

Annual Review

2026



Contents

03 Introduction

06 Our role

07 Economy Directorate

09 Strategy, Policy & Planning

10 Skills, Education and Employment

14 A Sense of Place

18 Low Carbon and Environment

22 Business Growth and Innovation

25 Transport Directorate

27 Affordable and Sustainable Transport

30 Central Services

32 Financial Statement 2025–2026

Introduction



Having taken office shortly after the Combined Authority was established in 2024, I have had the privilege of witnessing first-hand the scale of progress we have made in a relatively short period of time.

I came into office with a clear set of ambitions and priorities for York and North Yorkshire, focused on supporting healthy and thriving communities throughout our county. Over the past year, I have been incredibly proud to see our staff embrace those ambitions and bring them to life.

This report showcases what we have achieved throughout this past year. I can say with pride that we are working hard to establish an organisation with strong foundations and robust systems to support our day-to-day operations, and that we are building the capacity required to support us in meeting our current goals and preparing us for future opportunities that devolution will bring us.

The work that we are doing as an organisation leaves such a positive impact across the county. We have supported countless businesses to innovate and export their goods, supported dozens of community groups to revitalise their high streets, get people active, and support the mental health needs of locals. We have supported people to access training, education and jobs, and invested in housing and transport opportunities to help them build the lives they want here.

I am hugely grateful to our staff for their dedication and expertise, to partners and stakeholders for the way they have worked alongside us, and to our communities for continuing to challenge us, support us and help shape what we do.

As we publish this first Annual Review of the work delivered through our Economy and Transport Directorates, I hope you will join me in recognising and celebrating how far we have come. While there is much more to do, the achievements detailed within these pages provide a strong foundation for the future and give us every reason to be confident about the opportunities that lie ahead.

– David Skaith
Mayor of York and North Yorkshire



2025/26 marked our second year as a Combined Authority. We took on new powers, secured the long-term funding to use them, and showed government that a largely rural region can deliver devolution at pace and with discipline. Whilst still a relatively new organisation, we remained ambitious, determined and focused on demonstrating what can be achieved through strong partnership working, effective delivery and a clear commitment to our region's future.

On 1 August 2025 we became the commissioner of adult education, taking responsibility for the Adult Skills Fund and Free Courses for Jobs, which invest over £11 million a year through around 25 providers, we adopted our Local Growth Plan, unlocking £40 million of Local Growth Fund over four years, and an Investment Strategy to deepen our engagement with financial institutions. Government awarded us a £456 million Mayoral Transport Fund for 2026–2030, the largest single expression of its confidence in the region.

Behind those milestones is delivery people can see. More than three million £1 fares have been sold to young people. We created a dedicated bus team and invested around £7 million to protect the tendered bus network. The Brownfield Housing Fund is putting homes on previously developed land, and our first Housing Growth Strategy sets an ambition of 60,000 new homes over the next

decade, 25,000 of them affordable. Our Work, Health and Skills Interchange has helped more than 1,690 economically inactive residents. Our Growth Hub supported thousands of businesses. Solar panels now generate savings on 16 community buildings, and our Carbon Negative Challenge Fund has awarded more than £6.5 million towards the goal of becoming England's first carbon negative region by 2040.

From the outset, our priority has been twofold:

delivering tangible outcomes for
our communities and stakeholders
while simultaneously building the
organisational capacity, governance
and infrastructure needed to
support long-term success.

Balancing these objectives has not always been easy, but it has been fundamental to our growth and maturity as an authority.

I am immensely proud that this approach has earned us recognition locally, regionally and nationally. Achieving Established Status is a significant milestone and reflects the confidence that government and partners have placed in our ability to deliver.



More importantly, it demonstrates that we are an organisation that turns ambition into action and consistently delivers on our commitments.

Looking ahead, our task is to turn that credibility into results: delivering the transport settlement, bringing bus powers in house, progressing our Spatial Development Strategy, and preparing for fiscal devolution.

I am grateful to our colleagues, to Mayor David Skaith, to City of York Council and North Yorkshire Council, and to our partners across the region.

As the next chapter of devolution approaches, we recognise there is still much to learn and many opportunities ahead. However, we face the future with confidence. We have built strong foundations, established a growing reputation as an authority that can deliver, and developed the relationships and expertise needed to maximise the opportunities that devolution will bring.

This Annual Review highlights just some of the remarkable achievements made possible through the dedication of our staff, Cabinet members, local authorities, businesses, community organisations and wider partners. Together, we are beginning to see the impact of our investments translate into real benefits for people, places and businesses across our area.

As we look ahead, we do so with
pride in what has been achieved,
confidence in what is being built, and
determination to continue creating
opportunities, driving growth and
improving outcomes for all our
communities.

**Thank you for your continued support, collaboration
and shared commitment to our collective success.**

– James Farrar
Chief Executive

Our role

Combined authorities were formed to bring councils together, led by a directly elected Mayor, to make strategic decisions, drive economic growth and use powers handed down by central government to deliver improvements for the region.

York and North Yorkshire Combined Authority is at the forefront of a new era of devolution. As a predominately rural area, the region is presented with great opportunities but enormous challenges. We are home to historic cities, thriving market towns, coastal communities, and rural villages.

There is so much to be proud of about our region. It's a vibrant and largely prosperous place to live, work, and visit. It is home to great businesses, world leading innovation and high performing colleges and universities.

York and North Yorkshire Combined Authority looks at strategic issues that cross council boundaries; specifically:

- Transport
- Strategic planning
- Skills and employment
- Economic development
- Infrastructure investment
- Police, Fire and Crime functions

The establishment of the Combined Authority marks a major milestone for the region, reflecting both our ambition and our shared commitment to delivering better outcomes for residents, businesses and communities.

Significant progress has been made in building the organisation's foundations. Working closely with regional partners, we have successfully established the core structures, services and capabilities needed to operate effectively in a fast-paced and complex environment.



Economy Directorate



The Economy Directorate provides the Combined Authority with the primary vehicle through which we drive inclusive economic growth and deliver the ambitions set out in our Regional Economic Framework. Over the past year, we have not only delivered across every aspect of this framework but have also established the foundations and infrastructure needed to maximise the opportunities presented by the next phase of devolution.

This has been a year of significant achievement. The Directorate has successfully delivered an extensive portfolio of programmes that are making a tangible difference to our communities, businesses and places. At the same time, we have continued to strengthen our capacity, capability and governance, demonstrating to government that we are ready to achieve Established Status and unlock the greater freedoms, flexibilities and opportunities this will bring for our region.

As one of the highest-performing Combined Authorities in the country at this stage of our development, we have shown what can be achieved through ambition, focus and partnership. These achievements are not those of the Combined Authority alone. They reflect the commitment, expertise and shared purpose of our staff, local authorities, businesses, delivery partners, stakeholders and community organisations, all working collaboratively towards a common vision for the region.

