Cyd-Bwyllgor Corfforedig
Gogledd Cymru
North Wales
Corporate Joint Committee

ECONOMIC WELL-BEING SUB-COMMITTEE

13 November, 2026

TITLE:	Local Growth Fund in North Wales – initial priorities and next steps
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1. PURPOSE OF THE REPORT

1.1. To update the Economic Well-being Sub-Committee on the work being developed to secure Local Growth Fund (LGF) for North Wales in 2027/28 and 2028/29, and to seek the Sub-Committee's input and endorsement to emerging proposals.

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 - for Welsh Government approval to release funding from April 2027.

2.2. That the Sub-Committee endorse the emerging priorities as set out in section 4.5 of this report, noting that these continue to be draft and will be brought back for approval at a later date (see 2.6).

2.3 To request the Chief Executive approach Cyngor Gwynedd to engage in discussions with a view to agreeing a commission arrangement to allow existing claim management and programme administration arrangements to continue into Year 2 of the programme with future arrangements for Year 3 and beyond to be evaluated in the summer of 2027.

2.3. That the Sub-Committee endorse the proposed prioritisation criteria set out in 4.6, and request that the Corporate Joint Committee apply this, in consultation with each local authority, to recommend provisional allocations in the delivery plan, brought back to this committee for approval in December (see 2.6).

2.4. That the Sub-Committee note the key principles of the Regional Growth Plan and Local Growth Fund Structure as set out in Annexes B and C, and request that the Chief Executive working alongside officers from partner organisations continue to develop these, and seek confirmation that this approach will meet the Welsh Government requirements.

2.5. That the Sub-Committee ask the Chief Executive to seek a delegation from the Corporate Joint Committee at it's meeting on the 20 November, for the Economic Well-being Sub-Committee to approve the Local Growth Fund submission to Welsh Government in mid-December.

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. Ambition North Wales has been asked to prepare a Regional Growth Plan and a Year 2 and 3 Local Growth Fund Delivery Plan and to be the Accountable Body for the Local Growth Fund Programme in Years 2 and 3.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

4.1. The Government's Local Growth Fund (LGF) is a three year fund, administered by Welsh Government through its LGF Investment Plan. Year 1 is the current financial year with Year 2 (April 2027-March 2028) and Year 3 (April 2028-March 2029). Any funding after that depends on future Spending Reviews.

4.2. From 2027–28, Welsh Government will award funding directly to the four Corporate Joint Committees through annual grant offer letters. Each Corporate Joint Committee 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 funding is conditional on Welsh Government sign-off.

4.3. At the 2 October Sub-Committee it was agreed that Ambition North Wales would run 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 Corporate Joint Committee is bringing the outputs from this initial phase of work to the Sub Committee today for initial review.

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. 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. A template for the Local Growth Fund is included in Annex C.

Table 1 illustrates the allocations to North Wales in Years 2 and 3.

Table 1 North Wales Year 2 and 3 Allocations			
£m	Year 2 (2027–28)	Year 3 (2028–29)	Two-year total
Revenue	12.9	11.4	24.4
Capital (regional)	23.1	23.1	46.3
Regional subtotal	**36.1**	**34.5**	**70.6**
Pan-Wales capital ringfence	5.4	5.4	10.7
Total	**41.4**	**39.9**	**81.4**

Table 2 illustrates the intention to allocate funding across the Priority Areas across Wales.

Table 2 – Allocations across Priority Areas – indicative across Wales						
£m	Y2 revenue	Y2 capital	Y2 total	Y3 revenue	Y3 capital	Y3 total
P1: Productive and competitive businesses	12.0	50.4	62.5	10.6	50.4	61.0
P2: Skills and people into work	36.1	13.3	49.4	31.9	13.3	45.1
P3: Regional infrastructure	9.6	63.7	73.3	8.5	63.7	72.2
Administration	2.4	5.3	7.7	2.1	5.3	7.4
Wales total	**60.2**	**132.6**	**192.9**	**53.1**	**132.7**	**185.8**

4.5.2. Priority 1 – More Productive and Competitive Businesses

4.5.3. As well as individual productivity interventions set out in Priority 2, LGF is concerned with driving productivity by supporting business growth and investment, both in terms of their output but also in terms of their employment. The programme has three objectives: growing high-potential start-ups, spinouts and social enterprises, including those from under-represented groups; increasing capital investment in businesses with high growth potential; and raising investment in research, development and innovation capacity, exploitation and diffusion across businesses and research organisations. The rationale is that firms grow more productive by expanding, exporting, innovating and reaching new markets. Many face barriers in doing so, particularly access to finance and expert advice, and Wales has historically had low levels of capital investment by both the public and private sectors.

