

Investment Strategy



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1. Mayor's Foreword

York and North Yorkshire is a spectacular place to live, work and do business. As a trailblazing city region, rural powerhouse we're committed to supporting our communities while helping to grow the UK's economy.

I'm passionate about this region. I grew up in Harrogate, and started my business in York, I know what matters to this region, a good quality education for our children and good quality jobs for them. That's at the forefront of my plans to grow York and North Yorkshire's economy and build the healthy and thriving communities that our residents deserve.

York and North Yorkshire is the largest combined authority in the UK, with over 3,000 square miles, and home to beautiful cities, towns, and villages, set throughout the countryside and along the coast. We have a £28 billion modern, diverse economy, and one of the most productive economies in the North with the highest skills levels.

We have a proud history of feeding, healing, powering, connecting, inspiring and protecting the UK. By continuing to harness and expand those strengths, we are growing the UK. Our [Local Growth Plan](#) has been launched to identify how our region's strengths can support the UK's growth ambitions and help to address issues that face our residents today.

Our Investment Strategy outlines how we can meet these needs by aligning public sector and private sector investment and attracting further funding into York and North Yorkshire. It prioritises how we can increase good quality jobs, increase household incomes, improve business performance, improve health and wellbeing, and reduce carbon.

The strategy ensures that investments not only match our strategic ambitions but benefits our communities by creating high-quality and more secure employment opportunities. I want to retain our region's talent and give investors' confidence that York and North Yorkshire can match their growth ambitions.

By creating a clear plan of investment opportunities, we are clearly showing ourselves as a region where residents and businesses can thrive, and where a strong local economy can support healthy and thriving communities.

David Skaith

Mayor of York and North Yorkshire

2. Strategic context

York and North Yorkshire Combined Authority (YNYCA) was created by City of York Council (CYC) and North Yorkshire Council (NYC) to drive long-term, place-based growth across the region. Building on a long history of collaboration between the region's local authorities, YNYCA provides a single, strategic body with devolved powers and funding to shape the region's future. Our purpose is to target investment where it delivers the greatest impact – growing our economy, raising skills, unlocking new homes and better transport, and accelerating the transition to becoming the country's first carbon negative region.

The York and North Yorkshire (YNY) region is home to 834,000 people with an economy worth over £28 billion in 2023¹. The visitor economy alone contributes £6 billion, attracting over 40 million visitors and supporting approximately 54,000 jobs. The region includes two national parks, three National Landscapes, and extensive agricultural land covering over 70% of our geography, as well as significant marine and coastal assets. As a region at the heart of the North of England, YNY is a vital contributor to national growth and plays an increasingly important role in driving national economic resilience and net zero ambitions.

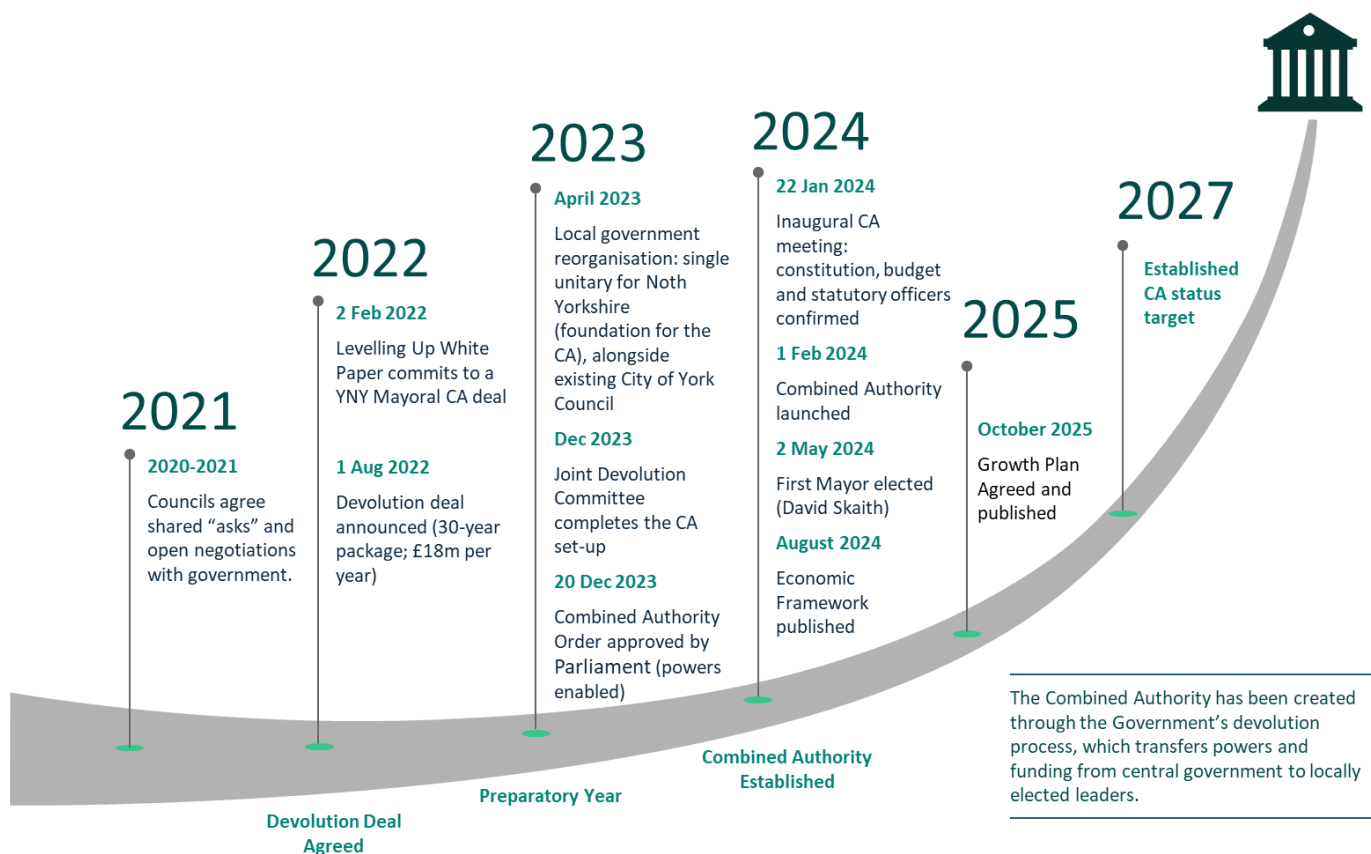
The Combined Authority (CA) was formally established on February 1st 2024, and our region's first Mayor, David Skaith, was elected on May 2nd 2024 – to chair the CA and provide visible, democratic leadership for regional decisions. Our creation forms part of the Government's English devolution programme, which transfers selected powers and multi-year funding from Whitehall to mayoral combined authorities (MCAs), so decisions are made closer to the communities they affect.