I am immensely proud of what we have accomplished together this year. Our success has been built on strong partnerships, collective endeavour and a determination to deliver positive outcomes for the people and places we serve. As we look ahead, we do so with confidence, building on these firm foundations to create even greater opportunities for growth, prosperity and inclusion across our region.

– Andy Kerr
Director of Economy



This year has demonstrated the power of collaboration, and our shared success provides a strong platform for the opportunities that lie ahead.

Strategy, Policy & Planning



Affordable & Sustainable Transport



Affordable & Sustainable Housing



Vibrant & Sustainable Places



Boosting Business & A Thriving Workforce



Healthy & Thriving Communities

In 2025/26, the Strategy and Policy Team continued its ambition to become a central, strategic driver for the Combined Authority, a team dedicated to ensuring that long-term decision-making across York and North Yorkshire is disciplined, evidence-led and aligned with the region's ambitions. Our role is to interpret and shape national government strategy, so it reflects the realities, priorities and future potential of our diverse region.

We work to help the Combined Authority, and its partners, to make confident, future-focused choices by analysing emerging policy, identifying strategic opportunities, and ensuring that regional priorities are clearly articulated and understood. This enables us not only to respond effectively to national direction but to actively influence and leverage it for the benefit of our communities, businesses and places.

For colleagues across the Combined Authority, we provide strategic insight, policy leadership and targeted support that helps convert government, regional and mayoral opportunities into meaningful, place-specific outcomes.

For external stakeholders and partners we act as a strategic interface, helping ensure that investment, collaboration and policy development are grounded in the region's strengths: our high-growth sectors, our foundational economy, and the combined potential of our City Region and Rural Powerhouse.

We want to drive sustainable and manageable growth, attract and secure investment, and strengthen the long-term prosperity of York and North Yorkshire. We do this by building a shared strategic narrative, prioritising what matters most, and ensuring that every decision is rooted in both the reality of today and the opportunity of tomorrow.

The past year saw many achievements for the team, and for the Combined Authority, as we passed several important milestones.

Most significantly, we adopted the Local Growth Plan (July 2025), which enables us to unlock £40m of Local Growth Fund money over four years. This builds strong partnership working with major stakeholders on common priorities for all-round growth.

In November 2025 we adopted an Investment Strategy and closer engagement with financial institutions.

We also developed our statutory requirement to the Local Evaluation Framework to ensure

we can show meaningful impact from the £27.5m Mayoral Investment Fund.

Working with our colleagues in City of York Council and North Yorkshire Council, we represent a united region, ready for continued and increased investment. We will welcome devolved funding opportunities with a clear pipeline of investment, and can build strong business cases to continue government's confidence in our work.

Recent work includes our Expression of Interest to be considered for a Business Rate Retention Zone, upon which we can build a full business case in 2026/27 if approved.

Initial scoping of our Spatial Development Strategy (SDS) began, with the agreement of a joint, evidence-based approach with the four planning authorities across York and North Yorkshire.

Across all our work, our relationship with individual government departments, particularly MHCLG, remains vital for the team's continued success and the move towards greater devolution.

Our actions

 **£40m**

Investment secured for the Local Growth Fund

 **£2.05m**

Investment secured for the Spatial Development Strategy

 **1**

Adoption of the Investment Strategy

Skills, Education and Employment



Affordable & Sustainable Transport



Affordable & Sustainable Housing



Vibrant & Sustainable Places



Boosting Business & A Thriving Workforce



Healthy & Thriving Communities

Skills, education and employment are fundamental to achieving York and North Yorkshire's ambitions for economic growth, thriving communities and greater opportunity for all. During 2025/26, we have used the opportunities created through devolution to move beyond individual programmes and begin building a more integrated regional system.

Working closely with government departments, employers, providers, local authorities, health partners and the voluntary, community and social enterprise sector, we have developed new approaches to tackling workforce and skills challenges. The achievements set out in this section demonstrate the progress made in shaping a skilled, productive and inclusive economy for York and North Yorkshire.

Employment Support

During 2025/26 we brought together our employment, health and skills activity under the Get York and North Yorkshire Working Plan, creating a shared framework for tackling economic inactivity, supporting more people into good work and helping employers access the workforce they need. The plan has aligned local priorities, funding and programmes behind a common ambition to create a more integrated work, health and skills system across York and North Yorkshire.

To support this ambition, we established the Work, Health and Skills Partnership which brings together local authorities, government departments, health services, providers, employers and the voluntary and community sector to align activity, share learning and shape future priorities. We also hosted two forums for all organisations with an interest in developing and delivering support to York and North Yorkshire residents.

Together, these arrangements are providing strong leadership and better coordination of activity.

A key development has been the creation of the Work, Health and Skills Interchange, our flagship "no wrong door" model designed to make it easier for residents and employers to access support. Combining a digital platform, community-based navigators and dedicated advisers, the Interchange helps people navigate services, improves referral pathways and connects organisations more effectively.

By linking employment, health and skills provision through a single coordinated approach, it is helping to simplify what can otherwise be a complex system and enabling more residents to access the support they need.

The Economic Inactivity Trailblazer and Connect to Work programmes are key delivery mechanisms within this approach.

The Trailblazer has enabled us to test innovative models, strengthen partnerships and develop the infrastructure needed for longer-term reform.

Over 1,690 residents who were economically inactive or at risk of leaving work have been supported, rising to almost 2,000 participants engaged when all programme activity is considered. We have also supported 253 employers, significantly exceeding programme targets, while the Work, Health and Skills Interchange has trained over 200 place-based navigators, generating more than 420 onward referrals into employment, skills and wider support.

These achievements are strengthening pathways into work, creating a more inclusive labour market. Connect to Work, which is expected to support around 2,530 residents over the next five years, is building on these foundations to provide personalised support for disabled people, those with health conditions and economically inactive residents to enter, remain in and progress within work.

Together, they are contributing directly to our ambitions for Healthy and Thriving Communities and Boosting Business & A Thriving Workforce.

Mayoral Skills Innovation Funding

The Skills Innovation Fund has made a strong start in strengthening York and North Yorkshire's skills system through innovation, collaboration and targeted investment. Launched in February 2025 with £2.22 million of funding, the programme supports new approaches to skills delivery, with a focus on engaging more learners, developing flexible and modular provision, and building the capacity of providers to respond to changing workforce needs. Three major projects were approved, bringing together colleges, universities, local authority adult learning services, independent providers and employers in a coordinated regional approach.

The programme is already delivering tangible results, supporting the development of 42 flexible courses, training 497 tutors, improving eight teaching facilities, and enabling 647 learners to upskill or reskill. These investments are increasing the region's training capacity while providing learners with more accessible, high-quality opportunities to develop their skills and progress towards employment and career advancement.

