Number: WG53978

Welsh Government
Consultation – summary of response

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

February 2026

Mae'r ddogfen hon ar gael yn Gymraeg hefyd / This document is also available in Welsh
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg / We welcome correspondence and telephone calls in Welsh

 Digital ISBN 978-1-83715-987-1

Overview

This document summarises responses to the Welsh Government consultation 'Proposals for an approach to the UK Local Growth Fund in Wales', which ran from 7 November to 19 December 2025. The consultation sought views on the proposed principles, priorities and delivery arrangements for a Local Growth Fund (LGF) Investment Plan for Wales.

Action Required

This document is for information only.

Further information and related documents

Large print, Braille and alternative language versions of this document are available on request.

Contact details

For further information:

Economic Strategy and Regulation Division
Welsh Government
Cathays Park
Cardiff
CF10 3NQ

Email: RegionalInvestmentinWales@gov.wales

Additional copies

This summary of response and copies of all the consultation documentation are published in electronic form only and can be accessed on the Welsh Government's website.

Link to the consultation documentation: Local Growth Fund Consultation Documents

Contents

Contents 3
Introduction 4
Context 4
Overview 4
Cross-Cutting themes raised by respondents 6
Summary of Responses: Policy Context 8
Summary of Responses: Priorities and Strategic Objectives (SOs) 11
More productive and competitive businesses 12
Supporting people into work and increasing skills 16
Green Infrastructure and energy efficiency 21
Local infrastructure driving regional economies 27
Transition and Delivery Model: Summary of Responses 32
Managing the Transition from SPF to LGF in Wales 32
National Investment 37
Allocation Methodology 41
Regional growth plans linked to a ten-year vision 44
Role of Local Delivery in National and Regional Planning 48
Monitoring and Evaluation 51
Effect on the Welsh Language: Summary of Responses 55
Additional comments 60
Welsh Government response 62
Next Steps 63
Annex A: List of respondents 64

Introduction

The Welsh Government published the Local Growth Fund in Wales consultation and sought views on the proposals enclosed. The consultation period began on 07 November and ended on 19 December 2025. This document provides a summary of the responses received, incorporating the feedback from 154 written submissions. There is a separate analysis of feedback from the four regional online stakeholder engagement events held between 18 and 27 November 2025, which will also be published.

Context

In October 2025 the UK Government confirmed £547m would be made available to the Welsh Government over a three-year period between April 2026 and March 2029 to deliver a Local Growth Fund (LGF) in Wales. To maximise this funding in Wales, the Welsh Government launched a public consultation to help inform the development of an Investment Plan for Wales.

The proposals within the consultation document were developed from partner engagement and a suite of evidence, including the Regional Investment Framework for Wales, a socio-economic analysis, and international best practice. Aligned with the UK Government's ambitions for the UK-wide LGF the consultation requested views on how to focus the investment based on based on the amount of funding available, the 70-30 capital-revenue funding mix and three-year funding period. The consultation aimed to seek views on the range of actions necessary to shape a LGF Investment Plan for Wales focused on increasing productivity and reducing economic inequalities in Wales. This report summarises the responses to each of the consultation document's questions.

Overview

Ahead of the consultation launch, members of the Regional Investment in Wales Steering Group (RIWSG) asked to share the consultation document with their sectors and networks. The consultation was announced via a Written Statement, while the Cabinet Secretary for Economy, Energy and Planning (CSEEP) also wrote to the Economy, Trade & Rural Affairs and Finance Committees, and to Local Authority Chief Executives to inform them of the consultation launch date.

The Welsh Government is grateful to all those who took the time to respond to the consultation. The online consultation generated 154 responses in total of which 13% were from individuals and 87% from organisations. 75% of respondents stated they lived in Wales (1% from outside Wales, 24% gave no response) and 40% had a business interest in Wales (34% responded “no”, 26% gave no response). Respondents were assigned to distinct sector categories based on the information provided. As some respondents were organisations representing multiple members (e.g. FSB, WCVA, WLGA, Colegau Cymru), responses were analysed using both qualitative and quantitative methods to capture the range and depth of views expressed. If not specified or if a distinct sector was not obvious, responses were assigned a category based on informed judgement. For example, HE/FE responses were included within the Public Sector grouping. General responses from those who did not use the standard web-based form were analysed and attributed to the most relevant question(s) or included within the related issues section. To note, higher education and further education have been included in the public sector category.

Category	**Number (%)**
Individuals	21 (13)
Private sector	12 (8)
Third sector	63 (41)
Public sector	26 (17)
Local Authority	32 (21)
Total	154 (100)

Table 1: Breakdown of respondents by category

A full list of respondents, and their allocated sector, is included at Annex A (minus individuals and those respondents choosing to keep their response confidential). It is important to note some respondents were doing so on behalf of their constituent members, for example the FSB responded, who represent the interests of thousands of businesses.

Not all respondents answered the questions directly; some chose not to answer a particular question, and others sent a summary of their views instead of completing the web-based form.

It is not our intention, nor would it be possible, to reflect every comment received in this summary of responses. The purpose is to give an overview of the responses and give an indication of the issues and concerns raised in relation to the questions asked. It is important to note that the summary of responses described here should not be considered representative of the views of wider population and can only be said to represent the views of those who responded to the consultation.

Microsoft Copilot – an AI assistant – was used in the production of this summary of responses, mostly in the first step of the process to identify key themes from the raw consultation responses. Rigorous checking was conducted to ensure that the outputs produced were reflective of the consultation responses.

Cross-Cutting themes raised by respondents

Across all consultation questions, several themes emerged. While perspectives differed between sectors, three concerns were consistently highlighted:

- The balance of capital and revenue funding

Respondents - particularly from local authorities, the third sector and smaller organisations - repeatedly emphasised that a capital-heavy model risks undermining delivery capacity. Many warned that capital investment without staffing, specialist support and locally embedded delivery structures would limit the overall impact of the Fund.

- Risks to continuity during the transition from the Shared Prosperity Fund to LGF

Concerns were widespread regarding potential gaps in provision, especially for NEET (Not in Education, Employment, or Training) young people, economically inactive adults, and community-based services that rely on stable relationships and trusted delivery partners. Respondents noted the danger of losing skilled staff and undermining engagement if clear continuity plans are not communicated early.

- Divergent views on the role and readiness of Corporate Joint Committees (CJCs) to carry out regional coordination

Many respondents acknowledged the potential value of regional coordination but expressed concern about current CJC capacity, governance maturity and sectoral representation —to undertake this role — particularly regarding employment and skills. Some respondents argued against regional coordination and instead for local authority-led approaches. A minority opposed any role for CJCs.

Questions asked

Question 1: Do you agree with the core guiding principles and that they should be applied to all parts of a new Investment Plan for Wales?

Questions 2: Are there any other principles we should be considering?

Question 3: Do you agree the key issues identified in the summary socio-economic analysis (Annex A) are the right ones we should focus on addressing?

Question 4: Which of these strategic objectives, or others, would you prioritise to deliver more productive and competitive businesses?

Question 5: Which of these strategic objectives, or others, would you prioritise to support people into work and increase skills?

Question 6: Which of these strategic objectives would you prioritise to drive opportunities from low-carbon energy and connectivity for growth and reduce inequalities?

Question 7: Which of these strategic objectives would you prioritise to target investment in local infrastructure to drive regional economies?

Question 8: Do you agree with this proposed approach to managing the transition between the SPF and the Local Growth Fund in Wales or have any further views?

Question 9: Do you agree with the approach to national investments?

Question 10: Do you have views on any specific interventions which should be prioritised at a national level in any of the investment priority areas described in Section 2?

Question 11: Do you have views on the criteria which should be used to determine regional allocations, linked to the priorities?

Question 12: Do you agree with the proposal for CJCs to link to a ten-year vision and agree a delivery plan for the Local Growth Funding with Welsh Government?

Question 13: Do you have any views on how local delivery can be built into national and regional plans?

Question 14: Do you agree to the approach to monitoring and evaluation?

Question 15: We would like to know your views on the effects that our proposals for the Local Growth Fund would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English. What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?

Question 16: Please also explain how you believe the proposed policy proposals for the Local Growth Fund could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

Question 17: We have asked several specific questions. If you have any related issues which we have not specifically addressed, please use this consultation to address them.

Summary of Responses: Policy Context

Policy Aim

Our aim for the LGF in Wales is to support productivity growth and tackle issues leading to economic inequalities across Wales. To meet this objective, the following principles were proposed to guide planning and investments. These were developed through our work with Welsh partners and the OECD over several years:

a) Focus on delivering outcomes to support long-term changes. Investments should contribute to regional and national priorities and demonstrate clear impact.

b) Support and empower regions through the CJCs to prioritise portfolios of investments based on regional and local opportunities and needs. We expect CJCs to leverage wider investment with this funding and to work closely with local authorities and the wider partnership.

c) Integrate with and add value to other UK and Welsh Government programmes to avoid duplication and increase impact and value for money.

d) Provide enough flexibility to respond to new and emerging evidence and needs, whilst delivering on the UK and Welsh Governments' shared ambitions.

e) Plan strategically on a multi-annual basis to provide a greater focus on longer term outcomes as opposed to spending money quickly.

f) Integrate equality, sustainable development and the Welsh language in all investments.

g) Encourage collaborative working across borders, within Wales, and across the UK and internationally where we have shared needs or opportunities.

h) Ensure CJCs, local authorities and key partners have the right capability and capacity to design and deliver the LGF, including for transition arrangements and investing in long-term capacity.

i) Deliver on our commitment to openness, fairness and transparency of investments by publishing information and data on delivery regularly.

Method

This section synthesises respondents' submissions to Questions 1, 2, and 3 related to the overall strategic vision. The summary reflects the breadth and diversity of views and does not present quantitative weightings or counts of responses for/against particular principles.

Question 1: Do you agree with the core guiding principles and that they should be applied to all parts of a new Investment Plan for Wales?

Consultation Feedback

There was broad support of the core guiding principles for the new fund across all sectors. The private sector (83% Yes) showed the highest levels of agreement, with only a small minority expressing disagreement or not responding. This suggests that the principles resonate well with business stakeholders. The HE/FE and public sector (78% Yes) and third sector (76% Yes) also demonstrated strong support, indicating broad endorsement among organisations focused on public service and community interests. Individual respondents were more divided, with 43% agreeing and 52% disagreeing. Local authorities showed majority agreement (55% Yes) but also had the highest proportion of non-responses (21%), as well as a significant minority disagreeing (18%) and 3% partially agreeing. This suggests some uncertainty or reservations within the sector, with repeated concerns about delivery arrangements, governance, funding balance, and timescales.

Questions 2: Are there any other principles we should be considering?

Consultation Feedback

In addition to general support for the guiding principles, embedding climate action and sustainability across all priorities was seen as a priority from respondents across the sectors, with the recommendation it be treated as a cross-cutting principle to ensure a joined-up approach to policies and interventions within the LGF.

Furthermore, a notable number of respondents stated the importance of explicitly including health and wellbeing as a core principle within the LGF Investment Plan. Some noted that improving population health and addressing health inequalities should be central to all investments, recommending that these aims be made explicit as foundational principles.

More broadly, respondents discussed addressing inequalities—whether socio-economic, geographic, or linguistic—to ensure that growth is genuinely inclusive. Respondents noted the need for equity and place-based decisions. Many felt the analysis did not sufficiently address rural disadvantage, coastal deprivation, or the specific needs of small towns and remote areas with concerns that a one-size-fits-all approach would fail to tackle intra-Wales disparities.

Question 3: Do you agree the key issues identified in the summary socio-economic analysis (Annex A) are the right ones we should focus on addressing?

