monmouthshire
sir fynwy

SUBJECT:	**GrowthSpace Grant Programme Update**
MEETING:	**Cabinet**
DATE:	**30th September 2026**
DIVISION/WARDS AFFECTED:	**All**

1. PURPOSE

1.1 To provide Cabinet with an update on the development and administration of the GrowthSpace grant programme, delivered as part of the Council's Local Growth Fund activity through the wider Place and Growth Investment Fund.

1.2 To seek delegated authority for the Strategic Director for Children, Learning, Skills & Economy, in consultation with the Cabinet Member for Planning and Economic Development, to determine individual GrowthSpace grant awards during the early autumn period.

2. RECOMMENDATIONS

That Cabinet:

2.1 Delegates authority to the Strategic Director for Children, Learning, Skills & Economy, in consultation with the Cabinet Member for Planning and Economic Development, to determine individual GrowthSpace grant awards within the approved programme allocation.

2.2 Agrees that the delegated authority at recommendation 2.3 includes authority to:

- approve, conditionally approve or decline individual applications;
- determine the final value and conditions of individual awards;
- complete all required due diligence, subsidy control assessment and financial assurance;
- confirm that all necessary statutory consents and permissions are in place;
- agree any eligible co-investment between GrowthSpace and other elements of the Place and Growth Investment Fund; and
- enter into the necessary grant agreements, subject to the Council's established financial and legal requirements.

3. KEY ISSUES

Local Growth Fund

3.1 In March 2026, Cabinet approved the Council's draft Local Growth Fund Investment Plan for 2026/27. The plan was developed within a significantly compressed timetable following receipt of the Council's indicative allocation on 9 January 2026 and the planning template on 13 January 2026, with submission to the regional Lead Authority required by 28 January 2026.

3.2 The Local Growth Fund represents a shift towards capital investment, with activity focused on productive and competitive businesses, skills and employment, green infrastructure and local infrastructure supporting regional economies. The approved local plan retained capital funding within an umbrella sites and premises project to allow detailed investment opportunities to be developed.

3.3 GrowthSpace has subsequently been developed as the principal grant mechanism within this area of the local programme. It is intended to unlock the economic potential of vacant, disused, under-utilised or stalled commercial sites and premises, particularly where investment barriers or viability challenges are preventing development from progressing.

Place and Growth Investment Fund

3.4 GrowthSpace has been delivered through the Council's wider Place and Growth Investment Fund. This provides a single and more streamlined route through which businesses, property owners and other eligible organisations can seek support for sites, premises and property-related investment.

3.5 The Place and Growth Investment Fund currently brings together:

- GrowthSpace, funded through the Local Growth Fund and focused on sites and premises that can support business growth, employment and wider economic development; and
- Town Centre Property Improvement Grants, funded through Pride in Place and Transforming Towns, supporting improvements to properties located within designated town centres, helping to bring vacant buildings back into use, improve the condition and appearance of commercial premises, and strengthen the vitality and attractiveness of town centres.

3.6 This approach provides applicants with a common initial route into the available funding. It also enables the Council to determine which funding stream, or combination of streams, is most appropriate based on the location, purpose and eligibility of each proposal. The process was designed around a unified route of expression of interest, eligibility assessment, and full application, ahead of appraisal and decision.

Expression of Interest Process

3.7 The programme commenced with an open Expression of Interest process. This was intended to provide a short and proportionate first stage through which the Council could:

- establish basic eligibility;
- understand the proposed intervention;
- consider initial alignment with the objectives of the available funding;
- identify the appropriate grant route; and
- avoid applicants incurring the time and cost of preparing a full application where a proposal was not eligible or sufficiently aligned.

3.8 Expressions of Interest were reviewed to determine whether proposals were potentially eligible for GrowthSpace, Town Centre Property Improvement Grant support, or a combination of both. Applicants progressing from this stage were invited to submit a full application and were provided with guidance on the information and supporting evidence required.

3.9 The initial timetable invited Expressions of Interest by 31 May 2026, with eligible applicants subsequently invited to submit full applications. All funded activity is required to complete by 31 March 2027.

Full Application and Appraisal Process

3.10 Full applications were required to provide more detailed information concerning:

- the site or premises;
- the proposed works and eligible costs;
- the need for public-sector intervention;
- match funding and private-sector leverage;

- anticipated economic outputs and outcomes;
- project delivery arrangements and timetable;
- planning and other statutory consents;
- financial standing and deliverability;
- risks and dependencies; and
- subsidy control considerations.

3.11 The GrowthSpace appraisal framework considers deliverability and risk alongside four principal scored areas:

1. Growth opportunity and strategic fit.
2. Additionality and the need for intervention.
3. Economic outputs and outcomes.
4. Leverage and value for money.

The appraisal route is designed to progress from an initial eligibility review through full application development, detailed appraisal and review, and finally to formal decision and funding allocation.