The fund is also supporting our wider ambition for inclusive economic growth. Projects are helping remove barriers to learning for under-represented groups, improving access in rural communities and creating more flexible routes into education, training and employment. Investments in areas such as digital, low-carbon and creative industries are helping ensure local people and businesses have the skills needed to succeed in a changing economy.

Careers Hub

The YNYCA Careers Hub is the region's strategic partnership for careers education, connecting schools, colleges, employers and local partners to help young people progress into education, training and employment. Since 2018, the Hub has supported all 75 secondary schools and colleges across York and North Yorkshire, reaching more than 50,000 young people each year.

In 2026, leadership of the Hub transferred to the Combined Authority, enabling a more joined-up approach that aligns careers education with local skills priorities, workforce needs and the Mayor's Cradle to Career ambition. During 2025/26, the Hub delivered a wide range of employer engagement and careers activities and launched the Combined Authority's Careers Hub Collaboration Portal, which already connects 80 businesses and 91 education professionals to create more opportunities for young people. It also expanded careers-related learning into primary schools through the Start Small; Dream Big pilot, engaging 68 businesses and more than 4,100 pupils across 35 schools.

The Careers Hub uses a significant and growing network of Enterprise Advisers and employers to help schools and colleges to deliver high-quality careers education, meaningful employer encounters and workplace experiences. It helps young people understand the full range of pathways and opportunities available to them. The Collaboration Portal has strengthened these connections, making it easier for businesses and education

providers to work together and expand access to careers and work-related learning opportunities.

Building on these strong foundations, the Combined Authority is developing the Careers Hub into a more integrated all-age careers system, connecting careers education, skills and employment support so that residents can access the information, guidance and opportunities they need at every stage of life.



Adult Skills

Following the successful submission of Readiness Conditions to government, the launch of the Combined Authority's Strategic Skills Plan and the development of relevant policies and processes, the Combined Authority became the commissioner of adult education, and assumed responsibility for the devolved Adult Skills Fund and Free Courses for Jobs from 1 August 2025.

This marked a significant milestone for the region, enabling decisions to be shaped by the needs of our residents, communities and businesses. Over £11 million/annum is invested in around 25 providers, creating over 30,000 enrolment opportunities for residents to upskill and reskill each year. Devolution has created greater flexibility to align funding with local economic priorities, skills shortages and workforce demands, ensuring that investment reaches those who need it most, and that it delivers the greatest possible impact for the region.

The Adult Skills Fund continues to deliver key statutory entitlements, including English, English for Speakers of Other Languages, maths, digital and first full Level 2 and Level 3 qualifications, helping adults build the essential skills needed for work, further learning and everyday life.

Free Courses for Jobs provide targeted support in sectors where employers face recruitment challenges, enabling residents to develop higher-level and job-specific skills that lead directly to employment and career progression.

In 2025/26 the Combined Authority secured Skills Bootcamp funding from government and invested in 12 providers (FE Colleges and Independent Training Providers) to support over 600 adult learners to upskill, reskill and progress into employment or within employment in regionally relevant areas such as Entrepreneurship for the Creative Industries; Advanced Digital Technologies; Arboriculture and Forestry; Leadership and Management; Heritage Retrofitting; and AI in the Workplace.

Building on the success of the devolved Adult Skills Fund and Free Courses for Jobs programmes, Skills Bootcamps have also been devolved, with responsibility transferring from government to the Combined Authority in August 2026. This will strengthen the Combined Authority's ability to commission a long-term, coherent, place-based skills system that responds to economic opportunities, supports inclusive growth and improves life chances for people across York and North Yorkshire.



Our actions

 50,000

Young people supported annually through the Careers Hub

 20,000+

People supported to upskill, train or gain qualifications

 300+

People gained employment

 572

Tutors received training in industry related skills

Case study

People Savi secured £153,838 through the Trailblazer Employer Support Programme. The impact has been impressive, with over 50 businesses now offering adapted recruitment and retention processes to recruit and retain economically inactive workers.

The programme was delivered by People Savi through Traitors-themed leadership workshops in partnership with Escape Rooms Scarborough. Businesses accessed fully immersive and experiential learning environments to experience how differently people communicate, process information and respond to change and uncertainty.

Delivered in a non-traditional classroom environment, these experiences led to businesses and business leaders making concrete plans to remove barriers through recruitment practices, adaptation of leadership styles and recognition of individual needs, creating more inclusive environments and teams within their businesses.



A Sense of Place

 Affordable & Sustainable Transport

 Affordable & Sustainable Housing

 Vibrant & Sustainable Places

 Boosting Business & A Thriving Workforce

 Healthy & Thriving Communities

Place is a broad and evolving area of responsibility for the Combined Authority, encompassing the many factors that influence how people live, work and visit the region.

Place brings together our responsibilities around housing, regeneration, and high streets through funding, investment and partnership activity to create thriving, sustainable and attractive communities across York and North Yorkshire.

During 2025/26, a range of funding and initiatives contributed to strengthening our communities, supporting housing growth and enhancing local places.

Major Capital Investment: Housing

Brownfield Housing Programme

During the year, the Ministry of Housing, Communities and Local Government (MHCLG) awarded York and North Yorkshire Combined Authority £20 million through the Brownfield Housing Fund (BHF) to support the delivery of new homes on previously developed land across the region. This investment was further strengthened by an additional £4.6 million from the Mayoral Investment Fund, approved in 2024, enabling investment in a wider range of projects and supporting effective programme risk management.

Following three successful calls for sites, the Combined Authority approved £25.5 million of investment across 24 projects. By the end of the financial year, £24.6 million had been contracted to 22 projects, with eight schemes already on site and housing starts underway.

The programme remains on track to bring 19.5 hectares of brownfield land back into productive use. Of this total, 5 hectares are currently under development, with a further 12.1 hectares expected to start on site in early 2027. Development on the remaining 2.4 hectares are scheduled to begin by March 2029.

Collectively, these projects are expected to deliver approximately 1,300 new homes across the region, making a significant contribution to housing supply and regeneration objectives. In March 2026, the government confirmed a further £17.8 million of MHCLG funding to support the expansion of the Brownfield Housing Programme between 2026 and 2031.

Strategic Place Partnership

A major milestone during the year was the launch of the Strategic Place Partnership involving Homes England, City of York Council and North Yorkshire Council. The partnership has strengthened collaborative working across the region and supports the delivery of three shared strategic objectives:

- Unlocking strategic development sites.
- Increasing the delivery of affordable housing.
- Maximising opportunities across the public sector estate.

Supported by this partnership, the Combined Authority secured approval for its first regional Housing Growth Strategy. The strategy establishes an ambition to deliver 60,000 new homes over the next decade, including 25,000 affordable homes, helping to address housing need while supporting economic growth and sustainable communities.

