
ECONOMIC WELL-BEING SUB-COMMITTEE

17 July, 2026

TITLE: Local Growth Fund in North Wales
– advance planning for greater regional collaboration from 2027/28

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1. PURPOSE OF THE REPORT

- 1.1. The purpose of this report is to update the Economic Well-being Sub-Committee on the Local Growth Fund (LGF), and to seek the Sub-Committee's support to progress the work required over the summer to begin planning to meet the Welsh Government's requirement for greater regional collaboration and co-ordination of the fund from 1 April, 2027.
- 1.2. The CJC considered the requirement and resources provided by Welsh Government to plan for delivery of the LGF in years two and three of the programme at its meeting on 20th March 2026. The CJC decided to ask the Economic Well-being Sub-Committee to guide preparations for the transition of the Fund to the Corporate Joint Committee from 2027/28 (noting that this was in response to the anticipated requirement by Welsh Government, although contrary the Members' stated wish). The CJC also authorised the utilisation of funding provided by Welsh Government 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.
- 1.3. The CJC subsequently considered a Corporate Planning report on the 19th June, 2026 which referenced work to prepare for the transition of the LGF to the CJC from April 2027. At that meeting, the CJC resolved to defer the Corporate Planning decision to obtain a better understanding from the new Welsh Government about its views on supporting the proposed model for funding and delivering the Local Growth Fund.
- 1.4. This Sub-Committee meeting is therefore an appropriate opportunity to provide that further information and seek the necessary decision.

2. DECISION SOUGHT

- 2.1. To note the update on the Local Growth Fund transition arrangements since the relevant CJC reports presented in March and June.
- 2.2. To note that the Year 1 (2026-27) Transition Plan for LGF has been submitted on the 9th June to Welsh Government by Cyngor Gwynedd as the lead accountable body for Year 1, and that this plan sets out the approach to maintaining continuity from the UK Shared Prosperity Fund (SPF) while preparing the region for a fully regionalised delivery model under the Corporate Joint Committee (CJC) in Years 2 and 3.
- 2.3. To endorse the proposed programme of work and milestones required before the next meeting of the Economic Well-being Sub-Committee in October 2026, recognising that preparatory

work must commence immediately should the CJC be required to take responsibility for the LGF from April 2027.

- 2.4. To authorise officers to progress the necessary planning, engagement, commissioning and capacity-building work over the summer, using the funding provided by Welsh Government to support preparation for delivery of the LGF from 2027/28.

3. BACKGROUND AND RELEVANT CONSIDERATIONS

3.1. Local Growth Fund

- 3.1.1. The Shared Prosperity Fund (SPF) provided almost £169 million to support economic and social development in North Wales between 2022 and 2026. 2025/26 was the final year of SPF, and from the 1st April 2026 it has been replaced by the Local Growth Fund (LGF).
- 3.1.2. Although it succeeds the SPF, the intention and priorities of the LGF differ, reflecting new UK Government priorities and the change in the composition of the funding (i.e. a shift from revenue funding to predominantly capital funding).
- 3.1.3. The stated ambition is to support productivity growth and address the issues that lead to economic inequalities across Wales.
- 3.1.4. The Fund has three priorities and eight objectives. The Fund's priorities are:
 - More productive and competitive businesses
 - Increasing skills and supporting people into work
 - Improving regional infrastructure
- 3.1.5. The Welsh Government published its [Local Growth Fund Investment Plan](#) on 23 March 2026. This sets out a strategic framework for investing in productivity growth across Wales, supporting sustainable economic development and improved living standards. The Fund is designed to target lagging areas with the greatest potential for productivity catch-up, helping businesses to grow, create better-paid jobs and strengthen regional economies.

3.2. Current Position

- 3.2.1. The LGF remains a UK Government programme, but the Welsh Government will receive the funding and be accountable for its expenditure. The Welsh Government intends to allocate a large proportion of the funding to regions and wishes to do so via the Corporate Joint Committees.
- 3.2.2. The Welsh Government considers 2026/27 to be a transitional year to allow time for the Corporate Joint Committees to prepare and plan, and therefore the SPF administration and governance arrangements will continue to be used this year.
- 3.2.3. Cyngor Gwynedd will be the lead Local Authority for the LGF on behalf of the North Wales counties in 2026/27. The grant offer letter for 2026/27 has been received by Cyngor Gwynedd. This is based on a Transition Plan which sets out a pragmatic approach to maintaining continuity during 2026/27 while preparing for more regional model in Years 2 and 3. The offer was signed on 23 April, but it included a requirement for additional detail to be provided to Welsh Government; an updated version of the Plan was submitted on the 9th June. Up to 4% of the transition year funding is available as an administration budget.

