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| Meeting of: | Cabinet |
| Date of Meeting: | Thursday, 16 April 2026 |
| Relevant Scrutiny Committee: | Place Scrutiny Committee |
| Report Title: | Local Growth Fund in Wales – Vale of Glamorgan |
| Purpose of Report: | To seek Cabinet approval to accept and deliver Year 1 (2026/27) of the Local Growth Fund in Wales programme in the Vale of Glamorgan. |
| Report Owner: | Executive Leader and Cabinet Member for Performance and Resources |
| Responsible Officer: | Director of Place |
| Elected Member and Officer Consultation: | <p>Director of Learning and Skills</p> <p>Legal Services - Committee Reports</p> <p>Operational Manager - Accountancy</p> <p>Operational Manager – Regeneration</p> <p>Team Leader (Economy and Neighbourhood Regeneration)</p> <p>Finance Support Manager</p> <p>Partnership and Community Manager</p> <p>Team Leader (Community Development, External Grants and Funding)</p> |
| Policy Framework: | This is a matter for Executive Decision by Cabinet |
| <p>Executive Summary:</p> <ul style="list-style-type: none"> • The Local Growth Fund (LGF) in Wales replaces the Shared Prosperity Fund (SPF) from April 2026 and provides a mix of capital and revenue to drive regional productivity, business competitiveness, skills, employment, and strategic infrastructure. Wales will receive £546.5m over three years with funding passed annually from UK Government to Welsh Government. • Year 1 (2026/27) will continue to use existing UKSPF delivery arrangements, meaning four regional Lead Authorities remain responsible for programme administration. Rhondda Cynon Taff County Borough Council is the designated Lead Authority for the South East Region. • The Vale of Glamorgan’s indicative Year 1 allocation of LGF in Wales for 2026/27 is estimated to be £3,630,560, of which 75% is capital and 25% is revenue. therefore, may increase slightly and | |

therefore the Cabinet report seeks approval to agree a maximum sum. The Council will also receive and administration fee of £145,223 to deliver and monitor the funding. This will be split between the regional Lead Authority and the Council.

- Acceptance of this funding will enable the Council to begin project mobilisation in line with the LGF Investment Plan's objectives for Wales, which prioritise:
 - 1) Business competitiveness and R&D
 - 2) Skills and employment
 - 3) Strategic infrastructure
- Cabinet approval is required to formally accept the allocation, enter into required agreements with the regional Lead Authority, and deliver Year 1 interventions.
- As things currently stand, Years 2 and 3 will see the funding transition to the Corporate Joint Committees across Wales.

Recommendations

1. That Cabinet approves acceptance of the Vale of Glamorgan's 2026/27 Local Growth Fund in Wales allocation up to £4.2m (currently estimated to be £3,630,560).
2. That delegated authority be granted to the Director of Place (in consultation with the Executive Leader and Cabinet Member for Performance and Resources, the Chief Executive, Head of Finance/Section 151 Officer and Monitoring Officer/Head of Legal and Democratic Services) to approve the use of Local Growth Fund for internal and externally commissioned projects.
3. That the Director of Place (in consultation with the Head of Finance/Section 151 Officer and the Monitoring Officer/Head of Legal and Democratic Services) be authorised to negotiate terms and conditions for the appointment of third-party suppliers/providers for internal and externally commissioned projects, as necessary.
4. That delegated authority be granted to the Director of Place (in consultation with the Executive Leader and Cabinet Member for Performance and Resources, Chief Executive, Head of Finance/Section 151 Officer and Monitoring Officer/Head of Legal and Democratic Services) to submit and take all necessary actions to finalise a year 1 delivery plan with the Lead Body (Rhondda Cynon Taff County Borough Council) (RCTCBC), linked to the LGF funding allocation on behalf of the Vale of Glamorgan Council.
5. That in pursuance of Recommendation (3), the Monitoring Officer/Head of Legal and Democratic Services (in consultation with the Head of Finance/Section 151 Officer) be authorised to prepare, complete, and execute the required legal documentation to enable third-party suppliers/providers to be appointed for internal and externally commissioned projects, where necessary.
6. That delegated authority be granted to the Director of Place (in consultation with the Executive Leader and Cabinet Member for Performance and Resources, the Chief Executive, Head of Finance/Section 151 Officer and Monitoring Officer/Head of Legal and Democratic Services) to approve any changes to governance and resources structures to assess and determine applications from third parties to use the LGF in Wales Allocation.
7. That delegated authority be granted to the Monitoring Officer/Head of Legal and Democratic Services to prepare, complete, and execute the required legal documentation with third party grant applicants.
8. That delegated authority be granted to the Director of Place (in consultation with the Executive Leader and Cabinet Member for Performance and Resources, Chief Executive, Head of Finance/Section 151 Officer and Monitoring Officer/Head of Legal and Democratic Services) to undertake all necessary actions to agree the terms of the Service Level Agreement with the Lead Body (RCTCBC) for the LGF in Wales allocation.
9. That delegated authority be granted to the Head of Finance/Section 151 Officer (in consultation with the Executive Leader and Cabinet Member for Performance and