Rough Sleeping Prevention and Recovery Grant

Aligned to the government's National Plan to End Homelessness: Cross-Government Homelessness and Rough Sleeping Strategy, the Combined Authority received £100,000 in 2025/26 to begin building a more integrated and collaborative approach to tackling homelessness and rough sleeping across York and North Yorkshire.

The funding has enabled work with local partners to identify opportunities for closer collaboration, strengthen service effectiveness and develop long-term solutions that support transformational change. Research was commissioned which will lead to the development of a Regional Action Plan as a requirement of the funding and National Plan to End Homelessness.

This work represents the beginning of a longer-term programme focused on improving outcomes for people experiencing homelessness or at risk of becoming homeless.

Pride in Place

Alongside our major housing and regeneration investments, the Combined Authority continues to support programmes that celebrate and strengthen the distinct identity of York and North Yorkshire's towns, high streets and communities.

Through partnerships with local authorities, businesses and community organisations, we are investing in initiatives that enhance civic pride, build resilience and create opportunities

for sustainable growth. These programmes help ensure that places remain vibrant, attractive and economically active for residents and visitors alike.

Great Places Programme

During 2025/26, the Combined Authority supported the mobilisation of a series of significant economic development projects embedded within local Town Investment Plans. Led by City of York Council and North Yorkshire Council, these projects support the delivery of the York and North Yorkshire Economic Framework while contributing to local strategic priorities.

The programme includes a diverse range of activity, spanning feasibility studies, business case development, master-planning and capital investment projects. During the year, £5.925 million was invested to support project delivery.

Most projects are being delivered over two- or three-year programmes, with 2025/26 representing the first year of implementation. As a result, many of the programme's outputs and outcomes will be realised in future years.

A major focus during the year was establishing strong foundations for delivery. Combined Authority officers worked closely with local authority partners to develop governance arrangements, strengthen collaboration and improve knowledge sharing across projects. Regular programme reviews have helped ensure projects remain aligned with current priorities and maximise opportunities to deliver economic, social and place-based benefits.



Vibrant and Sustainable High Streets

Building on the successful launch of the programme in 2024/25, significant progress was made during 2025/26 to support the revitalisation of towns and high streets across the region.

The programme expanded throughout the year, reaching 28 towns and communities by year end. A £10 million investment from the Mayoral Challenge Fund has supported a broad range of interventions, including public realm improvements, shop front enhancements, town centre events and promotional activities.

The programme has also fostered stronger collaboration between businesses, community organisations and local stakeholders, empowering communities to shape the future direction of their town centres and strengthen local pride.

Investment has stimulated new opportunities across a range of sectors, including health, culture, heritage, community services and financial inclusion. These projects are helping to create new reasons for people to visit, work, invest and spend time in local centres, generating fresh economic activity while enhancing the quality and character of local places.

As the programme continues, the focus will increasingly shift towards developing sustainable, scalable and replicable approaches that can be adopted across the region, ensuring long-term benefits for communities and supporting the continued vitality of York and North Yorkshire's towns and high streets.

Looking Ahead

This financial year has laid strong foundations for future investment, strengthened regional partnerships and positioned York and North Yorkshire as a region keen to invest in its 'place' agenda.

From investments that have the potential to impact all parts of the region, to targeted opportunities in developments such as Mayoral Development Zones, our ambition to build a strong sense of place in York and North Yorkshire continues.



Our actions

£ £4,511,678
spent in 2025/26

104%
Increase in town
centre footfall (avg)

1,385
New homes to be built
(900 to be affordable)

126
Community
facilities improved

Case study

Could this community living project in Lowfield Green (York) provide a model for sustainable, affordable homes across our region and beyond?

In October 2025 the first units were lifted into position in a project which will eventually see the creation of a new community living project in the heart of York suburb Lowfield Green.

The event marked a significant milestone in what has been an ambitious project, led by the people who will move into the 19 homes on the Lowfield Green site, determined to create a way of life with community and sustainability at its heart.

Driven collectively by YorSpace and Lowfield Green Housing Cooperative (LGHC), the project in York began in 2013 with a group of people wanting to find a better way to live. These new, affordable homes, are innovative in how they are owned and protected for future generations, and in their use of sustainable construction concepts.

Car sharing, secure bike storage, the use of electric or renewable energy instead of gas, growing food onsite and even the sharing of everyday items such as lawnmowers, are all part of the Cooperative's vision and ambition to encourage sharing of resources to reduce the community's collective carbon footprint.

YorSpace successfully bid for £516,000 from York and North Yorkshire's Brownfield Housing Fund for the project. The fund, from the UK Government, came to our region as part of the devolution process and

is enabling the delivery of affordable and innovative housing projects across York and North Yorkshire.

The land for Lowfield Green was obtained from City of York Council. It is on the site of the former Lowfield School, which closed in 2009.

The 19 low-carbon homes are being built to Passivhaus standards, a construction concept to produce homes with a very low carbon footprint.

Construction is by Yorkshire-based PureHaus. The design will reduce CO₂ emissions and energy bills, adding to the properties long-term affordability for residents and playing a part in the region's ambition to be carbon negative by 2040.



Low Carbon and Environment



Affordable & Sustainable Transport



Affordable & Sustainable Housing



Vibrant & Sustainable Places



Boosting Business & A Thriving Workforce



Healthy & Thriving Communities

York and North Yorkshire Combined Authority aims to create a sustainable future, with a focus on healthy and thriving communities, economic transformation and becoming England's first carbon negative region by 2040.

The Low Carbon and Environment team has delivered a range of innovative programmes throughout the year, managing a diverse portfolio of funding opportunities secured through both Mayoral and government funding streams. Many of these programmes have built capacity, technical understanding and pipelines for future devolution.

Key programmes delivered during the year included:

- Local Net Zero Accelerator (LNZA)
- Carbon Negative Challenge Fund (CNCF)
- Energy Generation Accelerator Programme (EGAP)
- Retrofit One Stop Shop for York (ROSSY)
- Mayoral Renewables Fund (MRF)
- Net Zero Fund (NZF)
- UK Shared Prosperity Fund (UKSPF) Sustainability Programmes
- Local Investment in Natural Capital (LINC) Programme

While each programme has its own distinct objectives, all contribute towards a shared ambition: reducing carbon emissions and supporting York and

North Yorkshire's goal of becoming England's first carbon negative region. In addition to environmental benefits, these programmes have delivered wider outcomes, including reduced energy costs, increased collaboration across the region, and investment in innovation and new technologies.

Local Net Zero Accelerator (LNZA)

The LNZA programme exemplifies the strong partnership working between York and North Yorkshire Combined Authority, North Yorkshire Council and the City of York Council. Together, the three organisations have explored innovative models to accelerate the development of energy and decarbonisation projects, unlocking both immediate and long-term investment opportunities and financial returns.

During 2025/26, the programme successfully delivered an Outline Business Case, demonstrating the significant opportunity available across the region. The Combined Authority secured £2.83 million to develop a Full Business Case that explores how a regional delivery model could support the acceleration of net zero projects.