Consultation Feedback

Overall, the majority of respondents across all sectors supported the focus on the identified socio-economic issues. There was strong endorsement for focusing on economic inactivity, productivity gaps, and inequalities. The private sector showed the highest level of agreement (83%), followed by the public sector (65%) and individuals (52%). The third sector (60%) and local authorities (55%) also demonstrated majority agreement, though both groups had higher rates of non-response and, in the case of local authorities, a notable minority expressing disagreement (24%) or partial agreement (3%). Local authorities showed concern that the analysis is too high-level, too national and insufficiently sensitive to local and regional variation. Disagreement was most pronounced among individuals (43%), with scepticism shown about current economic, transport and climate policy priorities.

Many of the responses expressed the importance of linking the findings of the socio-economic analysis to ongoing action which addresses the issues, with a particular focus on supporting vulnerable groups, including women, disabled people, and ethnic minorities. The third sector called for greater emphasis on social value and community benefit, not solely economic growth. Examples were given of positive social returns on investment from previous programmes.

Summary of Responses: Priorities and Strategic Objectives (SOs)

Method

This section synthesises respondents' qualitative submissions to Questions 4, 5, 6 and 7. It reflects the breadth and diversity of views and does not present quantitative weightings or counts of responses for/against particular objectives. Where respondents introduced themes beyond the four objectives, these are reported to capture the context they identified as critical to productivity.

More productive and competitive businesses

Policy Intent

We want investment to drive productivity growth by supporting the right conditions for entrepreneurs, start-ups and businesses, including social enterprises, to grow, become more productive, and create and retain high quality jobs in Wales.

Proposed Strategic Objectives

SO1. Increase the creation of start-ups and spinouts with growth potential, including a focus on under-represented groups and social enterprises.

SO2. Address barriers to growth (e.g. expansion, capital investment, export and attracting investors) for high-growth potential SMEs and social enterprises.

SO3. Address specific market failures in the access to repayable finance to establish and grow Welsh businesses and social enterprises.

SO4. Increase levels of investment in RD&I capacity and knowledge exchange in businesses and research organisations, including in the areas of AI, cybersecurity, digital and green growth.

Question 4: Which of these strategic objectives, or others, would you prioritise to deliver more productive and competitive businesses?

Consultation Feedback: Responses per Strategic Objective

SO1

There was broad support for diversifying the economy and strengthening inclusive entrepreneurship, including through social enterprises and underrepresented founders. Respondents stated the importance of established incubation ecosystems and noted the need for clearer commercialisation pathways that enable ideas to enter local markets more effectively.

SO2

This objective emerged as the most consistently prioritised in this theme across respondents. They pointed to constraints around premises, capital investment, export readiness, digital adoption and leadership capacity. They expressed a preference for integrated, locally delivered support models that combine advice, finance and workspace provision, while minimising administrative burden.

SO3

Views on this objective were mixed. Social investment organisations noted the value and recyclability of repayable finance, whereas organisations working with microbusinesses and rural firms identified the need for grants or blended finance to reflect higher levels of risk and tighter cashflow circumstances. Respondents stated that product design—particularly around ticket size, terms and collateral—would be critical in determining effectiveness.

SO4

Higher and further education institutions, along with innovation-intensive businesses, strongly prioritised this objective. Respondents focused on the importance of knowledge exchange, technology diffusion to SMEs, and commercialisation, rather than research alone. Some suggested that the LGF should concentrate on adoption and market-ready pathways, drawing on wider UK R&D funding where appropriate.

Consultation Feedback: Sectoral analysis

Individuals

Individual respondents provided a diverse range of perspectives, reflecting lived experience of local economic challenges, pressures on public services, and the wider conditions required to support productive and competitive businesses. Unlike respondents from organisations, individuals tended to discuss the social and economic foundations that underpin productivity rather than focusing solely on the four SOs. Among those who engaged directly with the SOs, the most frequently endorsed were SO1 and SO2, with respondents recognising their potential to expand local opportunities and promote more inclusive economic participation.

Submissions primarily prioritised tackling poverty and the cost-of-living crisis, strengthening essential public services, improving basic business conditions, and providing practical support to enhance microbusiness resilience and digital adoption. Many discussed barriers rooted in confidence, skills gaps, and long-term economic inactivity, noting that these foundational issues continue to restrict participation in the labour market.

Respondents drew attention to the life experience and potential of adults who have been economically inactive for extended periods. As one respondent noted, “Those over the age of 25 have significant life skills and experiences waiting to flourish… it is vital that the strategic objectives do not ignore the hardest to reach.” Another discussed the impact of basic qualification barriers on employability: “Many had been economically inactive for 20+ years… a Maths GCSE was the only barrier holding them back.”

Private Sector

Private sector respondents most frequently prioritised SO2, often alongside SO1 or SO4. Their submissions stated the importance of strengthening digital and cyber capability, enhancing leadership and scale-up support, and enabling cluster-based growth across advanced manufacturing, technology and green-economy sectors.

A proportion of responses drew attention to persistent finance-related barriers for SMEs. As one respondent noted, “Access to finance remains the single biggest barrier to productivity… capital investment, property improvement and technology adoption will have a direct and measurable effect.” Respondents stated that addressing these barriers requires practical, targeted support rather than bureaucratic processes, reflecting sentiments such as “Support for established SMEs to scale up… avoiding the overly bureaucratic approach of past programmes.”

Respondents also discussed the structural characteristics of the Welsh economy- particularly its reliance on microbusinesses. As one contributor observed, “Wales has many microbusinesses but few growth-stage firms.” This reinforced discussions on deeper, long-term investment in leadership development, scale-up capability and enhanced access to markets.

Major firms and innovation-intensive businesses, including those operating in aerospace and other high-value sectors, offered strong support for SO4. They noted the importance of industrialisation and commercialisation of Research & Development and stated the critical role of partnerships between industry, research institutions and government programmes in accelerating innovation-led growth.

Views on SO3 were mixed. Some identified finance gaps as the primary constraint on business growth, while others stated that Wales must first build competitive technological or intellectual-property advantages before fully leveraging investor networks.

Third Sector

Third sector organisations generally prioritised SO1 and SO2, noting the dual economic and social value generated through social enterprises and community-rooted entrepreneurship models. Respondents discussed the role of social enterprises as engines of local growth and innovation, particularly for underrepresented groups "There is a clear opportunity to support young people from disadvantaged backgrounds into self-employment and microenterprise."

Respondents also stated the importance of blended finance approaches under SO3. They observed that loan-only models risk excluding early-stage ventures and community-based organisations, noting that "Social enterprises can scale impact significantly with the right mix of repayable finance, revenue and capital."

Across submissions, the third sector consistently linked productivity to wider social determinants, including workforce inclusion, poverty reduction, the strength of local supply chains, place-based delivery models, and access to applied innovation.

Public Sector

Public sector organisations most frequently prioritised SO2 and SO4, emphasising the importance of cross-sector collaboration between businesses, universities and communities. Respondents noted startup development as a key component of wider regional economic diversification. SO3 featured less prominently, with several organisations noting that existing provision already meets some needs or that grant-based approaches may be more appropriate in specific contexts.

Universities and public innovation organisations predominantly prioritised SO4—often in combination with SO1 and SO2—underscoring the importance of commercialisation pathways, SME diffusion and the need to ensure that capital investment is supported by proportionate revenue funding. Some public bodies also discussed the significance of access to capital and the role of public derisking in private investment, particularly for projects involving infrastructure, commercialisation or advanced technology demonstration.

Across submissions, there was a clear consensus that innovation capacity and commercialisation pathways require long-term, stable investment models, and cannot be sustained by short-term or project-based funding cycles.

Local Authorities

Local authorities most frequently prioritised SO2, with SO1 also receiving strong emphasis. Their submissions stated the importance of locally designed but regionally aligned support models, pointing to significant structural challenges across Wales- particularly within rural, post-industrial and coastal areas.

Many local authorities advocated for the continuation of small-scale, locally delivered grants, which they reported as effective tools for unlocking private investment and safeguarding jobs, especially for microbusinesses. Their responses also reflected deep concern regarding access to suitable premises and the limitations of using repayable finance in isolation, with one authority noting: “Repayable finance alone is unsuitable… grant/loan blends are needed, especially in rural areas.”

Local authorities expressed divided views on SO4 (RD&I). While some welcomed targeted efforts to diffuse RD&I activity to SMEs, others noted that the LGF should not become the principal funder of RD&I given the scale of existing UK-wide research programmes.

Conclusion

Across the responses, it was repeatedly noted that the foundations of productivity extend far beyond traditional business metrics. Respondents stated that improving productivity requires a whole-system approach: one that strengthens human capital, supports inclusive entrepreneurship, and ensures the right conditions for small firms to build resilience as well as growth potential.

Supporting people into work and increasing skills

Policy Intent

We want to address gaps in the support needed to help people into good quality, sustainable work, for which they receive fair pay, and to prepare the workforce for challenges of the future.

Proposed Strategic Objectives

SO1. Reduce levels of economic inactivity, notably among young people, disabled people, women and people from ethnic minority backgrounds.

SO2. Improve the in-work retention and progression of under-represented groups,

including challenges of low paid and insecure employment.

SO3. Improve qualification and/or skills levels, focusing on basic and higher-level skills.

SO4. Tailored demand-led skills support and training for high growth potential or regionally important sectors.

Question 5: Which of these strategic objectives, or others, would you prioritise to support people into work and increase skills?

Consultation Feedback: Responses per Strategic Objective

SO1

This objective received strong support, particularly from third-sector organisations and local authorities. Respondents stated the importance of early, preventative, community-based engagement, alongside integrated mental-health, transport, and childcare support. They also discussed the need for tailored, relationship-led approaches for young people, disabled people, women, and minority ethnic groups, and noted the importance of ensuring that individuals do not fall through gaps between services.

SO2

Although this objective was seldom identified as the main priority, respondents consistently regarded it as integral to sustaining long-term outcomes. They stated the need for structured in-work coaching and mentoring, the provision of flexible working arrangements and reasonable adjustments, and the development of employer capacity — particularly within SMEs Respondents also noted that addressing low pay, employment insecurity, and wider workplace inequalities are essential to ensuring that individuals are able not only to enter work but also to remain and progress within it.

SO3

This objective was prioritised in this theme across all sectors. Respondents stated the central importance of developing essential skills, including literacy, numeracy and digital capabilities. They also discussed the need to strengthen modular and flexible learning pathways and ensure supported progression into higher-level qualifications. In addition, respondents noted the importance of aligning further and higher education provision with regional labour-market needs and maintaining clear pathways through apprenticeships and degree-level programmes.

SO4

This objective was identified as a high priority by the private sector, higher and further education institutions, and several public bodies. Respondents noted the importance of delivering training that is co-designed with employers and responsive to regional labour-market intelligence. They also stated the need to establish clear pathways into key growth sectors, including green energy, offshore renewables, advanced manufacturing, digital and data industries, construction and retrofit, health and social care, and the creative industries. In addition, respondents discussed the importance of ensuring that under-represented groups can access these opportunities.

<u>Consultation Feedback: Sectoral analysis</u>

Individuals

Individual respondents most frequently prioritised SO3, often alongside SO1. Their submissions stated the central importance of foundational skills, confidence-building and practical, accessible training - particularly for over 25s and for those who have been distant from the labour market for extended periods. Many noted that individuals who have been out of work for a long time typically require sustained, intensive support to rebuild both confidence and core capabilities.

Some respondents drew attention to the deep-rooted and multigenerational nature of economic inactivity. As one respondent observed, “Many of the over 25s are part of a multigenerational societal problem… building self-esteem is a difficult task.” Respondents also noted that life skills — such as punctuality, communication and understanding workplace expectations — form essential foundations for progression. This was reflected in comments including: “Our hardest to reach need to develop life skills such as the importance of arriving at work on time, clean, confident… this is the first step towards improved wellbeing and the development of a career.”

Transport constraints, social isolation and mental-health challenges were consistently cited as barriers limiting individuals’ ability to access employment and training opportunities. Several respondents discussed the need for early encouragement, enrichment activities and alternative learning environments, noting that such support plays a critical role in rebuilding confidence, aspirations and readiness for work.