3.12 Applications are also subject to proportionate clarification and due diligence activity. Depending on the nature of the proposal, this may include confirmation of project costs, match funding, planning requirements, ownership or lease arrangements, financial standing and the appropriate subsidy control route.

Programme Timescales

3.13 The design and launch of GrowthSpace took place while the detailed Local Growth Fund arrangements were continuing to develop. Delays in the publication and confirmation of Welsh Government programme requirements reduced the time available to establish the local grant process and provide applicants with certainty.

3.14 The regional transition plan was not formally confirmed through a variation to the Grant Award Letter until July 2026. This subsequently allowed the Lead Authority to issue draft agreements to local authorities on 6 August 2026.

3.15 These circumstances have created challenges for both applicants and the Council. Applicants have needed to develop detailed and deliverable capital proposals within a relatively short period, often alongside securing match funding, quotations, planning permission or other statutory consents.

3.16 The Council has, in parallel, been required to establish the grant architecture, develop guidance and application materials, undertake eligibility checks, support applicants, complete appraisals, address subsidy control and planning issues, ahead of formulating award recommendations.

3.17 Feedback received during the process indicates that match-funding requirements, cash flow, application timescales and planning or consent requirements have affected the ability of some prospective applicants to progress to full application.

3.18 The Council will maintain contact with appropriate applicants whose proposals were not sufficiently progressed within the current programme timetable. This will help preserve a pipeline of potential future opportunities, should further short-term funding become available, and ensure that eligible schemes can be supported to develop where they continue to align with GrowthSpace objectives.

Decision-Making Requirements

3.19 All GrowthSpace expenditure must be eligible and completed within the relevant programme period. Delaying individual award decisions until later in the autumn would materially reduce the time available for applicants to enter into grant agreements, mobilise and complete works before 31 March 2027.

3.20 The proposed delegation would allow individual awards to be determined as soon as each application has completed the necessary appraisal, due-diligence and assurance requirements. It would not remove those requirements or alter the approved GrowthSpace budget.

3.21 Decisions made under the delegation would be recorded through an appropriate audit trail, including the appraisal outcome, award rationale, and consultation with the Cabinet Member for Economic Development, and reported back as appropriate.

4. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS

4.1 An integrated impact assessment was completed for the Monmouthshire Local Investment Plan 2026. As there have been no significant changes since that assessment, an update has not been required.

5. OPTIONS APPRAISAL

5.1 The recommended option is to delegate authority to the Strategic Director for Children, Learning, Skills & Economy, in consultation with the Cabinet Member for Economic Development, to determine individual awards within the approved programme allocation. This provides a proportionate governance route, enables decisions to be made when applications are ready, and preserves the necessary appraisal, due-diligence, financial, legal and subsidy control requirements.

5.2 A structured appraisal process is in place for individual grant applications. This includes consideration of the project options available to the applicant, the case for public-sector intervention, alignment with the objectives of the relevant funding stream, deliverability, value for money, outputs, risks, and due diligence.

6. EVALUATION CRITERIA

6.1 All approved GrowthSpace projects will be required to comply with the monitoring, evaluation and reporting requirements of the Local Growth Fund, Welsh Government and the regional Lead Authority.

6.2 Individual grant agreements will specify the approved activity, expenditure profile, outputs, evidence requirements, monitoring arrangements, payment conditions and project completion date.

6.3 Programme monitoring will be undertaken by the Council’s Economy, Employment and Skills service, with progress reported through the relevant Local Growth Fund and corporate governance arrangements.

7. REASONS

7.1 GrowthSpace has been established to support eligible investment in sites and premises that can contribute to business growth, employment and the productive capacity of the local economy.

7.2 The fund supports the Council's Community and Corporate Plan and Economy, Employment and Skills Strategy by enabling investment in local sites and premises that can support business growth, employment and wider economic resilience.

7.3 A structured process has been undertaken, incorporating an open Expression of Interest stage, eligibility assessment, full application, detailed appraisal, clarification and due diligence.

7.4 The Local Growth Fund timetable has been significantly compressed. Timely decisions are therefore required if successful applicants are to mobilise and complete eligible capital works before 31 March 2027.

7.5 The proposed delegation will allow decisions to be made when individual applications are ready, without removing the required appraisal, assurance, or due dilligence arrangements.

8. RESOURCE IMPLICATIONS

8.1 Grant awards will be made within the Council's approved Local Growth Fund allocation and the amount allocated to GrowthSpace (£664,534). This report does not seek any additional Council budget.

8.2 Each award will be subject to confirmation of available programme funding, eligible expenditure, financial due diligence, subsidy control compliance and completion of a formal grant agreement.

8.3 Failure to make timely award decisions could reduce the deliverability of projects within the funding period and increase the risk of underspend against the GrowthSpace allocation.

8.4 Management and administration of the programme will be undertaken by the Economy, Employment and Skills service within the approved Local Growth Fund management and administration arrangements.