Our devolution journey began with the deal agreed with Government in August 2022, securing a package of devolved funding previously controlled by central government, as well as a new £540m Mayoral Investment Fund (MIF) to invest against our regional priorities over the next 30 years². We have also secured new powers across transport, skills, housing, and regeneration which previously had been held by central government. Since launch, we have put robust governance, budget, and delivery capacity in place and we are building a disciplined pipeline of investable interventions aligned to our regional objectives.

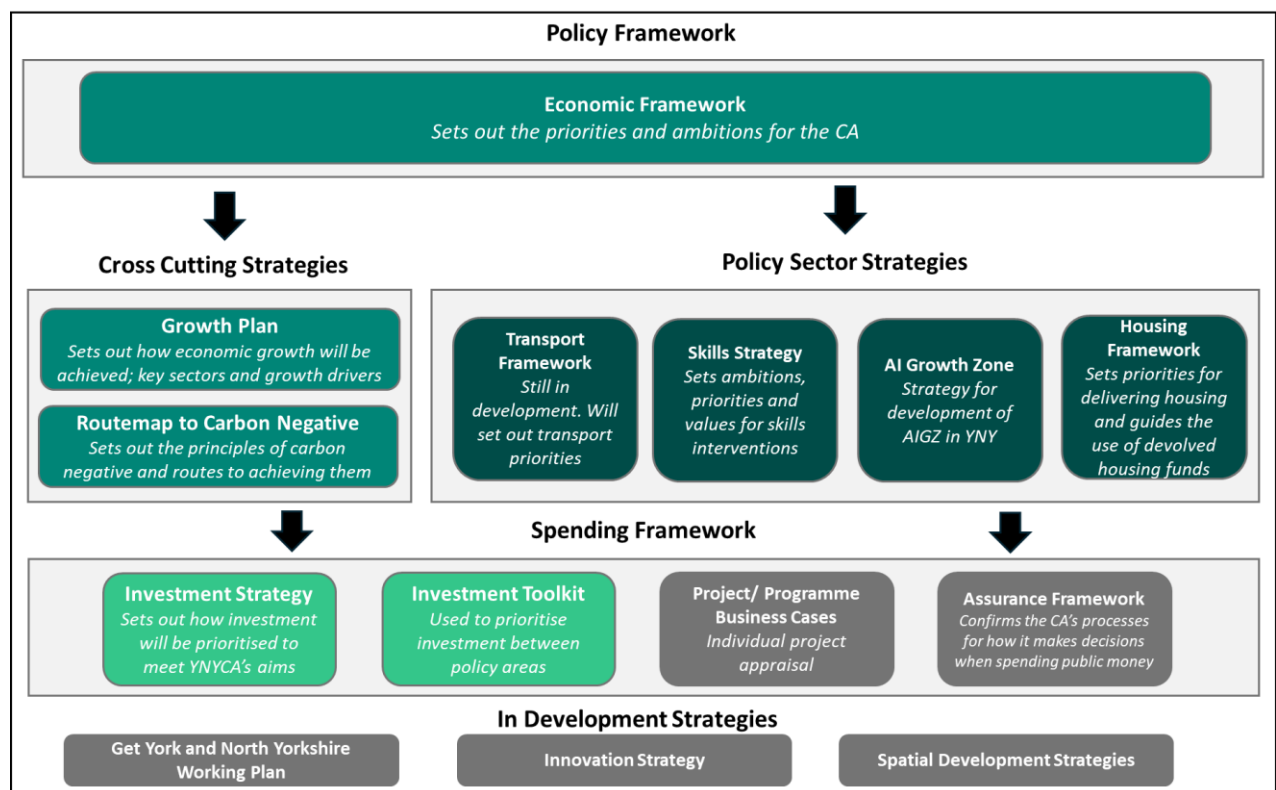
¹ [Regional gross value added \(balanced\) by industry: all ITL regions - Office for National Statistics](#)

