South East Wales Corporate Joint Committee

Cyd-bwyllgor corfforaethol De-Dwyrain Cymru

Report for:	ACTION
Contains Confidential or Exempt Information	NO

For Consideration By	South-East Wales Corporate Joint Committee
Report Title	2024/25 Audited Statement of Accounts and Annual Governance Statement.
Report of	Liam Hull, Strategic Director Resources
Contact Details	Liam.Hull@cardiffcapitalregion.gov.uk
Date to be Considered	24 November 2025
Implementation Date	Immediate
Affected Council Areas	All
Keywords / Index	Finance; Statements of Accounts; Audited Accounts; Annual Governance Statement

Report Summary

1. To present the Governance and Audit Sub-Committee with the final, audited Statement of Accounts and the Annual Governance Statement in respect of the South-East Wales Corporate Joint Committee for the financial year 2024/25.

2. The International Standard on Auditing (ISA) 260 requires the Appointed Auditor to report to those charged with governance on key matters arising from the audit examination of the Statement of Accounts for the year ending 31st March 2025.

Recommendations

3. It is recommended that the CJC:

   (1) notes that the Governance & Audit Sub-Committee are due to consider the audited Statement of Accounts and Annual Governance Statement, together with the associated Audit Wales audit report at their meeting of 21 November 2025. A verbal update on the view of the Governance & Audit Sub-Committee will be given at the meeting.

   (2) approve the audited Statement of Accounts 2024/25 for South East Wales Corporate Joint Committee (Appendix 2);

(3) approves the audited Annual Governance Statement 2024/25 (Appendix 3);

(4) notes the Audit reports of Audit Wales on the Statement of Accounts of Cardiff Capital Region City Deal for the year ending 31 March 2024 (Appendix 1a);

(5) notes the final Letters of Representation for South East Wales Corporate Joint Committee (Appendix 1b);

(6) notes that the following documents will be formally signed at the conclusion of the CJC meeting on 24 November 2025:

- Statement of Accounts for South East Wales Corporate Joint Committee – Chair of CJC and S151 Officer;
- Annual Governance Statement – Chair of CJC and Chief Executive;
- Audit Certificate for the South East Wales Corporate Joint Committee – Appointed Auditor, Wales Audit Office. To be signed at a later date;
- Letter of Representation for the South East Wales Corporate Joint Committee – Chair of CJC and Chief Executive

Reason for Recommendations and Background Information

4. To advise the CJC of the conclusion and findings of the audit relating to the 2024/25 financial statements and Annual Governance Statement and ask that they approve them.

5. To comply with The Accounts and Audit (Wales) (Amendments) Regulations 2018.

Background

6. The audited Statement of Accounts for the South East Wales Corporate Joint Committee for the financial year 2024/25 is included in Appendix 2. In accordance with the Accounts and Audit (Wales) (Amendments) Regulations 2018 the 'Responsible Finance Officer' is firstly required to sign draft accounts which are then required to be approved and published following an external audit.

7. Delays to the conclusion of the 2023/24 audit, resulted in the 31 October 2025 agreed Welsh Government deadline for publication of the audited statement of accounts not being met.

8. The unaudited accounts were signed by the Section 151 Officer on 3 September 2025 and provided to Audit Wales on that date. The draft accounts were also considered by the Governance & Audit Sub-Committee at it's meeting of 26 September 2025 and the CJC at its meeting of 13 October 2025.

9. In addition, the accounts were made available for public inspection for a period of 4 weeks from 26 September 2025 – 23 October 2025, as required

by the Public Audit (Wales) Act 2004 and the Accounts and Audit (Wales) Regulations, 2014.

Statement of Accounts

10. Following submission for audit on the 3 September 2025, Audit Wales have undertaken a thorough review of the CJC's draft 'Single Entity' Accounts and its 'Group' Accounts which include the consolidated balances of its subsidiaries, CCR Energy Ltd, CSC Foundry Ltd and Innovation Investment Capital LP.

11. 2024/25 represents the first set of financial statements produced since the CJC has been established as a public body and brings together, for the first time, the previous CCR City Deal Accounts and the Small Bodies Return previously completed for the CJC's statutory duties.

12. As a result of delays to the 2023/24 audit and the subsequent knock-on impact on 2024/25 the agreed deadline for the certification of the audited accounts (31 October 2025) has not been met.

13. Whilst this is disappointing, the timeline for the completion of the 2024/25 audit is a marked improvement on previous years and shows positive progress relating to the capacity and capability of the finance team.

14. Audit Wales have substantially completed the audit work and its "Audit of Financial Statements Report" (referred to as the 'audit report') is attached at Appendix 1a. This outlines the intention to issue an unqualified audit report following receipt of the approved financial statements and the signed Letter of Representation, Appendix 1b. Appendix 3 of the audit report provides a summary of corrections made to the draft accounts following review and agreement which need to be drawn to the CJC's attention.

15. The remaining tasks of Audit Wales involve:

    - Finalisation of the audit in Movement in Reserves Statement
    - Review of the work of the component auditors
    - Agreement of the amendments within the final version of the Statement of Accounts
    - Review of the audit file
    - Closure of the audit file

16. It is anticipated that significant progress will be made on these aspects ahead of the Governance & Audit Sub-Committee meeting of 21 November 2025 and Audit Wales will provide a progress update at the meeting.

17. There are no misstatements identified in the accounts, which remain uncorrected.

18. Net Assets have increase by £34,180k to £133,838k at the end of 24/25 due to further deployment of City Deal funds and as we have seen returns through our evergreen investments. This has resulted in Usable Reserves increasing to £21,932k at the end of 2024/25.

19. The Statement of Accounts, Annual Governance Statement and Audit Report is due to be considered by the Governance & Audit Sub-Committee at their meeting of 21 November 2025, with a recommendation that they consider and recommend their approval by the CJC. A verbal update on the outcome of that meeting will be provided at the CJC meeting of 24 November 2025.

Significant Issue

20. As part of their audit work, Audit Wales consider whether there are any significant issues that need to be brought to the attention to those charged with governance.

21. There is one such issue that has arisen in 2024/25, as follows:

"Quality of Statement of Accounts & Working Papers

We have previously reported significant issues with respect to the quality and accuracy of the financial statements and supporting working papers. The 2024/25 accounts demonstrate a marked improvement over previous years—evidenced by a significantly shorter audit completion window. This progress is encouraging and reflects positively on the efforts made to enhance the quality of submissions, however, there remain a number of issues that must be addressed for the 2025/26 accounts.

It is essential the finance function maintain a focus on further improvement. Many of the issues identified during the audit relate to narrative, casting, and cross-referencing errors, some of which relate to previous years. This could be resolved through more rigorous quality assurance prior to submission, which should be aided by more time for the accounts production process. Alongside this, some technical matters in relation to IAS19 Employee Benefits and the treatment of a Welsh Government soft loan were identified. Whilst noting that these relate to novel transactions for the CJC, application of the CIPFA Code of Practice was not adhered to and understanding could therefore be further strengthened.

Continued attention to both procedural and technical aspects is required to ensure that this year's progress continues, and future draft accounts meet the expected standard of accuracy and compliance."

22. This issue has resulted in them issuing 2 recommendations, included below, together with the management response from the CJC and timeline for implementation:

Recommendation 1 — Review of the Accounts

Recommendation	Whilst there have been improvements in the quality of accounts and working papers, there were still several narrative, casting and cross-referencing issues identified. Additionally, issues with fundamental accounting entries and disclosures, such as the treatment of the soft loan from Welsh Government,

	were identified although in some instances these were novel to the CJC. Officers should continue to look at and improve their quality arrangements prior to the draft accounts being submitted and should continue to enhance the finance team's capacity and capability by strengthening their knowledge and understanding of technical accounting required under the CIPFA Code.
Priority	High
Accepted in full by management	Yes
Management response	For the 2024/25 accounts, the CJC introduced formula driven working papers in Excel that linked directly to the accounts document. This method considerably reduced the number of casting errors in the current year, whilst recognising that there were some technical issues with some links. Given the time constraints this year, this formula driven approach focussed on the current year figures. This meant that a number of casting errors on prior year figures were not identified during the quality assurance stage ahead of submission of the draft accounts. To ensure this doesn't happen in future years, a similar formula driven approach will be implemented for prior year figures. In addition to this, where novel transactions occur, the finance function will ensure that they test their understanding amongst themselves as a Senior Finance Team with full reference to the CIPFA Code of Practice, as well as using peer groups such as the Chief Accountant's Group. In addition to this, early engagement with Audit Wales on such matters will also be undertaken where appropriate.
Implementation date	February 2026

Recommendation 2 — Submission of Information to Arlingclose

Recommendation	The information provided to Arlingclose, the expert, was incomplete. This meant the information disclosed was incorrect. Officers need to ensure the information sent is complete and accurate.
Priority	High
Accepted in full by management	Yes

Management response	Whilst ensuring that all working papers were checked independently as part of our quality assurance process, unfortunately the omissions identified by the auditors were not picked up by the individual compiling the working paper or the person responsible for reviewing it. Both individuals involved no longer work for the CJC and detailed guidance notes are in the process of being produced for all aspects of financial instruments working papers.
Implementation date	February 2026

Annual Governance Statement

23. The Annual Governance Statement (AGS) for 2024/25 AGS explains how the Cardiff Capital Region (CCR) has complied with its governance framework during the period 1 April 2024 to 31 March 2025. It sets out the statutory context, summarises the approach to assessing effectiveness against the CIPFA/SOLACE principles, and signposts the conclusions and improvement actions arising from that assessment.

24. The Statement summarises the governance framework within which CCR operates, including the Constitution, schemes of delegation and financial regulations, together with the assurance arrangements that support effective decision-making, risk management and financial stewardship. It describes the roles of the Governance & Audit Sub-Committee and the Standards Sub-Committee, alongside the statutory officers—the Chief Executive, Section 151 Officer and Monitoring Officer—in providing leadership and assurance on legality, propriety and value for money. It also explains how Internal Audit and Audit Wales contribute to independent assurance.

25. The AGS reports on arrangements for risk and performance management, including the strategic risk register, ownership and reporting, quarterly finance and performance monitoring, and the development of dashboards to strengthen visibility and trend analysis. It outlines the approach to group and partnership governance for CCR-related entities and investment vehicles, noting how performance, risk and compliance information is captured and fed into corporate assurance and Member oversight.

