



ECONOMIC WELL-BEING SUB-COMMITTEE

02 October, 2026

TITLE: Local Growth Fund in North Wales – proposed next steps and evidence gathering

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1. PURPOSE OF THE REPORT

- 1.1. 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 to secure c.£80 million funding for North Wales, for the next two years, from the Welsh Government.

2. DECISION SOUGHT

- 2.1. That the Sub-Committee note the requirement from Welsh Government for a 10 Year Regional Growth Plan and a Local Growth Fund Delivery Plan for Years 2 and 3 to be submitted by January 2027 - for Welsh Government approval to release funding from April 2027.
- 2.2. That the Sub-Committee request each partner organisation to consult internally, identify and submit by 30th October 2026 their strategic priorities in line with Welsh Government guidance and framework for Local Growth Fund, working with CJC officers who will co-ordinate the process.
- 2.3. That the Sub-Committee approve the proposed programme of work as set out in sections 4.5 and 4.6 of this report and request that the Chief Executive working alongside officers from partner organisations and Welsh Government prepare an interim Regional Growth Plan and seek confirmation that this approach will meet the Welsh Government requirements.
- 2.4. That the Sub-Committee note that further reports on the Regional Growth Plan and Local Growth Fund Delivery Plan for Years 2 and 3 will be presented in November and December to secure input and direction from the Sub-Committee, alongside Welsh Governance guidance, before a final proposal is presented for approval in January 2027.

3. REASON FOR THE DECISION

- 3.1. There is c.£80 million of funding (c.£40 million per annum) available for North Wales for years 2 and 3 Local Growth Fund, conditional on Welsh Government approval. The work outlined in recommendation 2.1, 2.2 and 2.3 is required in order to secure the Welsh Government approvals to release funding from April 2027.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. The Government's Local Growth Fund (LGF) replaces the Shared Prosperity Fund. In Wales it is administered by Welsh Government through [its LGF Investment Plan](#). Any funding after that depends on future Spending Reviews.

- 4.2. Financial Year 2026–27 is a transition year. Cyngor Gwynedd continues as lead local authority for North Wales under the former SPF model, operating under a transition plan agreed with Welsh Government. North Wales receives £33.98m this year. This includes £200,000 of revenue for CJC capacity building, provided specifically so the CJC can prepare a regional plan.
- 4.3. From 2027–28, Welsh Government will award funding directly to the four Corporate Joint Committees through annual grant offer letters. Each CJC will then lead regional planning and portfolio selection. The indicative North Wales allocation is £41.44m in 2027–28 and £39.92m in 2028–29. Each year includes a pan-Wales capital ringfence of £5.37m for North Wales. This gives the region around 21.5% of the Wales total.
- 4.4. These allocations are indicative. They are conditional on Welsh Government agreeing a regional plan for North Wales. Welsh Government expects that plan to set out a long-term, 10-year vision for the region. It describes this approach as reflecting OECD best practice and as broadly similar to the Local Growth Plans being prepared in England.

4.5 Local Growth Delivery Plan

- 4.5.1. LGF investment for years 2 and 3 must align with Welsh Government's three priorities: more productive and competitive businesses; increasing skills and supporting people into work; and improving regional infrastructure. There are also 8 objectives within these priorities (see full list at Annex A). The LGF plan must explain how interventions address different needs across the region, including the areas facing the greatest challenges. It must also show that LGF funding will leverage additional private investment. Welsh Government accepts that a direct, measurable impact on productivity is unrealistic. However, it expects a clear "golden thread" from regional activity to its priorities for productivity growth and for lagging areas catching up.
- 4.5.2. During October we are proposing a 4 week 'call for evidence' from partner organisations, asking each partner to set out their strategic priorities for reducing productivity gaps, tackling inequalities in areas of deprivation and rurality across the region, and how their proposals for intervention fit within the Welsh Government's framework. The CJC will co-ordinate this process and bring the outputs to the Sub Committee for initial review in November. We anticipate further engagement work will then be needed to refine and develop proposals further.
- 4.5.3. The Welsh Government has set expectations for partnership working and transparency. Any plans produced must also be developed with business representative bodies, social partners and the third sector, higher and further education, and funders and finance institutions. Alongside identifying strategic priorities with partners, we will need to agree a programme of engagement with stakeholders in North Wales. For example, one option could be to ask the Regional Skills Partnership to co-ordinate a pan-regional skills package of interventions, working on behalf of partners. Similarly, business support packages could be co-ordinated regionally or sub-regionally to ensure consistency of offer, with delivery retained locally. These options will be explored with Local Authorities and partners during October.

