

CYNGOR GWYNEDD – Report to the Cyngor Gwynedd Cabinet

Title of item:	<u>2025/26 Shared Prosperity Fund in Gwynedd</u>
Cabinet Member:	Councillor R. Medwyn Hughes Cabinet Member – Economy and Community
Relevant officer:	Dylan Griffiths, Manager, Economic Development Service Economy and Community Department
Date of meeting:	08 April 2025

1. Decision Sought

- 1.1 To agree to the continuation of the UK Shared Prosperity Fund's regional governance procedure for the 2025/26 transitional year, and authorise the Head of Economy and Community Department - in consultation with the Head of Finance, Head of Legal Service and the Chief Executive - to confirm the arrangements.
- 1.2 To continue with the UK Shared Prosperity Fund's local governance arrangements in Gwynedd for the 2025/26 transitional year.
- 1.3 To agree that it is required for every scheme in Gwynedd, which receive funding from the Shared Prosperity Fund, to realise two principles:
 - a) That targeted efforts are made to ensure that SPF money and the resulting benefits are beneficial to communities and residents in all parts of Gwynedd.
 - b) That targeted efforts are made to encourage activities (and organisations), that have not previously received funding, to obtain access to support.
- 1.4 In accordance with the principle of the UK Government that the 2025/26 funding of the Shared Prosperity Fund is an extension of the 2022/23 to 2024/25 period, which transitions to a new funding procedure; to agree to evolve and adapt activities from amongst existing projects and extend them for the transitional year.
- 1.5 To agree to commit up to £7,900,000 from the Gwynedd 2025/26 allocation from the UK Shared Prosperity Fund to the 14 schemes listed in the report.
- 1.6 To agree to the continuation of four funds (with a total budget of approximately £2.29 million) to distribute smaller sums of Shared Prosperity Fund money to the county's enterprises and communities, authorising the continuation of three funds under Cyngor Gwynedd's control.
- 1.7 To authorise the Head of Economy and Community Department, in consultation with the Head of Legal Service, the Head of Finance Department and the Chief Executive,

to confirm the details of the plans and financial contribution, in consultation with the Shared Prosperity Fund Panel: Gwynedd.

2. What is the reason why the Cabinet must make the decision

- 2.1 The UK Government established the Shared Prosperity Fund for a period of three financial years up to the end of 2024/25. Governance arrangements were established and money was committed to projects in line with the timetable.
- 2.2 The UK Government has decided to continue with the Fund for another year (2025/26), and so the Cabinet needs to confirm the arrangements for this additional year and decide how to use the money.

3. Introduction and Rationale

3.1 Background / Introduction

- 3.1.1 The UK Shared Prosperity Fund (SPF) was announced in April 2022 for the period up to March 2025. The Fund is £2.6 billion, with money to be allocated to all parts of the UK, based on a formula.
- 3.1.2 In England, the money has gone directly to individual Local Authorities. In Wales, local areas had to collaborate and one 'lead authority' had to be accountable for the money on behalf of the region (Cyngor Gwynedd in the case of North Wales). More background information can be found in the report submitted to the Cabinet on 19 July 2022 (see [here](#)).
- 3.1.3 It was confirmed in December 2023 that £126.46 million had been allocated to North Wales for the period. An allocation of £24.42 million was given to Gwynedd (including £2.94 million to be used exclusively to improve the numeracy skills of adults).
- 3.1.4 Although there is emphasis on regional collaboration in the context of the SPF, every county in North Wales were in agreement that areas need to benefit in accordance with the value of their individual allocation, and that deciding how to use their allocation was a matter for local areas.
- 3.1.5 A legal agreement was established to manage the relationship between the counties; in every county, staff are employed to implement the Fund, and the team collectively in Gwynedd look after the administration of the money. The arrangements for the governance and delivery of the Fund were adopted by the Cabinet on 24 January 2023 (see [here](#)).
- 3.1.6 During the first half of 2023, an open / competitive application procedure was carried out for larger schemes who wish to receive money directly from the SPF. (The details of the procedure continues to be on the Council's website, [here](#)).

- 3.1.7 On 20 July 2023 (see [here](#)), the Cabinet - on the grounds of recommendations from a Panel including Cabinet Members and Council's chief officers, in consultation with local stakeholders - committed £21.35 million of Gwynedd SPF funding to 39 schemes, including establishing funds to distribute smaller sums from the Shared Prosperity Fund money to the county's enterprises and communities. The details of all the schemes can be seen on the Council's website, [here](#).
- 3.1.8 The current funding period ends on 31 March 2025. Any money that has not been spent by then will be returned to the UK Government.
- 3.1.9 In the Autumn Budget (30 October 2024), the UK Government announced an intention to continue with the Fund with less money (£900 million) for 2025/26 to allow time to amend the funding procedure from April 2026.
- 3.1.10 On 13 December 2024, the allocations for 2025/26 were announced (see [here](#)). £42.42 million has been allocated to North Wales for 2025/26, which is around half the expenditure for 2024/25. £8.19 million has been allocated to Gwynedd, with £7.90 million available for project delivery.
- 3.1.11 The UK Government considers the new money as:
- an extension of the 2022-25 fund to ensure stability (although separately for budgetary and reporting purposes);
 - a transitional year which provides assurances when preparing to change the funding procedure within the work field;
 - a continuation of the existing method and administration;
 - a continuation of the existing activity where appropriate;
 - a means to enable the UK Government officers (with Welsh Government) to focus on the future funding after 2025/26.
- 3.1.12 Reflecting the above, the UK Government presumes that the current 'lead authorities' will continue. They have also confirmed that only expenditure between 01 April 2025 and 31 March 2026 will be eligible to receive money and that they intend for the SPF to end at that time.