Private Sector

Private sector respondents most frequently prioritised SO4, stating the need for employer-driven, regionally relevant skills provision that directly reflects real vacancies — particularly in digital, cyber, AI, data and other growth sectors. Respondents expressed strong support for aligning training and skills pathways closely with labour-market demand. A recurring theme was that provision must be shaped by employers, with one contributor stating: “Skills provision must be led by business need and regional sector priorities rather than centrally imposed targets.”

Private sector respondents also stated the importance of integrated pathways that address multiple, intersecting barriers. Reflecting this, one submission noted: “Employment, health, childcare, transport and digital access support should be joined up so individuals can overcome multiple barriers simultaneously.”

Responses discussed shortages in digital and technical roles, describing them as significant constraints on productivity and growth. As one respondent put it, “Wales faces persistent shortages in cyber, software, data and emerging tech roles.” Some respondents noted that these gaps directly limit business development and welcomed provision that draws on diverse talent pipelines, including nontraditional learners, career changers, and individuals whose practical aptitudes are identified through employer engagement.

Third Sector

Overall, third sector respondents prioritised SO1, stating the importance of intensive, trauma-informed and relationship-based support for individuals facing complex and intersecting barriers. They noted the essential role of community-rooted organisations in engaging people who may not yet be ready to enter mainstream provision.

Respondents repeatedly discussed that individuals often require holistic, long-term support and trusted relationships to sustain progress, reflected in comments such as: "Wraparound support is essential — mental health, transport, food, childcare, mentoring — not an optional extra."

Respondents also stated the need for personalised and flexible pathways for young people, disabled people, carers and individuals with long-term health conditions, noting that "Young people aged 16–25 who are not in education, training or employment… should be a clearly identified priority group." They described volunteering, community engagement and supported transitions as integral parts of an effective employability journey rather than supplementary or optional activities. Many noted that abrupt endings to support can cause significant setbacks, and "…. can make the difference between a young person progressing or dropping out."

Public Sector

Public sector organisations most frequently prioritised SO3 and SO4, noting the importance of aligning skills provision with employer demand and regional economic strategies. Respondents stated the need to expand Wales' higher-level skills base to meet future labour-market requirements and address emerging gaps. A recurring theme was the urgency of strengthening advanced skills, with one contributor noting that "Wales faces a significant high-level skills gap… a threat to long-term productivity growth."

Public sector respondents also discussed the value of flexible and accessible progression pathways, including degree apprenticeships, modular learning and work-based provision. As one respondent explained, "Degree apprenticeships are of strategic importance… they widen access to higher-level skills and align with industry needs." Further and Higher Education Institutes noted that employer codesign is essential for ensuring relevance and stated the importance of integrated models that align skills systems with both regional and national priorities.

Local Authorities

Local authorities expressed support for all four objectives, though SO1 and SO3 were most frequently prioritised. Their submissions noted the significance of early intervention and NEET prevention — particularly for young people under 16 — as a means of reducing long-term disengagement from education and employment. Respondents consistently stated that transport, digital access and childcare continue to present major barriers to participation, especially in rural and post-industrial areas. This was captured in comments such as: "Joined-up transport and skills planning, particularly in rural areas, is essential."

Local authorities also noted the importance of locally designed, community-based delivery models that respond to the distinct needs and opportunities within their areas. They discussed the critical role of the third sector in this context, noting: "The Third Sector's expertise in supporting people furthest from the labour market should be recognised." Several respondents noted that skills provision must be grounded in real labour-market demand, stating that "Skills investment must be aligned with real local job opportunities."

Concerns were raised regarding the potential loss of preventative support for young people under 16, with many local authorities discussing the need for flexibility in revenue funding to maintain effective local models. While SO4 was recognised as important for supporting regionally significant sectors, respondents stated that its success depends on close alignment with local labour-market intelligence and clear evidence of demand.

Consultation Feedback: Conclusion

Responses to this question made clear that skills and employability cannot be considered in isolation. Respondents described how barriers such as low confidence, transport constraints, mental health challenges, and limited digital access continue to prevent many individuals from taking up training or work opportunities. A recurring theme was the need for person-centred, relationship-based, locally accessible support that builds confidence and foundational skills as stepping stones toward progression.

Green Infrastructure and energy efficiency

Policy Intent

We aim to support a fair transition to a zero-carbon economy by targeting market failures, reducing emissions and fuel poverty, and ensuring that disadvantaged communities and affected industries are protected throughout the process.

Proposed Strategic Objectives

SO1. Increase renewable and low-carbon energy generation, particularly where locally owned and delivering against regional priorities.

SO2. Support low-carbon transport and digital connectivity infrastructure where it supports regional growth priorities.

SO3. Support capital investment, where there is market failure, to tackle fuel poverty and improve energy efficiency in housing.

Question 6: Which of these strategic objectives would you prioritise to drive opportunities from low-carbon energy and connectivity for growth and reduce inequalities?

Consultation Feedback: Responses per Strategic Objective

SO1

This objective received strong support across the third sector, public bodies, industry and many local authorities. However, views among individuals were mixed, with a notable minority opposing low-carbon investment altogether. Respondents expressed the importance of locally or community-owned energy, noting its role in retaining value within communities, generating long-term income streams, and increasing public acceptance of new infrastructure. They also noted major delivery barriers, particularly grid capacity constraints, long development timescales, and the need for specialist feasibility support, revenue funding and clearer community-benefit mechanisms. Across sectors, respondents discussed opportunities in offshore wind, marine energy, solar, microgrids and local energy systems, while noting that effective delivery requires alignment with Local Area Energy Plans, strategic port infrastructure and broader net-zero pathways.

SO2

Although this objective was not identified as the highest priority, respondents regarded it as fundamental to reducing inequalities, particularly in rural and coastal areas. Individuals, third-sector organisations and local authorities noted persistent gaps in public transport, active-travel routes, EV charging, and reliable digital access, all of which limit access to jobs, training and essential services. Respondents also expressed the need to treat digital connectivity as core economic infrastructure, addressing issues of cost, reliability and rural “not-spots”. Overall, SO2 was seen as a critical enabler of participation, business growth and regional equity, even where not ranked first.

SO3

This objective was most often prioritised across all organisational sectors, especially public health bodies, third-sector organisations and local authorities. Respondents stated the central importance of addressing fuel poverty, noting strong evidence linking cold, inefficient homes with poor physical and mental health, low educational engagement, and financial hardship. Many stated that SO3 is the most achievable within the three-year funding cycle. Respondents called for a fabric-first approach, coupled with low-carbon heating, advisory support, behaviour-change programmes, and investment in local supply chains and green skills. They noted that improving energy efficiency delivers immediate and long-term social impact, reduces inequalities, supports SME growth, and creates sustained employment opportunities across construction and retrofit sectors.

<u>Consultation Feedback: Sectoral analysis</u>

Individual Respondents

Views from individual respondents were varied, ranging from strong support for improved sustainable transport and digital connectivity to clear opposition to the green transition as a whole. Many who supported the objectives expressed the need for safer active travel routes, alternatives to private car use, and community-based improvements that reduce isolation and expand access to work and services. Others discussed issues around unreliable broadband and mobile coverage, echoing comments such as: “Priority should be given to objectives that improve the reliability, affordability and value of essential infrastructure.”

A notable minority rejected all three objectives, challenging the rationale for low-carbon transition or calling for investment in fossil-fuel-based alternatives. Examples include statements such as: “There is no green problem, no climate crisis, and net zero is a con”. These responses underscore the need for continued public engagement and clear communication regarding the benefits, costs and local impacts of the proposed objectives.

Private Sector

Private-sector organisations broadly supported the direction of the objectives, with many noting the role of low-carbon transport and improved digital connectivity in enabling business productivity, investment and competitiveness. Several businesses expressed the importance of reliable and fast connectivity, reflecting views such as: “Treat digital connectivity as fundamental infrastructure… essential for competitiveness, particularly in rural and coastal regions.” Respondents also stated the need for energy-efficient commercial premises, access to finance for decarbonisation, and support to develop local supply chains for retrofit and renewable technologies.

Some private-sector submissions prioritised SO1, particularly where renewable energy development could support industrial decarbonisation, innovation and long-term economic growth. As one respondent put it, renewable energy should be seen as a core economic opportunity: “Develop strong Welsh supply chains for low-carbon energy and retrofit activity… ensuring local firms can participate and retain more of the value created in Wales.” Others expressed the need for balanced investment across all three objectives, noting the close interplay between energy infrastructure, skills pipelines and business resilience.

Many respondents pointed to the importance of practical, affordable pathways for SMEs to adopt low-carbon technologies, with some stating that support must not overburden smaller firms: “Investment needs to be designed so that smaller organisations, rural businesses and lower-capacity communities can realistically participate and benefit.” These perspectives reinforce the need for targeted, proportionate support that enables businesses of all sizes to adapt and thrive in a low-carbon economy.

Third Sector

Third-sector organisations were strongly supportive of SO2 and SO3, particularly in relation to tackling digital and transport exclusion, reducing fuel poverty, and improving outcomes for disadvantaged groups. Respondents working with young people, low-income households and rural communities noted the compounding effects of poor-quality housing, inadequate transport and digital exclusion on health, wellbeing and economic participation.

Many third-sector bodies also expressed support for SO1, especially where renewable energy schemes offered clear community benefit or ownership opportunities. They discussed the potential of local energy models to deliver long-term value and reinvestment, “Community-owned energy retains wealth locally, reduces fuel poverty, and creates long-term funding streams for community benefit” but noted barriers such as planning processes, grid constraints and the need for specialist advice.

Across submissions, third-sector organisations expressed that fairness and accessibility must sit at the heart of the transition to the LGF. Many noted that without revenue funding, many disadvantaged households would be unable to access retrofit programmes, digital tools or active travel infrastructure, even where capital investment is available.

Public Sector

Public-sector bodies - particularly those in health, education and local government - expressed balanced support for all three objectives but frequently prioritised SO3 due to its direct links with public health, inequalities and household resilience. Several respondents noted the strong evidence linking cold homes with respiratory illness, mental-health challenges and wider deprivation, reflecting the view that “Improving energy efficiency in homes… offers immediate and long-term benefits for households we work with.” Public-sector respondents frequently stated the dual economic and health benefits of energy-efficiency programmes in reducing inequalities and supporting vulnerable populations.

Respondents also underscored the importance of SO2 in reducing transport poverty and improving digital access, describing both as vital for public-service delivery and equitable access to opportunities. Many discussed the challenges of rural and island communities with limited public transport and digital infrastructure. SO1 was recognised as a long-term growth driver, particularly where renewable energy schemes align with regional energy strategies, but several respondents noted concerns while renewable generation is essential, enabling infrastructure must keep pace: “Grid capacity remains a critical constraint that must be addressed.”

Local Authority

Local authority responses reflected the diversity of local contexts across Wales. Many authorities prioritised SO2 and SO3, citing transport and digital connectivity barriers in rural communities, high levels of fuel poverty and the readiness of local authorities to deliver energy-efficiency measures at scale. Several emphasised that SO3 offered the most immediate and measurable benefit for local residents within the three-year funding period, particularly where housing conditions are poor and energy bills are high. One local authority noted that “Energy efficiency and tackling fuel poverty are essential — warmer homes reduce health problems and create long-term savings.”

Other authorities supported SO1 and SO3 in combination, highlighting opportunities for community-owned renewables and the role of local area energy plans in guiding investment. Some respondents noted that grid capacity, revenue for advisory services and supply-chain development were critical enablers, especially in areas aiming to scale up renewable energy production. Some authorities emphasised the strategic importance of ports and coastal assets for offshore renewable deployment, aligning with views such as: “Offshore renewables should be explicitly recognised as a priority cluster.”

Some submissions cautioned that some elements of SO2 — particularly major transport infrastructure — may be better delivered through other programmes and urged the LGF to focus instead on locally deliverable, high-impact interventions that complement wider strategic plans. Many local authorities encouraged closer alignment between the LGF and existing place-based strategies, including local area energy plans, regional transport plans and regional economic frameworks.