Carbon Negative Challenge Fund (CNCF)

More than £6.5 million has been awarded to innovative projects across York and North Yorkshire, supporting pioneering approaches to reducing greenhouse gas emissions. CNCF-funded projects

are designed to deliver measurable impact, drive regional change, and provide a blueprint for a low-carbon future. During 2025/26, the programme rigorously assessed over 80 applications against its funding criteria. Successful projects then worked closely with the programme team to strengthen their outputs and outcomes before Grant Funding Agreements were finalised. Project delivery is now underway across the majority of the projects.

Energy Generation Accelerator Programme (EGAP)

The £2 million EGAP programme supports the region's ambition to achieve energy independence and become England's first carbon-negative region by 2040. It focuses on identifying and addressing barriers to renewable energy and heat generation projects, while developing an investable pipeline of projects in partnership with the LNZA programme, local authorities, planning departments, and communities.

During 2024/25, the programme established its structure and outlined the work packages to be delivered to achieve its goals. An initial work package started to map the region's renewable energy potential. From the initial list of projects 23 were developed into feasibility studies.

Retrofit One Stop Shop for York (ROSSY)

Led by the City of York Council, ROSSY has demonstrated the value of collaboration across the region. The Combined Authority played a key role in supporting the development of the retrofit supply chain, helping businesses prepare for future opportunities within the sector.

This included delivering a programme of business engagement events with over 195 unique attendees, covering topics such as retrofit skills development and the use of bio-based materials, helping to strengthen local capacity and capability.

Mayoral Renewables Fund

The Mayoral Renewables Fund supported the installation of solar photovoltaic panels on 16 buildings across York and North Yorkshire, a total investment of £1.063 million.

The programme is expected to save more than 2,000 tonnes of carbon emissions over its lifetime while generating approximately £2.5 million in electricity cost savings over the next 25 years. These investments are helping organisations reduce operating costs while contributing to the region's wider net zero ambitions.

Net Zero Fund

The £7 million Net Zero Fund formed a key commitment within the region's devolution deal and supported 22 projects across a range of sectors and environmental priorities.

Funded projects included habitat restoration initiatives, LED street lighting upgrades and improvements to heating systems, delivering both carbon reduction and wider environmental benefits across the region. These projects have delivered strong emissions reductions in collaboration with Local Authorities and other partners.

The programme was also able to pivot quickly with support from MHCLG to support recovery activities in the aftermath of the Fylingdales/Langdale moorland fires.

Local Investment in Natural Capital (LINC)

The LINC programme has explored opportunities to attract private sector investment into projects that support nature recovery, climate resilience and long-term economic growth, complementing existing public sector funding.

During 2025/26, the programme produced a Natural Capital Investment brochure and began the development of an investment model designed to attract future funding into the region. This work will be further developed during 2026/27.

UK Shared Prosperity Fund Sustainability Programmes

The final year of UK Shared Prosperity Fund delivery saw significant investment in programmes designed to help businesses, farms and community organisations reduce carbon emissions and improve energy efficiency.

Approximately £1.5 million was awarded through business sustainability grants, enabling organisations across the region to invest in carbon reduction and energy-saving measures while leveraging additional private investment.

Alongside the grant programme, two specialist energy audit schemes were delivered:

- A dedicated programme for farms, recognising the complexity and scale of agricultural operations.
- A general programme for businesses, community organisations and other eligible organisations.

These audits provided tailored advice on the costs, benefits and impacts of different energy efficiency and carbon reduction measures, helping organisations identify and prioritise the most effective actions for their circumstances.

Strategic Development

Alongside programme delivery, the team has continued to develop ambitious strategies that position the region to attract future investment and accelerate progress towards carbon negative.

Strategy for a Sustainable Future

The Strategy for a Sustainable Future sets out a shared vision for delivering a step change in climate action across York and North Yorkshire. The strategy demonstrates how investment in sustainability can drive economic transformation, support healthy and thriving communities, and help realise the ambition of becoming England's first carbon negative region.

The strategy was developed with partners across the region, including North Yorkshire Council and the City of York Council, ensuring a strong foundation for future action.

Retrofit Strategy

A new Retrofit Strategy has also been developed to articulate the scale of retrofit opportunities across the region and strengthen the case for future retrofit devolution funding.

Drawing on successful approaches adopted in other combined authority areas, the strategy is centred around three key themes: Comfort, Cost and Climate. These themes provide a clear framework for action, highlighting the social, economic and environmental benefits that can be achieved through large-scale retrofit programmes.

Adaptation Study

The Combined Authority developed an Adaptation Study with support from key partners in the region.

The purpose of the study was to:

- Create a climate change risk and opportunity assessment for York and North Yorkshire;
- Assess climate change-related vulnerabilities within the region;
- Develop Rapid Adaptation Pathways; and
- Undertake a cost-benefit analysis to understand the costs relative to inaction.

The study highlights 134 climate change impacts (113 negative, 21 positive), and makes clear that without early and sustained action, the region is likely to face increasing economic costs of over £100m per year by the 2050s owing to impacts and reduced resilience caused by climate change.

The team is looking to progress this work as an unfunded partner of the Pathways2Resilience Programme, where a Climate Adaptation Action Plan and Investment Plan will be created.

Looking Ahead

This financial year has laid strong foundations for future investment, strengthened regional partnerships and positioned York and North Yorkshire as a leader in the transition to a sustainable future.

Through a combination of innovative programme delivery, strategic planning and collaborative working, the region is well placed to build on this momentum and accelerate progress towards its carbon negative ambitions in the years ahead.

Our actions

£ £6,157,926
spent in 2025/26

16
Buildings had solar
panels installed

2,000+
Tonnes of carbon
emissions saved

1,500m²
Of blue/green
space improved

Case study

Investment in solar technology has seen running costs slashed for schools, leisure centres and emergency service facilities throughout York and North Yorkshire.

Mayoral Renewables Fund of £1,063,000 has supported the installation of solar panels on the rooftops of 16 community buildings across the region.

With work now complete across the region we can see the impact technology is bringing to energy cost savings and major reductions in greenhouse gasses.

In York, Yearsley Swimming Pool is estimated to see savings of 1,430 tonnes in carbon dioxide, and £773,883 in energy costs, over the next 25 years. The pool is run on behalf of City of York Council by GLL.



Business Growth and Innovation



Affordable & Sustainable Transport



Affordable & Sustainable Housing



Vibrant & Sustainable Places



Boosting Business & A Thriving Workforce



Healthy & Thriving Communities

As the Combined Authority's business support offer has matured, 2025/26 marked an important transition from a collection of independently delivered programmes towards a more integrated and strategic approach.