- 3.2.4. In line with the region's proposals for 2026/27, all six local authorities are currently scoping and developing proposals for delivery during first year of the programme with due regard for the priorities of the programme as well as regional alignment and local needs / opportunities. Deliverability is also a core consideration given the practical constraints. In parallel, the governance arrangements for administering the LGF in 2026/27 are being put in place by Cyngor Gwynedd - working with the other local authorities.
- 3.2.5. As noted above, from 2027/28 Welsh Government intends that responsibility for strategic planning, prioritisation, portfolio development and oversight of LGF is transferred to the CJC. Should this be the case, the CJC will need to establish the necessary strategic, governance, assurance, financial management, monitoring and delivery arrangements during 2026/27.
- 3.2.6. To this end, as previously reported, the Welsh Government has provided £200,000 to the CJC to carry out the necessary strategic planning (in the form of a 'Regional Growth Plan') and capacity building.
- 3.2.7. On the 19th June, 2026 the CJC considered a Corporate Planning report which referenced preparations for the transition to managing the LGF from April 2027. That report identified the Regional Growth Plan as a key component of the CJC's wider corporate planning work and proposed use of the £200,000 Welsh Government funding. The CJC deferred the decision to allow a better understanding of the new Welsh Government's position on the proposed model for funding and delivering the LGF.
- 3.2.68. The desire of Members to retain local decision making in relation to the LGF has been conveyed consistently and vociferously to Welsh Government. The March and June discussions reflected an evolving position. In March, Members considered the implications of the proposed transition from SPF arrangements to a CJC-led model from 2027/28. By June, the CJC sought further clarity from the new Welsh Government, post the Welsh Senedd election, before progressing wider Corporate Planning decisions.
- 3.2.9. Final Welsh Government guidance for LGF was received by officers on 30 June, 2026 (although it remains unpublished) – this provides clarity on the new Government's desired approach to future delivery of the LGF and the expectations of CJs from 2027.
- 3.2.10. The guidance reaffirms Welsh Government's intention that the LGF be administered via the CJs in future. It also confirms their desire that LGF be a strategic, plan-led and portfolio-based programme, co-ordinated regionally. Given that this runs contrary to the stated wishes of the Members, officers have asked that Welsh Government correspond formally to confirm their position; a letter to this effect from the Cabinet Minister for Enterprise, Connectivity and Energy, is anticipated imminently.
- 3.2.11. CJs are required to lead the development of Regional Growth Plans, providing a coherent and democratically accountable framework for regional investment. The 10-year Regional Growth Plan should set out the region's long-term vision for growth, describe economic needs and opportunities, identify where LGF can add value, and set out a prioritised and targeted portfolio of interventions supported by governance, assurance, monitoring, evaluation and risk management arrangements. A further guidance document is expected imminently to reference Welsh Government's expectations of the Regional Growth Plan.

- 3.2.12. The CJC has received a Welsh Government grant award letter confirming up to £200,000 in 2026/27 to produce the Regional Growth Plan and support the capacity building and partnership arrangements needed to prepare for implementation from April 2027. The grant conditions require a progress report by 30th July, 2026 a draft Regional Growth Plan by 30th September, 2026 and a final Regional Growth Plan by 30th November, 2026.

4. REASON FOR THE DECISION

4.1. Regional Growth Plan

- 4.1.1. Welsh Government guidance confirms that, from 2027 onwards, CJs will be expected to lead regional planning, prioritisation and oversight of the Local Growth Fund through a 10-year Regional Growth Plan. The transition year provides an opportunity for North Wales to prepare for those responsibilities and to shape how regional investment is prioritised and co-ordinated in future.
- 4.1.2. The development of a Regional Growth Plan provides an opportunity for the six local authorities, working through the CJC and with stakeholders, to articulate a shared vision for the future of North Wales while ensuring that local opportunities, challenges and aspirations are reflected in regional priorities. The Plan should not replace local priorities, but provide a framework through which local and regional ambitions can be aligned and presented in a way that strengthens the region's ability to secure and target future investment. The development of the Plan should therefore be viewed not as a requirement of the Local Growth Fund, but as an opportunity for North Wales to shape a shared long-term vision for growth and ensure that local priorities are reflected within future regional investment decisions.
- 4.1.3. Whilst the Local Growth Fund is the immediate catalyst for this work, the Regional Growth Plan has the potential to become the principal strategic framework for regional economic development in North Wales. The Plan will provide an opportunity to articulate a long-term vision for growth, identify the region's economic opportunities and challenges, align investment activity and demonstrate how regional priorities contribute to national objectives. It can also provide a framework within which Local Growth Fund investment, together with wider regional activity and investment programmes, can be considered in a coherent and co-ordinated way.
- 4.1.4. The transition year therefore has two distinct purposes. Firstly, it enables delivery of the Local Growth Fund during 2026/27 through existing arrangements. Secondly, it provides the opportunity to develop the strategic, governance, assurance and delivery frameworks required for the CJC to assume responsibility for regional planning, prioritisation and oversight from April 2027. This includes development of the Regional Growth Plan, governance arrangements, delivery frameworks and future investment priorities in partnership with the six local authorities and key regional stakeholders.
- 4.1.5. The decision required at this meeting is not a final decision on the Regional Growth Plan or future delivery arrangements. Rather, it is a decision to enable the preparatory work needed to develop the evidence base, undertake engagement, establish governance and assurance arrangements, and bring forward proposals for future consideration through the CJC's governance arrangements.
- 4.1.6. Welsh Government's timetable requires a progress report by 30th July, 2026 a draft Regional Growth Plan by 30th September, 2026 and a final Plan by 30th November, 2026. Commencing work now will allow North Wales to make effective use of the preparation funding provided by

Welsh Government and ensure that the region is well positioned to influence and respond to the emerging framework before responsibility transfers to the CJC from April 2027.