26. This year's governance assessment has focused on the transition to operating fully as a Corporate Joint Committee and the effectiveness of the new Constitution and sub-committee arrangements; readiness and compliance for exercising statutory functions in Regional Transport Planning, Strategic Development Planning and Economic Well-Being; the robustness of financial management and due diligence for grants and investments; follow-up on internal control recommendations; the maturity of risk management; strengthened shareholder and partner oversight for group arrangements; ethical governance (codes, registers and training); openness and Welsh-language commitments; and the continued use of the Local Evaluation Framework to evidence outcomes and value for money. A full report for 2024-25 is provided at Appendix 2 of the report.

27. The report concludes that, based on a review of effectiveness against the Local Code of Governance/CCR's own governance arrangements, a sound governance basis exists to effectively manage delivery during the period in question.

28. Finally, Audit Wales having considered the 2024/25 Annual Governance Statement, identified no changes required.

Next Steps

29. The final, audited accounts (including the AGS) will be published on relevant websites once the accounts have been approved by the CJC and the Auditor General for Wales has provided his opinion on the accounts. In addition, public notification of this will be made in the appropriate places as soon as possible.

Comments of the s.151 Officer

30. This report is presented to the CJC seeking their approval the audited accounts for the year ending 31st March 2025.

31. Members attention is drawn to the Audit Report from Audit Wales which outlines their intention to issue an unqualified audit opinion.

32. Members should also note the significant issue raised by Audit Wales in relation to the quality of the draft financial statements, together with the specific recommendations and associated management responses outlining how these issues will be rectified.

33. Members should also note that the Statement of Accounts, Annual Governance Statement and associated Audit Wales audit report are due to be considered by the Governance & Audit Sub-Committee at its meeting of 21 November 2025, where they will be asked to recommended that the CJC approve them. A verbal update on the outcome of those discussions will be given at the CJC meeting of 24 November 2025.

Comments of the Monitoring Officer

34. No other comments beyond the governance and legal commentary already made within the body of the Report.

Staffing Implications

35. There are no staffing implications arising from this report.

Equality, Human Rights and Community Cohesion

36. No adverse equalities implications have been identified.

Well-being of Future Generations

37. Regard has been had to the well-being duty arising under the Well-Being of Future Generations (Wales) Act 2015.

Welsh Language Implications

38. None.

Background Papers

39. None.

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Meeting Date: 24 November 2025

Appendices:

Appendix 1a Audit of Accounts Annual Report 2024/25
Appendix 1b Letter of Representation
Appendix 2 Audited Annual Statement of Accounts 2024/25
Appendix 3 Audited Annual Governance Statement 2024/25

Archwilio Cymru
Audit Wales

Audit of Accounts Report – South East Wales CJC

Audit year: 2024-25

Date issued: November 2025

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Introduction

I am pleased to share my Audit of Accounts Report. The Report summarises the main findings from my audit of your 2024-25 Statement of Accounts. My team have already discussed these findings with Strategic Director of Resource (Section 151 Officer).

Adrian Crompton

Auditor General for Wales

My team have substantially completed the audit work as set out in my Audit Plan. The remaining tasks involve:

- Finalisation of the audit of the Movement in Reserves Statement
- Review of the work of the component auditors
- Agreement of the amendments within the final version of the statement of accounts
- Review of the audit file
- Closure of the audit file

Since my Audit Plan, I have updated materiality to reflect the 2024-25 accounts. I have not identified any new audit risks. My response to previously identified risks is set out in **Appendix 1.**

I am required to provide an opinion on whether the accounts have been properly prepared, and give a true and fair view, in all material aspects. My proposed audit opinion and basis for it is outlined on page 25.

It is the responsibility of the those charged with governance to address any matters raised in my report and provide me with a Letter of Representation.

I would like to extend my gratitude to the officers and staff of South East Wales CJC for their cooperation throughout the audit process which has been invaluable in completing this audit effectively.

Your audit at a glance

We intend to issue **unqualified opinion** on the accounts

See **Appendix 4**

There is one **significant matter** to report

See **Audit findings**

There remain **no uncorrected misstatements** in the accounts which we wish to draw to your attention

See **Audit findings**

We have raised **two recommendations** as a result of our work.

See **Appendix 5**

We are aiming to certify your accounts in **November 2025** which is behind of the deadline of **31 October 2025**.

Materiality

I use professional judgement to set a materiality threshold to identify and correct misstatements that could affect users' decisions, considering both financial errors and disclosure requirements according to the applicable accounting framework and laws. My team updates materiality throughout the audit and I include in this report matters that exceed my reporting threshold, as set out below:

Materiality	Reporting threshold (trivial)
Set at 1% of gross assets based upon the 2024-25 draft financial statements.	Set at 5% of materiality.
Audited body **£1.87m** **Group** **£2.10m**	**Audited body** **£0.09m** **Group** **£0.11m**

There are some areas of the accounts that may be of more importance to the user of the accounts. We confirm lower materiality levels for these:

Remuneration report	Related party disclosures
£1,000	£10,000

Audit of Groups

The group accounts contain the results of the single entity, being South East Wales CJC and its trading subsidiaries, CCRE Ltd, CSC Foundry Ltd and Innovation Investment Capital LLP which are regarded as components of the group.

This year, we were required to implement a revised auditing standard on the audit of groups. The revised standard saw us adopt a more risk-based approach, ensuring that audit procedures were tailored to address specific risks impacting the group accounts.

My team maintained regular communication with component auditors throughout the audit process and were involved in directing and reviewing their work. Our responses to group risks and findings from the group audit are documented in **Appendix 1**

There are no matters to bring to your attention.

Audit Findings

Misstatements

A misstatement arises where information in the accounts is not in accordance with accounting standards.

Uncorrected misstatements

No uncorrected misstatements remain within the accounts.

Corrected misstatements

During our audit, we identified misstatements that have been corrected by management, but which we consider should be drawn to your attention.

These are set out in **Appendix 2**

Other significant issues

International Standard on Auditing 260 requires us to communicate with those charged with governance. We must tell you significant findings from the audit and other matters if they are significant to your oversight of the CJC's financial reporting process.

The following significant issues were identified during the audit.

Quality of Statement of Accounts and Working Papers

We have previously reported significant issues with respect to the quality and accuracy of the financial statements and supporting working papers. The 2024/25 accounts demonstrate a marked improvement over previous years—evidenced by a significantly shorter audit completion window. This progress is encouraging and reflects positively on the efforts made to enhance the quality of submissions, however, there remain a number of issues that must be addressed for the 2025/26 accounts.

It is essential the finance function maintain a focus on further improvement. Many of the issues identified during the audit relate to narrative, casting, and cross-referencing errors, some of which relate to previous years. This could be resolved through more rigorous quality assurance prior to submission, which should be aided by more time for the accounts production process. Alongside this, some technical matters in relation to IAS19 Employee Benefits and the treatment of a Welsh Government soft loan were identified. Whilst noting that these relate to novel transactions for the CJC, application of the CIPFA Code of Practice was not adhered to and understanding could therefore be further strengthened.

Continued attention to both procedural and technical aspects is required to ensure that this year's progress continues, and future draft accounts meet the expected standard of accuracy and compliance. Please refer to **Appendix 5** for specific actions to address these points.

Proposed audit opinion

Audit opinion

We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation (see below).

Our proposed audit report is set out in **Appendix 3**.

Letter of representation

A Letter of Representation is a formal letter in which you confirm to us the accuracy and completeness of information provided to us during the audit. Some of this information is required by auditing standards; other information may relate specifically to your audit.

The letter we are requesting you to sign is included in **Appendix 4** the contents of which are in line with our standard request for representations.

Recommendations

We have made recommendations during the audit, which are set out in **Appendix 5** along with management's responses to the recommendations.

We will monitor progress against the recommendations during next year's audit.

Audit team and ethical compliance

The main members of my team who carried out the audit work, together with their contact details, are summarised in **Exhibit 1**.

Exhibit 1: my local audit team

Engagement Lead	Richard Harries Richard.Harries@audit.wales
Audit Manager	Alice King Alice.King@audit.wales
Audit Lead	Angharad Clemens Angharad.Clemens@audit.wales

Compliance with ethical standards

We confirm that:

- we have complied with the ethical standards we are required to follow in carrying out our work;
- we have remained independent of yourselves;
- our objectivity has not been comprised; and
- we have no relationships that could undermine our independence or objectivity.

Appendix 1 – Audit risks and outcomes

My Audit Plan set out the risks of material misstatement the audit of South East Wales CJC accounts. **Exhibit 2** lists these audit risks and sets out how they were addressed as part of the audit. No additional audit risks have been identified since that need to be brought to your attention.

Exhibit 2: audit risks reported previously, work done and outcome

Audit risk	Work done	Outcome
Risk of management override The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].	The audit team: • tested the appropriateness of journal entries and other adjustments made in preparing the financial statements; • reviewed accounting estimates for bias; and • evaluated the rationale for any significant transactions outside the normal course of business.	My audit work did not identify any instances of management override of controls.

Quality of the financial statements and supporting working papers In our 2023-24 Audit of Accounts Report, we highlighted significant concerns over the accuracy and quality of the accounts and working papers provided for audit and raised a number of recommendations for improvement. The audit identified various material errors, and the audit team experienced difficulty in understanding the working papers prepared, which included a large number of manual adjustments. During the 2023-24 audit process and following the completion of the work the audit team have worked closely with the Strategic Director of Resources and their team to improve the accounts preparation process. However, there remains a significant risk that quality of the accounts and working papers continues to be poor, resulting in material errors.	The audit team: • maintained regular dialogue with the finance team through the accounts preparation process keep up to date on any queries or new issues arising; • evaluated the draft accounts, supporting working papers and the quality assurance review of these, together with the other evidence provided for audit, both as part of the initial planning process and throughout the audit testing; and • assessed the appropriate level of audit work required based on this ongoing evaluation and the findings from the testing undertaken.	See ‘Other Significant Issues’ (p.9) above for details.

Establishment of the South East Wales Corporate Joint Committee

In 2024-25, the South East Wales Corporate Joint Committee began operating as a legal entity, incorporating the previous City Deal arrangement into its organisational structure. This transition necessitates the preparation of accounts that comply with new disclosure requirements and involves transferring balances and data from the former City Deal arrangements into the CJC's accounting records.

Such significant changes introduce a heightened risk that the new reporting requirements and the transfer of information may not be executed accurately. If not managed correctly, this could result in material errors within the financial statements.