All our business support activities now sit under the new Business Growth and Innovation portfolio. This will enable stronger collaboration across programmes and partners as we develop this further in 2026/27, helping to shape a more coherent regional business support ecosystem. The development of a new regional business strategy, informed by market intelligence, business feedback, our ambition for economic growth, and the lessons learned from previous delivery, is providing a clear framework for future activity.

Reflecting on our work during 2025/26, we are pleased to report progress across four key areas that will now contribute to the development of a single strategic approach.

Business Innovation Fund

The Mayor launched the £5 million Business Innovation Fund, funded through the Mayoral Investment Fund until 2028, to accelerate innovation, investment and productivity across York and North Yorkshire.

Its flagship programme, Great Ideas, launched in January 2026. Businesses are receiving specialist innovation support with some having the opportunity to pitch for innovation grants of up to £60,000.

More than 225 businesses have fully registered on the programme, with over 50 businesses participating in the intensive support pathway.

Through this programme, the fund has supported the development of sector-based clusters that align with York and North Yorkshire's areas of competitive advantage and are embedded within the region's 10-Year Growth Plan. Funding has been provided to 18 projects, helping to establish and strengthen clusters in sectors including Health and Life Sciences, Bioeconomy, Digital and Creative Industries, Manufacturing and Rail, and Business and Professional Services.

The fund also introduced a dedicated Get Funded Programme, designed to help businesses become investment-ready and improve their ability to attract external finance. So far, 45 businesses have accessed tailored support through this programme.

Growth Hub

The York and North Yorkshire Growth Hub delivered another exceptionally strong year, building on previous successes and significantly increasing the

volume of support provided to businesses across the region. High- and medium-intensity support interventions increased by 136% compared with 2024/25 and by 254% compared with 2023/24.

Supported through the UK Shared Prosperity Fund, the Growth Hub continues to work collaboratively with delivery partners and commissioned providers to offer specialist support across a broad range of growth themes, including digital adoption, innovation, sustainability, workforce skills, access to finance, leadership development and business planning. The service supported more than 2,350 businesses, helping them address challenges, seize growth opportunities and improve resilience.

The Growth Hub also played a key role in developing the region's entrepreneurial pipeline, supporting 583 individuals to start a business.

Alongside direct delivery, the Growth Hub's digital presence significantly increased its reach and impact. Business engagement through digital channels increased by 58% compared with 2024/25, attracting more than 76,000 website users. This engagement translated into direct referrals for specialist support, access to funding opportunities, introductions to partner organisations and valuable connections within the wider business support network.

Inward Investment

The Combined Authority's Trade & Investment team were involved in securing £18.6m in new, foreign, direct investment to the region, supporting the creation of 68 new jobs. Nearly 40 existing foreign-owned businesses in the region received intensive support to help them grow their operations. These projects demonstrate continued investor confidence in the region's innovation, manufacturing and technology strengths and contribute to long-term economic growth.

Our Sector Growth Managers have also been working on other sector initiatives such as BioIndustrial Sector North, a partnership between the Combined Authority, Tees Valley Combined Authority, the University of York, the Biorenewables Development Centre, Teesside University, CPI and other industry partners.

Cluster partners are working on long-term ambitions to accelerate clean growth, generate high-value employment, support the creation of innovative bio-based businesses, and establish the wider North of England as a globally recognised hub for bio-industrial innovation and sustainable economic growth.

Key activity has included developing a pipeline of bio-based manufacturing opportunities as well as engaging with government, investors and businesses to attract public and private sector investment.

Inward Investment Business Events

To further strengthen the regional economy and raise the profile of York and North Yorkshire as a place to invest, a new **£1 million** Inward Investment Events Fund was launched in 2025/26. The fund supports a programme of activity designed to attract investment, encourage collaboration and showcase the region's strengths.

Activity includes directly organised events and trade delegations, sponsoring/ exhibiting at events, and sending delegates to key trade shows and conferences.

A flagship event, **Ambition 2035: Driving Growth with Purpose**, brought together business leaders, government representatives and academic institutions to explore growth opportunities and share insights that will help shape the region's future economic success.

Twelve events have been supported so far, with a further six events planned for delivery during 2026. These events help to strengthen networks, stimulate investment conversations and position York and North Yorkshire as an ambitious, innovative and collaborative region for business growth.



Overall, 2025/26 has been a year of strong performance, strategic development and increased collaboration. By bringing business support activity together under a single Business Growth and Innovation framework, the Combined Authority has established a solid foundation for future growth, ensuring businesses across York and North Yorkshire can access coordinated, impactful support that contributes to the region's long-term prosperity.

Our actions

£ £4,487,672
spent in 2025/26

3,100+
Businesses supported

583
People supported
to start a business

76,000
Growth Hub website
users accessing support

Case study

ETL Fluids secured £14,500 contribution to their wider project ambitions through a Made Smarter grant opportunity. With the installation of a wire processing system, that element of the production time has been slashed from eight hours to 30 minutes. Not only does this improve efficiency but the automation has improved quality and consistency, reducing the need for testing and rework.

The company's electricians were initially worried this development would cause job losses, but it's allowed them to focus on assembly, testing and higher-skilled tasks, improving resource efficiency. This success has spurred the organisation to seek additional support opportunities through the Growth Hub, and they now regularly participate in training webinars on things such as cyber security and carbon reduction. Further automation and digitalisation is being explored.

Having successfully secured additional regional investment, they have now invested in a cloud-based MRP system to integrate finance, production planning and operations, setting their foundations for future AI-enabled activities.



An aerial photograph of three cyclists riding on a paved path. The cyclists are wearing colorful gear and helmets. Their long shadows are cast on the path. The path is bordered by green grass and a body of water on the left. The overall image has a teal and yellow color scheme with decorative lines and dots in the corners.

Transport Directorate

As a local transport authority, the Combined Authority is responsible for the strategic management of transport in the region, committed to working with partners and key stakeholders to improve connectivity and transport infrastructure, ensuring that everyone can access opportunities in York and North Yorkshire.

From inception, and throughout 2025/26, we have been working consistently to build internal capacity, plan for the future and kick start investment in our infrastructure with the support of our local authority colleagues. In 2026/27, devolution brings the opportunity to combine the 2026–2030 Mayoral Transport Fund settlement of £456m and local leadership to build a more integrated, inclusive, resilient and low carbon transport system.

To prepare for this, we have drafted a Mayoral Local Transport Plan that will ensure this investment supports future economic growth and the best outcomes for our region, including supporting bus services, a renewed commitment to delivering active travel improvements for those walking, wheeling and cycling, and maximum impact of the record investment in highways maintenance.

– **Claire Hoskins**
Director of Transport



Our Local Transport Plan will ensure this investment supports future economic growth and the best outcomes for our region.