Engagement with the partner local authorities has identified proposals that focus on business investment, job creation and private sector leverage. They cluster in the following four themes:

1. **Capital investment grants** – grants for SME investment in equipment, technology and productivity.
2. **Start-up and business growth support** – advice and grant programmes for new and growing businesses.
3. **Innovation and incubation space** – the Business Innovation and SME Scale-up Hub, linked to colleges, universities and anchor firms, and incubation and R&D space.
4. **Readiness for major investment** – a Readiness Business Programme preparing local businesses for growth.

4.5.4. Priority 2 – Skills & Employability

4.5.5. During October, the Corporate Joint Committee facilitated workshops with the Regional Skills Partnership (RSP) and its Employability Working Group, bringing together representatives from Further and Higher Education, local authorities, employability providers, Careers Wales, Business Wales, DWP, employers and Welsh Government to consider existing skills and employability provision across North Wales and test priorities for future investment.

4.5.6. The discussions highlighted the importance of building on effective existing provision, addressing gaps and avoiding duplication, while ensuring future interventions are employer-led and help more people access and progress in employment.

4.5.7. The Board also recognised the complex landscape of existing skills and employability provision across North Wales, involving a range of programmes, organisations and funding streams. While there is considerable activity already taking place, provision can be fragmented, and it is important to understand what is available, where gaps exist and where opportunities to improve coordination or expand successful approaches may be identified.

4.5.8. The six emerging priorities for future investment below should align with the emerging Regional Growth Plan and also align with the strategic direction and priorities of the new North Wales Skills and Employment Plan (2026–2029). They reflect the Plan's focus on supporting employers to access the skills they need, enabling individuals to develop and progress, and strengthening the connections between skills provision, employment opportunities and regional economic growth.

4.5.9. The six priorities are presented below and are not listed in any priority order.

1. Employment pathways and work experience – creating more opportunities for people of all ages and backgrounds to gain practical experience and access routes into sustainable employment, including placements, apprenticeships and work experience.

2. Employer opportunity creation – supporting employers, particularly SMEs and micro-businesses, to overcome recruitment barriers and create more opportunities through placements, apprenticeships and inclusive recruitment, helping them access a wider pool of talent.

3. Earlier intervention and prevention – identifying and supporting young people at risk of becoming NEET, strengthening transitions between education, training and employment.

4. Linking skills to economic growth – aligning skills and employment support with regional investment, major projects and emerging workforce opportunities, ensuring local people and businesses are better placed to benefit.

5. Workforce progression – helping people already in employment develop their skills, progress into higher-level roles and improve their earning potential, while supporting businesses to retain talent and improve productivity.

6. Talent retention – improving career opportunities within North Wales for young people, graduates and people with higher-level skills, strengthening the connection between education providers and local employers.

4.5.10. During the workshop, the following groups were identified as needing particular consideration when developing future interventions under LGF Priority 2:

- Young people aged 16-24, including those who are NEET or at risk of becoming NEET.
- Economically inactive individuals and people seeking to enter or return to employment.
- Individuals facing barriers to employment, including disabled people with additional learning needs, care leavers and young carers.
- Individuals, including undergraduates and graduates, who lack relevant work experience or workplace readiness.
- People already in employment who would benefit from skills development and progression opportunities.

4.5.11. The Board also recognised the importance of engaging employers, particularly SMEs and micro-businesses, alongside businesses in sectors experiencing recruitment and skills challenges.

4.5.12 In relation to employability support, the provision funded by Welsh Government is currently subject to review and will be a consideration going forward.

4.5.13. Priority 3 – Sites and Premises

4.5.14. A lack of readily available commercial and employment sites has been identified as a key barrier to economic growth across the region. Prohibitive development costs for remediation, site-infrastructure and improved transport accessibility, create viability gaps which means these sites cannot come forward without public sector investment. Investing in large scale, strategic sites that attracts and enables business expansion will have a significant impact for the region.

Revenue support has been allocated to support feasibility, business case, project development and planning costs (RIBA 1-4 work stages).