The audit team:

- Engaged with finance officers during the accounts preparation process to discuss planned changes to disclosure requirements;
- assessed all disclosures against the Local Government Code Disclosure Checklist to identify any missing or incorrect requirements;
- performed detailed testing of new disclosures to confirm they are complete and that the underlying accounting treatment is accurate; and
- audited the opening balances of the CJC accounts, including a review of the procedures for transferring balances from the previous City Deal arrangements.

We identified two missing disclosure notes in the first draft of the accounts that were not required in previous years.

We also identified numerous issues in the IAS19 Post Employment Benefit disclosures.

Valuation of pension fund net surplus The Local Government Pension scheme (LGPS) pension fund liability surplus as reflected in the financial statements are material estimates. The nature of this estimate means that it is subject to a high degree of estimation uncertainty as it is sensitive to small adjustments in the assumptions used in its calculation. The impact of economic conditions, particularly interest rate levels also has a significant impact on the liability or surplus. There are also several legal cases potentially impacting on the valuation of the net liability. There is a risk therefore that the surplus is materially misstated.	The audit team: • evaluated the instructions issued by management to their management experts (actuary) for this estimate and the scope of the actuary's work; • assessed the competence, capabilities and objectivity of the actuary who carried out the valuations; • assessed the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability; • tested the accuracy of the pension fund net liability and disclosures in the financial statements with the actuarial report from the actuary; • assessed the reasonableness of the assumptions made by the actuary by reviewing the report of the consulting actuary	See Recommendation 3

	(auditor's expert) and undertaking any additional procedures required; and • assessed whether any legal cases could have a material impact on the net liability, and if so, confirm that this has been appropriately recognised and disclosed within the financial statements.

Senior officer remuneration There have been several new permanent and interim appointments to senior posts during 2024-25 given it is the first year of the organisation in it's current form. There is a risk that these are not appropriately disclosed in the financial statements as remuneration paid to senior officers continues to be of high interest and is material by nature.	The audit team: • understood the movements in the senior management team during 2024-25; • ensured that remuneration disclosed is consistent with supporting evidence; • ensured that amounts paid are consistent with those approved by the Joint Committee; and • ensured that disclosures are complete based on the team's knowledge and are prepared in accordance with requirements.	One issue of £3k was identified – see Appendix 2

Implementation of International Accounting Standard (IFRS) 16 – Leases Local Government bodies are required to adopt IFRS16 Leases from 1 April 2024. This significantly changes the accounting treatment and disclosures required for leased assets and means that most leases will result in an asset and liability on balance sheets. There is a risk that the requirements of the IFRS are not appropriately adopted and as a result the financial statements are materially misstated.	The audit team • reviewed the CJC's working papers to ensure that all leases falling within the scope of the Standard have been included in calculations; • tested a sample of asset and liability calculations to ensure that the assumptions are reasonable, and the calculations have been correctly prepared; and • confirmed that asset and liability values have been correctly accounted for and disclosed in the financial statements.	No issues were identified

Related Party Disclosures The financial statements must disclose any related party relationships along with the transactions and balances between the CJC and the other body/party. The CJC has many relationships that could be considered a related party. Many are well known for example, Welsh Government as funder. However, where related party relationships arise via individual officer or member relationships, there is likely to be less transparency regarding these relationships. These transactions are of high interest and are considered to be material by their nature There is a risk of material misstatement due to incomplete or inaccurate disclosures, even where these are of relatively low value	The audit team • reviewed the Joint Committee's process for identifying related party relationships and associated transactions and balances; • undertook procedures to confirm the completeness of related party relationships; and • ensured disclosures are complete, accurate, consistent with evidence and are in accordance with the Local Government Code.	No issues were identified

Appendix 2 – Summary of corrections made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention.

Value of correction	Accounts area	Explanation
Various	Post Employment Benefits	There were a number of issues identified with the IAS 19 disclosures, including but not limited to, incorrect accounting entries and incorrect and incomplete disclosures.
£10,000k	Short Term Liabilities	In Note 7.1 the £10,000k borrowing was incorrectly included in both short and long term liabilities. The figure should only be disclosed in long term. The figure disclosed was also incorrect, see Long Term Borrowing issue below.
£5,250k	Short Term Creditors	A creditor of £5,250k was incorrectly classified as Other Entities and Individuals rather than Other Local Authorities.

Value of correction	Accounts area	Explanation
£4,085k	Long Term Borrowing	The borrowing from Welsh Government was not treated as a soft loan, resulting in an overstatement of £1,549k.
£1,549k	Group Interest Income and Investment Property	Interest on one of the intragroup loans was not removed on consolidation meaning both Interest income and Investment Properties were overstated by £1,549k.
£450k	Long Term Asset	A tranche of funding had been missed from the Carrying Value of one of the loans meaning it was understated by £450k.
£316k	Short Term Debtors and Interest Income	Interest for short term investments had not been apportioned correctly over the time of the investment meaning debtors and interest income was understated by £316k.

Value of correction	Accounts area	Explanation
£312k	Short Term Creditors	One of our sample items did not relate to 24/25 and so should not have been included as a creditor. On further investigation, a total of £136k creditors were found to have been incorrectly recognised. Another of our sample items was not apportioned correctly and therefore overstated by £177k.
£259k	Long Term Assets	A formula error in a working paper led the notional interest to be miscalculated and so the asset to be understated by £259k.
£216k	Short Term Debtors and Income	A grant had been incorrectly recognised as income and a debtor, despite no written confirmation that the grant was confirmed. On review, no other similar grants were identified.
£212k	Long Term Assets	A tranche of funding had been excluded from the Carrying Value of one of the loans resulting in it being understated by £212k.

Value of correction	Accounts area	Explanation
£3k	Senior Officer Remuneration	Overtime and Holiday Pay for one individual had not been included in Gross Pay meaning their total salary was understated. On review, this was not identified for any other individuals
Various	Various	There were a significant number of casting, cross casting, cross referencing, comparative figure and narrative amendments.

Appendix 3 – Proposed audit report

The report of the Auditor General for Wales to the members of South East Wales CJC

Opinion on financial statements

I have audited the financial statements of:

- South East Wales CJC (the CJC); and
- South East Wales CJC Group (the Group)

for the year ended 31 March 2025 under the Public Audit (Wales) Act 2004.

The CJC's financial statements comprise the Expenditure and Funding Analysis, the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including the material accounting policies.

The Group's financial statements comprise the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet, the Group Cash Flow Statement and the related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-2025.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of the CJC and the Group as at 31 March 2025 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as

interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-2025.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of financial statements and regularity of public sector bodies in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the CJC and the group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the CJC and the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements

does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-2025; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the CJC and the group and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on pages ... to ..., the responsible financial officer is responsible for:

- the preparation of the statement of accounts, the CJC and group financial statements, which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error;
- assessing the CJC and group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the Council and group will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the

economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the CJC's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the CJC and group's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the, posting of unusual journals;
- Obtaining an understanding of the CJC and group's framework of authority as well as other legal and regulatory frameworks that the Council and group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the CJC and group.
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;

- enquiring of management, the Governance and Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Council and group's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of South East Wales CJC and group in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton

Auditor General for Wales

XX 2025

1 Capital Quarter

Tyndall Street

Cardiff, CF10 4BZ

Appendix 4 – Letter of representation

Auditor General for Wales

Wales Audit Office

1 Capital Quarter

Cardiff

CF10 4BZ

Date

Representations regarding the 2024-25 financial statements

This letter is provided in connection with your audit of the financial statements of South East Wales Corporate Joint Committee Group for the year ended 31 March 2025 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and [insert relevant code]; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects the CJC and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; and
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. There are no misstatements identified in the accounts, which remain uncorrected.

Representations by those charged with governance

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the CJC on 24 November 2025.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:	Signed by:
Officer who signs on behalf of management	Member who signs on behalf of those charged with governance
Date:	Date:

Appendix 5 – Recommendations

We set out below recommendations from our audit along with your management's response to them.

1. Review of the accounts

Whilst there have been improvements in the quality of accounts and working papers, there were still several narrative, casting and cross-referencing issues identified. Additionally, issues with fundamental accounting entries and disclosures, such as the treatment of the soft loan from Welsh Government, were identified although in some instances these were novel to the CJC.

Officers should continue to look at and improve their quality arrangements prior to the draft accounts being submitted and should continue to enhance the finance team's capacity and capability by strengthening their knowledge and understanding of technical accounting required under the CIPFA Code.

Priority:

High

Accepted in full by management:

Yes

Management response:

For the 2024/25 accounts, the CJC introduced formula driven working papers in Excel that linked directly to the accounts document. This method considerably reduced the number of casting errors in the current year, whilst recognising that there were some technical issues with some links. Given the time constraints this year, this formula driven approach focussed on the current year figures.

This meant that a number of casting errors on prior year figures were not identified during the quality assurance stage ahead of submission of the

draft accounts. To ensure this doesn't happen in future years, a similar formula driven approach will be implemented for prior year figures.

In addition to this, where novel transactions occur, the finance function will ensure that they test their understanding amongst themselves as a Senior Finance Team with full reference to the CIPFA Code of Practice, as well as using peer groups such as the Chief Accountant's Group.

In addition to this, early engagement with Audit Wales on such matters will also be undertaken where appropriate.

Implementation date:

February 2026

2. Submission of information to Arlingclose

The information provided to Arlingclose, the expert, was incomplete. This meant the information disclosed was incorrect. Officers need to ensure the information sent is complete and accurate.

Priority:

High

Accepted in full by management:

Yes

Management response:

Whilst ensuring that all working papers were checked independently as part of our quality assurance process, unfortunately the omissions identified by the auditors were not picked up by the individual compiling the working paper or the person responsible for reviewing it. Both individuals involved no longer work for the CJC and detailed guidance notes are in the process of being produced for all aspects of financial instruments working papers.

Implementation date:

February 2026

Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by the Institute of Chartered Accountants in England and Wales and our Chair of the Board, acts as a link to our Board on audit quality. For more information see our Audit Quality Report 2024.

Our People

- Selection of right team
- Use of specialists
- Supervisions and review

Arrangements for achieving audit quality
Selection of right team

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support

Independent assurance

- EQRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

Supporting you

Audit Wales has a range of resources to support the scrutiny of Welsh public bodies, and to support them in continuing to improve the services they provide to the people of Wales.

Visit our website to find:

Our publications which cover our audit work at public bodies.

Information on our upcoming work and forward work programme for performance audit.

Data tools to help you better understand public spending trends.