3.2 The rationale and justification for recommending the decision

- 3.2.1 There are practical restrictions associated with realising a transition year to the SPF in 2025/26. Mainly, the lack of time to select plans and for those plans to deliver, creates a risk in terms of ensuring the best use of the money, whilst making sure that money is being spent and is not returned to London.

Governance

- 3.2.2 As time is scarce and as the Shared Prosperity Fund is ending, it would not be logical to change or adapt the governance arrangements for the North Wales region, beyond what is necessary.

- 3.2.3 Recommendation 1.1 asks to continue with the regional governance arrangements for the 2025/26 transitional year, including that Cyngor Gwynedd continues to be the 'lead authority' for the SPF in North Wales. Some changes to the existing agreement between the six North Wales authorities are inevitable, to reflect the change in the SPF programme period and the budget, and so the Cabinet is required to authorise officers to undertake the work.
- 3.2.4 Locally (recommendation 1.2), it is logical to continue with the governance arrangements adopted previously. It is a UK Government requirement that the Local Authority decides on the use of the money and that there is a procedure of obtaining stakeholder input (a Consultative Group was established for the Gwynedd SPF in this respect).
- 3.2.5 Continuing with the Panel within the Council, including the Cabinet Members (specifically the Leader, Deputy Leader, Cabinet Member for Economy and Community and the Cabinet Member for Finance) and the chief officers (the Chief Executive, Head of Finance, Head of Legal Services and the Head of Economy and Community), to monitor the delivery of the SPF during 2025/26 and to offer guidance, will be important to ensure that the Fund can be managed in a flexible and responsive way.
- 3.2.6 To be consistent with the decision-making procedure to commit SPF funding for 2022/23 - 2024/25, a decision is sought from the Cabinet to commit the Gwynedd 2025/26 SPF allocation.

Implementation method for 2025/26

- 3.2.7 Taking observations from the Consultative Group of county stakeholders into account, the Council has considered how to make the best use of the additional money for 2025/26 within the restrictions, which derive from the lack of time to develop proposals and implement them.
- 3.2.8 To ensure that every scheme receiving 2025/26 SPF funding delivers for the people and communities of Gwynedd, there are two principles that we wish to adopt to ensure that the SPF benefits continue to spread in the county:
- a) That targeted efforts are made to ensure that SPF money and the resulting benefits are beneficial to communities and residents in all parts of Gwynedd.
 - b) That targeted efforts encourage activities (and organisations), that have not previously received funding, to obtain access to support.
- 3.2.9 The Council wishes to ensure through recommendation 1.3 that every project incorporates these principles in their design and implementation.
- 3.2.10 Ideally, the Council and Consultative Group would wish to hold a full application procedure to ask for proposals for 2025/26 SPF funding, but it is not considered that there is sufficient time to hold an exercise or approve new schemes to be developed and implemented.

- 3.2.11 In the same manner, the Council and Consultative Group was not of the opinion that only giving opportunities to submit proposals to the schemes that are operational already would be desirable or acceptable, considering the core principles.
- 3.2.12 Consequently, the Council has commissioned plans with partners on the grounds of the UK Government themes for the 2025/26 SPF, using a selection of plans funded in 2022/23 to 2024/25 as a basis (recommendation 1.4).
- 3.2.13 It is acknowledged that there will be a need for plans operating across more than one county to continue to be individual applications for administrative purposes. Nevertheless, the same requirement to collaborate with other schemes in the county in the same field will continue, as well as the requirement for them to incorporate the principles in recommendation 1.3.

Gwynedd 2025/26 SPF Schemes

- 3.2.14 Despite the practical constraints, there was a wish to ensure that 2025/26 schemes incorporate lessons from the previous period, evolve their activities to reflect opportunities or new needs and coordinate activity within the work fields to increase the benefit.
- 3.2.15 The Council has facilitated bringing partners and stakeholders together, based on the themes adopted by the UK Government for the SPF in 2025/26, namely:
- Skills
 - Employability
 - Support for Business
 - Thriving Places
 - Healthy, Safe and Inclusive Communities
- 3.2.16 Reflecting on the established principles, there was a focus on organisations and stakeholders within the fields serving Gwynedd as a whole or a vast area of the county.
- 3.2.17 Similarly, attention was given to attempting to ensure that grant funds distributed smaller amounts of SPF money to help communities, enterprises and voluntary organisations in the county continued to be available.
- 3.2.18 The pack of schemes being recommended (recommendations 1.5 and 1.6), include 13 projects:
- Seven schemes are applications to continue schemes which operate across more than one county. These applications request £1.49 million (18.9%) from the SPF that is available to Gwynedd in 2025/26. (The continuation of these applications is subject to the support from other relevant counties).
 - Six schemes will be operational in Gwynedd only. The recommendation asks to make £6.41 million (81.1%) of the SPF funding available to these schemes. Every scheme includes provision across Gwynedd.