Affordable and Sustainable Transport



Affordable & Sustainable Transport



Affordable & Sustainable Housing



Vibrant & Sustainable Places



Boosting Business & A Thriving Workforce



Healthy & Thriving Communities

During 2025/26, the Combined Authority strengthened the foundations for a more connected, affordable and sustainable transport network across York and North Yorkshire. Across all modes, our focus has been on making it easier for people to get to work, education, healthcare, services and leisure opportunities, while supporting healthier communities, stronger places and future economic growth.

A key action has been growing the Transport Directorate internally to create the capacity to progress major areas of activity, including the Local Transport Plan, and to strengthen the Combined Authority's role as the Local Transport Authority for York and North Yorkshire. This capacity has enabled us to work closer, and in collaboration with, our key stakeholders to make significant progress for the region.

Partnerships have remained central to progressing York and North Yorkshire as an active voice on transport across the wider devolution landscape. The team has continued to build relationships with strategic road and rail bodies, supported the Mayor's growing role in Transport for the North and Northern Powerhouse Rail, and shared learning from York and North Yorkshire's devolution journey with government and other emerging combined authorities.

Our lead transport strategy, the Local Transport Plan, was developed following extensive engagement with partners and stakeholders. Public consultation will take place in 2026, marking an important step towards a long-term plan for connected and affordable transport.

The Local Transport Plan will be a key foundation for achieving the Combined Authority's Economy Framework and its commitment to connected and affordable transport. It will also help inform the future Spatial Development Strategy, ensuring transport, housing, growth and place-making ambitions are planned together.

The team has also strengthened the foundations for investment in transport, both in 2025/26 and in future years. Following the successful oversight of £81,344,092 in 2025/26, the Combined Authority was awarded a £456m Mayoral Transport Fund to fund projects and programmes over a four-year period from 2026/27 – a significant step forward in devolution for the region and a real boost for our transport networks.

Work has begun on the planning and collaboration with partners and stakeholders that will ensure we can deliver real change for our residents, visitors and businesses.

Bus

Towards the end of 2025/26, the Combined Authority established a dedicated bus team and strengthened support for bus services across the county. This work is helping improve connectivity and access to opportunity, particularly for communities that rely on public transport to reach work, education, healthcare and essential services.

A major achievement has been the continued delivery of the Under-19 £1 Fare Cap. More than 3 million £1 tickets have been sold, reducing the cost of travel for young people while supporting access to education, employment, training and wider social opportunities.

We have also invested around £7 million to support the tendered bus network, protecting vital services across urban and rural communities. A review of the region's bus network has been commissioned to better understand current provision and identify opportunities for future improvement.

Through the Department for Transport's Rural Bus Franchising Pilots, the team has worked with more than 45 organisations across five rural areas to explore how future bus reform could improve services. Work to strengthen delivery will continue into 2026/27 as bus service powers are brought in house.

Rail

Rail has also seen important progress on long-standing priorities, helping to improve connectivity, accessibility and station environments.

Key projects have moved closer to delivery, including the proposed new station at Haxby, and accessibility improvements at Thirsk station through the Access for All programme. These schemes represent some of the most significant rail investment commitments the region has seen in recent years.

The team has also championed improvements on the York–Scarborough corridor, with plans now in place for a second train per hour during morning and evening peak periods from December 2028. This will support better connections between communities and strengthen the case for future service enhancements.

Investment has been secured in local rail infrastructure, with Network Rail completing major restoration works at Scarborough and Filey stations, including station roof renovations and the restoration of Scarborough's historic clock tower. These improvements enhance the stations as welcoming gateways and support our wider regeneration ambitions.

In addition, the Yorkshire Coast Community Rail Partnership was named the UK's best Community Rail Partnership in 2026, recognising strong collaboration and community engagement along the Yorkshire Coast line.

Active Travel

The appointment of York and North Yorkshire's first Active Travel Commissioner marked an important step in raising the profile of walking, wheeling and cycling across the region. She has helped position active travel as part of a wider agenda: improving health, reducing environmental impact, supporting local economies and creating better-connected communities.

A key achievement was the development and launch of the Mayor's Active Travel Fund, securing £4 million for projects across York and North Yorkshire. This included £2.4 million for seven public sector schemes and £1 million for 32 community-led projects, enabling local organisations and partners to deliver practical initiatives that encourage more people to walk, wheel and cycle.

Alongside this investment, we have strengthened the county's active travel capability by reviewing local strengths, challenges and opportunities, building a clearer evidence base for future decisions. Work with local authority partners has also improved our understanding of Active Travel England's expectations, supporting stronger planning, design and delivery.

Overall impact

Taken together, this work has improved affordability, safeguarded connectivity and strengthened the evidence and partnerships needed for future investment. It has helped lay the foundations for a more integrated and sustainable transport network that supports people, communities and places across York and North Yorkshire.

Our message is clear: transport is not only about moving people from one place to another. It is about widening access to opportunity, supporting healthier and more resilient communities, enabling growth and making York and North Yorkshire a better-connected place to live, work, visit and invest in.



Our actions

£ £81,344,092
spent in 2025/26

2,473,360
£1 tickets sold to
under-19s in 2025/26

2
Stations restored/
improved

£4 million
Mayoral investment
secured for Active Travel

Case study

More than three million £1 fares have now been sold across the county, improving access for young people to education, jobs and leisure.

Students at Askham Bryan College joined the Mayor of York and North Yorkshire David Skaith and Councillor Kate Ravilious, Executive Member for Transport at City of York Council, to celebrate the milestone.

Since its introduction in York in September 2023, the fare subsidy has helped to open up opportunities for young people. The initiative was expanded to include North Yorkshire in September 2024, and the Mayor committed to continuing the subsidy in April 2025.

People aged 16 to 18, who would otherwise pay adult prices, will especially benefit from the £1 fare.

Recent independent passenger research shows strong satisfaction levels among young bus users in the region.

A survey by Transport Focus found that passenger satisfaction among 16- to 25-year-old bus users in York and North Yorkshire was 83%, compared to an England average of 80%.

Overall journey satisfaction in the region was 87%, compared to the national average of 85%, while York and North Yorkshire also scored higher than the England average for value for money.



Central Services



Affordable & Sustainable Transport



Affordable & Sustainable Housing



Vibrant & Sustainable Places



Boosting Business & A Thriving Workforce



Healthy & Thriving Communities

Building the Foundations for Sustainable Growth and Devolution

The success of the York and North Yorkshire Combined Authority is underpinned by the contributions of its Central Services teams. While often operating behind the scenes, these functions provide the critical infrastructure that enables programmes, projects and services to be delivered effectively, at pace and in accordance with the highest standards of governance and public accountability.

During 2025/26, Central Services continued to evolve in response to the increasing scale, complexity and ambition of the Combined Authority's work. As the organisation's responsibilities expanded across economic development, transport, net zero, skills, housing and public service reform, these teams played a pivotal role in ensuring that organisational capability matured alongside delivery.