Proposals received to date include 36 Priority 3 proposals, mainly from Wrexham (18), Denbighshire (9) and Conwy (6). Six common themes emerge:

1. Strategic employment sites – enabling works to unlock employment land, including utilities, sewerage, access and ecological and phosphorus mitigation for Wrexham Industrial Estate and Investment Zone sites, Ruabon Business Park and the Western Gateway (Wrexham); employment land across Anglesey (Ynys Môn); and Tir Llwyd, Kinmel Bay and Abergele South East (Conwy).
2. Business premises and grow-on space – modern SME premises (Wrexham), St Asaph Business Park grow-on space and upgrades to council industrial units (Denbighshire),and Bodlondeb Entrepreneurial Hub (Conwy).
3. Town centre regeneration – bringing vacant and underused property back into use in Rhyl and Denbigh (Denbighshire), Colwyn Bay (Conwy), Holyhead (Ynys Môn) and Wrexham city centre.
4. Visitor, heritage and cultural assets – Eirias Regional Centre and Llandudno Vaults (Conwy); Moel Famau, Bodelwyddan Park, LIME, county heritage sites and the World

Heritage Site joint scheme (Denbighshire); and City of Culture 2029, music venue and artist studio space (Wrexham).

5. **Transport and access** – bus infrastructure (Flintshire, Wrexham), Wrexham bus station, and bus, active-travel and last-mile links between priority neighbourhoods and employment sites (Wrexham).
6. **Energy and digital infrastructure** – grid connection, renewables and storage, including a new primary substation for the Gwenfro corridor, and broadband and mobile blackspots (Wrexham); and solar PV and energy efficiency for council units (Denbighshire).

4.6. Prioritisation Criteria for Capital Projects

4.6.1. Purpose

The LGF Delivery Plan is required to include a consistent and transparent method to identify the projects most suitable for investment by LGF. The prioritisation criteria allows an assessment of each project proposal against the Regional Growth Plan objectives, in particular how projects make a demonstrable contribution to local and regional productivity, local deprivation and economic inequality. Projects will be assessed at a local level to ensure there is investment and action to drive productivity and reduce deprivation across North Wales, raising local measures and closing the gap between the lowest and highest levels of economic output.

4.6.2. Local Growth Fund Requirements

The criteria are drawn from the Welsh Government LGF Investment Plan and the draft RGP framework:

- **Productivity:** the Fund is a framework for investing in productivity growth, targeting places with the greatest potential for growth and working through business investment, RD&I, skills, sites and premises, connectivity and energy.
- **Deprivation and inequality:** the Fund aims to tackle economic inequality in deprived areas. WIMD carries a significant part of the regional allocation, and regions are expected to show how interventions support the areas facing the biggest challenges or lacking investment.**Rurality and peripherality:** rurality carries part of the allocation, recognising the barriers faced by places without agglomeration.
- **Cross-cutting themes:** equality, climate and well-being, with the Welsh language, are to be integrated in all investments.
- **Leverage and additionality:** regions should lever private investment, fill investment gaps and avoid duplicating other programmes.
- **Delivery:** spend must be achieved within the two financial years, with risk registers in place.
- **RGP fit:** a golden thread from each project to the seven draft RGP objectives (O1–O7), which translate the well-being goals into economic objectives.

4.6.3. Proposed Prioritisation Structure

We are required to set out an approach to prioritisation given that there are more project proposals that can be afforded by the current LGF funding available. A full framework which

sets out the basis for scoring will be prepared and agreed with partner LAs and WG. Ambition North Wales and the LAs will apply the prioritisation criteria in a pragmatic and proportionate way to enable swift identification of projects and the application of process either within LAs or by Ambition North Wales. To indicate the general approach., the proposed structure for the prioritisation process considers the following stages:

Stage 1 - Gateway

A pass/fail criteria to ensure that all projects assessed are suitable for LGF investment. These criteria include:

- Fit with LGF Objectives
- Fit with RGP Objectives
- Can incur spend in Year 2 or Year 3
- Confirmation of capital expenditure
- Compliance with Subsidy Control Scheme (to be developed)
- Clearly additional and not otherwise expected to occur
- Of local, cross LA border or regional benefit

Stage 2 - Assessment

The detailed assessment will be developed in advance of the December Economic Well-being Sub-Committee meeting and recommend scoring allocations and the basis for the scores awarded. At this stage, we expect the assessment criteria to cover the following areas:

- **Productivity,** including scale of outputs and outcomes
- **Deprivation and Inclusion**, benefits to deprived communities, inclusion and access to work and addressing barrier to investment
- **Strategic alignment**, contribution to RGP objectives and local strategic fit
- **Wider impacts,** contribution to climate, environment, culture and language
- **Deliverability**, readiness, spend profile and risks
- **Value for money, additionality and co-investment**, determined locally rather than regionally

4.7. Delivery and Administration

4.7.1. Detailed arrangements are still being developed, but the administration budget, including accrued interest, is expected to be sufficient to maintain funding for programme administration, local authorities' local fund administration roles and the Corporate Joint Committee's programme management role, subject to final agreement of Year 2 roles and responsibilities.