Consultation Feedback: Conclusion

Feedback highlighted the close interplay between low-carbon transition, digital connectivity, and economic opportunity. Respondents emphasised that progress toward net zero must remain grounded in practical realities — from rural digital “notspots” and transport limitations to the affordability and reliability of essential infrastructure. There was strong recognition that the benefits of the low-carbon transition must be accessible to all communities, with smaller organisations, rural households, and lower-capacity areas requiring tailored support to participate fully. At the same time, respondents saw significant potential for locally owned energy, green skills pathways and community-embedded solutions to drive inclusive growth.

Local infrastructure driving regional economies

Policy Intent

We aim to invest in local infrastructure that supports resilient, well-connected communities and enables everyone to participate fully in the economy.

Proposed Strategic Objectives

SO1. Develop key sites and premises important for regional growth and in regionally prioritised growth sectors where there is market failure.

SO2. Improve local economic infrastructure, including transport, digital connectivity, and community assets to support sustainable communities in rural, coastal, city and urban areas.

SO3. Investment in prioritised heritage, tourism, or cultural assets to support regional growth ambitions and local opportunities.

Question 7: Which of these strategic objectives would you prioritise to target investment in local infrastructure to drive regional economies?

Consultation Feedback: Responses per Strategic Objective

SO1

Responses relating to this objective emphasised the need to bring forward development-ready sites, commercial premises and employment land capable of supporting regional growth. This objective was seen as essential for addressing structural barriers to growth and enabling place-based economic development.

SO2

This objective emerged as the most consistently prioritised in this theme across all sectors. Respondents described transport, digital connectivity and accessible community assets as the foundational infrastructure upon which economic activity depends. Respondents emphasised that reliable transport, safe active travel routes and strong digital connectivity are essential for accessing jobs, services and education. They also noted the importance of accessible community spaces and facilities that enable participation, particularly for those facing barriers. Improved infrastructure was widely linked to better health, reduced inequalities, stronger community resilience and support for placemaking, rural access and town centre vitality. Overall, respondents characterised this objective as a critical enabler of fair, inclusive and regionally responsive growth.

SO3

Although prioritisation varied by region, responses affirmed the contribution of heritage, tourism and cultural assets to local economic strategies and community identity. Local authorities regarded this objective as especially important where such assets underpin regeneration or visitor-driven growth, noting that their significance should be more clearly reflected within the Investment Plan Third-sector respondents noted the value of multi-use community and learning spaces as anchors for inclusion and local engagement, while public-sector organisations recognised that investment in cultural and heritage assets can improve accessibility, strengthen pride in place and generate wider social benefits. In several areas, this objective was seen as complementary to the broader infrastructure agenda, contributing to sustainable local economies when supported by flexible, locally informed delivery approaches.

<u>Consultation Feedback: Sectoral analysis</u>

Individuals

Most individual respondents prioritised SO2, highlighting the practical barriers people face in daily life. Their submissions noted how limited or unreliable transport, particularly in rural and semi-rural areas, restricts access to work, services and opportunities. Respondents noted the need for better local routes, including safer walking, wheeling and cycling links to transport hubs, and emphasised that improved roads and public transport are essential for enabling people to travel to work and participate fully in their communities. As one individual put it, “I would prioritise… improving routes for walking, wheeling and cycling within and between communities and to public transport hubs” because this brings “huge benefits… in terms of accessibility, health and environmental objectives.” Another captured the day-to-day emphasis succinctly: “Priority should be given to infrastructure that people and businesses actually use day to day… affordable business space, town centre facilities, reliable local transport and basic services.”

Digital connectivity was also described as fundamental, with individuals noting that gaps in broadband and mobile coverage continue to limit access to services, learning and employment. Alongside this, respondents noted the value of accessible community assets that support inclusion and provide practical spaces for local activity. Their contributions consistently framed infrastructure in terms of visible, everyday benefits and the ability to access opportunities reliably and affordably. This is echoed in comments such as “Digital connectivity is vital for a prosperous future.”

Private Sector

Private-sector respondents predominantly prioritised SO1 and SO2. They emphasised “Development-ready employment sites and commercial premises… are fundamental to regional growth,” and cautioned that without targeted public investment to unlock stalled or contaminated land market failures would continue to constrain growth. Respondents also stated that reliable transport and robust digital connectivity are critical enablers of labour mobility and business productivity. Several called for decisions to be set locally, noting, “Local infrastructure priorities should again be set by regions themselves… support should follow the economic opportunity on the ground, not administrative convenience.”

In addition, they underscored the economic value of sectoral clusters and innovation ecosystems, including ports, offshore renewable facilities, and digital innovation hubs. Some respondents noted that, without an integrated approach addressing sites, connectivity and skills, structural gaps would persist and continue to limit regional growth.

Third Sector

Third-sector respondents overwhelmingly prioritised SO2, with SO1 also receiving significant support. They emphasised the central importance of community and social infrastructure: “Investment in flexible, multi-use community and learning spaces… is crucial,” adding that these facilities can host accredited courses, informal learning, mentoring and industry engagement under one roof.

Respondents also noted the need to address digital exclusion, improve access to affordable transport, and ensure the availability of safe, supportive spaces for young people and vulnerable groups. In addition, they noted that sustained revenue funding and long-term investment are essential to maintaining community-led activity and ensuring that the benefits of new infrastructure are accessible and equitable, particularly in rural and coastal areas where “economic infrastructure is key and the lack of it is a hindrance to collaboration, communication and innovation.”

Public Sector

Public-sector bodies expressed strong support for SO2, while recognising SO1 as equally important for long-term regional development. They noted the contribution of infrastructure investment to improving health outcomes, reducing inequalities and strengthening community resilience. Several emphasised the need to focus resources where social returns are highest: “Investment should be prioritised in the most socio-economically deprived areas, where the greatest health impact can be made.”

Respondents noted the importance of ensuring that new infrastructure is sustainable and climate-resilient and noted the value of co-located services and community-based learning hubs in enhancing accessibility and effectiveness. Respondents noted that major capital schemes require realistic delivery timelines, alignment with wider policy frameworks and clarity about dependencies, particularly where digital and transport networks intersect. This perspective sits alongside calls for anchor institutions to help convene partnerships and ensure that infrastructure links coherently to skills pipelines and local economic strategies.

Local Authorities

Local authorities generally identified SO2 as their primary priority, while also emphasising the importance of SO1 and, in some areas, SO3. Respondents highlighted the need for town-centre regeneration and placemaking, noting that they should be more clearly articulated within the SOs. They also drew attention to persistent market failures in the supply of sites and premises, particularly in valleys, rural and post-industrial areas, and urged a pipeline-based approach to make employment land available over the medium term. One regional view summarised the balance succinctly: “The focus for investment in… should be on SO2… [and] the region also needs to consider the supply of employment development sites for the… future. SO1… addresses this point.”

In addition, several local authorities underscored the significance of tourism and heritage assets within their local economic strategies, which contributed to greater prioritisation of SO3 in those contexts. Some submissions also stated that “Infrastructure must be rural-proofed, integrated and locally responsive to drive sustainable regional economies,” arguing that place-specific delivery will be essential to ensure interventions reflect distinct local needs and opportunities. Across submissions, local authorities indicated the importance of flexibility, locally driven decision-making, and alignment with established plans and community priorities to ensure that new investments are deliverable within the funding window and can unlock wider public and private benefits.

Consultation Feedback: Conclusion

Respondents framed local infrastructure as the essential platform upon which all other forms of economic activity depend. Across sectors, contributors emphasised that reliable transport, robust digital connectivity, accessible community assets, and suitable business premises are prerequisites for business resilience, workforce participation and regional competitiveness. The evidence repeatedly noted how practical, everyday infrastructure gaps — especially in rural and coastal areas — constrain opportunities for both people and businesses. There was strong support for locally shaped, place-based investment that responds to distinct regional needs and strengthens community anchors.

Conclusion of responses to Questions 4-7

Across all four areas, some respondents indicated support for an approach that tackles structural barriers, strengthens local delivery, and enables people, businesses and places to thrive together. They noted the importance of practical, accessible support;

investment in skills, innovation and infrastructure; and a balanced mix of capital and revenue funding. While priorities varied by sector, there was a shared view that growth must be inclusive, locally informed and grounded in long-term, sustainable solutions that reflect the diverse needs of communities across Wales. There was no clear consensus on priorities across sectors which reflects the diversity of views on this topic.

Transition and Delivery Model: Summary of Responses

Managing the Transition from SPF to LGF in Wales

The consultation sought views on the proposed approach to managing the transition from the SPF to the LGF in Wales, with particular attention to continuity, funding, governance, and sectoral needs.

Method

This section synthesises respondents' submissions to Questions 8, 9, 10, 11, 12, 13 and 14. It reflects both quantitative analysis of responses for/against particular proposals, as well as the breadth and diversity of views. Where cross-cutting themes emerged, these have been noted.

Policy Intent

The intended transition from the SPF to the LGF is designed to maintain continuity, avoid disruption and preserve the capacity and expertise built during SPF delivery, as far as possible. Respondents noted the significance of safeguarding existing assets—such as trusted relationships, effective delivery mechanisms, and well-established local networks—during a period broadly perceived as sensitive and potentially unstable, where disruption could undermine continuity and stakeholder confidence.

Question 8: Do you agree with this proposed approach to managing the transition between the SPF and the Local Growth Fund in Wales or have any further views?

Consultation Feedback

There was broad — though often conditional — agreement that a managed transition was necessary.

Sector	Agreed	Disagreed	No Response
Individual	5 (23.8%)	11 (52.4%)	5 (23.8%)
Private Sector	10 (83.3%)	1 (8.3%)	1 (8.3%)
Third Sector	35 (55.6%)	9 (14.3%)	19 (30.2%)
Public Sector	14 (53.8%)	3 (11.5%)	9 (34.6%)
Local Authority	13 (40.6%)	9 (28.1%)	10 (31.2%)

Table 2: Sectoral breakdown of responses to Question 8 of the consultation on whether they agree with the approach of a transition from SPF to LGF in Wales. The percentage is per sector.

While there was broad agreement with the proposed approach, respondents consistently expressed reservations about funding gaps, reduced revenue availability, and risks to staff retention. Many respondents stated that support for vulnerable groups is easily destabilised by uncertainty or breaks in provision. As one individual warned, "such breaks only help confirm their belief that they are insignificant and unimportant", highlighting how even short interruptions can undo progress for those furthest from the labour market.

In general, respondents urged early, transparent communication and a commitment to evidence-led continuity. Many saw a transition year as an opportunity to consolidate strong SPF practice, provided decisions were made quickly enough to avoid destabilising delivery before LGF fully takes effect.

Consultation Feedback: Sectoral Analysis

Individuals

Individual respondents expressed some of the strongest concerns about the transition, often grounded in personal experience of how damaging breaks in provision can be.

Many felt that the proposed approach risked repeating past patterns in which abrupt pauses caused participants to disengage.

Individuals frequently expressed scepticism regarding local authorities' ability to manage the transition without diverting funds to internal pressures. While these concerns dominated, a small number of individuals endorsed the overall principle of a managed transition, provided it avoids disruption. These respondents stated that continuity of trusted relationships, particularly in rural areas and small business communities, was essential for maintaining momentum and confidence: "Sudden breaks between programmes… risk losing momentum and confidence," as one individual noted.

Private Sector

Private sector responses were generally pragmatic and conditional in their support. Many respondents welcomed the intention to provide continuity and described the transition to the LGF as an opportunity to address confusion with one stating that "the current landscape suffers from duplication… with competing offers and sometimes the same organisation delivering multiple initiatives under different brands."

However, there was also a strong view that continuity must not lead to a centralised or single-provider model. Respondents noted that while coordination is important, responsiveness to local context must be preserved. Furthermore, capital funding was considered viable only if balanced with revenue capable of sustaining growth-enabling services. Some firms argued that established projects with clear impact should continue seamlessly into the LGF, observing that "where it has been well developed… there is no sense in significantly amending existing approaches."

