

Finance Committee evidence session with the Welsh Local Government Association (WLGA) on the Welsh Government Draft Budget 2025-26 – 15 January 2025

Following the attendance of WLGA representatives at the Finance Committee's evidence session on the Welsh Government Draft Budget 2025-26, the WLGA provided the response below, in relation to a question on the Shared Prosperity Fund, that wasn't reached during the evidence session.

Question: In your consultation response, you talk about uncertainty around a successor to the Shared Prosperity Fund (SPF). How has that Fund supported economic development and does this Draft Budget complement economic development activities local authorities are involved in.

Response: Please see below the WLGA's response to the question on the SPF which has been cleared with our Leader:

- The Shared Prosperity Fund (SPF) introduced by the UKG has proven to be a flexible fund, enabling local authorities to support projects that are tailored to meet local need.
- In that sense it has been a welcome change from previous EU regimes where projects had to meet strict criteria, resulting in projects having to be 'bent' to achieve eligibility.
- In all four regions of Wales a designated lead authority has worked successfully with the constituent councils in their region to achieve a combination of regional co-ordination and local delivery.
- WLGA has consistently called for tripartite discussions between UKG, WG and local authorities to reach agreement on what activity is best conducted nationally, regionally and locally. Such discussions would also enable lessons learned from the delivery of SPF to inform the development of its successor.
- That will be the best way to ensure that the funding allocated for economic development purposes in the WG budget complements the activities that LAs are involved in.
- Councils play a vital role in economic development, providing co-ordination across a range of functions that are of benefit to local businesses. It will be crucial that they remain central to plans for economic development, working closely with WG and UKG