4.6. Regional Growth Plan

- 4.6.1. The Welsh Government requires CJs to set out a plan that analyses long-term strengths, opportunities and needs, and set out a 10-year vision for growth. That vision should cover all significant growth opportunities, not only LGF funds. For North Wales, these include the

Growth Deal, the Flintshire and Wrexham Investment Zone, Anglesey Freeport, the Gwyndod nuclear development proposals, AI Growth Zone and offshore wind. It must then show how LGF investment will address the gaps and add value within that wider picture. It must also demonstrate that the LGF complements Welsh Government and UK Government entities and programmes such as the Development Bank of Wales, Business Wales, Medr, UKRI, the National Wealth Fund and the British Business Bank.

- 4.6.2. Given the compressed timetable we propose developing an interim Regional Growth Plan titled 'Towards a 10 Year Growth Strategy' to be prepared in November following engagement with Local Authorities and regional partners, and further developed with Sub Committee input in November and December. This will aim to set the key foundations for the 10 Year Growth Plan. Should the Sub-Committee endorse this approach, the CJC would seek confirmation from Welsh Government that this approach meets their requirement to secure Local Growth Funding for Years 2 and 3. The approach would allow for the formal 10 Year Growth Plan to be developed, democratically consulted on and approved in detail after the Local Government elections in May 2027.

5. KEY MILESTONES & TIMETABLE

- 5.1. The Sub-Committee is asked to note the requirements and to endorse the proposed timetable. In particular, it is asked to note two points:
- First, the 10-year Growth Plan and the LGF Delivery Plan are being developed together, so that LGF investment clearly contributes to the wider regional vision.
 - Second, the January approval point is critical to securing the 2027–28 allocation.

Date	Milestone
October 2026	Engagement with the six local authorities, and strategic partners, to identify strategic priorities and agree approach for year 2/3
November – December 2026	Draft RGP and LGF Delivery Plan prepared and revised
January 2027	CJC approval of the RGP and Delivery Plan
February – March 2027	Welsh Government review and agreement of the plan; 2027–28 grant offer
April 2027	CJC-led LGF delivery begins
2027–28 onwards	Six-monthly Welsh Government reviews; the 10-year plan is kept under review and refreshed alongside future UK Spending Reviews

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

7. LEGAL IMPLICATIONS

- 7.1. The legal implications at this stage are limited. The report seeks approval to progress preparatory work on the Regional Growth Plan and Local Growth Fund Delivery Plan and does not approve the final plans, individual projects or funding awards. Any future acceptance of Welsh Government funding, approval of plans and subsequent project or funding decisions will require the appropriate decision-making authority and further legal and financial advice.

STATUTORY OFFICERS' RESPONSE:

i. Monitoring Officer:

"The recommendations provide an appropriate basis for progressing the preparatory work required to develop the Regional Growth Plan and Local Growth Fund Delivery Plan. No binding decision is being taken at this stage in relation to the final plans, individual projects or funding awards. I have no objection to the decisions sought."

ii. Statutory Finance Officer:

"The grant provided by Welsh Government has been included in budgetary considerations for 2026/27. From a financial perspective I have no objections to the decisions sought; this report is one of a number of steps to be taken in the development of the Local Growth Fund and the regional growth plan."

Annex A – Welsh Government LGF Priorities & Objectives
[Local Growth Investment Plan – Published by Welsh Government](#)

Priority 1: More productive and competitive businesses

Objective 1.1: Creation and growth of high-potential start-ups, spinouts, and social enterprises – including from under-represented groups.

Objective 1.2: Increasing capital investment in high growth potential businesses to support productivity growth

Objective 1.3: Increase levels of investment in RD&I capacity, exploitation and diffusion in businesses and research organisations

Priority 2: Increasing skills and supporting people into work

Objective 2.1: Reduce levels of economic inactivity, notably among young people, disabled people, women and people from ethnic minority backgrounds

Objective 2.2: Enhance workforce skills through flexible, demand-led education and training aligned with needs of high-growth and regionally important sectors

Priority 3: Improving regional infrastructure

Objective 3.1: Unlock investment in strategic sites and premises

Objective 3.2: Capital investment aligned to Regional Transport Plans

Objective 3.3: Capital investment aligned to regional energy plans / strategies