A small number expressed region-specific concerns noting that regional nuances require bespoke solutions. Others noted that the transition must not weaken Wales' ability to support high-growth or strategically important sectors, including those facing skills shortages.

Third Sector

Third sector organisations provided some of the most detailed responses in this area, reflecting both broad support for avoiding disruption and significant concern about the potential loss of specialist capacity. Many stated that the SPF had underpinned key frontline services, particularly in youth work, employability, and community development. They warned that “gaps in youth, skills and employability provision… would cause vulnerable groups to disengage or regress”, underscoring how fragile progress can be for people facing complex barriers.

Several respondents identified that the transition threatens staffing stability, with potential redundancy notices emerging in the absence of early clarity. They noted that experienced third sector personnel would be difficult — if not impossible — to replace quickly, and that relationships developed over years form a critical part of programme effectiveness: “once lost, these relationships cannot easily be rebuilt.”

Third sector bodies also advocated strongly for early and transparent guidance, coproduction in shaping transition arrangements, and recognition of the sector’s unique role.

Public Sector

Public sector organisations were broadly supportive of using existing SPF structures to manage the transition year of LGF delivery, viewing this as a pragmatic response to compressed timelines. They noted the expertise, systems, and partnerships developed through the SPF and argued that these should not be lost prematurely. One respondent observed that SPF delivery teams had created “valuable systems, expertise and partnership arrangements that should not be lost,” particularly given the short window for planning.

However, respondents stated the importance of aligning the transition with broader policy frameworks — including the Wellbeing of Future Generations Act, regional economic strategies, and post16 pathways — to ensure coherence across the wider system.

The risk of workforce loss was another recurring issue. Respondents warned that, without early clarity on allocations and governance, local authorities and colleges would face unavoidable redundancy processes, leading to reduced institutional memory and weakened delivery capacity.

Local Authorities

Local authorities overwhelmingly agreed that continuity through existing SPF architecture was the only realistic way to avoid major disruption. They stated that the SPF had enabled them to build sophisticated governance structures and delivery capacity, and that dismantling these too quickly would create unnecessary bureaucracy, delays, and inefficiencies.

Many indicated the urgent need for early clarification of allocations to avoid issuing redundancy notices, warning that “redundancy notices would be unavoidable without rapid guidance or funding commitments.” Respondents also stated that premature loss of staff would undermine the very capacity the transition year proposals seek to preserve.

Several authorities questioned the readiness of CJCs in years two and three, expressing concerns about potential fragmentation of established local delivery structures. Overall, local authorities advocated for realistic timelines, stronger revenue flexibility, transparent governance, and continued recognition of the importance of local capability alongside regional coordination.

Consultation Feedback: Conclusion

Taken together, the responses to Question 8 reveal a shared understanding of the need for a carefully managed transition that maintains continuity where appropriate, whilst also enabling the transition to the new approach for LGF. Across all sectors, respondents noted that the success of the transition will depend on safeguarding delivery capacity, protecting trusted relationships, and ensuring that evidence — not convenience — underpins decisions about which SPF projects should continue.

Despite some concerns, most respondents viewed the transition as an opportunity — if managed well — to build upon the strengths of the SPF and create a more coherent, coordinated approach to local and regional growth.

National Investment

Policy Intent

While the Welsh Government proposed that most of the LGF be regionally led, it also proposed some funding should support national-level or pan-Wales investments delivered by the most appropriate organisation. These national interventions are intended to complement — not duplicate — regional activity and address opportunities or challenges best handled at a pan-Wales scale.

Question 9: Do you agree with the approach to national investments?

Consultation Feedback

Quantitative results show mixed support for pan-Wales investment. Across sectors, levels of agreement vary widely. The private sector shows the strongest support for the proposals (75%), while individuals demonstrate the highest levels of disagreement (52.4%). The third sector, public sector, and local authorities all show broadly balanced views on pan-Wales investment. However, each of those sectors recorded substantial nonresponse rates (33–35%), indicating uncertainty or limited engagement. Overall, whilst views were broadly balanced, agreement outweighs disagreement in most sectors, but the divided positions and high nonresponse levels suggest the need for clear communication and further clarification around the proposals reflecting on comments under Question 1.

Sector	Agreed	Disagreed	No Response
Individual	7 (33.3%)	11 (52.4%)	3 (14.3%)
Private Sector	9 (75%)	2 (16.7%)	1 (8.3%)
Third Sector	34 (54%)	8 (12.7%)	21 (33.3%)
Public Sector	14 (53.8%)	3 (11.5%)	9 (34.6%)
Local Authority	11 (34.4%)	10 (31.3%)	11 (34.4%)

Table 3: Sectoral breakdown of responses to Question 9 of the consultation on whether they agree with the approach to national investments. The table shows the number and percentage of ‘Agreed’, ‘Disagreed’, and ‘No Response’ out of the sector total.

Question 10: Do you have views on any specific interventions which should be prioritised at a national level in any of the investment priority areas described in Section 2?

Consultation Feedback

Qualitatively, the analysis demonstrates that the broad support across sectors is for national, pan-Wales investments where scale, consistency or specialist capability clearly add value. Respondents repeatedly warned that national projects must complement, not override, regional and local priorities; that they should avoid duplication and excessive bureaucracy; and that their success depends on locally trusted delivery with transparent criteria and equitable distribution across regions, including rural and less affluent areas. Concerns centred on the risks of overcentralisation, crowding out effective local models, and a slide toward "one-size-fits-all" design. This balance between national coherence and local responsiveness underpinned responses to both Questions 9 and 10. Respondents noted that support is strongest when national coordination is paired with regional flexibility, fair allocation and clear, measurable outcomes, with explicit care not to neglect communities outside "traditional" investment areas.

Consultation Feedback: Sectoral analysis

Individuals

Among individuals, many endorsed national leadership in areas such as skills, employability and essential infrastructure, particularly where challenges are too large or complex to be addressed locally. Respondents prioritised support for those furthest from the labour market, with one noting that "supporting people into work and increasing skill… will have huge impact on all other priorities naturally," highlighting the need to retain effective models. At the same time, individuals reiterated concerns about the risk of national resources being diverted into local authority staffing budgets rather than targeted interventions. They voiced differing views on environmental priorities, with some advocating for coordinated investment in green infrastructure, while others argued that national policy should prioritise "traditional infrastructure" over net-zero initiatives. Several respondents stated the need for national coordination only where "scale or consistency genuinely adds value," particularly for large-scale or cross-border interventions such as major transport or energy projects.

Private Sector

Private sector respondents were generally supportive of national leadership in areas where Wales requires unified strategic planning, including digital and energy infrastructure, repayable finance, and research and innovation. They noted the need for coherent national project that strengthen supply chains, support business growth and retain skilled talent within Wales. One submission reflected the view: "national coordination can add value, but national control risks repeating past mistakes,". Another stated the need for equitable, pan-Wales reach, warning against concentrating resources in the A55 and M4 corridors alone, and called for stronger private sector involvement in distribution to avoid "allocations of low added value." One respondent stated "national repayable finance and investment mechanisms… to support capital investment, property improvement and equipment upgrades," while another noted that "broadband rollout, energy grid upgrades, and EV charging networks need coordination at national scale to guarantee coverage and technical standards." Businesses also recognised that some interventions — such as large-scale transport, energy, or food-security projects — are naturally suited to national delivery, provided that implementation remains responsive to regional economic conditions.

Third Sector

Third sector organisations broadly supported national investments where they "are codesigned with regional partners and specialist providers adding demonstrable value … National programmes built in local delivery by organisations who know their communities," particularly for vulnerable or underrepresented groups. As one respondent summarised, the proposed approach is "sound," but "its success will rely on keeping community organisations firmly in the conversation and ensuring national interventions are flexible enough to adapt to local realities.". Third sector organisations strongly stated the need for a Wales-wide early-intervention model for young people who were NEET, describing national action as essential to address rising need. As one respondent stated, "a national early-intervention and employability programme for NEET young people must be the top national priority," citing the growing number of young people leaving school without qualifications or confidence. Third sector organisations also stated the value of national volunteering projects that "enable consistent volunteering pathways across Wales," supporting community assets, cultural venues and town centres. Similarly, the sector supported national approaches to digital inclusion, community benefit as part of low-carbon investment, and shared outcomes frameworks that would reduce duplication and strengthen learning across regions.

Public Sector

Public sector bodies offered strategic endorsement for national investments in areas like skills systems, infrastructure, research and data platforms, while insisting that programmes must complement local initiatives and be designed to function across the "full diversity of Wales," not only urban contexts. A typical perspective held that "regional priorities should reflect national planning… some opportunities — such as energy generation and connectivity — require national, and in some cases UK-level, intervention," but delivery should still be tailored and locally anchored. Respondents called for strengthened evaluation and impact monitoring, and cautioned against administrative boundaries becoming barriers to cross-border projects.

Public sector organisations also called for sustained national interventions in low-carbon and sustainable infrastructure to drive green growth and improve climate resilience, emphasising that national coordination is needed to avoid fragmented systems. They stated that national interventions should accelerate the growth of innovation clusters, strengthen digital infrastructure and support advanced manufacturing and clean energy sectors, and that national leadership is appropriate for specialist, cross-regional needs — provided it actively supports local adaptability and does not concentrate benefits in a single geography.

Local Authorities

Local authority views were the most divided; with a mixed position expressed in responses to Question 9 and several constructive themes highlighted in Question 10. Many local authorities recognised that national coordination can add value where strategic direction, long-term planning horizons and consistent standards are required but a sizeable group opposed "top-slicing" as it could "reduce the funding available for locally tailored delivery," which they considered to be more "agile" and impactful. Some welcomed a clearer national role in areas such as digital inclusion, business support, green infrastructure and the activation of key sites and premises, noting that national-level interventions should be “establishing longevity of funding and creating seamless models of delivery, which maintains infrastructure and allows for long-term planning.” A recurrent theme was the risk that rural and foundational economy areas would be left behind if national schemes cluster around high-growth assets, and that timelines and bureaucracy could delay delivery in a three-year funding period.

Consultation Feedback: Conclusion

In summary, respondents support a carefully scoped national tier that sets direction, utilises scale, and ensures consistency., but this needs to be done in partnership to ensure national projects are regionally and locally relevant – avoiding overcentralisation. Respondents seek national projects which enable local delivery, protects rural and less affluent areas, and translate strategic ambitions into tangible, place-based results.

Allocation Methodology

Policy Intent

To support a smooth transition to the LGF, we will work with local government to determine transition year allocations based on regional needs. For subsequent years, we will agree CJC allocations using an objective, transparent methodology aligned with Investment Plan priorities and informed by indicators such as deprivation, productivity, unemployment, economic inactivity, and population density.

Question 11: Do you have views on the criteria which should be used to determine regional allocations, linked to the priorities?

Consultation Feedback

Respondents across sectors stated the importance of adopting a balanced, evidence-led methodological framework that integrates both indicators of need and measures of opportunity. The measure most supported was the Welsh Index of Multiple Deprivation (WIMD). There was strong resistance to population-only formulas, with widespread agreement that rurality, connectivity barriers and higher delivery costs must be properly recognised to avoid disadvantaging sparsely populated areas.

Respondents also identified that transparent criteria and multi-year predictability are essential for effective planning, protecting delivery capacity, and enabling strategic investment rather than fragmented project activity. Many underlined the value of alignment with wider economic frameworks — such as Freeports, Investment Zones and regional skills intelligence — while maintaining flexibility for cross-regional initiatives. Environmental pressures, climate risk and a positive impact on the Welsh language were also identified as critical considerations in designing a fair and futureproof allocation model.

Consultation Feedback: Sectoral Analysis

Individuals

Individual respondents identified the importance of fairness and transparency in allocation methodologies, cautioning that local decision-making can be susceptible to institutional bias and incentive-driven distortion. At the same time, respondents acknowledged the universal requirement for investment, advocating for an approach consistent with the principles of the Well-being of Future Generations (Wales) Act to ensure that long-term impacts are systematically assessed. Many called for criteria that incorporate population and age profile alongside deprivation, employment need and connectivity, with one respondent summarising that regional allocations should reflect “social and economic need and benefit.”

