
NORTH WALES CORPORATE JOINT COMMITTEE

20 March 2026

TITLE: Local Growth Fund in Wales - transition year (2026/27) planning in North Wales

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1. PURPOSE OF THE REPORT

- 1.1. Cyngor Gwynedd is the lead local authority for the UK Shared Prosperity Fund (SPF) in North Wales. SPF funding is provided directly from the UK Government to the region via Cyngor Gwynedd.
- 1.2. 2025/26 is the final year of the SPF. A new programme, the Local Growth Fund (LGF) will be operational from 01 April 2026, UK Government have committed funding to the LGF for three years.
- 1.3. UK Government will give LGF funding to Welsh Government, who, in turn, intend to forward funds to regions in Wales.
- 1.4. Welsh Government want the lead local authority for the SPF to act as lead local authority for the LGF for the first year of the programme in 2026/27. The first year is to be used as a transition to a new approach and arrangements from 2027/28.
- 1.5. Welsh Government propose that responsibility for the LGF transfers to the Corporate Joint Committee (CJC) for the second and third years of the programme (2027/28 and 2028/29).
- 1.6. The CJC will receive £200,000 from Welsh Government in 2026/27 to plan and prepare for taking the LGF forward from 2027/28.
- 1.7. Given the role envisioned by Welsh Government for the CJC in relation to the LGF, this report updates Members on planning for delivery of the fund during its transition year in 2026/27 and recommends delegating ongoing monitoring of the transition of the fund to the CJC to the Economic Wellbeing Sub-Committee.

2. DECISION SOUGHT

- 2.1. To authorise the Corporate Joint Committee's Economic Wellbeing Sub-Committee to monitor delivery of the Local Growth Fund's transition year (2026/27) and guide preparations for the transition of the Fund to the Corporate Joint Committee from 2027/28.
- 2.2. To endorse the intention to maintain the approach and governance arrangements of the Shared Prosperity Fund in North Wales - including Cyngor Gwynedd's role as lead local authority

- for the Local Growth Fund's transition year in 2026/27 and the submission of a plan to this end to Welsh Government.

- 2.3. To authorise utilisation of funding provided to the Corporate Joint Committee to prepare for delivery of the Local Growth Fund beyond 2026/27, working collectively with local authorities and partners to co-produce the region's proposals.

3. REASON FOR THE DECISION

- 3.1. Welsh Government propose that responsibility for the LGF transfers to the CJC for the second and third years of the programme (2027/28 and 2028/29).
- 3.2. Making use of the Economic Wellbeing Sub-Committee to guide preparations for the transition of the Fund to the CJC from 2027/28 aligns with the Sub-Committee's responsibilities in exercising the CJs economic well-being function.
- 3.3. Although existing SPF structures will be utilised to administer the LGF in 2026/27; with the approach aligned to established principles, including an emphasis on local decision making; the CJC should be content with the proposal, given that the first year is intended to be a transition to new funding arrangements via the CJC from 2027/28.
- 3.4. Similarly, making use of the £200,000 to be provided to the CJC by Welsh Government to prepare for taking the LGF forward from 2027/28 should be integrated with delivery during 2026/27 working collectively with local authorities and partners to co-produce the region's proposals and ensuring a smooth transition to the new arrangements.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. The SPF has provided £168.88 million to support economic and community development in North Wales since 2022. This year (2025/26), £42.42 million is allocated to North Wales through the SPF.
- 4.2. 2025/26 is the final year of the SPF, although UK Government have allowed some flexibility for funded projects to complete their activity during the first half of 2026/27.
- 4.3. The LGF will be the main successor to the SPF (Pride in Place is the other component).
- 4.4. 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 provided to the Welsh Government in the first instance.
- 4.5. The Welsh Government [consulted on its proposed approach to the UK Local Growth Fund in Wales](#) during November and December 2025. (To coincide with publication of the responses to the consultation the Welsh Government Cabinet Secretary for Economy, Energy and Planning made an [oral statement to the Senedd on 24 February 2026](#)).
- 4.6. The LGF will be operational from 01 April 2026.
- 4.7. The purpose of the LGF is to support the UK Government's growth mission; Welsh Government's proposed objective for the Fund is to *support productivity growth and tackle issues that lead to economic inequalities*.