4.2. Proposed Approach

- 4.2.1. Development of the Regional Growth Plan will build upon the existing regional evidence, strategies and workstreams already in place. This includes the Regional Economic Framework, Growth Deal Portfolio activity, Investment Zone activity, Regional Transport Plan, Strategic Development Plan, Regional Skills and Employability Plan, Local Area Energy Plans to name a few.
- 4.2.2. The proposed approach will include: a gap analysis of existing evidence and strategies; a refresh of the regional economic baseline; development of a long-term strategic framework and vision for the region; preparation of an investment portfolio and delivery framework for LGF; and development of governance, assurance, monitoring, evaluation and risk management arrangements.
- 4.2.3. Where necessary, expertise will be commissioned to add capacity, provide independent challenge and accelerate delivery, alongside officer-led support from Ambition North Wales, the six local authorities and regional partners. This combined approach will be necessary given the Welsh Government timetable.

5. KEY MILESTONES AND RISKS

- 5.1. The timetable set by Welsh Government means that a significant amount of work must be completed before the next Sub-Committee meeting in October.
- 5.2. The immediate milestones are: submit a progress report to Welsh Government by 30th July 2026; confirm governance arrangements and align the LGF transition programme with the CJC Corporate Planning workstreams during July and August; map the 30th June guidance against current regional arrangements; commission or mobilise the capacity required to develop the Regional Growth Plan; and undertake structured engagement with the six local authorities, Welsh Government, regional partners, the private sector, further and higher education, and other stakeholders.
- 5.3. During August and September, in collaboration with the local authorities and other key partners in the region, the work will need to develop the evidence base, theory of change, prioritisation framework and initial portfolio options required to demonstrate how LGF investment will contribute to productivity growth, reduced economic inequality and the region's long-term vision. It will also need to prepare draft governance, financial management, monitoring, evaluation, risk and assurance arrangements to support CJC readiness and meet Welsh Government expectations.
- 5.4. By the 30th September, 2026 a draft Regional Growth Plan must be submitted to Welsh Government. In October, the Sub-Committee will receive the draft Plan, an update on Welsh Government feedback, any outstanding decisions required, and the programme of work needed to finalise the Plan by 30th November, 2026.
- 5.5. It is uncertain at this point how failure to meet these key milestones will impact the North Wales region. There is a risk that if required transition plans and arrangements are not in place for April 2027, this could impact on available funding and time for projects to be delivered.

6. FINANCIAL IMPLICATIONS

- 6.1. The CJC has received a Welsh Government grant award of £200,000 in 2026/27 to produce the Regional Growth Plan and support the capacity building and partnership arrangements needed to prepare for implementation from April 2027
- 6.2. The report outlines the need to utilise the £200,000 Welsh Government grant for the purposes set out in this report.

7. LEGAL IMPLICATIONS

- 7.1. The decision sought enables preparatory work to be undertaken in anticipation of the expected transfer of regional planning, prioritisation and oversight responsibilities for the Local Growth Fund to the CJC from April 2027.
- 7.2. The report does not seek approval of the final Regional Growth Plan, future LGF delivery arrangements, individual projects or funding awards. Those matters will require further reports and appropriate legal, financial and other advice before any binding decisions are taken.
- 7.3. The use of the £200,000 Welsh Government preparation funding will need to comply with the terms of the grant award letter, including the required milestones for progress reporting, draft plan submission, etc.

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer:

"It's noted that the decision is to progress preparatory work for the Local Growth Fund transition and Regional Growth Plan, and does not constitute final approval of the Regional Growth Plan, future delivery model, investment portfolio or individual funding decisions.

Any commissioning, engagement, et cetera would need to be undertaken in accordance with the Welsh Government grant conditions, the CJC's procurement and financial procedure requirements, and appropriate legal and governance advice.

Further reports will be required before any final Regional Growth Plan, delivery arrangements and funding commitments are approved."

ii. Statutory Finance Officer:

"In view of the Welsh Government's confirmation that it expects the Corporate Joint Committee to administer the Local Growth Fund in 2027/28 and 2028/29, and to develop a Local Growth Plan, it is appropriate that the Sub-Committee puts the necessary arrangements in place to ensure that preparatory work is undertaken in a timely manner. I can confirm the financial information contained in the report."