- The distribution across the SPF themes are as follows:

<u>Theme</u>	<u>Number of schemes</u>	<u>SPF Estimate</u>
Skills	2 (14.3%)	£697,000 (8.8%)
Employability	1 (7.1%)	£1,069,000 (13.5%)
Support for Business	5 (35.7%)	£1,428,000 (18.1%)
Thriving Places	2 (14.3%)	£ 2,179,000 (27.6%)
Healthy Communities, etc.	4 (28.6%)	£ 2,528,000 (32.0%)
<u>Total</u>	<u>14</u>	<u>£7,900,000</u>

- The schemes include 4 Funds that will distribute £2.29 million in the form of smaller grants to communities, enterprises and voluntary organisations. 28.9% of the SPF funding will be available for distribution.

3.2.19 The schemes recommended build on what has been learnt from realising the SPF in Gwynedd to date, address the established principles, and offer an appropriate balance of activity across the themes and work in the county and across counties when advantageous to do so.

3.2.20 There is an outline of individual plans in Appendix 1, but in brief:

THEME: Skills £697,000

1. Support plan for young people in education or training* (Grŵp Llandrillo-Menai)
2. Skills Scheme for the workforce and businesses * (Grŵp Llandrillo-Menai)

THEME: Employability £1,069,000

3. Pack to support people to achieve their potential in the working world (Cyngor Gwynedd and partners)

THEME: Support for Business £1,428,000

4. Ensure benefits from the North Wales Growth Deal * (North Wales Ambition)
5. Specialist support to establish social enterprises and enterprises in the ownership of their employees * (Cwmpas)
6. Enterprise Hub Gwynedd and Môn* (Menter Môn)
7. Support pack to gain from the University's expertise* (Bangor University)

8. **Support pack and a fund for Gwynedd enterprises**
(Cyngor Gwynedd and partners)

THEME: Thriving Places

£2,179,000

9. Ardal Ni Prosperous Places Pack (Cyngor Gwynedd and partners)

10. **Ardal Ni Regeneration Fund**
(Cyngor Gwynedd and partners)

THEME: Healthy, Safe and Inclusive Communities

£2,528,000

11. Community resilience development pack (Cyngor Gwynedd and partners)

12. **Diwylliesiant** - culture, heritage and health pack (Cyngor Gwynedd and partners)

13. **Voluntary Sector Fund**
(Mantell Gwynedd)

14. Active Communities* (Active North Wales)

* Projects operating across more than one county

Project including grants to be distributed to others

3.2.21 The final details of the individual schemes are still being developed; therefore, there is a desire to authorise officers (recommendations 1.7), to confirm the details in consultation established within the Council to monitor the SPF in Gwynedd.

3.3 Next Steps

3.3.1 The final details of the schemes will be verified as the details are received, then a direction to provide offer letters will be released.

3.3.2 The schemes can start in the meantime from 1 April, at the risk of the applicant and their partners.

4. **Views of the Statutory Officers.**

4.1 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 2025/26, it is appropriate to continue with the existing arrangements. I confirm the accuracy of the allocations set out in part 3.1.10 of 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."

4.2 Monitoring Officer

"The recommendations consequence of the nature and duration of the extension to the Shared Prosperity Fund. Given the short window available for the Council and the region, it is logical to extend the current arrangements if they are succeed. The recommendations in relation to the funds and allocation give the Cabinet an opportunity to consider and approve what is proposed. It also acknowledges that refinement work will be required on the exact details of the plans as we move to create offers that will meet the requirements of the plan and timetable."

List of Appendices:

1. Outline of the 2025/26 SPF funds

List of Background Documents:

1. Cabinet Item 19 July 2022: 'UK Shared Prosperity Fund'
<https://democracy.gwynedd.llyw.cymru/ielistdocuments.aspx?cid=133&mid=4696&ver=4>
2. Cabinet Item 24 January 2023: 'UK Shared Prosperity Fund - governance and operational arrangements'
<https://democracy.gwynedd.llyw.cymru/ielistdocuments.aspx?cid=133&mid=4839&ver=4>
3. Cabinet Item 20 July 2023: 'UK Shared Prosperity Fund - liabilities of Gwynedd allocations'
<https://democracy.gwynedd.llyw.cymru/ielistdocuments.aspx?cid=133&mid=5013&ver=4>