² The MIF represents £18 million per annum of entirely new funding for the YNY region.

1.1 Devolution timeline



1.2 Regional policy context



Effective investment requires alignment with our regional policy framework. Our approach is shaped not only by national priorities and funding streams, but critically, by our own strategic ambitions. At the heart of this is a commitment to invest in line with our strategic objectives which are set out in our Economic Framework, which we published in August 2024. These provide the policy framework for how proposals are assessed and ensure that funding decisions are aligned with our long-term ambitions. Within this context, the Investment Strategy forms part of our wider governance and decision-making framework, sitting within our overall Spending Framework. The Investment Strategy serves to complement our established approaches to the assessment of value for money through project and programme business cases and our Assurance Framework. The relationship between these three elements is as follows:

- **Investment Strategy:** Sets out our approach to attracting and managing both public and private investment in the region in line with our strategic ambitions and policy priorities.
- **Project/programme business cases:** Provides value-for-money appraisals and evidence for individual investments to inform the allocation of funding to priority projects and programme.
- **Assurance Framework:** Confirms our decision-making processes for allocating public funds, ensuring that all investment activity is transparent, accountable, and delivers measurable benefits for the region.

This alignment ensures that while the Investment Strategy provides the overarching direction and scope (reflecting the contents of the Economic Framework), every investment decision is backed by robust evidence and delivered through transparent, accountable processes. While the Investment Strategy aims to inform decision-making over our investment priorities, the decisions to prioritise and fund investments in specific projects and programmes will be required to be approved by CA members, in line with the agreed processes established in our Assurance Framework.



1.3 Opportunity to attract further investment

The establishment of YNYCA and the devolved funding and powers this has unlocked is only the beginning of our ambitions for the region. A successful Investment Strategy makes YNY a highly attractive destination for further public and private investment, both from within the UK and

internationally. By drawing in regionally significant, transformational investment to the area, working in partnership with CA members, we will spearhead economic growth, provide economic opportunities for all YNY residents and support the transition to becoming a carbon negative region. This strategic approach enhances the region's reputation as a hub for innovation, enterprise, and sustainable development, which in turn increases its appeal to businesses seeking to locate, expand, or collaborate within vibrant, forward-looking communities.

Attracting regionally significant, transformational investment to the region brings a multitude of benefits for YNY residents. It can drive job creation and offer new employment opportunities and career progression for people at all skill levels, particularly in the target sectors identified in our growth strategy. Increased investment in key sectors such as green energy, digital technology, advanced manufacturing, and agri-food can foster skills development, support higher wages, and reduce unemployment. Improved infrastructure and services, delivered through well-targeted investment, enhance the quality of life for residents by improving connectivity, housing, transport, and public amenities. This investment will also support the regeneration of towns and rural areas, foster innovation and entrepreneurship, and promote environmental sustainability. In the longer term, this approach can help close economic disparities, support social inclusion, and enable residents to access new opportunities, ultimately improving health, wellbeing, and overall life satisfaction throughout the region.

Working closely with CA members, we are sharply focused on creating the conditions that will promote growth and leverage additional public and private investment into the region. This includes aligning investment to clear strategic objectives, establishing a diverse and deliverable pipeline of investable projects, and demonstrating robust governance and leadership. This Investment Strategy is central to that approach. By aligning investment with the region's strategic ambitions and priorities, we will ensure that the benefits are felt widely across our communities.

1.4 The role of the Investment Strategy

*The Investment Strategy describes how YNYCA will **ensure that all investment aligns with the region's strategic objectives** and is guided by consistent **investment principles**. It **outlines the funding sources** available including both public and private sector and sets out the **prioritisation metrics** YNYCA will use to identify which investment opportunities are **regionally significant** and aligned with our strategic objectives.*

Our Investment Strategy sets out how we align, prioritise and deploy resources to deliver transformative change across the region. It defines what sits within our remit and guides how devolved, national, and private resources are directed to projects and programmes that will unlock our long-term ambitions.

