipient can receive a capital grant of up to £15,000 and a development (revenue) grant of up to £5,000.
5. Subsidies shall be awarded for projects which contribute to objective of increasing digital inclusion support and the development of sustainable digital hubs across York and North Yorkshire. Eligible project activity which entails (but is not limited to):
  - a. capital funding to purchase equipment, support with infrastructure and/or development (revenue) funding for start-up costs, volunteer co-ordination and access to training.
  - b. Supporting individuals with a high level of need.
  - c. Supporting individuals to access key digital services such as local authority or health.
  - d. Working in collaboration with existing digital support services e.g North Yorkshire Reboot or IT Reuse.
  - e. Delivering health, social care and social prescribing digital inclusion projects.
  - f. Supporting children and families including support around safe and managed access to social media.
6. Subsidies shall be awarded to registered Voluntary, Community and Social Enterprise (VCSE) organisations; Public Sector bodies; and Primary Care providers
7. Subsidies may only be given under this Specific Provision where YNYCA or the Awarding Body has sufficient grounds to determine that:
  - a. the value of the subsidy shall be appropriate (which shall mean that the subsidy shall be limited to what is minimally necessary to enable the subsidised project to proceed, as duly evidenced to the reasonable satisfaction of and at the discretion of the Awarding Body in advance of the subsidy being awarded, while also having regard to the form of subsidy being offered and the potential for repayment (if any) so afforded).
  - b. the subsidy will contribute to YNYCA's policy objective to increase digital inclusion to support Healthy & Thriving Communities in the York and North Yorkshire region, and the UKSPF Investment Priority of Communities and Place.
  - c. the Eligible Enterprise would not proceed with the funded activity, within the same timeframe or to the same extent, without the subsidy; and
  - d. the level of the subsidy from all sources combined does not exceed the costs of the funded activity.

## Specific Provision 4: Capital Project Development and Delivery

1. Subsidies must be defrayed for activity which has taken place between 24 July 2025 and 31 March 2026.
2. The budget of this Specific Provision shall be £750,000
3. Subsidies may be awarded up to a maximum value of £100,000 under this Specific Provision
4. Subsidies shall be awarded in the form of grants which will be limited to a maximum of 80% of the total cost of delivering the project, with the remainder paid in match funding by the Eligible Enterprise.
5. Subsidies shall be awarded for the development, advancement and delivery of capital schemes where feasibility studies have been undertaken and completed. Under this provision, eligible project activity entails the development of capital schemes, with eligible project costs including:
  - a. Costs associated with progressing projects to the point of being able to apply for planning permission (completion of RIBA stage 3), such as site surveys, technical design fees, and architectural fees.
  - b. Costs associated with the delivery of (a discrete phase of) a capital scheme, carrying out the construction of or enhancements to new or existing buildings and assets (RIBA Stages 4 and 5).
6. Subsidies shall **not** be awarded for feasibility studies or the further development of revenue projects.
7. Subsidies shall be awarded to public sector organisations, VCSE sector organisations, registered charities, registered businesses who have completed feasibility studies<sup>1</sup> since April 2023.
8. Subsidies may only be given under this Specific Provision where YNYCA or the Awarding Body has sufficient grounds to determine that:

---

<sup>1</sup> The completed studies need not have been wholly or partly funded by previous UKSPF. Feasibility studies may have been completed with private funding or public funding from other reputable sources. A review of the completed feasibility study, to verify its legitimacy and suitability, will form part of the appraisal process.

- a. the value of the subsidy shall be appropriate (which shall mean that the subsidy shall be limited to what is minimally necessary to enable the subsidised project to proceed, as duly evidenced to the reasonable satisfaction of and at the discretion of the Awarding Body or YNYCA in advance of the subsidy being awarded, while also having regard to the form of subsidy being offered and the potential for repayment (if any) so afforded).
- b. the subsidy will contribute to YNYCA's policy objective to create and support Healthy & Thriving Communities in the York and North Yorkshire region, and the UKSPF Investment Priorities of either Communities and Place or Supporting Local Business
- c. the Eligible Enterprise would not proceed with the funded activity, within the same timeframe or to the same extent, without the subsidy; and
- d. the level of the subsidy from all sources combined does not exceed the costs of the funded activity.

