

## DECISION NOTICE OF AN INDIVIDUAL MEMBER OF GWYNEDD COUNCIL CABINET

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| <b>DATE OF DECISION</b>  | 16/12/2025 |
| <b>DATE DECISION PUBLISHED</b>   | 29/12/2025 |
| <b>DATE DECISION WILL COME INTO FORCE</b> and implemented, unless the decision is called in, in accordance with section 7.25.1 of the Gwynedd Council Constitution | 05/01/2026 |

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### NAME AND TITLE OF THE CABINET MEMBER:

Councillor R. Medwyn Hughes (Cabinet Member for Economy and Community)

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### SUBJECT

**RESPONSE TO THE WELSH GOVERNMENT'S CONSULTATION FOR THEIR 'PROPOSALS FOR AN APPROACH TO THE UK LOCAL GROWTH FUND IN WALES'.**

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### DECISION

To submit the letter attached (Appendix 1) as a response from Cyngor Gwynedd to the Welsh Government's consultation on their '[Proposals for an approach to the UK Local Growth Fund in Wales](#)'.

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### REASON WHY THE DECISION IS NEEDED

Please see attached Officer Report.

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### DECLARATIONS OF PERSONAL INTEREST AND ANY RELEVANT DISPENSATIONS APPROVED BY THE COUNCIL'S STANDARDS COMMITTEE

None.

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### ANY CONSULTATIONS UNDERTAKEN PRIOR TO MAKING THE DECISION

Consultation with  
Cyngor Gwynedd Statutory Officers

The results of the consultations are reported upon in the attached report

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**DECISION NOTICE OF AN INDIVIDUAL MEMBER OF CYNGOR GWYNEDD'S CABINET**

**Officer's Report**

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|--|---|
| Name and title of Cabinet Member(s):   | R Medwyn Hughes,<br>Cabinet Member for the Economy and Community                          |
| Name and title of the Report's Author: | Dylan Griffiths,<br>Manager, Economic Development Service, Economy & Community Department |
| Date of Decision:                      | 16 December 2025  |
| Cabinet Member/s Signature:            |         |

**Subject:**

**RESPONSE TO THE WELSH GOVERNMENT'S CONSULTATION FOR THEIR 'PROPOSALS FOR AN APPROACH TO THE UK LOCAL GROWTH FUND IN WALES'.**

**Recommendation for the Decision:**

To submit the letter attached (Appendix 1) as a response from Cyngor Gwynedd to the Welsh Government's consultation on their ['Proposals for an approach to the UK Local Growth Fund in Wales'](#).

**The reason for the need for a Decision:**

The Welsh Government are conducting a public consultation on their proposals to deliver the UK Local Growth Fund in Wales.

The Growth Fund will be the main successor for the Shared Prosperity Fund (SPF) which - through the Council - has invested £31.4 million to support residents, enterprises and communities in Gwynedd since 2022.

The Welsh Government's proposals are a significant change, therefore expressing Cyngor Gwynedd's view on what's proposed is important, to safeguard Gwynedd's interests.

### **Rationale and justification for reaching the Decision:**

The UK Shared Prosperity Fund (SPF) was established in 2022 by the previous Westminster Government as part of their Levelling Up agenda. It is one element of the wider package of support for regional investment which replaced European funding after Brexit.

SPF supports a wide range of activity within fields such as; supporting communities, regeneration, skills, helping people into work, town centre improvements and supporting businesses and community enterprises; and every county receives an SPF allocation.

The Welsh Government did not have any role in the SPF. The UK Government gave funding directly to Local Authorities.

The first phase of the SPF was over three years from 2022/23 to 2024/25. Following the 2024 general election, a further year was added to the SPF for 2025/26.

Over the two periods, 54 projects in Gwynedd have received £31.4 million from the SPF through Cyngor Gwynedd. Information about the projects and examples of what has been achieved are available on the Council website - [here](#).

### The Local Growth Fund

There was commitment in the Labour Party's manifesto to the 2024 general election that they would return management of funding for the regional investment field (including the SPF) to the Welsh Government.

In June, the Chancellor promised an amount that matched Wales' 2025/26 SPF budget (£210 million) for three years (2026/27 to 2028/29), a total of £630 million.

By now, it's confirmed that the money will be shared between:

- £83 million to the 'Pride in Place' funds in Wales  
The UK Government managing and directly giving funding to Local Authorities. (There is confirmation that Cyngor Gwynedd will receive £1.5 million).
- £547 million to the 'UK Local Growth Fund in Wales'  
Welsh Government to manage, implementing an investment plan that they will agree with Westminster Government.

On 7 November, the Welsh Government published a public consultation on their '[Proposals for an approach to the UK Local Growth Fund in Wales](#)'.

The consultation asks for views on basic principles, core priorities and the objectives for the Welsh Government's proposed investment, as well as their proposals on how the fund will be implemented. The consultation will end on 12 December.