Details of our Good Practice work and events including the sharing of emerging practice and insights from our audit work.

Our newsletter which provides you with regular updates on our public service audit work, good practice, and events.

Archwilio Cymru
Audit Wales

Audit Wales

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Prifddinas Ranbarth Caerdydd | Cardiff Capital Region

Dyddiad / Date: 24/11/2025

Auditor General for Wales
Wales Audit Office
1 Capital Quarter
Cardiff
CF1O 4BZ

Representations regarding the 2024-25 financial statements

This letter is provided in connection with your audit of the financial statements of South East Wales Corporate Joint Committee Group for the year ended 31 March 2025 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and [insert relevant code]; in particular the financial statements give a true and fair view in accordance therewith; and

- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
    - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
    - additional information that you have requested from us for the purpose of the audit; and
    - unrestricted access to staff from whom you determined it necessary to obtain audit evidence;

- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;

- our knowledge of fraud or suspected fraud that we are aware of and that affects Cardiff Capital Region City Deal Joint Committee and its group and involves:
    - management;
    - employees who have significant roles in internal control; or
    - others where the fraud could have a material effect on the financial statements;

- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;

- our knowledge of all known instances of non-compliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements; and

- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve

recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. There are no misstatements identified in the accounts which, which remain uncorrected.

Representations by those charged with governance

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Joint Committee on 24 November 2025.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Kellie Beirne, Chief Executive

Date: 24 November 2025

Prifddinas Ranbarth Caerdydd | Cardiff Capital Region

Signed by:

Cllr Mary Ann Brocklesby, Chair

Date: 24 November 2025

Prifddinas Ranbarth Caerdydd | Cardiff Capital Region

South East Wales Corporate Joint Committee

Statement of Accounts 2024/25

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Cardiff Capital Region – Chair's Statement

Foreword by Councillor M A Brocklesby, Chair of SEW CJC Committee

"Cardiff Capital Region (CCR) was established to deliver economic wellbeing and shared prosperity across the region and as Chair, I'm delighted to see that being achieved by CCR over the course of 2024/25. This ambition means that the ten local authorities of South-East Wales continue to foster a fairer and greener economy, generating inclusive growth and creating the opportunity for positive, lasting change.

The 12 months spanning 2024/25 not only delivered Year Four of our five-year strategic business plan, but it also represents a pivotal moment in the legal status and ambitions of our organisation because in April 2024, we launched the constituted South-East Wales Corporate Joint Committee (the CJC), taking CCR into a new chapter of its story as a public body.

The City Deal continues to be a foundational pillar of our ambitious plans for the region, but now, through the CJC we have new powers, freedoms and flexibilities, meaning that the economic wellbeing of the region is at our core.

Did you know that almost 60% of the economic activities of the creative industries in Wales, in terms of turnover, is concentrated in our region? With enterprises generating an estimated £2.5bn and, for every 2 in 11 jobs in Cardiff are within the creative industries. What a way to spotlight just one of the amazing clusters we have at our fingertips in the region.

As the 2024/25 accounts show, CCR continues to invest in innovative companies that are committed to that inclusive growth for the region, with jobs being created and safeguarded, as well as new places for people to live and work. Key investments have been made across several sectors, including environmental packaging, global sports broadcasting and manufacturing sites. This is proof that our Wider Impact Fund, through its various programmes, like the Strategic Premises Fund, is truly a catalyst for change and creating opportunities for growth.

Partnerships and collaboration are integral to what we do as an organisation; whether that's with the private sector or working with public sector organisations, by bringing the right people to the table, it means we can deliver on our plans for the region. It means through our partnerships, we can amplify our ambitions, showcase our successes to the markets and demonstrate the opportunities for public and private money for the economic and societal benefits of the region.

As Chair, it is a privilege to be part of the evolving story of CCR, with the focus remaining on being connected, competitive and resilient, so that we go into our final year of the strategic business plan with clear goals in mind, confident in what is to come and what can be achieved. My thanks to everyone in CCR for their hard work, dedication and commitment to opening the door of opportunity, as well as to my CJC

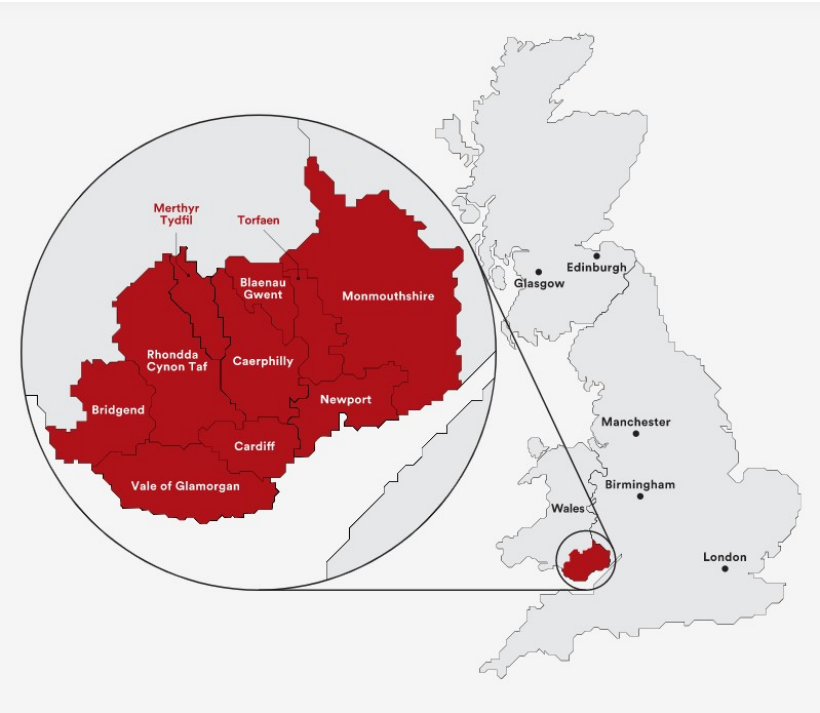
colleagues, for their input and support as we created this new public body. Here's to the next year and beyond."

Councillor M A Brocklesby

Chair of SEW CJC Committee

Narrative Report

Introduction



The Cardiff Capital Region (CCR) embraces the 10 local authority areas covering South East Wales: Blaenau Gwent; Bridgend; Caerphilly; Cardiff; Merthyr Tydfil; Monmouthshire; Newport; Rhondda Cynon Taf; Torfaen; and Vale of Glamorgan. It is home to 1.5m people and generated £38m in annual GVA during 2022. As such, just under half the population of Wales lives in the Cardiff Capital region, and it accounts for more than half of the economic activity within Wales as whole. The working age population is higher than the Welsh average, standing at 62.7%, and is home to 465 business enterprises per 10,000 working age population. It is a diverse region comprising the two cities of Cardiff and Newport, a range of market towns, the industrial heartland of the South Wales Valleys, rural communities, and a coastal belt.

The Cardiff Capital Region is an area where people want to live and work. It is home to some of the fastest growing and most economically competitive places in the UK, but alongside some of the least competitive and most disadvantaged.

The City Deal sets out a transformative approach in how the Cardiff Capital Region will deliver the scale and nature of investment needed to support the area's growth ambitions and strategic priorities. Central to this is the 20 year £495 million

Wider Investment Fund, which the Cardiff Capital Region will use to invest in a wide range of projects in priority sectors to deliver up to 25,000 new jobs and bring forward at least £4 billion of additional investment by 2036.

Background

Ten partner authorities established the Cardiff Capital Region City Deal Joint Committee, by signing a Joint Working Agreement (JWA) in relation to the delivery of the City Deal on 01 March 2017. In 2021, the Senedd Cymru passed legislation establishing the South East Wales Corporate Joint Committee (CJC), a public body with three key areas of responsibility:

(1) preparing a Strategic Development Plan;
(2) preparing a Regional Transport Plan; and
(3) doing whatever is deemed necessary to enhance or promote the economic well-being of the region.

With its own statutory powers and duties (the CJC is able to employ staff, hold assets and manage funding in its own right), CCR has taken this opportunity to build upon the solid foundations of the JWA arrangements by 'lifting and shifting' the City Deal arrangements, and incorporating these within the CJC organisation. This has opened up wider possibilities for the ten partner authorities to work together to coordinate and implement strategies on a regional basis.

Membership of the CJC is made up of the elected council leaders of the 10 partner authorities in CCR. In respect of Strategic Development Plan matters, a representative of the Bannau Brycheiniog National Park Authority, also forms part of the governance arrangements. The 1 April 2024, saw the completion of the former City Deal arrangements transitioning to the CJC, which now sits alongside its statutory duties.

However it is not just about economic growth in isolation, it is also about building sustainability and resilience into the economy of the region, about creation and dissemination of wealth amongst the most disadvantaged, but also about innovation, not only to business and technology, but also to public services and civic society.

Connected.

A connector of people, their ambitions and the opportunities to fulfil their true potential. Nurturing the best conditions for business success and community cohesion, through targeted investment in world class digital communications. Creating cutting edge integrated transport infrastructure, connecting affordable and accessible spaces to live, work and play.

Competitive.