This support is delivered through a range of specialist functions, including:

- Governance
- Assurance
- Legal
- Procurement
- Communications and Engagement
- Compliance
- Finance
- Integrated Delivery Unit
- HR/Organisational Development
- Leadership Support
- Transformation
- The Mayor's Office

Collectively, these teams provide the frameworks, expertise and operational discipline required to manage public funds responsibly, deliver robust decision-making, maintain transparent governance arrangements and support effective programme management across the organisation.

Throughout the year, Central Services responded to sustained and growing demand from across all directorates. Operating within a rapidly developing organisation creates unique challenges, requiring functions to establish new systems, culture,

processes and policies while simultaneously supporting an ambitious programme of delivery. Despite these pressures, Central Services consistently demonstrated agility, innovation and commitment, ensuring projects could progress efficiently while maintaining compliance with statutory obligations, government funding requirements and internal governance standards.

The impact of these teams extends far beyond internal support. Their work has enabled the Combined Authority to maintain strong relationships with government departments, delivery partners, local authorities, businesses, stakeholders and communities across the region. Through effective governance, strong leadership, financial stewardship, assurance and communications, Central Services have helped establish the credibility and confidence necessary for a maturing organisation entrusted with significant devolved responsibilities and public investment.

Their contribution has been particularly significant in supporting the wider remit of the organisation, including the Policing, Fire and Crime Directorate. Working across organisational boundaries, Central Services have provided consistent leadership, advice and assurance, helping to embed shared standards and approaches while supporting effective decision-making by Members, Boards and Senior Leaders.



The successful achievement of Established Status represents a significant organisational milestone and is, in no small part, a reflection of the strength and maturity of the foundations developed by Central Services. The establishment of effective governance structures, financial controls, risk management processes, assurance frameworks, a future focused culture and delivery oversight mechanisms has provided government with confidence in the Combined Authority's ability to manage increasing responsibilities and public resources effectively.

As a Combined Authority, York and North Yorkshire has taken a distinctive approach to organisational development. As a region encompassing both a vibrant city economy and one of England's most significant rural geographies, the organisation recognised early that delivery and organisational stability could not be viewed as sequential activities.

Rather than waiting for every system, process and policy to be fully established before embarking on delivery, the Combined Authority chose to pursue both objectives simultaneously.

This approach required the organisation to build while doing; developing governance frameworks while making investment decisions, establishing assurance processes while launching programmes, and strengthening organisational capability while delivering tangible benefits for residents, businesses and communities. It was a challenging but deliberate choice that reflected the ambition and urgency of the devolution agenda.

Central Services have been fundamental to the success of this approach. Acting as the organisational "engine room", they have provided the rigour, assurance and collective experience necessary to support innovation and delivery at

scale. Their work has created confidence among government, stakeholders, delivery partners and funders that the Combined Authority is not only capable of delivering today, but is also building the robust foundations required for the future.

As the organisation looks ahead towards Integrated Settlement and an increasingly devolved operating environment, Central Services will remain central to its success. Their continued development will ensure the Combined Authority is well positioned to maximise opportunities, manage risk effectively and deliver lasting outcomes for the people, places and businesses of York and North Yorkshire.

Financial Statement 2025–2026

Performance in 2025/26 reflected strong demand for the Combined Authority's programmes, successful deployment of external funding, and continued development of our investment pipeline.

The Combined Authority actively managed delivery, financial and economic risks across a portfolio that included major programme developments alongside smaller grant schemes aligned to Mayoral priorities.

This year also marked a transition from initial strategy development to the establishment of more coherent, delivery-ready frameworks across economic growth, skills and transport. The approach of programme mobilisation and phased implementation is reflected in the financial outturn position set out below, with variances against budget largely arising from the timing of multi-year programme delivery.

The Combined Authority managed a total General Budget of £168.7m in 2025/26, primarily funded through government grants, supplemented by Treasury income and planned use of reserves.

Total expenditure in the year was £127.2m, representing around 75% of the approved budget. The variance principally reflects the phasing of activity across multi-year programmes rather than a reduction in planned investment.

The overall financial position remained balanced, with variances managed through transfers to and from earmarked reserves in line with the Combined Authority's financial framework.





Delivery Model and Financial Framework

The Combined Authority delivers its strategic priorities in three ways:

- **Core services**, including legal, procurement, governance, finance, the Mayor's Office and other central support functions required to operate the Combined Authority;
- **Revenue-funded programmes**, supporting policy, service development and programme delivery; and
- **Capital-funded programmes**, mainly delivered through partners across York and North Yorkshire.

In practice, these programmes operate as integrated funding envelopes, with delivery spanning both revenue and capital expenditure. Financial performance is therefore presented on a combined basis, reflecting the way funding is managed and delivered operationally.

Overall Financial Performance

*Core Services

Core services expenditure was £3.9m against an approved budget of £6.0m, an underspend of £2.1m. This variance is mainly due to:

- lower staffing expenditure, reflecting recruitment lead-in times and a lower pension contribution rate than assumed when the budget was set;
- improved allocation of central costs to externally funded programmes; and
- accounting treatment adjustments, including changes in the treatment of provisions.

The Combined Authority also received higher-than-expected income during the year, including investment interest and additional Mayoral capacity funding. These factors contributed to increased transfers to reserves, which will support future delivery.



Programme Delivery

Programme expenditure across revenue and capital funding reflected continued investment in the Combined Authority's strategic priorities. Actual expenditure of £127.2m was below the approved budget of £168.7m across most programme areas. This position should be viewed in the context of significant mobilisation activity during the year, including the issue of grant agreements and contracts through formal procurement processes.

The main reasons for the variance were:

- the phasing of multi-year programmes, where expenditure is incurred over more than one financial year;
- lead-in times for mobilisation and partner delivery, particularly for capital schemes;
- profiling of activity to align with academic years and funding windows, particularly within Workforce and Skills; and
- timing differences between the commitment of funding and the subsequent recognition of expenditure.

General Budget Outturn (summary)

	2025/26 Approved Budget £'000	2025/26 Outturn £'000	2025/26 Variance £'000
Income			
Government Grants	163,182	142,249	(20,933)
Other Income	500	3,565	3,065
Transfers (to)/from reserves	5,030	(18,637)	(23,667)
Income Total	168,712	127,177	(41,535)
Expenditure			
*Core	5,984	3,880	2,104
Carbon Negative Region	5,498	6,176	(678)
Housing	19,021	2,410	16,611
Inclusive Economic Growth	15,573	13,366	2,207
Transport	97,151	81,687	15,464
Vibrant and Sustainable Place	679	1,286	(607)
Workforce and Skills	24,379	17,473	6,906
Healthy and Thriving Communities	427	899	(472)
Expenditure Total	168,712	127,177	41,535



**YORK
& NORTH
YORKSHIRE**
COMBINED AUTHORITY

**DAVID
SKAITH
MAYOR**

York and North Yorkshire Combined Authority
Annual Review 2026

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