



Subject:	Local Growth Fund – draft consultation response
Date:	10 June 2026
Reporting Officer:	Damien Martin, Strategic Director, Place and Economy
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Is this report restricted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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1.0	Purpose of Report
1.1	The purpose of the report is to update the Committee on the consultation on the UK Government’s Local Growth Fund – the successor to Shared Prosperity Fund and to seek committee approval of a draft response to the consultation.
2.0	Recommendations
2.1	The Committee is asked to: <ul style="list-style-type: none">• Consider and approve the draft response and agree that this is submitted to NIO• Note the update on the “Belfast Trailblazer” that had been referenced in the June 2025 budget statement and agree to issue correspondence to NIO to seek clarity on their plans for this fund.
3.0	Main Report
3.1	The Committee has previously received an update on the Local Growth Fund (LGF) – the successor to the Shared Prosperity Fund (SPF). The report noted that there were a number of significant changes from SPF to LGF namely: <ul style="list-style-type: none">• Management of the fund was to involve “collaborative working” between the regional government departments, NIO and MHCLG (previously no involvement from regional government departments or NIO)• Funding was to move from a predominantly revenue-based budget to heavily capital-focused one (indicative split 66% capital; 34% revenue funding).

3.2	<p>In December 2025, Belfast City Council lead officers on Go Succeed were advised by MHCLG that there was to be an allocation of £2.53million revenue funding from the Local Growth Fund for one year, representing an overall reduction of around 60% on the previous revenue allocation. At the same time, all delivery partners that had previously led on the economic inactivity projects supported under the Shared Prosperity Fund from 2023-2026 were advised that their projects would also be extended for one year – but with a similar reduction in available budgets. These are the only two elements of expenditure that have been allocated from the Local Growth Fund to date this year – and they represent the entirety of the available revenue funding for this period.</p>																				
3.3	<p>NIO launched the consultation on the Local Growth Fund on 8 May 2026. The consultation will close on 26 June 2026. NIO expects to present a draft investment plan to Westminster before the recess period, with a similar plan being shared with the NI Executive in parallel. Subject to these respective approvals, they will then begin the process of commissioning service delivery against the agreed priority areas. The consultation seeks views on resource funding from 2027/28 to 2028/29 and capital funding from 2026/27 to 2028/29. It does not seek to revisit the original decisions around the capital and resource split of the funding.</p>																				
3.4	<p>The Local Growth Fund in NI will have a budget allocation of £129million funding over the next three years – an indicative allocation of £43million per annum. The indicative annual breakdown is as follows:</p> <table border="1" data-bbox="225 1106 1463 1312"> <thead> <tr> <th></th> <th>2025/26</th> <th>2026/27</th> <th>2027/28</th> <th>2028/29</th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td>3.8*</td> <td>27.4</td> <td>27.5</td> <td>29.8</td> </tr> <tr> <td>Revenue</td> <td></td> <td>11.8</td> <td>15.5</td> <td>13.2</td> </tr> <tr> <td>Total</td> <td>3.8</td> <td>39.2</td> <td>43</td> <td>43</td> </tr> </tbody> </table> <p><i>*Note – this £3.8million was allocated to North City Business Centre for the development of workspace in North Belfast.</i></p>		2025/26	2026/27	2027/28	2028/29	Capital	3.8*	27.4	27.5	29.8	Revenue		11.8	15.5	13.2	Total	3.8	39.2	43	43
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3.5	<p>The draft strategic framework underpinning the Fund is based around two priorities for growth, namely:</p> <ul style="list-style-type: none"> • Enhancing productivity: driving higher value-added activity and increasing the efficiency of the economy to create capacity for sustainable long-term growth • Promoting active participation in the workforce: tackling the barriers to employment to increase the working age population’s participation rate and meet immediate labour needs. 																				
3.6	<p>Each priority includes a number of sub-priorities as follows:</p>																				

Priority	Sub-priority
<i>Enhancing productivity</i>	Business support and innovation
	Strategic infrastructure investment
	Skills enhancement
<i>Promoting active participation in the workforce</i>	Localised economic inclusion
	Early intervention

3.7	The consultation document notes that, while MHCLG will maintain oversight of the Local Growth Fund, the Northern Ireland Executive departments will “plan and oversee delivery of the Fund” for all future expenditure. In reality, this is likely to mean that both the Department for the Economy (DfE) and the Department for Communities (DfC) will take the lead on agreed priority projects and will be responsible for commissioning and managing delivery.
3.8	It also notes that a cross-sectoral Partnership Group will be established to “provide insight and advice on delivery”. A Partnership Group existed under the Shared Prosperity Fund and local government had two representatives – one from MUDC and one from BCC. Discussions with NIO have indicated that this Partnership Group will be established once the programme is agreed, rather than advising on the programme content – as was the case for the SPF Partnership Group.
3.10	The consultation document is attached to this report (appendix 1) and an outline of indicative responses is also included in appendix 2. The consultation is focused around a number of questions relating to the core priorities (Enhancing Productivity and Promoting Active Participation) and the sub-priorities as well as the proposals around delivery and consideration of the equality implications.
3.11	In addition to responding to the questions, there are a number of issues that the Committee should be aware of and that have been woven into the draft response. These include: <ul style="list-style-type: none"> • Explicit support for continued investment in Go Succeed with the potential to supplement existing support and integrate other capital interventions aligned to programme priorities e.g. grant support for digital transformation • Proposal that the activities supported under “Promoting Active Participation” should focus on outreach and engagement support and that outcomes should be appropriate and aligned to this support i.e. job outcomes are not always an appropriate outcome to evidence the impact of this work. This will also help streamline the support ecosystem

	<p>with the SPF-funded activity focusing on the “supply” side (reaching out to engage key target groups; providing key employability support and helping address barriers to progression) while the LMP activities will then focus more on the “demand-side” activities i.e. working with employers to design and develop employment support interventions for those further from the labour market and create/ring-fenced specific job roles for individuals that are successful in interviews for those roles</p> <ul style="list-style-type: none"> • Potential to use local government as a delivery mechanism for economic growth support activities – direct commissioning rather than open competitions. This reflects a similar approach under Shared Prosperity Fund when councils were a conduit for substantial proportion of delivery.
3.12	<p>A key omission from the current consultation is the reference to the “Belfast trailblazer” that was noted in the June 2025 budget statement regarding the fund. At that time, it was intended that this would be a proxy for the “Pride in Place” funding that was made available to towns and cities across the UK. An indicative funding allocation of £2million was set aside for “a Belfast neighbourhood” for a period of 10 years – similar to the funding that was allocated to Derry and Coleraine in 2023. Officers understand that this indicative allocation has simply been “rolled into” the overall Local Growth Fund with the expectation that at least £2million will be allocated to Belfast-based projects – but with no ring-fenced mechanism for doing this. It is proposed that formal correspondence is issued to NIO to verify this position.</p>
4.0	Financial & Resource Implications
	No specific financial resources.
5.0	Equality or Good Relations Implications / Rural Needs Assessment
	No specific equality or good relations implications. NIO will be responsible for the overall equality impact assessment.
6.0	Appendices
	Appendix 1: LGF consultation Appendix 2: Draft Belfast City Council response