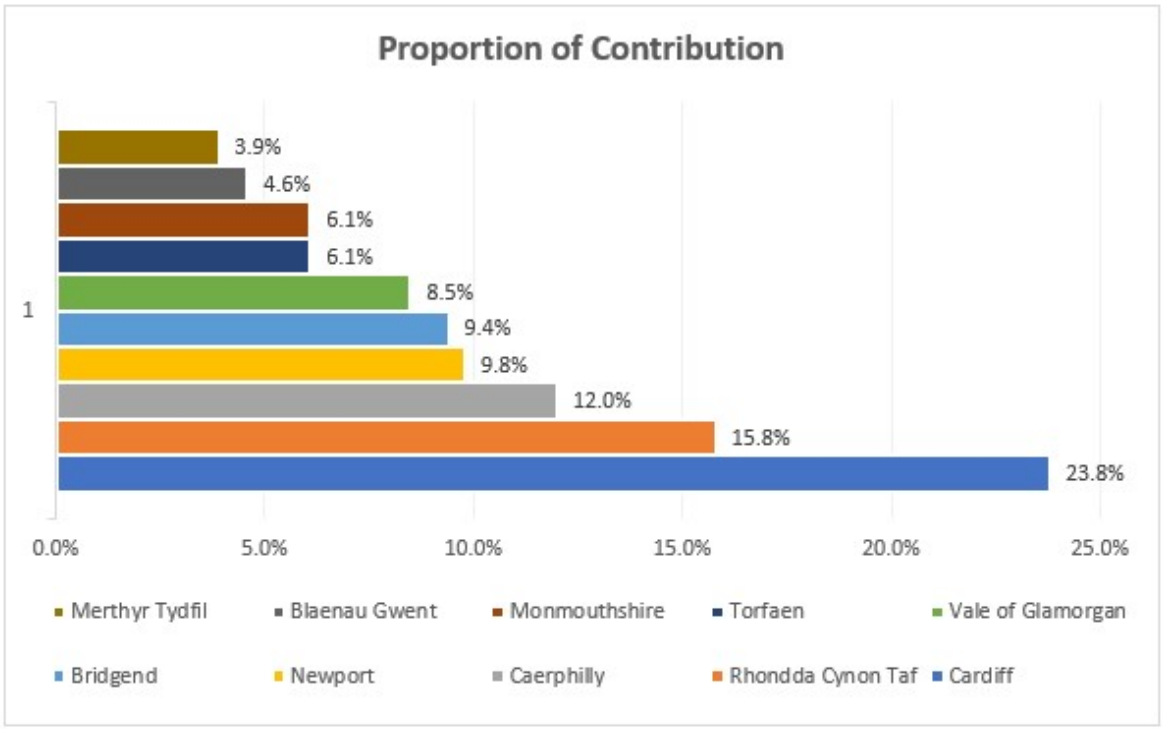
A catalyst for continuity investment, bringing key industry clusters to life. A trusted partner enabling companies to innovate and realise their full potential. A shaper of economically significant hubs, producing multiplier effects that fuel local and regional supply chains as well as the broader foundational economy.

Resilient.

A focus for creating the conditions where our businesses and our people are best equipped to embrace the future. A keystone presence helping the region adapt, improvise and overcome periods of economic turbulence or social unrest.

CCR Plans and Budgets

A five-year Corporate Plan is produced along with an Annual Business Plan and an Annual Budget. CCR's operating costs as well as contributions to the Wider Investment Fund are provided by each authority, based on population:



CCR Funding and Projects

City Deal activities

The funding agreement with the UK and Welsh Governments totals £1.2 billion, of which £734 million is allocated to the South Wales Metro project and is directly managed by Welsh Government. The remaining £495 million is the responsibility of the Joint Committee and relates to what is called the 'Wider Investment Fund'. This is made up of:

- £375 million cash grant over 15 years, with £50 million revenue grant paid in years 1-5, followed by £325 million of capital grant between years 6-15;
- £120 million Council contributions in the form of capital funding, being drawn down as required.

Up to 3% of the Wider Investment Fund (£14.85 million) has been earmarked to support the work of Regional Bodies and to meet the costs of Programme Development and Support. This is referred to as the Wider Investment Fund 'Top-Slice'.

The balance of the Wider Investment Fund (circa £480 million) is to be used for investment in the Region's key priorities with the main priorities and strategic themes, as set out in the Cardiff Capital Region Strategic Business Plan 2021-2026 being:

- Build Back Better – playing our part in economic recovery and building resilience;
- Becoming a City Region – strengthening regional economic governance;
- Scaling-up and delivering the City Deal 'peak' Wider Investment Fund pipeline and programme;
- Making the case for Levelling-up CCR;
- Developing the plan for industrial-scale clusters and innovation-led growth.

Gateway Reviews

An outcome-based Gateway Review is undertaken by HM Treasury every 5 years. A new National Evaluation Framework (NEF) has been developed for the second Gateway Review cycle and the enhancements to the NEF will better demonstrate impact of the City Deal, across four thematic areas – Transport; People; Infrastructure; and Enterprise & Innovation.

A revised Local Evaluation Framework (LEF) was approved at Regional Cabinet in March 2023 and sets out the agreed methods for evaluation, timescales & detailed monitoring requirements. It sets the frame of context for CCR and determines how we will measure against outputs, outcomes, and impacts. The LEF also determines the reporting approach for the Department for Levelling Up, Housing and Communities (DLUHC), UK Government (UKG) and Welsh Government (WG) – helping to manage funder expectations while ensuring CCR is robustly assessing performance.

Funding for financial years 2021/22 to 2025/26 was confirmed following the successful passing of the first Gateway Review, which covered the period up to 31 March 2021, whilst any unspent funding may be subject to repayment if any subsequent Gateway Review is not passed.

There is a Mid Term Report that is completed that ensures that CCR City Deal is on track to pass the Gateway Review, and this was completed in February 2024. This is allied to CCR's internal (quarterly) monitoring and regular meetings with UK Government and Welsh Government to ensure that the programme is on track.

Where funds have been committed and/or there is a clear intention to spend, carry forward of funding to future years is permitted. Carry forward in respect of the final year (2025/26), will also be permitted providing that the Gateway Review is passed.

The timeline for completion of the Final Report for Gateway Review 2 is highlighted below:

Action	Timeline
SQW to compile final report for CCR, based on evidence papers	Throughout August and September 2025
Academic Panel meeting with CCR and SQW	September 2025
Final report presented by SQW to CCR	September 2025
SQW to submit final report to MHCLG	October 2025
"Challenge" session with MHCLG	Early 2026
Funding decision outcome confirmed	Prior to May 2026 (in line with annual payments from UK Gov)

Annual Review, Future Plans and Developments

Regional Transport Plan

CCR has been working collaboratively across the ten local authorities since 2017 and has utilised its new powers to assign oversight for the development of the Regional Transport to its Regional Transport Sub-Committee (RTSC).

2024 saw significant progress towards the development of CCR's Regional Transport Plan (RTP), with the 'Case for Change' being submitted to Welsh Government in June 2024, followed by an 'Initial Draft RTP' in October. In January 2025, CCR endorsed the recommendation for the draft RTP to progress to consultation, which will run for 12 weeks from February to May 2025. The report set out that the final RTP is scheduled for Welsh Government approval in the autumn of 2025.

Strategic Development Plan

CCR has the statutory duty to prepare both a Local Development Plan (LDP) and a Strategic Development Plan (SDP), although it is not anticipated that the latter will be adopted until 2030 at the earliest. Given this context, CCR approved its approach for progressing the Delivery Agreement (for the SDP) in June 2024, which involved the establishment of a Strategic Development Sub-Committee Working Group to oversee the preparation and governance of the Delivery Agreement.

At the Strategic Development Sub-Committee Working Group meeting on 4 March 2025, the Delivery Agreement was endorsed, although it was noted that there was an outstanding need to understand how the delivery of the SDP will be supported by Welsh Government. This will be a key consideration going forward as the work gathers momentum in 2025/26 and beyond.

A year of investments

Launch of £50m Northern Valleys Initiative

In April 2024, CCR launched a unique £50m investment programme aimed at catalysing economic growth and social impact in the Northern Valleys. The Northern Valleys Initiative aims to play a long-term levelling-up role in tackling some of the intra-regional economic and skills disparities that exist within the Cardiff Capital Region.

The Initiative, totalling £50m, has been set up by CCR and supported by Local Authority delivery teams from Blaenau Gwent, Bridgend, Caerphilly, Merthyr Tydfil, Rhondda Cynon Taf and Torfaen. This will support businesses and projects that could increase prosperity in the region through innovation, skills and scale-up.

Investments will be focussed on businesses that offer high-growth potential and the ability to help transform the regional economy.

Innovation Investment Capital invests in Transcend Packaging in Caerphilly

July 2024 saw a multi-million-pound investment into Transcend Packaging, a sustainable packaging company based in Caerphilly. This investment was supplemented by additional equity from the private sector, providing further investment to the overall region.

Transcend is a leading innovator of environmental food and beverage packaging solutions. It supports a new sustainable manufacturing landscape, driven by improved recyclability and reusability legislation and net zero targets.,

Since launching in 2017, Transcend has successfully innovated and disrupted the traditional packaging sector, recently developing a first to market premium polyethylene-free cup, highlighting its significant ESG credentials.

CCR invests £1.5m in Whisper Cymru

In September 2024, CCR invested £1.5m in broadcast production agency Whisper, based in Tramshed Tech, enabling the purchase of specialist remote broadcasting equipment to deliver large scale live programming within its new Cymru Broadcast Centre facility in Cardiff, the first being the 2024 Paralympic Games in Paris.

The ambition of this project goes beyond the Paralympics, with other international productions already planned; a commitment to boosting skills, training and

employment opportunities for underrepresented groups will see this investment bring tangible benefits to the wider community and, a lasting legacy.

CCR invests £45m in Ogi to boost digital connectivity for South East Wales

September 2024 saw CCR invest £45m into Ogi, Wales' biggest alternative network provider, and being CCR's largest single investment into a company since its formation in 2017.

The debt-financing package aims to develop and transform digital capabilities in villages, towns and cities across the region, helping to reduce digital disparities through offering local communities and businesses reliable services and ultrafast connectivity.

Businesses in the region will be positively impacted not just due to improved broadband access, but it also enables greater productivity, cloud computing, AI and data storage. The investment is also foundational to the development of CCR's high-tech sectors and key to ongoing developments like the Investment Zone.

One of CCR's key priority sectors, the creative industries has already benefited from Ogi's data connectivity capabilities, with the recent 2024 Paralympics live produced remotely at The Cymru Broadcast Centre in central Cardiff.

Strategic Premises Fund invests £5.5m in manufacturing site in Tredegar

In February 2025, CCR's Strategic Premises Fund invested £5.5m in a factory site in Tredegar, Blaenau Gwent. The loan was provided to NPH Red Oak Platform, a new Joint Venture (JV) that acquired the site.

The loan is being used for site acquisition of the 168,244 sq. ft premises in Crown Business Park, and for the building's refurbishment.

The refurbishment will improve the environmental performance of the premises and will introduce on-site renewables in the form of rooftop solar panels and a 250KW wind turbine. The new owner of the site is also contributing funds alongside CCR's investment.

High profile events across the year

CCR joins forces with local universities and college for future collaboration

In April 2024, CCR signed a groundbreaking Memorandum of Understanding (MoU) with the Higher and Further Education (HE & FE) institutions from South East Wales, forming a framework for future collaboration based on key objectives for economic wellbeing in the Region.

The agreement is a first of its kind in Wales, with Cardiff University, Cardiff Metropolitan University, and the University of South Wales being joined by the

Region's Further Education colleges, including Merthyr Tydfil, Coleg Gwent, Cardiff and Vale College, Coleg Y Cymoedd and Bridgend College.