2 Investment Principles

We are committed to maximising the level of investment into the region by adopting a set of core investment principles. These principles are designed to ensure that all available resources — across all funding streams — are deployed strategically and effectively, aiming to unlock the greatest possible economic, social, and environmental impact for our communities.

By adhering to these principles, we will maximise the level of investment within YNY, mobilising resources to drive strategic transformation and deliver meaningful outcomes for the region.

Leverage all available funding streams

We will actively pursue funding from every available source, including local, national, and private sector funds. Before deploying our own discretionary or flexible resources, we will seek to utilise ring-fenced or targeted funding where appropriate, ensuring that our most versatile funds are reserved for projects that cannot be delivered through other means.

Address market gaps and market failure

Public investment will be prioritised where there is clear evidence of market failure or where interventions would not be viable without public support. We will seek to complement, not displace, private and third-party investment, focusing our own resources on projects and programmes that address gaps in the market or unlock additional external capital.

Prioritise regionally significant impact

All investment decisions will be guided by their potential to deliver regionally significant impact — whether economic growth, social value, or environmental benefits. We will focus on interventions that align closely with our strategic objectives and demonstrate measurable progress towards the region's long-term ambitions.

Promote co-investment and collaboration

We will encourage partnerships with the private sector, our local authority partners and central government departments and agencies to maximise the value of every pound invested. We will prioritise projects that can secure co-investment, whether financial or in-kind, to enhance delivery and impact.

Ensure robust project development and delivery

Investment will be directed towards projects that are well-developed, with clear governance, delivery models, and risk management strategies in place. This approach will help to avoid delays, underspends, and cost overruns, ensuring that investments are delivered efficiently and effectively.

Maintain strategic flexibility

We will actively manage our investment portfolio to respond to emerging opportunities and regional needs, using evidence-based assessment tools to review and adjust allocations as necessary. This ensures our investments remain aligned with evolving priorities and deliver maximum value over time.

3 Assessing and prioritising investment against our strategic objectives

3.1 Framework for investment prioritisation

To maximise the impact of limited resources, we must adopt a consistent and transparent approach to assessing and prioritising investment. This ensures that funding is directed toward projects and programmes that deliver the greatest contribution to our long-term policy ambitions, while maintaining accountability in decision-making.

Our assessment framework is built on three tiers:

1. **Alignment with strategic objectives:** testing the degree to which investments align with the ambitions of our Economic Framework, Local Growth Plan, and Strategy for a Sustainable Future.
2. **Fund-level assessment:** ensuring that discretionary funding streams, such as the MIF, are directed to the highest-value opportunities.
3. **Project and programme-level assessment:** capturing the scale and quality of impacts for individual proposals.

Together, these elements create a robust evidence base to inform decisions, manage trade-offs, and provide assurance to Government, partners, and our communities that we are prioritising investment which will have maximum impact for our region.

3.1.1 Regional significance

As the CA for the York and North Yorkshire region, we should be looking to make investments that are regionally significant. This means projects and programmes that benefit the whole of York and North Yorkshire and that meaningfully contribute to our strategic objectives. When considering whether a project is regionally significant, we consider the following factors:

- Does the project operate at a scale visible across the region, impacting multiple local authority areas?
- Does it remove strategic barriers to growth?
- How will this investment make YNY more attractive to private or public investment?
- Is there any additional investment dependent on this project proceeding

A regionally significant investment does not need to be a single major flagship project. It can also include a programme of transformation across the region that in aggregate achieves a similar outcome.

Investment opportunities that pass this test are then scored against our **Prioritisation Metrics**.

3.2 Prioritisation metrics

Our Economic Framework sets out our three overarching ambitions for York and North Yorkshire:

- **Transition to a carbon negative region:** Our ambition is to be England's first Carbon Negative region through a Strategy for a Sustainable Future

- **Deliver inclusive economic growth:** Our ambition is to deliver economic growth through a 10-year Inclusive Growth Plan
- **Opportunities for all:** Our ambition is to ensure that we create opportunities that benefit all our communities and businesses

These ambitions represent our strategic objectives for the region, and our prioritisation metrics have been designed to assess the contribution of individual investment proposals towards these. The prioritisation metrics need to capture the underlying drivers behind our strategic objectives in order to assess the contribution investment proposals make towards them.

The five-prioritisation metrics that will inform the assessment and prioritisation of our investment are:

1. Increased employment

Get more people in YNY into work through attracting new jobs to the region, reducing unemployment and reducing economic inactivity.

Our investments should create jobs and give people in YNY the opportunity to work. We will prioritise creating long term, secure, permanent jobs that are well distributed across our unique geography. Jobs created by investments we support should be underpinned by a long-term strategy and aligned with our Growth Plan. Where jobs are accessible to communities with high economic inactivity, they will give people the opportunity to get back into work and raise living standards.

2. Increased household incomes

Increase average wages for workers across all skill levels within YNY by making workers more productive or increasing households' disposable incomes by reducing the cost of living in YNY.

