# Wales's £500 million Local Growth Fund aims to revolutionise regional prosperity with focus on innovation and green infrastructure



Communities across Wales are poised to benefit from a transformative economic initiative as the Welsh Government announces a new Local Growth Fund exceeding £500 million. This substantial investment, set to launch in April 2026, is designed to create jobs, boost productivity, and drive long-term economic development across every region of Wales.

Replacing previous European Union funding mechanisms, the Local Growth Fund marks a significant step in restoring decision-making powers to Welsh authorities as part of the UK Government’s commitment. The fund is governed by a framework agreed upon by both the Welsh and UK Governments, with the Welsh Government taking the lead on delivery and allocation. Crucially, local authorities and regional partners will have a central role in shaping how the funds are spent, ensuring that investment decisions reflect the specific needs and ambitions of diverse Welsh communities.

A public consultation is scheduled to launch imminently, inviting businesses, councils, and residents to contribute their views. This collaborative approach emphasises inclusivity and regional empowerment, aiming to tailor the fund’s impact to support employment and skills development, business growth, and infrastructure improvements across the country.

The fund will focus on addressing key barriers to growth and fostering sectors identified as strategic for Wales’s future economy. Priority areas include health and biotechnology, fintech, low-carbon energy, and artificial intelligence (AI), sectors where Wales already shows promise and which hold the potential for significant expansion. Infrastructure investments will also be a key component, targeting low-carbon transport, energy efficiency, and renewable energy generation, all aimed at supporting a sustainable and green economic future.

Welsh First Minister Eluned Morgan highlighted the fund’s potential to accelerate economic transformation. Speaking in a government statement, she emphasised the importance of supporting businesses and social enterprises in high-growth sectors such as AI, cybersecurity, and digital transformation. Morgan stressed the necessity of overcoming barriers such as limited access to finance and the critical role of investment in research and development to build a more competitive and resilient Welsh economy.

The First Minister also underscored the fund’s focus on helping people into work and facilitating progression into higher-paid roles. By aligning skills development with the requirements of regional economies, the initiative seeks to reduce economic inactivity and prepare the Welsh labour force for the evolving job market. There is a particular emphasis on inclusive economic development, ensuring opportunities extend to all corners of Wales.

Green infrastructure stands out as a major theme, with the fund encouraging investment in renewable energy projects, energy efficiency measures, and low-carbon transport options. Local regeneration efforts will also benefit, with tourism and heritage sectors receiving support in ways that bolster community prosperity and sustainability.

This initiative aligns with a broader trend of significant public investment in Wales under Eluned Morgan’s leadership. In her reflections on her first year in office, the First Minister cited record NHS investments, the creation of over 40,000 jobs, and major infrastructure improvements like the completion of the Heads of the Valleys road. Moreover, ongoing support for renewable energy projects reflects the government’s strong commitment to tackling climate change while fostering economic growth.

The Local Growth Fund complements other UK-wide investment efforts such as the Local Innovation Partnerships Fund launched by UK Research and Innovation, which aims to inject £500 million into local economies nationally, focusing on areas of strength including AI healthcare technologies and cybersecurity. Additionally, Wales stands to gain from targeted neighbourhood funding designed to rejuvenate high streets, parks, and cultural venues, thus boosting local growth and community pride.

The Welsh Government’s emphasis on regional autonomy and community-driven growth signals a hopeful and optimistic future for Wales as it seeks to cement its position as a hub for innovation, particularly in emerging technologies. While challenges remain, including the need to ensure equitable distribution and effective utilisation of funds, this bold investment framework offers a strong foundation for sustainable and inclusive development.

As the consultation process gets underway, businesses, local councils, and citizens are encouraged to engage actively to help shape a fund that promises to unlock Wales’s full economic potential while supporting a green and skills-focused recovery. The collaborative spirit underpinning this initiative is a clear demonstration of Wales’s ambition to lead responsibly in the new era of innovation and prosperity.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.publicsectorexecutive.com/articles/major-new-fund-boost-jobs-and-productivity-across-wales> - Please view link - unable to able to access data
2. <https://www.gov.wales/new-local-growth-fund-wales> - The Welsh Government has announced a new Local Growth Fund exceeding £500 million, set to launch in April 2026. This fund aims to create jobs and enhance productivity across Wales, replacing previous EU funding. The Welsh Government will lead the allocation process, with local authorities and regional partners playing a key role. A public consultation will be held to determine the best use of the fund, focusing on employment and skills development, business growth in sectors like health, biotech, fintech, low-carbon energy, and AI, and infrastructure improvements such as low-carbon transport and renewable energy generation.
3. <https://www.gov.wales/half-a-billion-pounds-growth-fund-announced-for-wales> - The UK Government has announced a £500 million Local Growth Fund for Wales, aiming to create jobs and boost productivity across the country. This fund replaces previous EU funding and honours the UK Government’s commitment to restore decision-making powers to Wales. The Welsh and UK Governments have agreed on a framework to guide the allocation of the funds, with a delivery plan led by the Welsh Government. Local authorities and other partners will have a key role in deciding how the funding is spent, with a consultation to be launched to gather views on the best use of the fund.
4. <https://media.service.gov.wales/news/eluned-morgan-marks-one-year-as-welsh-first-minister> - Eluned Morgan, the First Minister of Wales, reflects on her first year in office, highlighting achievements such as record investments in the NHS, the creation of over 40,000 jobs, and significant increases in inward investment. She also mentions the completion of the Heads of the Valleys road, improvements in local transport, and investments in renewable energy projects. The First Minister emphasises the importance of listening to the people of Wales and delivering on their priorities, including health, jobs, homes, and transport.
5. <https://businesswales.gov.wales/news-and-blog/new-research-investment-fund> - The UK Research and Innovation (UKRI) has launched the Local Innovation Partnerships Fund, providing up to £500 million to support local economies, jobs, and skills across the UK. The fund aims to attract an additional £1 billion in investment, including from the private sector, and £700 million in value to local economies. It is designed to invest in local strengths, including areas such as cybersecurity in Northern Ireland, semiconductors in Wales, and artificial intelligence-led healthcare technology in Birmingham.
6. <https://www.gov.uk/government/news/wales-to-get-100-million-to-restore-pride-in-neighbourhoods-and-boost-growth> - Wales is set to receive a share of £1.5 billion through the UK Government's Plan for Neighbourhoods, with £100 million allocated to five Welsh communities. The funding aims to revitalise high streets, local parks, youth clubs, cultural venues, and libraries, creating local growth and opportunities. New neighbourhood boards will be established in the 75 selected communities to decide how to spend the money, focusing on transforming 'left behind' areas and unleashing their full potential.
7. <https://welshgovernment.blog.gov.wales/2024/11/14/first-minister-eluned-morgan-reflects-on-her-first-100-days-in-office/> - First Minister Eluned Morgan reflects on her first 100 days in office, highlighting achievements such as bringing in over £1 billion in investment, creating hundreds of quality jobs across Wales, and completing the rollout of free school meals to all primary school pupils. She also mentions investing an extra £30 million to reduce NHS waiting times, connecting thousands of businesses and communities with the £12 million Local Broadband Fund, approving five new renewable energy projects, and opening a new medical school in North Wales.