CCR attends UKREiiF 2024 to promote the region

CCR attended UKREiiF in Leeds from 21 to 23 May 2024 to showcase investment opportunities and spotlight the region as one of 13 Investment Zones selected by the UK Government in November 2023 (with the two in Wales having Welsh Government input).

UKREiiF, the UK's Real Estate Investment and Infrastructure Forum, is a three-day conference that aims to connect people, places and businesses including the key players and decision makers within the public sector, built environment, investment and real estate markets to drive significant sustainable investment.

CCR co-sponsored the National Eisteddfod's Science and Technology Village with the University of South Wales

August 2024 saw a momentous event in CCR's history, its first-ever public-facing event, bringing the organisation's investments to our communities and raising its profile.

CCR co-sponsored the Science & Technology Village at the 2024 National Eisteddfod along with the University of South Wales (USW).

The Science & Technology Village is a firm fixture in the festival, attracting 60,000 visitors each year with a large iconic dome that seats 100 people.

As a Welsh language celebration event, CCR spoke at the event on stage about its development plans at the former Aberthaw power station and maintained a permanent presence in the village with its own stand, engaging with over 3,000 members of the public over eight days. Working with partner organisations it showcased the technological developments in the region.

CCR's Infuse programme opens applications to join the Infuse Collision Space

In September 2024, Infuse, CCR's successor programme to its Challenge Fund, launched the Infuse Collision Space to bring together the brightest minds from across the public, private, voluntary, and community sectors to tackle some of the biggest challenges we currently face in the region.

Funded by CCR with support from academics, data scientists, and experts in innovation, data and procurement, Infuse builds innovation expertise in Wales across public, voluntary and private sectors, and support new models of service delivery.

The Infuse Collision Space aims to give people and organisations the skills and tools they need to address pressing decarbonisation targets amid the global climate crisis.

CCR announced 12 businesses selected for Accelerated Growth Programme

September 2024 also saw the announcement of twelve businesses selected to participate in its trial Accelerator Growth Programme, an intensive business incubator providing tailored support to high growth potential businesses.

Delivered by Grant Thornton LLP and delivery partners Business in Focus and Cardiff Metropolitan School of Business, the Accelerated Growth Programme is part of CCR's Business Growth Programme, supporting business development through bespoke workshops, mentoring, and the facilitation of strategic partnerships.

Nearly eighty companies have accessed support through the wider Business Growth Programme across three cohorts taking place in Cardiff, Merthyr Tydfil, and Bridgend. The following twelve businesses have been selected from these cohorts to take part in the Accelerated Growth Programme:

Renewable Temporary Power Ltd	Smartlist Ltd / trading as Codiance
Near Me Now	Arcanum
Cotton Mouton	Fleet EV
Microchip Tech	Pryme
Cardiff Scintigraphics Limited	Comgem
Guestalk	Prizsm

Cardiff Capital Region celebrated becoming a Real Living Wage employer

In September 2024, CCR became accredited as a Real Living Wage employer by the Living Wage Foundation. The Real Living Wage accreditation formally recognises CCR's existing commitment to fair pay and driving inclusive economic growth.

The Real Living Wage is the only UK wage rate based on the cost of living. In Wales, more than a tenth of all workers (12.9%) earn less than they need to get by, with around 161,000 jobs paying less than the real Living Wage.

CCR attends MIPIM 2025 in Cannes

A team from CCR and the ten Local Authorities promoted South East Wales and its investment opportunities at the MIPIM event in Cannes, France in March 2025.

Considered one of the leading global real estate events, the annual 'Marche International des Professionals d'Immobilier' (MIPIM) attracts more than 21,000 participants each year, including 5,000 investors, 4,800 developers, and 500 journalists.

The CCR team promoted the region, holding a series of events across the week, highlighting its investment opportunities, commitment to sustainable development, and its communities.

The year in statistics

Overall investment performance demonstrates that investments made before 2024/25 are starting to deliver results. Figures are correct as at 31 March 2025.

Jobs created: 5,520

Known Leverage: £163m

Private sector investment: £118m

Land unlocked (sqm): 690,277 sqm

EV charging points installed: 216

Further information can be found in the following documents:

Constitution Review & Transfer of the City Deal to CJC

This report was considered and approved by the CJC at its meeting of the 18 March 2024. The report provides a comprehensive update on the transfer of Cardiff Capital Region City Deal and associated funding programmes to the South East Wales Corporate Joint Committee and can be found here:

Item 4 Constitution Review & Transfer of City Deal to CJC.pdf

Cardiff Capital Region 2024/25 Joint Committee Revenue Budget Final Outturn Position as reported 28 July 2025 which sets out the financial performance against the approved revenue budgets for the financial year. In summary (subject to Audit), the approved budgets (set out in Tables 1 & 2), totalled £4,875,866 and were underspent by £178,386 in total. The CJC approved transfers to General and Specific Earmarked Reserves amounting to the value of the underspend.

2024/25 CJC Revenue Budget Final Out-turn Report

Cardiff Capital Region 2024/25 Annual Business Plan – Quarter 4 Performance Report as reported 28 July 2025, the report provides key stakeholders, principally South East Wales Corporate Joint Committee and Welsh and UK Governments, of the performance against the 2024/25 Cardiff Capital Region Annual Business Plan and details of the actual expenditure incurred against the approved 2024/25 Wider Investment Fund budgets.

Annual Business Plan 2024-25 Quarter 4 Performance Report

Cardiff Capital Region Wider Investment Fund – Annual Business Plan 2025/26 which, as a requirement of the City Deal Joint Working Agreement, outlines key priorities for the financial year and beyond, and the resources to be used to achieve them. This sets out anticipated total project related expenditure for 2025/26 and the medium term, also setting out how this is expected to be funded.

CCR Annual Business Plan 2025-26.pdf

Financial Performance 2024/25

Comprehensive Income and Expenditure 2024/25

The comprehensive Income and Expenditure Statement provides an analysis of the CCCR's gross revenue expenditure and income on accordance with IFRS.

CCR's 2024/25 budget was approved at the Regional Cabinet meeting on 29 January 2024 and separated between the CJC Statutory Duties and CCR City Deal and Wider Investment Fund. The following table details each of those areas' actual net expenditure and budget during 2024/25.

This represents the net revenue expenditure of the CJC. The variance against budget contributes to the movement on the General Fund Balance.

Service Group	Budget	Spend	Variance
	£'000	£'000	£'000
CJC Statutory Duties	584	340	(244)
City Deal Operations	23,462	20,601	(2,861)
Total	**24,046**	**20,941**	**(3,105)**
(Gains) or Losses on Disposal of Non-Current Assets	0	1,011	1,011
Interest	0	(6,130)	(6,130)
LA Contributions	(1,279)	(1,279)	0
Revenue Funding	(9,434)	(7,879)	1,555
Capital Funding	(61,924)	(50,589)	11,335
Total	**(48,591)**	**(43,925)**	**4,666**

	£'000
General Fund Balance as at 31 March 2025	**311**
Revenue Budget Out-turn (Variance as above)	10,063
Release of Earmarked Reserves	(10,303)
General Fund Balance as at 31 March 2025	**71**

Expenditure on services amounted to £24.7m and can be analysed over the following expenditure categories.

Type of Expenditure	£'000	%
Employees	3,832	16
Premises	82	0
Transport	38	0
Supplies and Services	10,444	43
Payments to Third Parties	0	0
Transfer Payments	0	0
Capital Charges	9,777	40
Other Operating Costs (e.g. Support Services)	323	1
Total Gross Expenditure	**24,496**	**100**

Revenue & Capital Grants and Contributions

A summary of revenue and capital grant contributions are included below.

Revenue Grants and Contributions	£'000
Revenue WIF	(5,575)
Shared Prosperity Fund	(2,304)
Total	**(7,879)**

Capital Grants and Contributions	£'000
REFCUS	(7,475)
Loans & Equity	(40,225)
Housing Grant	(2,889)
Total	**(50,589)**

Pension Assets and Liabilities

As a result of International Accounting Standard (IAS) 19 "Employee Benefits", CCR as a member of a Local Government Pension Scheme is required to account for pensions liabilities in respect of the cost of decisions made up to the Balance Sheet date. Currently, the pension asset matches the pension liability and there is therefore no impact on the reserves of the CJC.

The Financial Statements

The Statement of Accounts for the South East Wales Corporate Joint Committee (trading as Cardiff Capital Region) are set out in this document, accompanied by a Statement of Responsibilities for the Statement of Accounts and the Audit Report.

The core statements of the Joint Committee are:

- Comprehensive Income and Expenditure Statement which provides information on how it has performed throughout the year and as a result, whether or not its operations have resulted in a surplus or a deficit.
- Movement in Reserves Statement which shows the changes to reserves over the course of the year. Reserves are divided into 'useable', which can be invested in capital projects or service improvements and 'unusable', which must be set aside for specific purposes.
- Balance Sheet which provides a 'snapshot' of assets, liabilities, cash balances and reserves at the year-end date.
- Cash Flow Statement shows the reasons for changes in cash balances during the year and whether that change is due to operating activities, new investment, or financing activities.

Notes to the Core Financial Statements accompany the main financial statements and provide an additional tier of information and context.

Group Accounts combine the South East Wales Corporate Joint Committee's own financial statements with its material interests in subsidiaries, associates and/or joint ventures, in this case CSC Foundry Ltd, CCR Energy Ltd and Innovation Investment Capital (IIC) Ltd.

Statement of Responsibilities for the Financial Statements

South East Wales Corporate Joint Committee responsibilities.

The South East Wales Corporate Joint Committee is required to:

- make arrangements for the proper administration of its financial affairs and secure that an appropriate officer has the responsibility for the administration of those affairs. This is the Corporate Director Resources and Section 151 Officer of South East Wales Corporate Joint Committee who holds the role of Cardiff Capital Region City Deal Section 151 Officer;
- manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets;
- approve the statement of accounts.

Cllr M A Brocklesby **Date:**

Chair of South East Wales Corporate Joint Committee

(Cllr Anthony Hunt held the role of Chair of the Cardiff Capital Region Joint Committee until it's dissolution on 31 March 2025. The functions of CCR have now transitioned to the South East Wales Corporate Joint Committee (SEWCJC) thereafter. Cllr Mary Ann Brocklesby was appointed Chair of SEWCJC on 3 June 2024.)

