

CYNGOR GWYNEDD CABINET



Report to Cyngor Gwynedd Cabinet meeting

Date of meeting:	10 March 2026
Cabinet Member:	Councillor R. Medwyn Hughes Cabinet Member for Economy and Community
Relevant Officers:	Sioned Williams, Head of Economy and Community (Senior Responsible Officer, North Wales Shared Prosperity Fund) Dylan Griffiths, Manager, Economic Development Service (Manager, North Wales Shared Prosperity Fund Programme)
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Item Title:	UK LOCAL GROWTH FUND IN WALES: GOVERNANCE AND OPERATING ARRANGEMENTS 2026/27

1. DECISION SOUGHT

- 1.1. That Cyngor Gwynedd continues to act as the lead local authority for the Shared Prosperity Fund in north Wales until the end of the programme (30 September 2026) and completes its administration (01 January 2027).
- 1.2. That the Gwynedd Shared Prosperity Fund Panel continues until the revised end date of the Fund; with the Economy and Community Cabinet Member, the Finance Cabinet Member, and the Corporate Services and Legal Cabinet Member together with the Chief Executive, Head of Economy and Community, Head of Finance and the Head of Legal Services (or their representatives) as members.
- 1.3. That Cyngor Gwynedd agrees to act as the lead local authority for north Wales on behalf of the UK Local Growth Fund in Wales for the first year of the programme (2026/27).
- 1.4. That Cyngor Gwynedd agrees to continue the regional governance arrangements of the Shared Prosperity Fund for the purposes of the Local Growth Fund for the first year (2026/27), by submitting a plan outlining the intention to the Welsh Government.

- 1.5. To authorise the Head of Economy and Community – in consultation with the Head of Finance, the Head of Legal Services and the Chief Executive and subject to 1.6 below – to agree and complete the necessary agreements with the government(s) for the purposes of carrying out the lead authority function.
- 1.6. To authorise the Head of Economy and Community – in consultation with the Head of Finance, the Head of Legal Services and the Chief Executive – to establish inter-authority legal agreements and funding conditions with the other north Wales counties in order to protect the interests of Cyngor Gwynedd.
- 1.7. That Cyngor Gwynedd agrees to continue the local governance arrangements for the purposes of the Local Growth Fund in Gwynedd as outlined in the report.

2. THE REASON FOR THE NEED FOR A DECISION

- 2.1. The UK Government has extended the Shared Prosperity Fund (SPF) period by six months. Cyngor Gwynedd is required to continue acting as the lead local authority for the programme for the duration of the extension.
- 2.2. Appropriate internal arrangements within the Council will need to continue in order to monitor the SPF during the additional period, although there is a desire to amend the membership.
- 2.3. The successor to the SPF, the Local Growth Fund, will become operational from 01 April 2026. There is a request to continue with the SPF administrative arrangements for the first year of the Local Growth Fund (2026/27), and therefore Cyngor Gwynedd is asked to act as the lead local authority for the Local Growth Fund in north Wales.

3. INTRODUCTION

Shared Prosperity Fund

- 3.1. The Shared Prosperity Fund (SPF) is a financial programme designed to support community development and the local economy. The UK Government manages the programme, and it is delivered through local authorities. In Wales, counties within each region are required to collaborate, with one county acting as the lead authority for the funding. Cyngor Gwynedd is the lead local authority for the north.
- 3.2. This year (2025/26), £42.42 million is allocated to North Wales through the SPF. Of this total, £8.19 million is allocated to Gwynedd. This is the final year of the SPF.
- 3.3. Programme activity was originally scheduled to end on 31 March 2026, with a final report to be submitted to the UK Government on 01 May and administration of the Fund expected to conclude before 01 July 2026.
- 3.4. On 17 December 2025, the UK Government announced that they would allow SPF-funded activity to continue until 30 September 2026, but without any additional funding. The revised deadline for submitting the final report to the UK

Government will be 02 November, and administration of the Fund is expected to conclude before 01 January 2027.