- 4.8. The Fund will deliver against three themes defined by the UK Government:
- Business support
 - Skills and employment support for growth
 - Enabling local growth infrastructure
- 4.9. The Welsh Government's proposals emphasise regional collaboration and coordination, although the importance of delivering locally is acknowledged. Their proposals also provide scope for national activities/interventions where appropriate.
- 4.10. The Welsh Government regards the first year of the Fund (2026/27) as a transition period and 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 LGF.
- 4.11. From 2027/28, they intend to allocate most of the funding to CJs in Wales 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. Welsh Government intend to provide £200,000 to each CJC in 2026/27 to plan and prepare.
- 4.12. 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.
- 4.13. In comparison to the SPF provided to North Wales for 2025/26 the LGF for 2026/27 will represent:
- a 15.9% (£6.72 million) reduction in funding;
 - a £19.97 million (65.1%) drop in the revenue funding available; and,
 - a 112.6% (£13.24 million) increase in capital expenditure.
- 4.14. As required by Welsh Government, a transition plan outlining the approach proposed for the first year of the LGF has been developed collectively by the region's local authorities working with Ambition North Wales and Welsh Government's North Wales regional team.
- 4.15. The Plan has been developed to reflect the expressed desire to maintain - as far as possible - the region's current working practices and approach developed for the SPF 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 seeking to operate across local areas.
- 4.16. Welsh Government is not providing a LGF allocations for individual counties, however reflecting the above a distribution model based on the SPF is proposed (reflecting the approach by Welsh Government to allocate 2026/27 LGF funding between regions):

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

- 4.17. A new legal agreement will need to be established between Cyngor Gwynedd and the region's local authorities. The agreement will be based on the existing document, amended to reflect the requirements of the Welsh Government. Similarly, 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 LGF allocation is available for this purpose).
- 4.18. As at present, a Collaboration Board of senior officers of the six counties together with representation from Ambition North Wales and the Welsh Government will oversee the delivery of the LGF in the region. The Board will continue to be supported by a Coordination Group of managers from each county responsible for the day to day operation of the Fund.
- 4.19. Local areas will continue to monitor progress in the delivery in their local areas, augmented by regional reporting via the Executive Officers Group and, the Economic Well-being Sub-Committee.

5. FINANCIAL IMPLICATIONS

- 5.1. The reduction in the quantum and composition of the funding to be provided by the LGF has clear implications for the volume and type of activity which may be supported (as does the change in purpose and priorities of the Fund from the SPF).
- 5.2. The impact of these changes will be most keenly felt during 2026/27, whilst the CJC will not be responsible for the funding at this time, there will be an impact on activity which contributes to the economic well-being of the region.
- 5.3. Welsh Government propose that the CJC does become responsible for the funding from 2027/28 and the implications of this will need to be explored during the transition year.
- 5.4. The scale of LGF funding for North Wales for the second two years of the programme is unknown but should the distribution between regions in Wales remain broadly aligned with the 2026/27, funding could be in the range of £70 to £80 million.

6. LEGAL IMPLICATIONS

- 6.1. No direct implications for the CJC are anticipated for 2026/27. The implications from 2027/28 will need to be explored during the transition year.

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer:

“The report describes the proposed transitional arrangements for the Local Growth Fund during 2026/27, during which existing Shared Prosperity Fund delivery structures will continue to operate with Cyngor Gwynedd acting as lead authority.

The proposed involvement of the Economic Well-being Sub-Committee in monitoring the transition is consistent with the CJC's economic well-being function and existing

governance framework. As the intention is for responsibility for the Fund to transfer to the CJC from 2027/28, it will be important during the transition year to ensure that appropriate governance, decision-making and accountability arrangements are clearly established. Subject to this, no specific legal issues arise from the recommendations within the report.”

ii. Statutory Finance Officer:

“The decisions sought reflect the expectations of Welsh Government in the delivery of the Local Growth Fund. The reduction in funding relative to the Shared Prosperity Fund, and the significant change in the ratio of revenue to capital funding, will be felt across north Wales.”