**Record of any interest declared by any Cabinet Member consulted and any dispensation by the Standards Committee:**

NONE

**Any consultations undertaken prior to making the Decision:**

Chief Finance Officer

*“The Government's decisions in relation to the Local Growth Fund can have a clear impact on the resources available to Cyngor Gwynedd and others to spend within communities in the county. However, the decision sought does not create an additional expenditure commitment, so I have no objection to it from a financial appropriateness perspective.”*

Monitoring Officer

*“No observations to add in relation to propriety”.*

Local Member/s

*Not a local matter*

# Aelod Cabinet Economi a Chymuned Cabinet Member Economy & Community

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Rebecca Evans MS  
Cabinet Secretary for Economy, Energy and Planning  
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18 December 2025

Via e-mail to [Correspondence.Rebecca.Evans@gov.wales](mailto:Correspondence.Rebecca.Evans@gov.wales)  
[RegionallInvestmentinWales@gov.wales](mailto:RegionallInvestmentinWales@gov.wales)

Dear Cabinet Secretary

## CYNGOR GWYNEDD'S RESPONSE:

### 'Proposals for an approach to the UK Local Growth Fund in Wales' Consultation

Thank you for the opportunity to submit Cyngor Gwynedd's response to the above consultation.

The Council believes that ensuring the continuation of appropriate investment to support the economic and social well-being of Gwynedd residents and communities is key to ensuring a sustainable future for the county.

Along with our partners in the public, private and third sectors, the Council delivers a range of schemes to support communities, residents, businesses and local enterprises in Gwynedd. During the period since 2022, over £31 million has been successfully invested in the county through 54 projects funded by the Shared Prosperity Fund (SPF); and millions more have been invested through sources such as the Levelling Up Fund and the Transforming Towns programme.

Despite being in Cyngor Gwynedd's name, this response reflects the wishes and feedback of stakeholders and major institutions across all sectors in Gwynedd via the partnership established to deliver the SPF in the county.

We are pleased to offer the comments below for your attention and consideration:

1. Cyngor Gwynedd believes that it is unacceptable that only now, in November 2025, is the Welsh Government consulting on their proposals for the period after the SPF comes to an end. With only five months before the end of SPF funding, the future of a range of projects, organisational ability to deliver and the livelihood of many individuals are under threat. There is a need to act immediately to resolve the situation.

The intention to establish a transition arrangement for the first year of the Fund is an acknowledgement of the risk, but it is key that the Welsh Government offers assurances on the amount and composition of the budget for 2026/27 immediately and commits to minimising any change from the SPF arrangements to allow local Authorities to move quickly to reduce the negative impacts at the end of the existing funding period.

2. We note our disappointment that only £547 million has been allocated to the Local Growth Fund for the next three years. This is a substantial reduction from the SPF budget for 2025/26 and in addition to the previous cut of 43% from the 2024/25 budget. The budget reduction impacts especially-counties, such as Gwynedd, which will only receive a very small amount of the UK Government's Pride in Place fund and will also suffer a loss of funding as a consequence of the end of the ARFOR programme.

We call on the Welsh Government to demand a worthy amount from the UK Government and to ensure that most of the money is in the form of revenue funding to maximise its flexibility.

3. Cyngor Gwynedd also urges the Welsh Government to ensure that the positive features of the SPF are retained within the new arrangements. We believe, specifically, that the flexibility in terms of using the funding, the empowering of areas to respond to their needs within a strategic framework and the willingness to devolve responsibility to Local Authorities, are features that need to be retained.
4. The Council acknowledges that regional collaboration could be appropriate and add value in some circumstances. However, it is essential that collaboration is based only on local consent and that areas are free to choose a method of collaboration that is appropriate to their circumstances. The ARFOR programme is a good example of collaboration based on a geography that is appropriate to the activity in question, even though it is different to the boundaries of the Corporate Joint Committees and there is a need to retain this flexibility in the future.
5. Cyngor Gwynedd acknowledges the positive aspiration within the ambition noted but, we believe that the statement should be elaborated upon to reflect the following:
  - a) Public support for productivity growth is required for the purpose of increasing the prosperity of our residents and communities; we need and wish for inclusive growth.
  - b) There is an intention to address economic inequality that is based on geography and within society; this is essential to create a more sustainable and equitable Wales. It must be ensured that the funding is directed to benefit the areas and cohorts in greatest need and that there is specific acknowledgement to impacts on areas and the role of the economy in protecting the Welsh language within its strongholds.
  - c) Acknowledgement that voluntary and community activity plays a role in stimulating and supporting economic inclusion, as well as maintaining

social capital and infrastructure; this is especially true in areas where the market has failed to meet the need of their people and communities.