Resources, Chief Executive, and Director of Place) to approve additions, deletions, or transfers to or from the capital programme for the LGF in Wales where required.

10. That Cabinet authorises the ongoing use of the current governance structures in Place for the delivery of the Shared Prosperity Fund. The SPF panel will be renamed the LGF panel and will have oversight of this 1-year programme.
11. That the use of the urgent decision procedure as set out in Section 15.14 of the Council's Constitution be approved to enable the timely commencement of the Local Growth Fund in Wales programme for 2026/27.

Reasons for Recommendations

1. To provide continuity between SPF and LGF programmes, as directed by Welsh Government, by utilising existing delivery structures during the transition year.
2. To obtain authority to approve the use of the LGF in Wales allocation for internal and externally commissioned projects.
3. To obtain authority to appoint third-party suppliers/providers for internal and externally commissioned projects, where necessary.
4. To enable the approval of the 2026/27 Delivery Plan.
5. To obtain authority to prepare, complete and execute the required legal documentation to enable third-party suppliers/providers to be appointed for internal and externally commissioned projects.
6. To obtain authority to approve governance and resources structures to assess and determine applications from third parties to use the LGF in Wales Allocation.
7. To obtain authority to prepare, complete and execute the required legal documentation with third party grant applicants.
8. To obtain authority to negotiate, complete and execute the Service Level Agreement for the LGF in Wales allocation for the Vale of Glamorgan with the Lead Body (RCTCBC).
9. To obtain authority for the funding to be included within the capital programme 2026/27 and maximise the Council's ability to utilise the sum allocated in the best possible manner.
10. To allow efficient operational management and compliance with funding conditions.
11. To enable the timely commencement of the Local Growth Fund in Wales programme for 2026/27.

1. Background

- 1.1 The UK Shared Prosperity Fund formed part of the previous UK Government's Levelling Up agenda. The Vale of Glamorgan's allocation of circa £14m was a mix of revenue and capital funding.

- 1.2** The overarching aim of the fund was to build pride in place and increase life chances. Underneath this aim there are three investment priorities: communities and place; supporting local business; and people and skills.
- 1.3** The SPF fund in the Vale of Glamorgan enabled small and large projects to be supported and enabled targeted support across a number of sectors.
- 1.4** All Local Authorities in England, Scotland, and Wales were given responsibility for developing an Investment Plan for approval by the UK Government, and for delivery of the fund thereafter. In Wales, the UK Government supported delivery across the four regional strategic geographies which overlap with strategic geographies covering City and Growth Deal areas.
- 1.5** The Local Growth Fund replaces the UK Shared Prosperity Fund from April 2026, following UK Government reforms announced in the 2025 Spending Review.
- 1.6** Key features include:
- Welsh Government overall responsibility for LGF management in Wales.
 - Annual release of capital heavy funding with smaller revenue proportion.
 - Requirement that Year 1 delivery (2026/27) uses existing SPF arrangements with regional Lead Authorities acting as accountable bodies.
- 1.7** The Investment Plan for Wales sets strategic priorities to:
- Improve productivity and support competitive businesses
 - Strengthen skills and employment
 - Deliver strategic infrastructure
- 1.8** The Vale of Glamorgan will participate within the South East Wales regional portfolio to deliver aligned local interventions.