Our investments should make people in YNY better off. This means supporting the creation of highly skilled new jobs and supporting people with the upskilling training necessary to action them. It also means supporting investments that can reduce living costs such as housing, energy and transport to increase households' disposable income.

3. Improved business performance

Improve the non-labour aspect of business productivity in YNY by reducing the costs of doing business, increasing investment into capital, driving innovation, developing new goods and services and exporting to new markets.

Our investments should support productivity-driven business growth. We will support businesses to increase productivity and grow into new markets, such as supporting the piloting of new processes or crowding in capital investment into new facilities. Our investments should make doing business in YNY easier, reducing costs and increasing the competitiveness of the region, allowing our businesses to grow faster.

4. Improved Health and Wellbeing

Improve the health and happiness of residents across YNY by tackling regional inequalities, improving access to more affordable housing and improving access to high quality public services.

Our investments should make the lives of YNY residents better through improvements to health and wellbeing. This can include direct health focused interventions, public realm improvements, regeneration schemes and supporting affordable housing programmes.

5. Reduce carbon

Reduce CO₂e emissions across YNY through reductions in demand, increases in efficiency, switches to lower carbon energy sources and investments in green technology.

Our investments should directly and indirectly support our ambition to become the UK's first carbon negative region. This includes both ensuring that our investment programme does not contribute to an increase in emissions and supporting investments that will directly reduce emissions across YNY.

3.3 How we will apply our prioritisation metrics

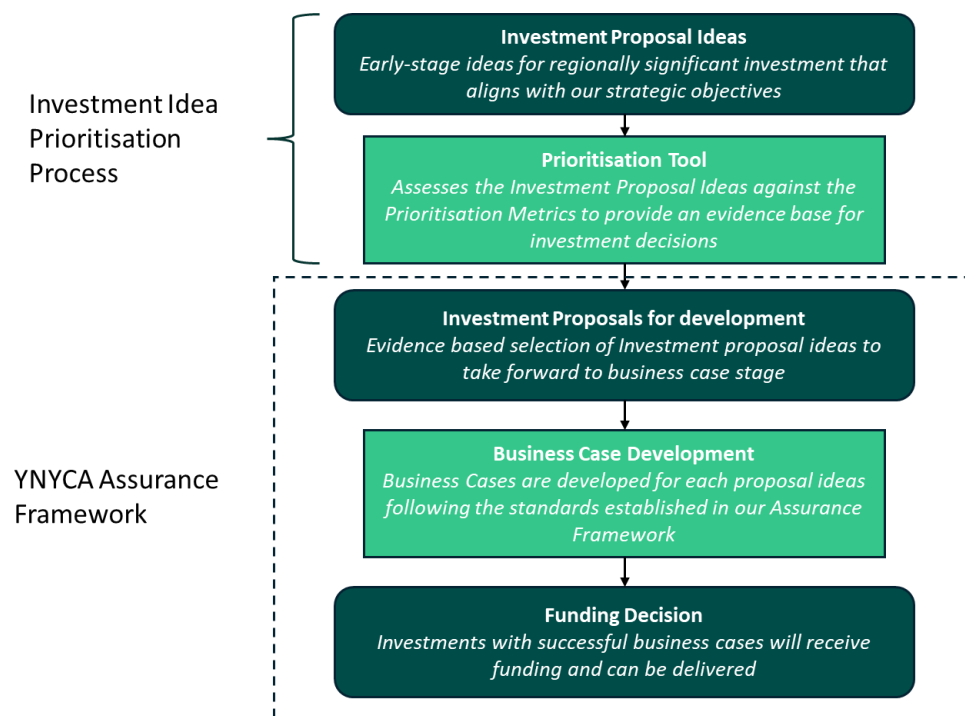
Potential investments that are judged to be regionally significant will be assessed against our **five Prioritisation Metrics which enable us to assess the contribution of investment proposals towards our strategic objectives**. These metrics are for prioritising between a range of potential investments at the early stage of development and identifying which proposals to develop further. **An investment does not need to score highly against every metric to be supported**. It is expected that investments will have a thematic focus on certain metrics and these can be balanced across other investment activity in the region. Projects that score highly across all metrics will be prioritised.

This process does not remove the need for a business case or compliance with our Assurance Framework. The prioritisation is a high-level exercise done early in an investment proposals development. Investment proposals that are prioritised for further development can still drop out of the scheme if they are not determined to represent value for money when they are appraised at business case stage, or if they are not deliverable for any other reason (e.g. initial cost estimates were significantly lower than actuals, or dependent projects are not delivered).

The assessment of investment proposals against our Prioritisation Metrics will be performed using our Prioritisation Tool and supported by our dedicated **investment pipeline officer** who will be available to support project sponsors through the process. The Prioritisation Metric scores will be used as an evidence base to build a balanced portfolio of investment that ensures we maximise progress towards our strategic objectives.