4.7.2. The intention, as outlined in Table 3 below, is to preserve the resources available for regional coordination and the partner councils for local coordination. The uplift in the level of administration will create headroom to support the Corporate Joint Committee's delivery role. The intention is to explore and prepare a 'commission' arrangement to allow for smooth continuation of the LGF programme into Year 2. Alternative delivery models have

been considered but none can be executed in time to allow for a Year 2 start on the 1st of April.

Table 3 – Overview of Indicative Funding Allocations			
£000	Year 2: 2027–28	Year 3: 2028–29	Total
Total regional allocation	**41,443**	**39,920**	**81,363**
Administration (4%)	**1,658**	**1,597**	**3,255**
Local authority administration, benefits realisation, monitoring performance, stakeholder liaison, project support	799	799	1,598
Programme Management (CG + ANW) Increases regional benefits realisation, project support	859	798	1,657
Delivery Revenue (26%)	**10,775**	**10,379**	**21,154**
Regional skills and employability programme Skills: towards a regional programme, Employability towards local delivery. Further work to consider revenue to business support element.	9,500	9,500	19,000
Pre-development and feasibility	1,275	879	2,154
Delivery Capital (70%)	**29,010**	**27.944**	**56,954**
Capital for projects, business support and skills	23,638	22,572	46,211
Pan-Wales capital ringfence	5,372	5,372	10,743
Total	**41,443**	**39,920**	**81,363**

4.8. Regional Growth Plan

4.8.1. The Welsh Government requires Corporate Joint Committees 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.

4.8.2. We are developing a Regional Growth Plan Strategic Framework which aims to set the key foundations for the 10 Year Growth Plan. We plan to test emerging drafts with the Welsh Government to assure this will be sufficient to secure their approvals. Our proposed approach would allow for the formal 10 Year Growth Plan to be developed, with public consultation in the Summer of 2027, for approval of Economic Well-being Sub-Committee in the Autumn of 2027.

4.8.3. We have commenced work on the RGF Strategic Framework. An overview of the working document is set out in Annex B to indicate the direction of travel. A more resolved draft will be shared with the Economic Well-being Sub-Committee in December.

5. KEY MILESTONES & TIMETABLE

5.1. The Sub-Committee is asked to note that we are now working to an expedited timetable to secure timely approvals from the Welsh Government. We are aiming for a December approval point, which is critical to securing the 2027–28 allocation.

Table 4 – Key Milestones	
Date	**Milestone**
20 November	Seek Approval from the Corporate Joint Committee to delegate approval of LGF document to Economic Well-being Sub-Committee
11 December	Seek approval from Economic Well-Being Sub-Committee to Local Growth Delivery Plan for 2027/28 and 2028/9 and 'Towards a Regional Growth Plan'
February – March 2027	Welsh Government review and agreement of the plan; 2027–28 grant offer. Confirmation of delivery arrangements, including regional programmes and the process for the assessment and assurance of capital projects. The project identification, proposal and assessment process will be run in this period for projects ready to start on April 1, 2027. A delegation will be sought from Economic Well-being Sub-Committee to allow decision on LA backed or supported projects that can make an immediate start to ensure delivery risks are managed.
April 2027	CJC-led LGF partnership with LA 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 Corporate Joint Committee 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 the Committee's endorsement to continuing to develop proposals for both 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:

"I note the emerging proposals and the further work required before the Local Growth Fund Delivery Plan and Regional Growth Plan are finalised. I am content with the recommendations, noting that the proposed approval of the December submission by the Sub-Committee will be subject to the Corporate Joint Committee granting the

necessary delegation on 20 November. Any subsequent project and funding decisions will continue to require the appropriate approval and assurance arrangements."

ii. Statutory Finance Officer:

"The decisions sought are a pragmatic solution to the requirements of Welsh Government for addressing growth across the region. Since the greater proportion of the funding is for capital expenditure, work has been undertaken to identify projects where this expenditure can occur before the end of March 2029. Whilst this may be challenging within the timescale, the proven ability of the region to work together on recent schemes such as the North Wales Growth Deal and the Shared Prosperity Fund will give confidence that the robust financial governance will continue."