UK Local Growth Fund in Wales

- 3.5. The Local Growth Fund will be the main successor to the SPF. A total of £547 million will be allocated to Wales through the Fund over three years between 2026/27 and 2028/29. The funding will be routed to the Welsh Government in the first instance.
- 3.6. The Welsh Government [consulted on its proposed approach](#) to the UK Local Growth Fund in Wales during November and December 2025. Cyngor Gwynedd's response to the consultation is available on the [Council's website](#).
- 3.7. The Local Growth Fund will become operational from 01 April 2026.
- 3.8. The purpose of the Local Growth Fund is to support the UK Government's growth mission and contribute to its strategic goals of securing higher real incomes and boosting Gross Domestic Product (GDP).
- 3.9. The Welsh Government's proposed objective for the Fund is to *support productivity growth and tackle issues that lead to economic inequalities*.
- 3.10. The Fund will operate on a thematic basis as defined by the UK Government:
 - Business support
 - Skills and employment support for growth
 - Enabling local growth infrastructure
- 3.11. The Welsh Government's proposals emphasise regional collaboration and coordination, although the importance of delivering locally is acknowledged. The proposals also provide scope for national activities/interventions where appropriate.
- 3.12. The Welsh Government regards the first year of the Fund (2026/27) as a transition period.
- 3.13. From 2027/28, they intend to allocate most of the funding to the Corporate Joint Committees (CJCs) to plan and manage a portfolio of regional and local projects. This will be part of a three-year regional delivery plan to realise a ten-year vision.
- 3.14. For 2026/27 they wish to use the structures already in place to deliver the SPF (lead local authority working with the other counties within the region) to deliver the Local Growth Fund.
- 3.15. The indicative allocation of the Local Growth Fund for the North Wales region in 2026/27 is £35.69 million. 70% of the funding will be in the form of capital.

4. RATIONALE AND JUSTIFICATION FOR RECOMMENDING THE DECISION

Shared Prosperity Fund

- 4.1. Although no additional funding is being offered, the extra time for SPF expenditure will provide an opportunity for projects to complete their activity and to gather evidence of the outcomes of their work. It will also reduce the risk of activity ending abruptly at the close of the programme.
- 4.2. Every county in the north wishes to offer this opportunity to their projects. It is anticipated that around half of the projects currently in delivery would welcome some additional time.
- 4.3. Extending the project expenditure period will require the continued administration of the SPF for six months longer than originally expected.
- 4.4. For this purpose, Cyngor Gwynedd will need to agree to continue as the lead local authority for the SPF for the extended period, and to extend the associated working arrangements, including the legal agreement between Gwynedd and the other north Wales counties.
- 4.5. Funding had already been allocated for the completion of SPF administration. This budget will remain sufficient; although the period will be longer, the substance of the work will remain the same.
- 4.6. Similarly, at county level, the arrangements for overseeing the SPF in Gwynedd will need to continue.
- 4.7. The Gwynedd Shared Prosperity Fund Panel was established by the Council's Cabinet on 24 January 2023 to undertake this work; membership included the Leader and Deputy Leader of the Council, the Finance Cabinet Member, the Chief Executive, the Head of Economy and Community, the Head of Finance and the Head of Legal Services.
- 4.8. For the period up to 01 January 2027, it is proposed to revise the membership of the Panel to reflect current requirements, to include the Economy and Community Cabinet Member, the Finance Cabinet Member, and the Corporate and Legal Services Cabinet Member, together with the Chief Executive, the Head of Economy and Community, the Head of Finance and the Head of Legal Services (or their representatives).

UK Local Growth Fund in Wales (2026/27)

Lead Body

- 4.9. The Welsh Government wishes lead local authorities to continue in their role for the first year of the Local Growth Fund in order to allow time to prepare for a new system delivered through the Corporate Joint Committees (North Wales Ambition) from 2027/28 onwards. Cyngor Gwynedd is the current lead local authority for the SPF.