Private Sector

Private sector responses consistently advocated a model that weights socio-economic need while explicitly recognising growth potential and deliverability. One response recommended guaranteeing “a minimum baseline allocation to build delivery capacity” for smaller or rural regions, publishing the methodology in full, and aligning with existing investments to avoid duplication. Another noted that criteria should capture where proven return on investment can be achieved, citing programmes with strong employment outcomes and rapid progression as exemplars for value and leverage. Businesses also noted digital infrastructure gaps and youth disengagement as signals for weighting, noting that “regions with a clear mismatch between digital job vacancies and available talent should receive additional weighting.”

Third Sector

Third sector organisations argued for a "transparent basket of indicators" combining deprivation, inactivity, NEET rates, skills gaps, rurality and sectoral opportunities, with a minimum floor to protect basic provision in sparsely populated areas. Respondents cautioned against politicised allocations and urged investment "in the local business infrastructure" to ensure communities benefit from strategic opportunities rather than seeing value extracted elsewhere. Several noted that "we can't just focus on areas of population otherwise large areas of Wales miss out," reinforcing calls to reflect delivery costs and access challenges in rural settings. The sector also pressed for weighting toward vulnerable groups and places where being out of work is deep-rooted and multigenerational, arguing that criteria must "put need, inequality and opportunity gaps front and centre."

Public Sector

Public bodies consistently supported the development of allocation criteria that uphold fairness, reflect demonstrable need, and assess potential impact through a transparent, evidence-based framework. Respondents advocated the incorporation of environmental pressures, ecosystem capacity and climate risk into the allocation logic, alongside recognition of nationally significant strategic opportunities such as Freeports and landfall points for offshore wind. Education and skills institutions called for data-driven measures of skills demand and shortages, learner vulnerability and local infrastructure capacity, and for outcomes to include indicators of innovation and resilience, not just labour output. Finally, a number of respondents cautioned against concentration of resources in already prosperous corridors, arguing for balanced regional development in which all parts of Wales act as potential growth drivers, with funding consolidated around regionally significant, high-impact projects rather than fragmented micro-allocations.

Local Authorities

Local authorities advocated a balanced formula that recognises deprivation, economic inactivity, youth unemployment and long-term sickness, while preserving delivery capacity built under recent programmes. Many pressed for urgent clarity on allocations to retain skilled staff and maintain momentum and recommended that regional approaches embed local evidence such as Place Plans as part of a coherent bottomup to top-down pipeline. Several supported using the existing SPF allocation model to expedite transition year delivery, noting its practicality and broad acceptability, alongside flexibility to respond to emerging needs. Others proposed augmenting core indicators with measures of digital connectivity deficits, GVA uplift potential and measurable inequalities, ensuring that urban demand pressures and rural delivery costs are both recognised within a proportionate monitoring regime.

Consultation Feedback: Conclusion

Taken together, the responses recommend a fair, transparent and adaptable formula that weights socioeconomic need, labour market exclusion and demographic pressures alongside sectoral opportunity, deliverability and long-term resilience. Responses state the risks of only investing in areas that already attract other growth funding. The preferred approach resists blunt population formulas, accounts for rurality and connectivity constraints, and safeguards capacity through multi-year predictability.

Regional growth plans linked to a ten-year vision

Policy intent

To ensure coherent regional growth, each CJC will develop a regional growth plan which links to a ten-year vision and includes a two-year delivery plan. This should be aligned with existing strategic documents, setting clear priorities and governance arrangements. These plans will guide how regions use their allocations to improve productivity and reduce economic inequalities, while remaining flexible and consistent with national outcomes. CJCs will coordinate regional investment portfolios and work collaboratively with local authorities and key partners.

Question 12: Do you agree with the proposal for CJCs to link to a ten-year vision and agree a delivery plan for the Local Growth Funding with Welsh Government?

Consultation feedback

Overall, the responses show varying levels of support across sectors. Agreement is highest in the private sector (83.3%) and public sector (61.5%), indicating strong endorsement of the proposals by these groups. The third sector also shows majority agreement (54%), though its relatively high nonresponse rate (33.3%) suggests some uncertainty or limited engagement. Views within local authorities are more divided, with only 34.4% agreeing and a similar proportion providing no response (37.5%). Individuals are evenly split between agreement and disagreement (both 42.9%), reflecting mixed sentiment. Overall, support outweighs disagreement, but there is a significant nonresponse level in some sectors. The reason for the nonresponse levels is not clear.

Sector	Agreed	Disagreed	No Response
Individual	9 (42.9%)	9 (42.9%)	3 (14.3%)
Private Sector	10 (83.3%)	1 (8.3%)	1 (8.3%)
Third Sector	34 (54%)	8 (12.7%)	21 (33.3%)
Public Sector	16 (61.5%)	2 (7.7%)	8 (30.8%)
Local Authority	11 (34.4%)	9 (28.1%)	12 (37.5%)

Table 4: Sectoral breakdown of responses to Question 12 of the consultation on whether they agree with the proposal for CJCs to link to a ten-year vision and agree a delivery plan for the LGF with Welsh Government. The table shows the number and percentage of ‘Agreed’, ‘Disagreed’, and ‘No Response’ out of the sector total.

Consultation Feedback

Qualitative analysis of responses indicates that where respondents are broadly supportive, it is usually conditional on flexibility, stronger governance, and meaningful involvement of local and third-sector partners. HE and FE institutions supported the ten-year vision, but emphasised the need for formal representation within CJCs to ensure alignment with national skills and innovation frameworks. Respondents broadly support the principle of a ten-year vision linked to CJC-led regional delivery plans, arguing that longer time horizons counter short-termism, enable complex projects and provide stability for partners and communities. They emphasise, however, that success depends on flexibility, regular review cycles and inclusive governance that gives meaningful voice to local authorities, the third sector, businesses and communities. Many caution against creating additional bureaucracy or delaying delivery. Others question CJC capacity at this stage, advocating models that preserve local delivery within an overarching regional framework.

Consultation Feedback: Sectoral Analysis

Individuals

Individual respondents expressed a balanced range of perspectives, with a rough balance between supportive and critical views and several neutral entries. Supportive comments welcome the move away from short, one-year pots, seeing a ten-year horizon as both a more efficient model and better aligned with sustained, measurable impact: "Yes, longer term planning is needed. One-year funding pots are very inefficient." Others urge thinking "beyond ten years and consider future generations," while stressing that delivery should remain region-led with sufficient autonomy for CJCs within an agreed framework: "Broadly yes… delivery plans must be region-led with sufficient autonomy for CJCs to prioritise investment based on local evidence." Critical voices express strong mistrust of government and a fear that funds would be diverted to staffing or core services; some call the proposal "another pet project," and suggest mechanisms such as "Swiss style voting" to test national support. Several entries question the visibility and effectiveness of CJCs and call for clearer accountability.

Private Sector

Private sector respondents generally support the idea of a ten-year vision, particularly for capital-intensive and long-lead sectors such as energy and infrastructure, citing benefits for investor confidence and alignment across programmes. They argue that strategic stability must be paired with agility: "A ten-year plan must not become a ten-year straitjacket. The world can change dramatically in just two or three years," and therefore advocate formal review and adjustment on a rolling two to three-year cycle. Respondents offered nuanced reflections on governance and delivery arrangements. Some cautioned that allocating additional resources to CJCs risks duplicating existing local partnership structures that already demonstrate effective performance, raising questions of efficiency and value for money. Several contributors proposed balancing the long-term strategic vision with shorter-term, phased delivery plans to maintain momentum and prevent operational delays.

Third Sector

Third sector organisations expressed strong support for a long-term strategic approach, arguing that meaningful change on inequality, youth disengagement and community resilience cannot be delivered within short cycles. Respondents stated the importance of coproduction, transparency and the formal inclusion of third sector and community-led groups in governance, warning that without this “the loudest voices” may dominate and that CJC-led regionalisation may dilute local intelligence and favour large public sector or university-led schemes. While some organisations welcomed the alignment of CJC activity to a ten-year vision - provided that community groups hold genuine decision-making roles - others expressed scepticism about the model’s readiness. Concerns centred on the perceived immaturity of CJC governance structures and their limited representational breadth to lead employment and skills agendas effectively at this stage. Across responses, there were repeated calls for ring-fenced capacity funding to support voluntary-sector participation and for simplified, accessible engagement processes that ensure smaller organisations can contribute meaningfully to regional planning and delivery.

Public Sector

Public sector respondents generally agree that a ten-year vision would provide strategic direction, stability and alignment with national priorities. Contributors emphasise integration with existing frameworks — such as regional economic plans and the Wellbeing of Future Generations architecture — and the importance of flexibility to respond to innovation opportunities and external shocks. One response summarises the core case: “Linking CJCs to a long-term ten-year vision will provide strategic direction,” while another cautioned that a ten-year period “does not appear to align with other WG vision setting policies,” urging careful alignment with frameworks like Future Wales 2040. Universities and colleges argue for formal roles in governance, citing the need to embed research, innovation and higher-level skills, and warn that these are “often absent from local strategies” without structured involvement.

Local Authorities

Local authority respondents are conditionally supportive of long-term visioning but insist that the local delivery, autonomy and place-based decision-making under the SPF should be protected. Respondents stated that approval processes should be proportionate and swift to avoid delays, with one respondent stating that regional planning in UKSPF caused the loss of a year of implementation. Local authorities highlight capacity constraints in CJCs and the risk of diverting scarce revenue into governance rather than frontline delivery. Many point to existing ten-year regional plans and question the need for parallel documents. Others contest regional determination of "local growth plans" on subsidiarity grounds and emphasise that regional priorities must reflect the diversity within regions, particularly rural areas and smaller authorities.

Consultation Feedback: Conclusion

Overall, respondents broadly endorse CJC's developing regional growth plans linked to a ten-year vision and with a jointly agreed delivery plan, recognising the benefits for strategic alignment, stability and investor confidence. These plans should avoid duplication, draw on existing plans, and reflect local priorities. Delivery plans will need appropriate engagement with partners and suitable capability placed at regional and local level, avoiding duplication.

Role of Local Delivery in National and Regional Planning

Policy Intent

To ensure that all regional and national growth priorities are delivered effectively through strong, place-based implementation, with local authorities and other local delivery bodies playing a central role in designing and delivering interventions.

Question 13: Do you have any views on how local delivery can be built into national and regional plans?

Consultation feedback

Respondents consistently noted the essential role of local delivery in achieving the aims of the LGF. While many endorsed the value of a regional framework, they noted that delivery must be rooted in place-based expertise, trusted relationships and a deep understanding of local labour markets, community needs and business realities.

Respondents repeatedly called for: codesign "from the outset," not late-stage consultation; for minimum standards to guard against postcode lotteries; and for flexible, multi-year funding that protects local capacity and enables adaptation as needs change. Many discussed the need for formal feedback loops to ensure experience on the ground informs policy direction, and for procurement and oversight systems that are transparent and guard against conflicts of interest.

Consultation Feedback: Sectoral Analysis

Individuals

Individual respondents expressed a mix of scepticism and support. Many backed locally led implementation within national and regional frameworks, but noted that delivery must be authentic, not tokenistic, and must address cost of living and poverty as underpinning priorities. Concerns centred on the risk that local authorities might "divert funds to core services rather than the intended projects," alongside calls for minimum standards to avoid postcode lotteries while preserving flexibility for local context. There is a clear desire for broader involvement, including the private sector "There has to be more private sector involvement", and for codesign "from the outset and not treated as an afterthought."

