

Business Sustainability Programme

Summary

1. The York and North Yorkshire Business Sustainability Programme (BSP) ran from May 2025 to March 2026. This report provides a summary of the programme in relation to activity in York.
2. The BSP is funded through UK Shared Prosperity Fund (UKSPF) and is a continuation of the previous Business Decarbonisation Programme, which provided fully funded energy audits and renewable feasibility studies to businesses across York.
3. The Programme has the ambition to increase the number of enterprises adopting new technologies or processes, to reduce greenhouse gas emissions and to improve businesses bottom-line.
4. A total capital fund of £1,524,393 was allocated, for business grants, with revenue funding provided to the Combined Authority and the Local Authorities to cover costs of administering the fund.
5. As of February 2026, 98% of funding has been allocated to businesses and farms across York and North Yorkshire.
6. Project Summary:

Programme Value	£1,524,393 of capital funding
Application Window	From May 2025 to September 2025. To maximise the delivery timeframe for what are often complex projects requiring external works, grant awards will be made on a rolling basis to projects approved at monthly decision panels, until such time as the fund is exhausted. Early applications are encouraged to avoid disappointment.
Amount of Funding Available	Grants from £2,000 to £49,950
Match Funding Required	The Business Sustainability Programme can fund up to 60% of total project costs – businesses are expected to contribute 40% of project costs

Delivery Window	From July 2025 until February 2026 – projects must be completed by February 2026
Number of applications received	85 Total (funding ask of £2,154,057) 63 Businesses 22 Farms
Projects funded	59 Total (funding allocated of £1,490,907) 41 businesses 18 farms
Carbon Dioxide equivalent (CO ₂ e) savings (per annum)	390tCO ₂ e total 180tCO ₂ e businesses 110tCO ₂ e farms

7. Scrutiny Committee are invited to review the report and reflect on the delivery of the BSP, with feedback welcomed to inform future iterations of the programme.

Background

8. The York and North Yorkshire Combined Authority allocated a proportion of its UKSPF allocation to deliver a Business Sustainability Programme. The programme, co-designed by York and North Yorkshire Combined Authority, North Yorkshire Council and City of York Council, builds on the success of previous UKSPF Business Sustainability programmes across the region.
9. In 2023-2025, City of York Council provided fully funded energy audits and renewable feasibility studies to businesses across the city. A total of 63 decarbonisation plans were completed for York businesses, identifying opportunities with a total implementation cost of over £3m and the potential to reduce carbon dioxide equivalent (CO₂e) emissions by 935tonnes per year, with annual cost savings of £914,000.
10. The BSP was subsequently designed to support these businesses to implement the opportunities identified, delivering climate action and contributing to the economic growth of our region. All businesses and farms across the region that had received a decarbonisation/energy audit from a qualified assessor were eligible for the BSP.
11. Reflecting the value of informed decision making, the BSP also extended the offer of fully funded decarbonisation and energy audits to businesses and farms across the region.

Programme Objectives

12. The BSP is intended to support businesses and farms across York and North Yorkshire to implement recommendations from their energy audit. Wider objectives of the programme cover:
- Supporting decarbonisation across the region in alignment with the objectives of [York and North Yorkshire's Strategy for a Sustainable Future](#)
 - Supporting business resilience through increased energy security and climate change adaptation
 - Facilitating measures that are not only good for the planet, but for business' bottom lines
 - Developing York and North Yorkshire as a hub for 'green business' and showcase the commercial benefits of decarbonising your business
 - Enabling farm business resilience through reduced emissions, increased energy efficiency and lower costs.
 - Developing demonstration businesses that can support knowledge-sharing and encourage wider future uptake of energy efficiency and renewable measures.

Eligibility

13. Any businesses who have a trading address within the York and North Yorkshire region, regardless of size or sector, including business-to-consumer and business-to-business models. Farms, as well as landlords of commercial units, business parks and other non-domestic buildings (domestic residential properties are not eligible for this program) were eligible for the programme. Applicants must have been customer trading for a minimum of 2 years to be eligible, and must have undertaken an energy audit within the last 3 years.¹
14. Eligible project activity within this programme included:
- Energy efficiency measures
 - Retrofit of commercial buildings – lighting upgrades, insulation etc.
 - Energy system optimisation measures
 - Renewable energy generation and battery storage

¹ Audits can have been carried out either through a York and North Yorkshire local authority scheme or through a suitable private sector organisation.