9. CONSULTEES

- Strategic Leadership Team
- Deputy Leader and Cabinet Member for Economic Development and Planning
- Strategic Director for Children, Learning, Skills & Economy
- Chief Officer for Place and Community Wellbeing
- Regeneration Manager
- Directorate Management Team - CLSE

10. BACKGROUND PAPERS

- GrowthSpace appraisal criteria and process documentation

11. AUTHORS

Hannah Jones – Head of Economy, Employment and Skills

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12. CONTACT DETAILS

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Appendix 1: GrowthSpace Application Process and Appraisal Framework

Expression of Interest Stage

A total of 62 Expressions of Interest (EOIs) were received through the Place & Growth Investment Fund process. Following an initial eligibility and routing assessment:

Outcome	Number
GrowthSpace eligible	8
Potentially eligible for GrowthSpace and other funding routes	5
Eligible and routed to Town Centre Property Improvement Grants	18
Not eligible / not progressed	31
Total EOIs received	**62**

The EOI process identified **13 proposals** with potential eligibility for GrowthSpace support.

Common Reasons for Non-Progression

The most common reasons for proposals not progressing beyond the EOI stage included:

- sites or premises not being vacant, underused or growth-enabling;
- proposals focused primarily on maintenance or repair works at active sites;
- insufficient alignment with the economic growth objectives of the programme;
- ineligible expenditure; and
- insufficient information to demonstrate eligibility.

GrowthSpace Application Stage

The 13 eligible proposals were invited to submit a full GrowthSpace application.

Status	Number
Full applications received	9
No application submitted	4
Total invited	**13**

Applications were received across two application windows:

Application Submission	Applications received
Window 1 (July 2026)	6
Window 2 (August 2026)	3
Total	**9**

The proposals that did not progress to full application cited a range of factors, including match funding constraints, planning and consent requirements, delivery timescales and alternative project progression routes.

Appendix 1: GrowthSpace Application Process and Appraisal Framework

GrowthSpace Appraisal Process

Applications received at full application stage are subject to a detailed appraisal process assessing strategic alignment, economic impact, deliverability and value for money.

1. Eligibility and Compliance Review

- applicant eligibility;
- project eligibility;
- eligible expenditure;
- subsidy control declarations and compliance requirements; and
- completeness of supporting information and evidence.

2. Deliverability and Risk Assessment

A proportionate review of key delivery risks, including:

- planning and statutory approvals;
- property ownership and legal considerations;
- procurement arrangements;
- funding and cashflow requirements; and
- programme delivery timescales.

Risk is considered separately from the scored appraisal and informs the overall recommendation and any potential funding conditions.

3. Scored Appraisal

Applications are assessed against four criteria, producing a total score out of 100.

Criterion	Assessment focus
Growth Opportunity and Strategic Fit	The extent to which the proposal aligns with GrowthSpace objectives and supports the creation, expansion or unlocking of commercial economic space.
Additionality and Need for Intervention	Whether grant support is required to unlock the project, address market failure or viability constraints, and deliver outcomes that would not otherwise be achieved in the same form or timescale.
Economic Outputs and Outcomes	The expected economic benefits, including business growth, employment, commercial space, site activation, regeneration or wider local economic impact.
Leverage and Value for Money	The relationship between the grant requested, total project costs, match funding, outputs, outcomes and overall public value.

The appraisal is considered alongside the deliverability and risk assessment and is not used in isolation.

4. Clarification and Due Diligence

Where required, applicants are asked to provide further clarification or supporting information. Depending on the nature and scale of the proposal, this may include:

- confirmation of project costs;
- evidence of match funding;
- planning and consent information;
- ownership or lease documentation;
- financial information; and
- subsidy control assessments.

The extent of due diligence undertaken is proportionate to the scale, complexity and risk profile of each proposal.

Appendix 1: GrowthSpace Application Process and Appraisal Framework

Process Summary

Step	Process stage	Flow
1	62 Expressions of Interest received	↓
2	EOIs reviewed: • 31 not eligible / not progressed • 18 routed to Town Centre Property Improvement Grants • **13 proposals identified as potentially eligible for GrowthSpace**	↓
3	9 full GrowthSpace applications received	↓
4	Eligibility and compliance review	↓
5	Deliverability and risk assessment	↓
6	Scored appraisal against four weighted criteria, supported by clarification, where required. *Clarifications may refine the evidence base and inform the final appraisal judgement.*	↓
7	Due diligence	↓
8	Funding recommendations	↓
9	Individual grant award decisions	End

In the interests of expediency, stages 5, 6 and 7 are being undertaken in parallel, rather than as wholly sequential steps. This reflects the current position: applications are being reviewed for eligibility and compliance, assessed for deliverability and risk, and appraised against the weighted criteria, with clarification and due diligence supporting that assessment where required. This work will inform the funding recommendations at stage 8 and subsequent individual grant award decisions at stage 9.