Principles of operation

- 4.10. The north Wales counties have expressed a desire to continue – as far as possible – with the existing arrangements, with an emphasis on local decision-making and local ownership, reflecting the following principles:
- that decisions on the use of funding should be a matter for local areas; and
 - that local areas should be able to choose whether to participate in schemes wishing to operate across counties.

Local allocations

- 4.11. Although the Welsh Government is not providing a Local Growth Fund allocation for individual counties, there is a desire to continue with a distribution model based on the same approach as the SPF (reflecting the method used by the Government to allocate 2026/27 funding across the Welsh regions), namely:

Conwy	19.4%	Gwynedd	19.3%
Denbighshire	20.3%	Anglesey	12.7%
Flintshire	10.4%	Wrexham	17.9%

Regional Governance

- 4.12. A further legal agreement will need to be established between Cyngor Gwynedd and the north Wales counties to protect the Council's interests. The agreement will ensure that individual counties are accountable for their decisions and any financial liabilities arising from them. The agreement will be based on the existing document, amended to reflect the requirements of the Welsh Government.
- 4.13. In parallel, appropriate governance structures — and suitable teams/budgets — will need to be maintained regionally and within each county to manage and monitor the programme (a proportion of the financial allocation may be used to secure the resources required to deliver the work).
- 4.14. At regional level, it is intended to continue with a Coordination Board made up of the chief officers of the six counties (together with representation from Ambition North Wales and the Welsh Government) to oversee the delivery of the Local Growth Fund in the north Wales region. The Board will continue to be supported by a Coordination Group of managers in each county who are responsible for the day-to-day operation of the Fund.

Local Governance

- 4.15. Reflecting the desire for continuity and consistency with current arrangements, decisions on the use of the Local Growth Fund will remain with Cyngor Gwynedd for 2026/27, exercised through Cabinet decision. It will also be necessary to ensure continued input from a range of stakeholders and partners in monitoring the delivery of the Local Growth Fund and prioritising proposals.
- 4.16. The Gwynedd Economy Forum (which will evolve from the SPF advisory group) will act as the mechanism to ensure ownership and input from our partners.
- 4.17. In line with the intention, Gwynedd's new economic development strategy will provide the basis for identifying and prioritising Local Growth Fund projects.

5. NEXT STEPS AND TIMELINE

- 5.1. Following the extension, the delivery period for the Shared Prosperity Fund (SPF) will continue until 30 September 2026, with reporting and administration concluding by 01 January 2027.
- 5.2. It is anticipated that the North Wales proposal for 2026/27 Local Growth Fund allocation will be submitted during March 2026, with the operational period beginning on 01 April 2026.

6. ANY CONSULTATIONS UNDERTAKEN PRIOR TO THE RECOMMENDATION OF THE DECISION

Consultation

- 6.3. The Welsh Government's proposals for the Local Growth Fund have been the subject of public consultation.
- 6.4. The wishes of the north Wales counties regarding the extension of the Shared Prosperity Fund period and the delivery approach for the Local Growth Fund have been the subject of consultation among officers from the six local authorities.

Observations of the Statutory Officers

- 6.5. Chief Finance Officer:

"I confirm that there is a robust governance and operating arrangement in place to protect the Council's interests, including the Council's role as the lead authority for the North Wales region. In light of the extension for the transition year 2026/27, it is appropriate to continue with the existing arrangements. I confirm the accuracy of the allocations set out in the report and will work closely with officials from the Department for Economy and Community to ensure the implementation of the schemes within the allocation. I therefore support the decisions sought."

- 6.6. Monitoring Officer:

"The transitional nature of the current situation supports continuing based on what is already in place regionally. In this context, the report proposes a pragmatic way forward, acknowledging that it will be necessary to try and coordinate and prepare for transition to a new accountable body. With this in mind, it would be beneficial as part of this work to identify opportunities to prepare for and facilitate the transfer of the role of the accountable body in order to protect the interests of the Council."