- Reducing waste and making resources go further
- Works with the aim of improving a business' climate resilience
- Climate adaptation
- Improving biodiversity
- Decarbonising fleet and transport

Application Process

15. Businesses were invited to apply for funding via an online application form (Annex A) with promotion and support provided through the Growth Hub and local Growth Managers.
16. Applications were screened for compliance by the Growth Hub before being assessed by the Carbon Reduction Team against a criteria following HM Treasury's 5 Cases methodology, to ensure applications demonstrate the strategic, economic, financial, commercial and management case for investment.
17. Applicants were required to:
 - Explain and evidence the need for the project
 - Explain and evidence the strategic fit with the programme objectives
 - Explain and evidence the positive impact the project will have and explain how measurable outputs and outcomes will be achieved.
 - Provide an accurate and reasonable breakdown of project costs
 - Explain how the project will be deliverable in full within the timeframe
 - Explain who will be managing the project and their track record in delivery
18. An independent Decision Panel was established to review application decisions and approve funding allocations. The Panel was represented by York and North Yorkshire Combined Authority, North Yorkshire Council, City York Council, Grow Yorkshire. The Panel met monthly during the open application window, with decision notices published on the Combined Authority website after each panel session.
19. Applicants were required to:
 - Take a 'fabric first' approach, focussing on improving energy efficiency prior to new heating or energy installations for property-based projects

- Have landlord's permission in place if not the owner of the premises
- Have planning permission in place or be confident of receiving permission if required
- Follow all necessary building regulations
- Provide a minimum of two supplier quotes
- Include a full cost breakdown

Response

20. A total of 24 applications were received for businesses in York (37% of total – 65), with a total funding request for £491,467. A total of 2 applications were received from farms in York (9% of the total – 22), with a total funding request for £71,535.
21. A summary of the types of applications received is provided below. The total does not reflect the total number of applicants as some proposals included multiple measures:

Measure	
Renewable energy	
Upgraded heating system	
Fabric or lighting improvements	
Other	

22. Of the 26 York applications received (24 businesses + 2 farms), 2 were not reviewed by the panel due to a lack of information and failure of the businesses to provide this on request. Of the 24 applications that went to panel, 17 were approved (71%). The total grant value for approved applications was £361,675.
23. Business contributions totalled £259,128 meaning the total level of investment in low carbon solutions in York businesses is £620,803. A full summary of the number of applications, panel decisions and grant values is provided in the table below:

	York	North Yorkshire	Total
Business Applications	24	39	63
(Grant Value)	(£491,467)	(£1,023,499)	(£1,514,966)
Farm Applications	2	20	22
(Grant Value)	(£71,535)	(£567,556)	(£639,091)
Business Approvals	16	25	41
(Grant Value)	(£284,545)	(£664,706)	(£949,251)
Farm Approvals	1	17	18
(Grant Value)	(£49,950)	(£491,706)	(£541,656)

24. The programme received significant interest from businesses and farms that had not previously received a decarbonisation or energy audit. Some organisations were able to receive these from the private sector in order to apply for funding within the window, however, it was acknowledged that this could be a barrier for others.
25. With remaining funding, the Growth Hub commissioned an additional 40 fully funded energy audits for businesses and farms across the region. These were fully subscribed within two days, with 9 York businesses benefiting. This demonstrates strong demand for the service and an expectation amongst businesses that future grants for decarbonisation measures would receive strong take-up.
26. Additional demand exists within the business community for this type of support programme, with a clear need for financial support to remove a critical barrier to implementation.

Consultation

27. Development of the programme was undertaken in consultation with the York and North Yorkshire Combined Authority Growth Hub, City of York Council Carbon Reduction and Business Growth teams and North Yorkshire Council.
28. Feedback was taken from delivery of the previous UKSPF business sustainability support programme (and its evaluation) during the design process.
29. Regular progress reports were provided to the internal officer Climate Change and Natural Capital Programme Board.
30. Consultation with delivery partners and enabling services such as the Local Planning Authority is required for future phases as many projects interfaced with these services. The capacity of these areas to respond to requests within the project timescales was challenging and created additional pressures.
31. The MCA will need to consult with businesses on what they see as critical support requirements for 2026/7 and 2027/28. Carbon reduction was a key driver for this programme, but feedback is that reduction in utility bills is an even bigger driver in the current economic climate.

Council Plan

32. Affordability - Tackling the cost-of-living crisis
The programme has supported businesses to identify and implement actions that lead to a direct operational cost saving, as well as providing grant funding support to implement improvements to the business
33. Climate - Environment and the climate emergency
A key metric for the programme is to reduce carbon emissions, supporting the ambitions of the Council's Climate Change Strategy.

Implications

- **Financial** – Financial implications are discussed within the body of the report. The programme was fully funded by UK Shared Prosperity through the Combined Authority.

- **Human Resources (HR)** – No implications identified
- **Equalities** – No implications identified
- **Legal** – All business grants were subject to a Subsidy Control Assessment undertaken by the MCA. All issued grants included a Grant Funding Agreement stipulating the requirement of the grant
- **Crime and Disorder** – No implications identified
- **Information Technology (IT)** – No implications identified
- **Property** – No implications identified

Risk Management

34. No known risks

Recommendations

35. Members are asked to consider the content of the report and provide comment and feedback for the Executive Member and Combined Authority to influence future iterations of business support programmes.

Reason:

As part of the continuous improvement approach to service provision.

Contact Details

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Wards Affected: *List wards or tick box to indicate all*

For further information please contact the author of the report

Background Papers:

None

Annexes

Annex A – Business Sustainability Programme: Application Form

Abbreviations

BSP – Business Sustainability Programme

CO₂e – Carbon Dioxide equivalent

HM Treasury – His Majesty's Treasury

UKSPF – United Kingdom Shared Prosperity Fund