Private Sector

Private sector respondents noted that local delivery must be an integral part of the model, not merely an administrative extension. They supported a cascading approach in which national or regional bodies set strategy and standards while operational responsibility flows to capable local partners. They emphasised wide-ranging local partnerships — business networks, colleges, social enterprises — and called for national consistency in outcomes with local flexibility in methods. Respondents also urged for formal feedback loops so local intelligence informs higher-level decisions, and advocated for digital platforms to crowdsource local solutions. As one put it: “Local delivery must be a core part of the model… Many of the most effective SPF projects have worked precisely because delivery was embedded in local partnerships that understood their economies and could move quickly to meet local demand,” while also warning that “National and Regional governance is needed to ensure that Project Leaders have the correct capabilities and support.”

Third Sector

Third sector organisations consistently noted that local delivery is vital to ground national and regional plans in community realities. They pressed for codesign, flexible funding and capacity building — especially for smaller providers who often carry disproportionate risks under arrears-based models. Respondents stated the role of local expertise, including linguistic and cultural knowledge, and warned that overly centralised structures such as CJCs could unintentionally exclude local voices. Their case for long-term, adaptive funding and inclusive partnerships was anchored in the sector’s ability to build trust and achieve high social returns: “The best people to ensure local delivery informs national and regional plans are local people and the organisations supporting and representing them.”

Public Sector

Public sector responses viewed local delivery as essential but complex, requiring clear frameworks, robust engagement and strong cross-sector partnerships. They called for delegation where appropriate, transparent monitoring, and mechanisms to learn and adapt over time. It was suggested that existing anchor institutions — such as FE colleges — and proven local models should be leveraged and scaled where effective, with national and regional frameworks used to avoid duplication and to coordinate largescale initiatives. As one respondent summed up, “All delivery is local,” but the system must avoid silos and ensure roles, responsibilities and feedback mechanisms are well defined.

Local Authority

Local authority respondents argued that local delivery is critical to success and should sit at the forefront of plans. They favoured guaranteed local allocations and locally owned funding and procurement, tied to place-based approaches that reflect diverse needs. Respondents urged early, open dialogue and codesign with regional teams, building on existing delivery capacity from programmes such as the SPF. They cautioned against bureaucracy and centralisation that might erode local capability, and called for clear frameworks, long-term certainty and mechanisms to avoid postcode lotteries. One local authority stated the importance of maintaining strong local networks and feedback loops so “learning is shared, and plans are refined over time.”

Consultation Feedback: Conclusion

Overall, respondents supported embedding local delivery as a core strength of the model. They sought a “national framework, local flexibility” approach that combines clear standards and outcomes with codesigned, locally led delivery using trusted partners and existing networks.

Monitoring and Evaluation

Policy Intent

To establish a consistent, evidence-driven approach to monitoring and evaluation — applying standardised requirements across all levels of delivery, focusing on outcomes rather than outputs, and supporting CJCs and partners through coordinated guidance, independent evaluation, and shared learning.

Question 14: Do you agree to the approach to monitoring and evaluation?

Consultation feedback

Across all sectors, respondents agreed with the approach to monitoring and evaluation, though the level of agreement varied. The private sector showed the strongest support, with 83% agreeing and no disagreement recorded. Individuals, third sector, public sector, and local authorities all showed moderate but consistent agreement levels, ranging from 52% to 59%. Disagreement remained low across all sectors, while no-response rates were notably higher in the third sector and public sector (both 35%), suggesting lower engagement or uncertainty in these groups compared to others for this question.

Sector	Agreed	Disagreed	No Response
Individuals	11 (52%)	6 (29%)	4 (19%)
Private Sector	10 (83%)	0 (0%)	2 (17%)
Third Sector	36 (57%)	5 (8%)	22 (35%)
Local Authorities	19 (59%)	4 (13%)	9 (28%)
Public Sector	15 (58%)	2 (8%)	9 (35%)

Table 5: Sectoral breakdown of responses to Question 14 of the consultation on whether they agree with the approach to monitoring and evaluation. The table shows the number and percentage of 'Agreed', 'Disagreed', and 'No Response' out of the sector total.

Respondents voiced broad support for a consistent, outcomes-focused monitoring and evaluation framework. However, they identified several key themes. Proportionality and simplicity were seen as essential to avoid "excessive administrative burden," particularly for small or community-led projects, with repeated pleas to "keep reporting proportionate to the scale of funding." Respondents asked for consistency and early guidance on indicators, data definitions and templates, designing in evaluation from the outset and to support pan-Wales comparability. Qualitative evidence and lived experience were widely viewed as necessary complements to metrics, with case studies and beneficiary voice helping to capture change that is meaningful but not immediately quantifiable.

<u>Consultation Feedback: Sectoral Analysis</u>

Individuals

Individual respondents reflected a broad mix of support and reservation. Some questioned "where is the evidence that .... has influenced the direction of the LGF," while others noted that it "is important to measure impact and see how we can improve." A small number expressed concern about the value of monitoring, noting apprehensions about how information is used and calling for clearer public engagement and transparency. Several respondents discussed the need for proportionate expectations, particularly for micro and small businesses in rural areas, and referred to the benefit of combining quantitative data with pre- and post-qualitative evidence to demonstrate practical impact. The request to “keep it as basic as possible to avoid confusion” captured a recurring desire for straightforward, accessible reporting requirements.

Private Sector

Private sector respondents largely agreed in principle with consistent indicators, outcomes based reporting, and transparent data sharing, provided the monitoring and evaluation framework remains workable and proportionate. Several condemned past models as overly bureaucratic and output heavy, urging a system that “is designed to inform continuous improvement, not simply to satisfy audit requirements.” Respondents welcomed national consistency but asked for early clarity on data definitions, real-time feedback to delivery partners, and independent evaluation to bolster credibility. Others stated that three-year cycles are too short to evidence productivity gains, calling for evaluation horizons that reflect sector realities. The question of resourcing recurred, with support for ringfencing capacity within the proposed allowance, alongside concerns that under-resourcing would weaken data quality and learning.

Third Sector

Third sector organisations broadly supported the approach but pressed for proportionality, codesign, and recognition of softer outcomes, such as confidence, wellbeing and digital competence. Respondents warned that an “over prescribed monitoring process does lead to projects focused on delivering Key Performance Indicators (KPIs) rather than meaningful outputs,” and urged frameworks that value nonlinear progress for people furthest from the labour market. Calls for funded data capability were frequent to avoid excluding smaller providers. Respondents advocated for qualitative evidence and lived experience to sit alongside metrics, and for shared learning across regions so that “what works” is captured and spread rather than lost in transition. Several noted the need to include social value, Fair Work, inclusion and environmental sustainability in the indicator set and to ensure the burden does not “create a barrier to participation.”

Public Sector

Public bodies supported a robust model that is long-term, streamlined and aligned with broader policy frameworks. Many stated community empowerment and coproduction, and called for clear KPIs that reflect productivity, skills, inclusion and wellbeing, underpinned by appropriate analytical methods such as Theory of Change. Respondents urged integration with statutory frameworks, recognition that impacts emerge beyond three years, and independence in evaluation. Concerns surfaced about the adequacy of the "up to 4%" capacity allowance, with some arguing it is "likely too low," especially if programme capacity consumes most of the allocation. Others stated that monitoring should not stifle delivery agility or innovation, noting that previous compliance cultures risked suppressing creativity.

Local Authority

Local authorities generally agreed with the proposed approach and welcomed standardisation, early clarity, and proportionate reporting. They asked for measures that go beyond narrow economic outputs to reflect place-based priorities, wellbeing, environmental outcomes and rural realities. Several discussed harms from short funding cycles and the challenge of evidencing outcomes after projects close, arguing that evaluation must accommodate long term effects. Local authorities requested timely communication of transition year requirements and simple reporting templates, noting that "standardised requirements… cannot be applied retrospectively once projects are in delivery." Others urged alignment with other regional monitoring duties to avoid duplication and pressed for real-time learning loops so delivery can adapt quickly.

<u>Consultation Feedback: Conclusion</u>

Overall, respondents supported a coherent, evidence-led monitoring and evaluation system that prioritises outcomes, shared learning and continuous improvement. To maintain confidence, the monitoring and evaluation framework must be clear, consistent and proportionate, capture qualitative as well as quantitative change, and take a realistic view of timescales and capacity.

Effect on the Welsh Language: Summary of Responses

Method

This section synthesises respondents' submissions to Question 15 and 16 and reflects the breadth and diversity of views.

Question 15: We would like to know your views on the effects that our proposals for the Local Growth Fund would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English. What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?

Question 16: Please also explain how you believe the proposed policy proposals for the Local Growth Fund could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

Consultation feedback

The responses indicate broad recognition across all sectors that the LGF could positively support the Welsh language if bilingualism is embedded deliberately in project design, delivery, and funding criteria. While many welcomed opportunities to strengthen Welsh-medium provision, concerns were raised about the risks of inconsistency, inadequate resourcing, and the potential negative effects of shifting funding from revenue to capital — particularly for rural and Welsh-speaking communities. Respondents stated the need for clear expectations, monitoring, and practical support to ensure bilingual materials, staffing, and community-based approaches are achievable, saying that without explicit prioritisation the Welsh language could be sidelined, despite being viewed as integral to identity, culture, and effective economic development.

Consultation Feedback: Sectoral analysis

Individuals

Individual respondents expressed widely divergent views, from strong advocacy for bilingualism to scepticism about relevance and deliverability. A recurring concern was that an overly capital-weighted model could erode capacity for Welsh-medium delivery in local authorities and services, thereby weakening everyday opportunities to use the Welsh language. Several respondents linked language outcomes to practical economic realities — including the balance of capital and revenue, transport connectivity, and the viability of rural communities —— emphasising that linguistic vitality depends on people being able to live and work locally. Others urged a flexible, confidence-building approach for micro and small enterprises, saying that rigid or punitive requirements might suppress rather than encourage use of Welsh in business and online contexts.

Some respondents warned explicitly that shifting funding "to mainly capital" would "lose many staff members across the local authorities who speak Welsh," with the effect that "it will continue to decrease" language use unless revenue support maintains bilingual capacity. Others urged proportionate, clearly communicated expectations that reduce inconsistency: "Potential to provide positive outcomes… provided that Welsh language requirements are proportionate, clearly communicated to suppliers and aligned with existing standards and duties." Practical, supportive formulation ideas included "adopting a flexible and supportive approach to language use in business," using localisation and transcreation rather than only direct translation, and providing "clear guidance, confidence-building support and relevant case studies." Some respondents foregrounded infrastructure and local housing as prerequisites: "Improve our road links… so that people in rural and Welsh speaking areas don't have to move for work… houses should be prioritised for locals."

For individuals, the likely effect of the LGF ranges from positive to negative depending on implementation. Confidence-building support, proportionate requirements, and a revenue/capacity base for bilingual services were repeatedly cited as decisive levers for success.

Private Sector

Private sector respondents generally accepted the centrality of the Welsh language to identity and customer experience, with strongest support when bilingualism is “embedded from the outset” of programme and service design. Respondents called for enforceable procurement criteria, visible Welsh-speaking capability in core delivery teams, bilingual digital channels by default, and transparent monitoring. Some also stressed that mainstream economic delivery already has workable language policies, suggesting continuity plus targeted step change only where bilingual capacity or technology (e.g., Welsh language digital platforms) needs investment.

Private sector views converge on operationalising bilingualism — through procurement scoring, team capability, and routine bilingual digital delivery — while ensuring proportionate support for smaller suppliers to build capacity.

Third Sector

Third sector responses welcomed the LGF’s potential to strengthen the Welsh language — especially via community-led models, cultural identity, and youth engagement — but cautioned that positive effects are not automatic. They stated the need for resources for translation, bilingual materials, and recruitment/training of Welsh speaking staff, alongside monitoring that captures real usage rather than box-ticking. A consistent theme was that Welsh language engagement for young people who are distant from formal education must start with identity and belonging in trusted, informal settings.

Respondents urged that the Welsh language be treated “as a community, cultural and economic asset rather than solely a compliance consideration,” while warning of “uneven implementation” without clear design stage expectations. On effective formulation, one respondent explained that “simply expanding formal Welsh language expectations will not engage” disadvantaged young people; instead, “Welsh language engagement [should] be community-led rather than institution-led,” using culture, music and sport to rebuild identity first. Practical proposals included “resources for translation, staff training, recruitment of Welsh speaking personnel, and development of bilingual materials,” so smaller providers can deliver without disproportionate burden--stage expectations.