6. The Council accepts the validity of the guiding principles in the document, but proposes the following observations:
  - a) It should be noted that the intention is to ensure local benefit at grassroots level. There are regular references in the document to delivery for regional benefit, we believe that the inverse is true, regional (and national) action should seek to deliver local benefit.
  - b) Cyngor Gwynedd welcomes the emphasis in the document on empowering and devolving decisions to individual regions. The principles should also reference the importance of local activity and include a statement in favour of devolving activities and decisions to the lowest appropriate tier, to maximise benefit.
  - c) The Council firmly believes that local areas can be empowered whilst also ensuring the alignment of activities locally, regionally and nationally to maximise the benefit of Growth Fund investment and delivering strategic change.
  - d) We welcome the reference to planning strategically and over time, there should also be a reference to guaranteeing a suitable balance of revenue and capital funding to ensure the best result.
  - e) Acknowledgement must be included that the nature of the success (and growth) varies in line with context. There is variety amongst areas and regions across Wales; only counting numbers would direct resources to specific areas (nationally and within regions), creating a risk that geographical inequalities are exacerbated.
7. The socio-economic analysis identifies a valid range of challenges that require attention if positive action to improve the economic well-being of our residents and communities is to be taken. However, more emphasis is required on analysing the differences within Wales on a across regions and between local areas.

The Council also believes that the analysis should include more information and statistics regarding the context of areas (including a demographic profile, Welsh speakers, the peripheral / rural nature of areas etc.) to better reflect the operational environment of the Growth Fund and the priorities in question.

8. In terms of the priorities and objectives suggested, the Council wishes to propose the following observations:
  - a) We agree that it is appropriate that clear priorities for the Fund are stated to offer guidance of what is intended for the funding to achieve. It is also suitable to set a clear rationale to support the priority.
  - b) However, we are concerned that the objectives set are too specific and will restrict the scope for areas and regions to determine how to best address the priorities within the context of their individual circumstances.

- c) There is also risk that that the objectives in their current form will hinder flexibility for projects to work across several priorities, the flexibility for interventions to deliver activities that address several aims has been a strength of the SPF and it is important to protect this flexibility for the future.
- d) The objectives should be validated against the operating environment of the Growth Fund - specifically the shortage of funding and time - in order to check that what is wished for is practical.
- e) A range of funding opportunities and schemes are operational within many of the fields in question (such as research and development, employability and generating renewable energy) these is a need to ensure that any further investment in these fields adds value to the current provision or address a specific gap. Likewise, there is a need to be vigilant of unintended outcomes, for example, that good agricultural land is lost to development funded by the Growth Fund.

9. In the context of the consultation's proposals for *transition and delivery* we note once again our view that devolving to the appropriate operating tier is key to success, as well as empowering areas and regions to make decisions that are appropriate to their individual circumstances. We also note:

- a) It is acceptable that the Welsh Government expresses a desire for individual areas to collaborate in the delivery of the Growth Fund, but it is a matter for partners within regions to determine when collaboration is appropriate, the form of collaboration that they wish, the delivery method and the appropriate geographical area.
- b) The Council is pleased to see the Welsh Government's acknowledgement that time is short and there is a need to ensure that there is no delay in commencing the Growth Fund by using the SPF's existing administrative arrangements in the first year of the programme. However, to achieve this, assurance is required now regarding the sum and constitution of the budget that will be available and a robust commitment to minimising any changes and additional requirements in the first phase (and confirmation of any change as soon as possible).
- c) We agree with the concept that action is needed on all tiers to achieve the best for the benefit of our residents and communities but, once again, it must be acknowledged that the activity happens, and results are achieved, at grassroots level.
- d) There will be a need to be cautious at every step to guarantee that complexities and additional requirements are not being created when moving to the new arrangement.
- e) Where national activity is considered, this needs to include the consent of local areas and regions based on a clear case that additional value or better outcomes can be achieved.
- f) In relation to allocation methodology, it is important to ensure that a range of measures are considered to reflect features such as peripherality and the importance of the economy to maintain Welsh as a living language within its strongholds. We believe, for example, that

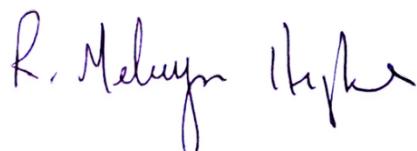
pay rates are an important measure of the success of the economy to achieve for the benefit of citizens.

- g) The Council is willing to consider that establishing a plan on a regional level to coordinate efforts on every tier and maximise the benefit could be appropriate but - in accordance with the opening observations - the plan must reflect the need for growth to be inclusive and for the benefit of residents and communities, there will also be a need to maintain flexibility for individual areas to collaborate within and beyond their region, should that be advantageous.
- h) In the context of any required plan and the requirements for evaluation and monitoring there will be a need to ensure that the requirements are reasonable, practical and flexible.

We hope the above will be of use to you and your officers in completing your planning for the delivery of the Local Growth Fund. Note that this response is subject to our usual decision-making procedure, and it could change in light of this.

To close, we would like to confirm Cyngor Gwynedd's genuine commitment to work with the Welsh Government and our regional and local partners to ensure the success of the Fund; however, time is scarce before commencing the programme and therefore we emphasise the need for an early confirmation of the 2026/27 procedures and the need to ensure that practicality and minimising complexities are at the root of every decision.

Yours sincerely,



Councillor R. Medwyn Hughes  
Cabinet Member for Economy & Community

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