Our investment portfolio will be actively managed going forward to ensure it meets developing regional needs. This means we will use the recorded scores of the prioritisation metrics to continually assess the balance of our investments. New investment proposals will be assessed in the context of our existing portfolio to ensure our investment allocations continue to reflect our strategic priorities.

Figure 1: Application of our Prioritisation Metrics



4 Investment funding sources

The establishment of YNYCA has unlocked a breadth of new and devolved funding for the region. Through our devolution deal we secured the Mayoral Investment Fund (MIF) worth £18m a year for 30 years, as well as a range of devolved funds which were previously held by central government. Across these funding sources, **we have secured £850m for the YNY region to date**. We continue to work with Government to secure longer-term funding certainty and unlock further devolved funding for the region. Based on future expected allocations in this spending review period, **we expect this to increase to a total of over £1 billion in funding for the period to 2029/2030**.

Building on this, we will continue to leverage in further funding from Government by:

- **Securing additional funding into the region:** We will aim to increase the value and scale of devolution of our core delivery funding streams to invest in the region. In addition, we will use our greater level of devolved power to leverage greater levels of national funding into the region.
- **Securing greater longer term funding certainty:** We will work towards longer term funding settlements that give us the confidence to invest over a longer time horizon and a larger scale. This will increase the level of private sector investment we can leverage in and improve the overall outcomes we can achieve for the region.

Should the Combined Authority take any future decision to apply for Established Combined Authority status having a strategic approach to investment would be critical in meeting the criteria set out by Central Government. Established Combined Authority status opens up additional opportunities to pursue further funding and devolved powers, which could include an Integrated Settlement.

The following subsections break down the current funding landscape, both public and private sector, in detail:

- **The Mayoral Investment Fund:** Our flagship £540m, 30 year fully devolved investment fund already delivering against our objectives.
- **Devolved funding sources:** The range of core funds we manage and allocate to priority projects through devolved budgets from central government.
- **Nationally funded programmes:** Large scale national investment programmes we do not control but can significantly influence as an MCA to ensure that Government's wider investment into the region is aligned with our strategic priorities.
- **Private investment:** Direct investment by the private sector in the region which we can attract and influence by creating the right environment through our own investment decisions, engagement with the business community, and robust governance and leadership.

4.1 Mayoral Investment Fund (MIF)

The MIF was awarded as part of our devolution deal, **providing £18m per year over 30 years, totalling £540m**. The MIF is subject to a five-year gateway review process as part of its governance. The gateway review assesses the economic impact of the fund to date, the governance and decision-making process, the capacity and capability of the Combined Authority and the value for money and effectiveness of delivery.

To date, we have used the MIF to deliver a portfolio of investment across our regional priorities. This investment is already delivering tangible benefits for our residents, businesses and communities. This early investment programme has three components:

- **Pipeline Development:** Funding to develop our pipeline and progress priority interventions into investable propositions, including providing direct support to NYC and CYC local authorities.
- **Top-up of Government-funded programmes:** Providing additional funding to existing devolved and government-led funding schemes to be allocated within the existing structures and towards the existing objectives.
- **YNYCA-led targeted programmes:** Thematic sub-programmes of investment tailored to our strategic objectives, which have been designed and run by YNYCA, and delivered in partnership with CYC and NYC.

To ensure we deliver maximum impact from our resources, and do not crowd out other devolved or centrally administered funding, the MIF will be treated as a fund of last resort. Where alternative funding streams are available and appropriate, these should be used in preference.

4.2 Devolved funding sources

Through the establishment of YNYCA, we now administer a range of budgets across different policy areas which were previously held by central government. These resources are essential in supporting delivery across our priorities. Grouped in line with the thematic policy areas used by Government in the English Devolution White Paper, we set out below the breadth of devolved funding we have secured to date. These devolved funds demonstrate the scale of investment already underway in our region and the potential to expand even further.



Transport and Local Infrastructure

Integrated Transport Settlement

Transport Plan Grant

- The **Integrated Transport Settlement** provides long-term, consolidated funding to support strategic transport infrastructure, improve connectivity, and deliver local priorities more efficiently. The **Transport Plan Grant** complements this by funding local transport authorities to develop and implement transport plans that align with national objectives, such as decarbonisation and levelling up. Together, they aim to deliver more integrated, sustainable, and responsive transport networks.



Housing and Strategic Planning

Brownfield Housing Fund

- The **Brownfield Housing Fund** provides targeted investment to unlock and accelerate housing development on brownfield land, which comprises previously developed sites that may be underused or derelict. It unlocks the delivery of new homes, by funding enabling investment such as site remediation, enabling works and local infrastructure such as

transport access and place-making. The fund aims to boost housing supply while promoting regeneration and efficient land use.