## Specific Provision 5: Digital Adoption Programme

- 1. Subsidies must be defrayed for activity which has taken place between 24 July 2025 and 31 March 2026.
- 2. The budget of this Specific Provision shall be £120,000
- 3. Subsidies may be awarded up to a maximum value of £3,000 under this Specific Provision
- 4. Subsidies shall be awarded in the form of grants which will be limited to a maximum of 75% of the total cost of delivering the project, with the remainder paid in match funding by the Eligible Enterprise.
- 5. Subsidies shall be awarded for Eligible project activity which entails the acquisition of bespoke intangible assets (excluding running costs or subscriptions to existing products) which includes:

- a) A new bespoke website where there is no existing website
  - b) A new bespoke additional functionality to a website that doesn't already exist, such as an ecommerce platform, a customer portal or an interactive element
  - c) A new bespoke software system where an existing system either doesn't exist or is proven to not be suitable
- 6. Subsidies shall be awarded to sole traders, registered businesses, and social enterprises with less than 250 employees with a trading address in York and North Yorkshire.
- 7. Subsidies may only be given under this Specific Provision where YNYCA or an Awarding Body has sufficient grounds to determine that:
  - a. the value of the subsidy shall be appropriate (which shall mean that the subsidy shall be limited to what is minimally necessary to enable the subsidised project to proceed, as duly evidenced to the reasonable satisfaction of and at the discretion of the Awarding Body or YNYCA in advance of the subsidy being awarded, while also having regard to the form of subsidy being offered and the potential for repayment (if any) so afforded).
  - b. the subsidy will contribute to the policy objective of Boosting Business & a Thriving Workforce in York and North Yorkshire, and the UKSPF Investment Priority of Supporting Local Business.
  - c. the Eligible Enterprise would not proceed with the funded activity, within the same timeframe or to the same extent, without the subsidy; and
  - d. the level of the subsidy from all sources combined does not exceed the costs of the funded activity.

## Specific Provision 6: Community Wealth Building Programme

- 1. Subsidies must be defrayed for activity which has taken place between 24 July 2025 and 31 March 2026.

2. The budget of this Specific Provision shall be £500,000
3. Subsidies may be awarded up to a maximum value of £50,000 under this Specific Provision
4. Subsidies shall be awarded in the form of revenue grants for eligible project activity which includes incurring costs associated with commissioning studies; room & equipment hire; reasonable costs associated with running events/activities; small items of equipment; marketing and advertising; project management staffing costs and travel; IT costs; external advice and technical skills support; Training
5. Subsidies shall be awarded to Voluntary, Community and Social Enterprise (VCSE) organisations including not-for-profit businesses.
6. Subsidies may only be given under this Specific Provision where YNYCA or the Awarding Body has sufficient grounds to determine that:
  - a. the value of the subsidy shall be appropriate (which shall mean that the subsidy shall be limited to what is minimally necessary to enable the subsidised project to proceed, as duly evidenced to the reasonable satisfaction of and at the discretion of the Awarding Body in advance of the subsidy being awarded, while also having regard to the form of subsidy being offered and the potential for repayment (if any) so afforded).
  - b. the subsidy will contribute to YNYCA's policy objective to create and support Healthy & Thriving Communities in the York and North Yorkshire region, and the UKSPF Investment Priority of Communities and Place.
  - c. the Eligible Enterprise would not proceed with the funded activity, within the same timeframe or to the same extent, without the subsidy; and
  - d. the level of the subsidy from all sources combined does not exceed the costs of the funded activity.