2. Key Issues for Consideration

- 2.1** Delegations exist for the current SPF programme. This report seeks to replicate the majority of these for the purpose of delivering the transition year of funding.
- 2.2** The Vale of Glamorgan Council will be required to enter into a new agreement with Rhondda Cynon Taff County Borough Council.
- 2.3** Continuation of SPF architecture ensures seamless delivery and reduced administrative burden.
- 2.4** The Vale of Glamorgan Council's funding will support local projects contributing to business growth, infrastructure improvements, and workforce development in line with regional plans.

- 2.5 LGF in Wales does lack the community focus that SPF funding had, which could impact on specific sectors and projects. The percentage of revenue funding is significantly lower than the SPF programme which will prove challenging when allocating funding for business support and skills projects.
- 2.6 Regional governance will coordinate activity across the Cardiff Capital Region, with Vale of Glamorgan projects contributing to wider economic goals.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1 Long term: LGF in Wales aligns with the Welsh Government's Economic Mission and Wellbeing of Future Generations Act, focusing on sustainable productivity and improved living standards.
- 3.2 Integration: Projects will integrate economic, environmental, and social priorities.
- 3.3 Involvement: Delivery will include engagement with regional partners and stakeholders.
- 3.4 Collaboration: Fund delivery is coordinated regionally with Lead Authority oversight.
- 3.5 Prevention: Investment in skills, business resilience and infrastructure reduces long term inequalities.

4. Climate Change and Nature Implications

- 4.1 LGF investment themes include support for green infrastructure, decarbonisation, and energy efficiency projects across Wales.
- 4.2 Local project selection will prioritise initiatives contributing to carbon reduction and environmental resilience.

5. Resources and Legal Considerations

Financial

- 5.1 The 2026/27 allocation is estimated to total £3,630,560, comprising capital and revenue, with £145,222 funding administration split between the Vale of Glamorgan and the regional Lead Authority.
- 5.2 A breakdown of the indicative allocation is shown below:

| Indicative Allocation | | |
|------------------------------|-----------------------------------|--------------------------------------|
| Allocation | LGF 2026/27 Indicative Allocation | % of South-East Wales LGF Allocation |
| Capital (Minimum) | £2,543,484.00 | 4.55% |
| Revenue (Maximum) | £1,087,075.00 | |
| Total UKSPF Allocation | £3,630,559.00 | |

| Fund Administration Indicative Allocation | | | |
|--|----------------------------------|---------------------------------|----------------------------------|
| | Local Authority Allocation (75%) | Lead Authority Allocation (25%) | Total Fund Administration (100%) |
| Capital | £76,305.00 | £25,435.00 | £101,740.00 |
| Revenue | £32,612.00 | £10,870.00 | £43,482.00 |
| Total | £108,917.00 | £36,305.00 | £145,222.00 |

| Total Local Authority Indicative Allocation (Excluding Lead Authority Fund Administration) | | | | |
|---|--|------------------|--------------|-----------------------------------|
| Project Activity Allocation £ | Fund Administration Allocation (75%) £ | Total Allocation | Allocation % | Comments |
| £2,441,744.00 | £76,305.00 | £2,518,049.00 | 70.06% | Maximum Capital Spend Requirement |
| £1,043,593.00 | £32,612.00 | £1,076,205.00 | 29.94% | Maximum Revenue Spend |
| £3,485,337.00 | £108,917.00 | £3,594,254.00 | 100.00% | |

5.3 Programme governance will ensure compliance with funding conditions and value for money.

Employment

- 5.4 Existing staff will manage the delivery of the fund, and these costs will be met from the administration payment.

Legal (Including Equalities)

- 5.5 Acceptance of the funding requires entering into agreements with the regional Lead Authority. All project delivery will comply with public sector equality duties and Welsh Government funding conditions.

6. Background Papers

[Local Growth Fund Investment Plan](#)

[Local Growth Fund \(Scotland, Wales and Northern Ireland\): Technical note](#)