Employment Support

Get Britain Working Inactivity Trailblazer
DWP Connect to Work

- The **Get Britain Working Inactivity Trailblazer** funds projects aimed at reducing economic inactivity and helping people furthest from the labour market move closer to employment. Projects funded focus on tailored support for individuals with complex barriers to work – such as long-term health conditions, caring responsibilities, or low skills – by integrating employment services with health, housing, and community support.
- **DWP Connect to Work** supports jobseekers who face barriers to employment by linking them with tailored support from local employers and services. It focuses on building confidence, skills, and readiness for work through personalised coaching and employer-led interventions. The programme aims to create direct pathways into jobs, particularly for those who are long-term unemployed or economically inactive.



Skills Support

Adult Skills Fund
Free Courses for Jobs
Skills Bootcamp

- The **Adult Skills Fund** (replacing the Adult Education Budget in 2024) provides funding for free or subsidised training for individuals aged 19+ to gain essential skills, qualifications, and improve employability – particularly in areas such as literacy, numeracy, and digital skills. **Skills Bootcamps**, which form part of this fund, offer short, intensive courses co-designed with employers to fast-track people into high-demand sectors such as tech, construction, and green jobs. Both aim to support career progression, retraining, and filling local skills gaps.



Economic Development and Regeneration

UK Shared Prosperity Fund
Rural England Prosperity Fund

- The **UK Shared Prosperity Fund (UKSPF)** was designed to reduce regional disparities and support local economic growth. It provides funding for projects that boost productivity, improve skills, strengthen communities, and enhance pride in place. The fund replaced EU structural funding.
- The **Rural England Prosperity Fund** was a top-up to the UK Shared Prosperity Fund, specifically targeted at rural areas to support local business growth and community infrastructure. It funds projects that improve productivity, create jobs, and enhance access to services in rural communities – such as farm diversification, rural tourism, and village hall upgrades.



Environment and Climate Change

Net Zero Fund

- The **Net Zero Fund** was secured through YNY's devolution deal as a new, one-off budget (unique from other CA areas) to spearhead progress towards our commitment to net zero by 2034 and our ambition to become a carbon negative region by 2040. The Fund is providing capital and revenue funding for projects such as renewable energy generation, energy efficiency upgrades, sustainable transport, and green infrastructure. The fund aims to stimulate local economic growth while reducing carbon emissions and enhancing environmental resilience.

4.3 National public sector funding

Alongside the MIF and devolved funds, York and North Yorkshire also benefit from significant national investment delivered directly by government departments and their agencies. These national agencies operate with their own budgets and objectives to maintain and develop infrastructure across England. While funding decisions are made centrally and remain outside of YNYCA's direct control, the interventions they deliver can have major impact on the region's productivity, and long-term growth. Through our devolution deal and the establishment of YNYCA, we now have a statutory role in governing, managing, planning, and developing strategic infrastructure investment delivered by national agencies in our region, enabling us to directly influence their programmes.



Skills and Employment Support

In skills and employment, national departments and agencies play a central role in shaping how provision is delivered. The Department for Education (DfE) is responsible for major skills funding streams, while the Department for Work and Pensions (DWP) leads on employment support. Under the devolution framework, government has committed to devolving a greater share of national programmes such as the Adult Skills Fund, Skills Bootcamps, and Free Courses for Jobs – building on the devolved budgets we have already secured – giving us more influence over how these resources are deployed locally.

At the same time, we are expected to share ownership of Local Skills Improvement Plans (LSIPs)³ with employer representative bodies and Skills England, ensuring the national programmes respond directly to our local labour market needs. This closer alignment with DWP and DfE priorities allows us to integrate employment support and skills development in a way that maximises opportunities for our residents and businesses.



Transport and Local Infrastructure

In transport and infrastructure, national agencies such National Highways and Great British Railways will continue to deliver major transport schemes. Under the devolution framework, we

³ [York-and-North-Yorkshire-LSIP-Progress-Report-June-2025.pdf](#)

are expected to play a stronger role in shaping priorities and ensuring these investments are integrated with our regional transport strategy. By working closely with these national partners, we can make sure that projects of national significance also deliver local benefits.

For example, rail infrastructure remains centrally funded through **Network Rail** and, in the future, **Great British Railways**. While we may influence planning, the funding itself is determined nationally. A significant development in this space is Lord Blunkett's Yorkshire Plan for Rail⁴, which sets out a phased investment blueprint for the region. The plan seeks an initial £2.4 billion by 2030, growing to £14 billion over the next decade. For York and North Yorkshire, this includes capacity upgrades at York Station, improved regional rail corridors, and better connectivity to Scarborough and the coast. This plan makes a strong economic case for rail investment, projecting a £20 billion GDP boost, 83,000 new jobs, and 210,000 new homes enabled across Yorkshire.



Housing and Strategic Planning

Housing is a core theme in the English Devolution White Paper, which places new responsibilities on Mayoral Strategic Authorities to develop a statutory Spatial Development Strategy and to take a leading role in shaping housing delivery at the regional level. We now have the ability to plan growth in a way that reflects the needs and opportunities of York and North Yorkshire. This sits alongside the national commitment to deliver 1.5 million homes over the period of this Parliament, equivalent to around 300,000 new homes a year. Homes, England, the government's national housing agency, remains responsible for delivering much of this ambition, with a strong focus on affordable homes and regeneration. In September 2025 we signed a **Strategic Place Partnership with Homes England**. This deal unlocks tailored support, joint planning, collaboration and investment co-ordination on house building for York and North Yorkshire.