Section 151 Officer responsibilities

The Section 151 Officer is responsible for the preparation of the South East Wales Corporate Joint Committee's financial statements in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code).

In preparing these financial statements, the Section 151 Officer has:

- selected suitable accounting policies and then applied them consistently, except where policy changes have been noted in these accounts;
- made judgements and estimates that were reasonable and prudent; and
- complied with the Code.

The Section 151 Officer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Section 151 Officer Certificate

The financial statements for the South East Wales Corporate Joint Committee give a true and fair view of its income and expenditure for the financial year 2024/25 and the financial position at 31 March 2025.

Liam Hull **Date:**

South East Wales Corporate Joint Committee Section 151 Officer

Audit of Financial Statements Report

Opinion on financial statements

I have audited the financial statements of:

- South East Wales CJC (the CJC); and
- South East Wales CJC Group (the Group)

for the year ended 31 March 2025 under the Public Audit (Wales) Act 2004.

The CJC's financial statements comprise the Expenditure and Funding Analysis, the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including the material accounting policies.

The Group's financial statements comprise the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet, the Group Cash Flow Statement and the related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-2025.

In my opinion, in all material respects, the financial statements:

- Give a true and fair view of the financial position of the CJC and the Group as at 31 March 2025 and of its income and expenditure for the year then ended; and
- Have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-2025.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of financial statements and regularity of public sector bodies in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the CJC and the group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the CJC and the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements

does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-2025; and

- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the CJC and the group and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on pages ... to ..., the responsible financial officer is responsible for:

- the preparation of the statement of accounts, the CJC and group financial statements, which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error;
- assessing the CJC and group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the Council and group will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the CJC's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the CJC and group's policies and procedures concerned with:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the, posting of unusual journals;
- Obtaining an understanding of the CJC and group's framework of authority as well as other legal and regulatory frameworks that the Council and group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the CJC and group.
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Governance and Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Council and group's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of South East Wales CJC and group in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton

Auditor General for Wales

1 Capital Quarter

Tyndall Street

Cardiff, CF10 4BZ

2024/25 Comprehensive Income & Expenditure Statement

- -

This statement records CCR's income and expenditure throughout the year and consequently shows the accounting cost of providing services during the year in-line with generally accepted accounting practices.

2023/24 (Restated)					2024/25		
Gross Exp	**Gross Income**	**Net Exp**		***Note:***	**Gross Exp**	**Gross Income**	**Net Exp**
£'000	**£'000**	**£'000**			**£'000**	**£'000**	**£'000**
258	0	258	CJC Statutory Duties		441	(101)	340
38,466	(435)	38,031	City Deal Operations		24,056	(3,455)	20,601
38,724	**(435)**	**38,289**	**Cost of Services**		**24,497**	**(3,556)**	**20,941**
			Other Operating Expenditure				
0	0	0	(Gains) or Losses on Disposal of Non-Current Assets	*7.1*	1,011	0	1,011
			Financing and Investment Income and Expenditure				
0	0	0	Interest Payable and Similar Charges	*8.2*	672	0	672
0	(4,115)	(4,115)	Interest Receivable and Similar Income	*8.2*	0	(6,802)	(6,802)
			Taxation and Non-Specific Grant Income				
0	(1,280)	(1,280)	LA Contributions	*24.0*	0	(1,279)	(1,279)
0	(125)	(125)	WIF Revenue Grants and Contributions	*19.2*	0	(7,879)	(7,879)
0	(51,825)	(51,825)	WIF Capital Grants and Contributions	*19.2*	0	(50,589)	(50,589)
38,724	**(57,780)**	**(19,056)**	**(Surplus) or Deficit on the Provision of Services**		**26,180**	**(70,105)**	**(43,925)**
0	(2,012)	(2,012)	(Surplus) or Deficit on Revaluation of Financial Instrument Assets	*14.1*	13,912	0	13,912
			(Surplus) or Deficit on Revaluation of Soft Loan Asset		(4,237)		(4,237)
		0	Remeasurement of the Net Defined Benefit Liability		70	0	70
0	**(2,012)**	**(2,012)**	**Other Comprehensive Income and Expenditure**		**9,745**	**0**	**9,745**
38,724	**(59,792)**	**(21,068)**	**Total Comprehensive Income and Expenditure**		**35,925**	**(70,105)**	**(34,180)**

24/25 Movement in Reserves Statement

This statement is split into both Usable and Unusable Reserves. Usable Reserves are those that CCR can use to provide services whereas Unusable Reserves such as the Capital Adjustment Account cannot, as they are for accounting purposes only.

	General Fund Balance	Earmarked Reserves: Other Revenue Related	Usable Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Notes:	*12.1*	*12.2*	*12.3*		*13.0*	
Balance at 1 April 2024	311	100	10,479	**10,890**	88,768	**99,658**
Movement in reserves during 2024/25:						
Total Comprehensive Income and Expenditure	34,110	0	0	**34,110**	70	**34,180**
Reversal of items debited/credited to CI&ES:						
Charges for depreciation and impairment of long-term assets	958	0	0	**958**	(958)	**0**
Adjustments primarily involving the Capital Grants Unapplied Account:						
Application of grants to capital financing transferred to the Capital Adjustment Account	(40,017)	0	0	**(40,017)**	40,017	**0**
Adjustments involving the Capital Receipts Reserve:						
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CI&ES	1,011	0	0	**1,011**	(1,011)	**0**
Adjustments involving the Pensions Reserve:	0	0	0	**0**	0	**0**
Reversal of items relating to retirement benefits debited or credited to the CI&ES	(350)	0	0	**(350)**	350	**0**
Employer's pensions contributions and direct payments to pensioners payable in the year	420	0	0	**420**	(420)	**0**
Adjustment involving the Accumulated Absences Account:						
Amount by which officer remuneration charged to the CI&ES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	19	0	0	**19**	(19)	**0**
Other adjustments include:						
Adjustment between the Capital Adjustment Account and the Revaluation Reserve	13,912	0	0	**13,912**	(13,912)	**0**
Net increase or (decrease) before transfers to Earmarked Reserves	10,063	0	0	**10,063**	24,117	**34,180**
Transfers to or from Earmarked Reserves	(10,303)	6,361	4,921	**979**	(979)	**0**
Increase or (decrease) in the year	(240)	6,361	4,921	**11,042**	23,138	**34,180**
Balance at 31 March 2025	**71**	**6,461**	**15,400**	**21,932**	**111,906**	**133,838**

Movement 2023/2024

	General Fund Balance	Earmarked Reserves: Other Revenue Related	Usable Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Notes:	*12.1*	*12.2*	*12.3*		*13.0*	
Balance at 1 April 2023	294	2,079	6,898	**9,271**	69,064	**78,335**
Movement in reserves during 2023/24:						
Total Comprehensive Income and Expenditure	21,322	0	0	**21,322**	0	**21,322**
Reversal of items debited/credited to CI&ES:						
Charges for depreciation and impairment of long-term assets	955	0	0	**955**	(955)	**0**
Capital Grants and Contributions applied	(22,233)	0	0	**(22,233)**	22,233	**0**
Adjustments involving the Capital Receipts Reserve:						
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CI&ES	5,628	(5,628)	0	**0**	0	**0**
Adjustments involving the Financial Instruments Adjustment Account:				**0**		**0**
Adjustment between the Capital Adjustment Account and the Revaluation Reserve	-2,012			**(2,012)**	2,012	**0**
Net increase or (decrease) before transfers to Earmarked Reserves	3,666	(5,628)	0	**(1,962)**	23,284	**21,322**
Transfers to or from Earmarked Reserves	(3,649)	3,649	3,581	**0**	(3,581)	**(3,581)**
Increase or (decrease) in the year	17	(1,979)	3,581	**1,619**	19,703	**21,322**
Balance at 31 March 2024	**311**	**100**	**10,479**	**10,890**	**88,767**	**99,657**

Balance Sheet as at 31 March 2025

This statement is comprised of two balancing sections – CCR's net assets and the total reserves held.

31/03/2024 (Restated)				31/03/2025	
£'000			***Note:***	**£'000**	**£'000**
4,638	**Long-**	Vehicles, Plant & Equipment	*7.0*	3,488	
825	**Term**	Assets Under Construction	*7.0*	313	
15,656	**Assets**	Equity Investments	*8.3/8.4*	2,944	
8,867		Partnership Investments	*8.5*	17,517	
0		Defined Benefit Pension Scheme Asset	*8.6*	0	
58,413		Long-Term Loans	*8.8*	83,525	
88,398		**TOTAL LONG-TERM ASSETS**			**107,787**
0	**Current**	Short-Term Investments	*9.3*	67,525	
5,130	**Assets**	Short Term Loans	*9.4*	7,791	
5		VAT	*9.1*	431	
20		Payments made in Advance	*9.2*	28	
5,808		Short-Term Debtors	*9.0*	810	
57,216		Cash and Cash Equivalents	*10.0*	373	
68,179		**TOTAL CURRENT ASSETS**			**76,958**
(28)	**Current**	Accumulated Absences	*11.1*	(47)	
(22,698)	**Liabilities**	Short-Term Creditors	*11.0*	(14,212)	
(22,726)		**TOTAL CURRENT LIABILITIES**			**(14,259)**
0	**Long-**	Long-Term Borrowing	*12.1*	(6,058)	
(34,193)	**Term**	Other Long-Term Liabilities	*12.0*	(30,590)	
0	**Liabilities**				
(34,193)		**TOTAL LONG-TERM LIABILITIES**			**(36,648)**
99,658	**NET ASSETS**				**133,838**
311	**Usable**	General Fund Balance	*13.1*	71	
100	**Reserves**	Other Revenue Related Reserves	*13.2*	6,461	
10,479		Usable Capital Receipts Reserve	*13.3*	15,400	
10,890		**TOTAL USABLE RESERVES**			**21,932**
6,356	**Unusable**	Revaluation Reserve	*14.1*	(7,556)	
82,440	**Reserves**	Capital Adjustment Account	*14.2*	115,567	
0		Financial Instruments Adjustment Account	*14.3*	3,942	
(28)		Short-Term Accumulating Compensated Absence Account	*14.4*	(47)	
88,768		**TOTAL UNUSABLE RESERVES**			**111,906**
99,658	**TOTAL RESERVES**				**133,838**

2024/25 Cash Flow Statement

This statement shows how CCR generates and uses cash and cash equivalents by classifying the cash flows as arising from operating, investing, and financing activities.