The third sector noted that outcomes depend on community-rooted delivery, proportionate support for capacity, and monitoring.

Public Sector

Public sector bodies were broadly positive about the LGF's potential if bilingualism is embedded across design, delivery, governance, and evaluation. They advocated clear expectations, monitoring frameworks, workforce skills pathways, and proportionate resourcing to avoid narrowing effects from overly capital-weighted funding. Some pointed to the risk that reduced revenue undermines Welsh language capacity in rural areas and weakens the ability to support Welsh speaking communities.

Respondents noted that positive effects include "increased opportunities for Welsh medium training and enhanced community engagement," with risks mitigated by "requiring bilingual delivery within all funded projects." They also stated that higher productivity could "free up time for employees to engage in Welsh language provisions," linking economic and linguistic goals. Several responses advocated for ringfenced or explicit provisions — "a dedicated… pot" to ensure bilingual digital products and increased funding for "Welsh in the workplace" — and called for leadership, culture and accountability so Welsh is built in "from the outset" and "not… an afterthought."

For the public sector, impact depends on mainstreaming bilingualism across criteria, skills pathways, monitoring, and resourcing — especially revenue that sustains delivery capacity in rural and Welsh speaking areas.

Local Authority

Local authorities reported that Welsh language is embedded in many policies and support measures already but warned that without explicit prioritisation and funding flexibility the language can be diluted — particularly where delivery becomes urban-centred or externally led. Authorities called for mainstreaming Welsh across all projects, robust monitoring, and recognition of additional costs associated with bilingual delivery. Many pressed for a more balanced capital/revenue mix to maintain staff capacity, and for rural/community-led approaches that sustain Welsh speaking heartlands.

Respondents recommended using contemporary channels — “You tube and Tik Tok shorts in Welsh… throughout the project duration” — and embedding language requirements in business cases and evaluation, with tailored support where needs differ by region. Several advocated aligning with ARFOR-style place-based programmes and rebalancing the 70:30 capital/revenue split to recognise ongoing costs of bilingual delivery.

Local authorities see strong potential if Welsh language considerations are systematically embedded, resourced, and monitored.

Consultation Feedback: Conclusion

Views on the Welsh language varied widely. Taken together, responses indicate that the LGF can make a meaningful, positive contribution to the Welsh language where bilingualism is operationalised — not just signalled — through design-stage requirements, procurement levers, targeted revenue and capacity support, and proportionate but credible monitoring. The risk most often cited is not hostility to Welsh but the inadvertent sidelining of the language through under-resourcing that deter smaller providers and microbusinesses. The consistent remedy proposed is to embed bilingual practice as a normal feature of place-based, community-led economic development — supported by practical guidance, digital readiness, and accountability that captures real usage and confidence, not only compliance.

Additional comments

Method

This section sets out a sector-by-sector synthesis of consultation responses to Q17.

Question 17: We have asked several specific questions. If you have any related issues which we have not specifically addressed, please use this consultation to address them.

Consultation Feedback: Sectoral Analysis

Individuals

Individual respondents noted a desire for greater clarity and reassurance around how funding will be managed locally. Some expressed concern that, without clear safeguards, funding arrangements could unintentionally place pressure on local authority budgets, noting that "this money will be used by Local Authorities to plug staffing budgets for existing staff and services." Rather than questioning delivery intentions, these views reflected a wish for transparent processes that ensure funding achieves its intended outcomes.

Respondents also noted the importance of prioritising revenue where it is needed to maintain local capacity, pointing out that "if we spend majority capital, there will not be enough staff to oversee the spending." People asked how regional priorities would be decided and emphasised the need for approaches grounded in lived experience. Some noted that uncertainty during transition periods can disrupt established relationships and delivery capability, explaining that prolonged delays "create gaps in capacity that are difficult and costly to rebuild." Calls for clearer communication, realistic timelines and accessible guidance on procurement and subsidy control reflected a constructive desire to support smoother implementation. Many respondents also asked for a "more equal capital and revenue split" to enable balanced, effective delivery.

Private Sector

Private sector respondents urged a diversified system that avoids centralisation and duplication, builds competition, and embeds transparent governance with "open publication of outcomes, contracts and performance data." They asked for a stronger private sector voice in CJCs, iterative transition that minimises disruption, and pragmatic entry points such as prequalification conversations so "necessary adjustments can be made" before rejection. Some noted sectoral priorities particularly— financial services and tech startups— and called for integrated skills and venture support. Others discussed strategic opportunities in offshore renewables and asked for genuine bilingual delivery as a core requirement, not an "afterthought."

Third Sector

Third sector organisations consistently argued that transformational outcomes depend on sustained revenue for people, relationships, and wrap around support. They warned that a 70/30 capital-revenue split "risks reducing or ending voluntary sector services," citing lessons from EU and SPF transitions Several stated the need for flexibility for young people with complex lives, explicit integration of mental health support , proportionate payment terms for smaller providers, and recognition of justice and prevention outcomes, stressing that "community based provision must be recognised as essential, not optional," within support offers.

Public Sector

Public bodies called for stronger community ownership, rural accessibility, and integration of social and wellbeing outcomes in project planning, with mechanisms to capture and share best practice across regions. Natural resources and climate adaptation were framed as foundational to growth, with advice to integrate environmental and regulatory requirements from the outset and use Regional Climate Change Risk Assessments to guide investment. Several asked for the formal recognition of universities as delivery partners and for innovation and skills metrics in performance frameworks. The overarching message is the need for clear timelines, realistic transition arrangements, and multi-year certainty to retain staff, protect continuity, and align partners around long-term priorities.

Local Authority

Local authorities strongly favoured local autonomy in delivery, protection of revenue to maintain staff and community-based programmes, and preservation of successful SPF architectures and engagement models. They emphasised that short timescales and a capital-heavy profile risk service gaps, with one local authority cautioning that the year's transition "makes it very likely that there will be no delivery in 2025–2026," shortening the time window to create positive impact. Local authorities asked for gap analysis to visualise underinvested areas and advocated explicit recognition of rural challenges, proportionate assurance, and transparency in allocations.

Consultation Feedback: Conclusion

Responses proposed a pragmatic recipe for impact: rebalance capital and revenue so that people, services, and places move forward together; preserve and empower local delivery with clear, transparent governance; provide multi-year certainty to retain capacity and avoid transition shocks; and embed wellbeing, fair work, climate adaptation, bilingual delivery, and rural accessibility as core design principles. Respondents recognise major opportunities — from offshore renewables to community heritage — but insisted that these would only translate into inclusive growth if operational capacity, prevention, and local knowledge is protected through the transition and beyond 2029.

Welsh Government response

The Welsh Government welcomes the constructive feedback received through this consultation and thanks all individuals, organisations and partners who contributed. We are encouraged by the endorsement of the overall direction of the LGF and the shared ambition to deliver more inclusive, sustainable economic growth across Wales.

Responses highlighted the need to ensure that growth is fair and inclusive, addressing socio-economic, geographic and linguistic inequalities, including the specific challenges faced by rural and coastal areas, places experiencing long-term deprivation, and Welsh-speaking communities. We recognise these issues and remain committed to embedding equity and inclusion at the heart of LGF design and delivery.

Across themes, respondents noted the importance of balancing capital and revenue investment, maintaining delivery capacity, and sustaining trusted local relationships during the transition from the SPF to the LGF. We acknowledge concerns about potential gaps in provision and will work closely with regional partners to minimise disruption. This will include early guidance, support for delivery partners, and measures to safeguard workforce capacity through the new transition. Respondents also stated the need for a funding model that supports innovation, strengthens skills, improves local infrastructure and reflects the diverse needs of rural, coastal and urban communities – rather than relying on population alone. We will use this feedback to refine our approach, balancing the call for the LGF to remain flexible to respond to regional and local priorities with the need to be evidence-led and improve coordination with national policy and regional programmes. We will develop and publish guidance to support development of longer-term transformation.

We remain committed to embedding clear expectations around bilingual delivery, fair work and inclusive growth. Working with CJCs, local authorities, the third sector, the private sector and other public bodies including higher and further education, we will help shape long-term regional plans that are collaborative, deliverable and place based.

The golden thread throughout the LGF Investment Plan is to support productivity growth. Addressing long-standing regional disparities requires a regional approach that tackles coordination and aligns with other funding streams, including those linked to the UK Industrial Strategy. We will provide further clarity on roles, responsibilities and expectations to ensure delivery bodies—particularly CJCs and local authorities—have the capability, flexibility and support they need without unnecessary bureaucracy.

There is a clear appetite across Wales to build a LGF that strengthens productivity and delivers fairer outcomes for people wherever they live. We remain committed to doing this in partnership across all sectors.

Next Steps

The consultation has provided a rich and detailed evidence base, and we are grateful to all who contributed. The responses will help shape the LGF Investment Plan for Wales for agreement with the UK Government. The responses will also shape the supporting framework which will follow the Investment Plan, including guidance and a monitoring and evaluation framework. We will work with the UK Government and our partners to develop and test those supporting documents before we publish them.

Annex A: List of respondents

Responses were received from the following:

Sector for the purpose of analysing the responses	Name of organisation
Private Sector	• CA Select • Guiding Light Coaching • Atradius • The Hacking Games • Craig Lewis Consulting • Marrill Powys • Airbus • Dulas • Simply Do • Tramshed Tech
Public Sector	• Cefn Community Council • Natural Resources Wales • Cardiff University • NHS Wales • Coleg Llandrillo/Menai • Global Centre of Rail Excellence • Medr • North Wales Ambition Board • Mersey Dee Alliance • Cardiff Metropolitan University • Cardiff & Vale College • Bangor University • Universities Wales • Cardiff Capital Region • Aberystwyth University • Construction Industry Training Board

Third Sector	• Three Js • Pembrokeshire Coastal Forum • Caia Park Partnership Ltd • Denbighshire Voluntary Services Council • The Ramblers • Tempo Time Credits • Citizens Advice Merthyr • Llamau • Marine Energy Wales • Mentrau Iaith • Dyfodol i’r Iaith • Tydfil Training • Menter Gorllewin Sir Gar • Cwmpas • Royal Town Planning Institute • Powys Association of Voluntary Organisations • Cadwyn Clwyd Cyfyngedig • Trades Union Congress • Electric Vehicle Association Cymru • Development Trust Association • Age Connects Morgannwg • Wales Council for Voluntary Action • Climate Cymru • Computer Aid • Adra • Unison • Powys Association of Voluntary Organisations • Federation of Small Businesses

	• GISDA • Coalfields Regeneration Trust • Building Communities Trust • Community Transport Association • Mind • Neath Port Talbot Community Voluntary Service • Copyright Licensing Agency • Cardiff Third Sector Council • Action For Children • Rhieni Dros Addysg Gymraeg • Mudiad Meithrin • Cymdeithas Yr Iaith • Welsh Language Commissioner • Llangollen Railway • University and College Union • Platfform • Kings Trust • Colleges Wales
Local Authority & WLGA	• Neath Port Talbot Council • Colwyn Town Council • Monmouthshire County Council • Swansea Council • Ceredigion County Council • Caerphilly County Borough Council • Bridgend County Borough Council • Wrexham County Borough Council • Denbighshire County Council • Powys County Council • Vale of Glamorgan Council

	• Blaenau Gwent County Borough Council • Pembrokeshire County Council • Isle of Anglesey County Council • Cardiff Council • Conwy County Borough Council • Gwynedd Council • Cheshire West and Chester Council • Flintshire County Council • Welsh Local Government Association • Rhondda Cynon Taf County Borough Council

Individuals were not included in the table above. Organisations who did not state their identity or who wished to remain anonymous were also not included in the table above. The organisation has only been named once, even when multiple submissions were received.