Environment and Climate Change

In environment and climate change, national agencies remain central to delivering investment which will help to enhance our natural capital and achieve our Net Zero ambitions. DEFRA in particular plays a leading role, providing funding and programmes that underpin the government's environmental commitments. A key example is **the Local Investment in Natural Capital (LINC) programme** of which York and North Yorkshire is one of the four national pilots. The programme supports place-based projects to restore habitats, enhance biodiversity, and strengthen the resilience of landscapes.

With up to £1 million in DEFRA funding, we are building the capacity to attract private investment into nature-based solutions. Research suggests that with the right investment, our natural capital economy could grow by 31% before 2050, adding around £946 million in GVA for the region. We are also seeking an additional £650,000 extension from DEFRA to continue this work, which will strengthen our ability to combine national resources with our own funds, such as the Net Zero Fund and Carbon Negative Challenge Fund.

Alongside DEFRA's LINC, York and North Yorkshire has been selected as one of only three pilots in the Government's **Local Net Zero Accelerator (LNZA) programme**, which is funded through

⁴ [Yorkshire's plan for rail](#)

the Department for Energy Security and Net Zero (DESNZ). Through this pilot we have secured £2 million to design and test new governance and delivery models that can unlock substantial private finance for decarbonisation projects and accelerate the transition to net zero.

By aligning our regional priorities with national programmes like LINC and LNZA, we can deliver step-change improvements that support both UK's decarbonisation goals and our ambition to be England's first carbon negative region by 2040.



Economic Development and Regeneration

The Government's Devolution Framework sets out a clearer role for CAs in leading local economic development and regeneration, bringing together devolved budgets with national programmes to create a more coherent framework for growth. This includes coordinating investment in business support, innovation, and place-based regeneration, as well as working with national bodies to simplify and integrate funding streams. For us, this means using our devolved powers to unlock growth across York and North Yorkshire, while ensuring that national interventions complement our own priorities. By doing so, we can focus investment where it has greatest impact, creating stronger, more resilient local economies and ensuring growth is shared across all our communities.

4.4 Private sector funding

We also recognise that public investment is only part of the picture as our region benefits from substantial and ongoing private investment, which plays a vital role in driving growth and delivering new opportunities for our residents, businesses and communities. Through the establishment of YNYCA we have a voice on a national stage and the ability to influence and attract private investment into our region at scale. We will take a strategic and targeted approach to maximising private investment in the region by:

- 1. Creating the conditions for investment:** Through our own investment programmes, we aim to make York and North Yorkshire one of the most attractive places in the UK to invest and do business. By improving transport, skills, housing, and digital infrastructure, we will strengthen the fundamentals that give businesses the confidence to commit long-term capital expenditure.
- 2. Leveraging private capital through co-investment:** Where projects face commercial viability challenges, we will intervene by co-investing alongside the private sector. This approach allows us to unlock privately financed projects that would not otherwise come forward, while ensuring there is a clear and justified public role in delivery.
- 3. Working in partnership with business:** We will also work proactively with private sector partners to identify investment opportunities, address barriers and influence their investment decisions. Through forums such as the Business Board, we build a shared understanding of the challenges and opportunities facing the region, ensuring investment propositions are grounded in real market needs.
- 4. Maximising impact and alignment:** Our structured approach will ensure that private sector growth is aligned with our strategic objectives. In this way, public investment helps to multiply private capital, delivering projects that generate shared economic, social, and environmental outcomes across York and North Yorkshire.

Examples of how this is already taking shape include:

- **Our AI Growth Zone proposal in partnership with Drax**, which aims to deliver 15% share of the UK's AI economic growth by 2035 and protect up to 7,000 jobs, including 3,500 in the North of England.
- **The Local Net Zero Accelerator Programme**, which, while supported by national government funding, is specifically designed to crowd in private capital. By creating a pipeline of investible net zero projects and providing the right partnership framework, it will enable significant private investment to flow into York and North Yorkshire's transition to a carbon negative economy.
- **The Local Investment in Natural Capital Programme**, which is another example of how public programmes are being used to unlock private capital. Its purpose is to develop a pipeline of investible projects that can attract private finance into natural capital, biodiversity, and carbon reduction schemes.
- **The £2.5 billion York Central regeneration project** – delivered in partnership with Allies and Morrison, McLaren Regeneration, Arlington Real Estate, Homes England, Network Rail, the National Railway Museum, and the City of York Council – will create 2,500 new homes, new high-quality commercial space, and improved public realm.

These examples illustrate the scale and diversity of private capital and national agency funds already being mobilised. By coordinating bids, building partnerships, and preparing investment-ready projects, we maximise our ability to attract and shape these significant external resources.