2023/24			2024/25	
£'000		*Note:*	£'000	£'000
(19,056)	Net (Surplus) or Deficit on the Provision of Services		(43,925)	
(12,911)	Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements	*15.0*	5,313	
0	Adjustments for Items Included in the Net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities	*16.0*	67,525	
(31,967)	**Net Cash Flows from Operating Activities**			**28,913**
21,775	Investing Activities	*18.0*	37,930	
0	Financing Activities	*19.0*	(10,000)	27,930
(10,192)	**Net (Increase) or Decrease in Cash or Cash Equivalents**			**56,843**
47,023	Cash and Cash Equivalents at the Beginning of the Reporting Period	*10.0*		57,216
57,216	**Cash and Cash Equivalents at the End of the Reporting Period**	*10.0*		**373**

Notes to the Core Financial Statements

1. Accounting Policies

The Statement of Accounts summarises CCR's income and expenditure for the year ended 31 March 2025 and its financial position at that date. The accounts are prepared in accordance with proper accounting practices as contained in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code).

The accounts have been prepared on a going concern basis. The accounting convention adopted is principally historic cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not when the cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed.
- Services received are recorded as expenditure when the services are received, rather than when the payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument, rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debtors are not considered to be collectable the balance is reduced by a provision for doubtful debt.

Cash and Cash Equivalents

CCR operates its own Bank Account and has an approved Treasury Management strategy in place to manage its cash balances for the prudent management of its financial affairs. During the year CCR had an agreement in place which saw its surplus cash balances 'pooled' with RCT's cash balances and invested in accordance with RCT's approved Treasury Management Strategy Statement, which compliments CCR's own strategy.

This approach changed in March 2025 where CCR took over the management and administration of its own Treasury Management activity through its own bank account.

At the end of the financial year a small balance remained in the ringfenced RCT account to manage contingency payments and the balance on this account has been included as cash and cash equivalents along with the balances held within CCR's own accounts.

Treasury arrangements consist of short-term investments through approved counterparties on the basis of security, liquidity and then yield.

Contingent assets and liabilities

These are potential benefits or obligations that arise from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within CCR's control. Contingent assets and liabilities are not recognised in the accounting statements but are disclosed in a note to the accounts, where deemed material.

Disposals and Capital Receipts

When assets are disposed of or derecognised, the value of those assets included in the Balance Sheet along with any proceeds from disposal are used to calculate a gain or loss on disposal.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding financial assets and their cash flow characteristics.

The main classes of financial assets held are measured at:

- amortised cost - Achieve objectives by collecting contractual cash flows e.g. principal and interest;
- fair value through other comprehensive income (FVOCI) - Achieve objectives by any other means than collecting contractual cash flows and where the Joint Committee has designated that this is the case.

In terms of the value of financial assets recognised in the accounts, the primary business model is to hold investments to collect contractual cash flows, however loans and equity instruments may be provided as revenue or capital expenditure to achieve service objectives. Depending on the rationale for holding such financial assets, CCR may designate such items to be measured at fair value through other comprehensive income.

Fair value measurement techniques are defined within the final section of this policy.

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when CCR becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument in accordance with any investment or loan agreement. The amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest).

Any gains or losses that arise on the derecognition of an asset are credited/debited to the CIES. Expected Credit Loss Model Impairment losses are calculated to reflect the expectation that future cash flows might not take place because the borrower could default on their obligations. Such a review would take place on an individual financial asset or collective basis, based on materiality and cost benefit of individual assessment.

CCR undertakes a review of expected credit losses on all financial assets held at amortised cost either on a 12-month or lifetime basis. Where provision for such losses is not already undertaken e.g. as part of a provision for bad debts, adjustments to the value of financial assets disclosed in the accounts are made. Credit risk plays a crucial part in assessing expected credit loss. Where risk has increased significantly since a financial asset was initially recognised, provision for losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, provision for losses are assessed on the basis of 12-month expected loss.

Financial Assets Measured at Fair Value through other comprehensive income (FVOCI)

Financial assets that are measured as FVOCI are initially measured and carried at fair value on the Balance Sheet. Treating such assets under this category will require a 'Designation' by CCR. These are likely to be equity holdings held as part of a service objective. Fair value gains and losses are recognised in Other Comprehensive Income and the change in the amount of the investment in the balance sheet is matched with an entry in the Financial Instruments Revaluation Reserve. Upon derecognition, any balance on the Financial Instruments Revaluation Reserve is recycled through the Surplus or Deficit on the Provision of Services.

Fair Value Measurement of Financial Assets

Fair value measurements for the above financial asset classes measured at fair value are based on the following techniques:

- instruments with quoted market prices – the market price;
- other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly;
- Level 3 – unobservable inputs for the asset.

Grants and Contributions

Grants and other contributions are accounted for on an accruals basis and recognised when:

- there is reasonable assurance that CCR will comply with the conditions for their receipt; and
- there is reasonable assurance that the grant or contribution will be received.

Revenue

Grants, for which conditions have not yet been satisfied, are carried in the Balance Sheet as Long Term and Short-Term Creditors. When conditions have been satisfied, the grant or contribution is credited to the Grant Income Line in the Comprehensive Income and Expenditure Statement. Where there is no longer any reasonable assurance that the conditions will be met, sums received will not be recognised as a receipt of grant but as a repayment due to the awarding body and held on the Balance Sheet as a liability if it remains unpaid.

Where the conditions of a revenue grant or contribution have been complied with, but it is yet to be used to fund expenditure for the purpose stipulated in the grant agreement, it is set aside in an Earmarked Reserve.

Capital

Grants and contributions that are applied in the year to fund capital schemes that are Revenue Expenditure Funded by Capital under Statute (REFCUS) are treated as revenue income and credited to the Comprehensive Income and Expenditure Statement to the relevant service line. This funding is then applied to the capital adjustment account through the Movement in Reserves Statement, to finance the capital expenditure in year.

Capital Grants and Contributions applied in paying for other capital works are credited to the Taxation and Non-Specific Grant Income line in the Comprehensive Income and Expenditure Statement. Where a specific capital grant or contribution has been received but remains unapplied, this is deemed to represent a condition and is shown as a creditor, as the unused element could be returned to the funder. Where a non-specific grant was to remain unapplied, it would be held as Capital Grants Unapplied Reserve.

Capital grants and contributions are identified separately on the Balance Sheet.

Interests in Companies and Other Entities

CCR has interests in companies and other entities. Subject to the level of materiality and exposure to risk, these are consolidated to produce Group Accounts.

Property, Plant, Equipment

These assets are those that have physical substance used in the production or supply of goods or services, those intended to be held indefinitely and those for the promotion of culture and knowledge and expected to be used during more than one financial year.

Recognition

Expenditure on the acquisition, creation or enhancement of such assets is capitalised on an accruals basis. All expenditure incurred on existing assets is assumed to result in enhancement of the asset and will be shown in the accounts as an addition to the asset.

Expenditure that maintains but does not add to an asset's potential to deliver benefits or service potential (i.e. repairs and maintenance) is charged to revenue as it is incurred.

Measurement

Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the specific asset into working condition for its intended use, excluding borrowing costs which are not capitalised. A full year's depreciation is charged on capital expenditure incurred in the year. No depreciation is charged in the year of disposal. Assets are subsequently carried on the balance sheet as per the following:

Asset Type	Measurement	Valuation Frequency	Last Valuation	Surveyor for Last Valuation	Next Valuation	Depreciation
Vehicles, Plant, Furniture & Equipment	Depreciated Historical Cost	n/a	n/a	n/a	n/a	5-15 years
Assets under Construction	Depreciated Historical Cost	n/a	n/a	n/a	n/a	n/a

Disposal

When assets are disposed of or decommissioned, the value of those assets included in the Balance Sheet along with any proceeds from disposal are used to calculate a gain or loss on disposal. Disposals are treated as capital receipts and are credited to the Capital Receipts Reserve.

Investment Property

Investment properties are those held solely to earn rentals and/or for capital appreciation such as ground leases, land held for future development as strategic sites and other land and buildings that meet investment property criteria.

Investment properties are measured at fair value, based on the market value that would be received to sell an asset in an orderly transaction between market participants at the measurement date, reflecting the asset's highest and best use. A full valuation is undertaken periodically with the most recent valuation having taken place during the preparation of the 2024/25 accounts.

Investment properties are not depreciated. Gains and losses on revaluation and disposal are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

- The valuation of the CSC Foundry Ltd Investment Property included in CCR's Group Accounts has been provided by external valuers engaged by Monmouthshire County Council as part of its role as the host Authority for the CSC Foundry Ltd project.

- The CCR Energy Ltd Investment property held at the balance sheet date is valued as per the company's accounts prepared by their appointed accountants Kilsby Williams and includes the original purchase price, various other capitalised acquisition and demolition costs and a provision for future costs required to fully demolish and remediate the site.

Provisions

Provisions are charged as expenditure to the Comprehensive Income and Expenditure Statement in the year that CCR becomes aware of the obligation, measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision, which is held on the Balance Sheet. Provisions are reviewed at the end of each financial year and where no longer required are credited back to the relevant service line.

Reserves

The statutory accounts have two types of reserves, usable and unusable. CCR sets aside amounts as usable reserves for future policy purposes or to cover contingencies, which can be used for future spend. Unusable reserves are maintained to manage the accounting processes for non-current assets, financial instruments, and retirement and employee benefits. These do not represent usable resources for CCR and cannot be used for future spend.

Revenue Expenditure Funded from Capital under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions, but that does not result in the creation of a non-current asset, has been charged as expenditure to the relevant service line in the Comprehensive Income and Expenditure Statement. Where CCR has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the

Movement in Reserves Statement from CCR's Fund Balance to the Capital Adjustment Account then reverses out the amounts charged.

Value Added Tax (VAT)

Expenditure VAT payable is excluded from expenditure except where it is not recoverable from HMRC. VAT receivable is excluded from income.

2. Accounting Standards Issued but not Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. In the interim potentially relevant standards include:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020. The amendments:
    - specify that an entity's right to defer settlement must exist at the end of the reporting period;
    - clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
    - clarify how lending conditions affect classification; and
    - clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.

- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced:
    - A temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes; and
    - targeted disclosure requirements for affected entities.

- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to:
    - assess how supplier finance arrangements affect an entity's liabilities and cash flows; and

- understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

3. Critical Judgements in Applying Accounting Policies

In applying the Accounting Policies set out in note 1.0, CCR has made judgements about complex transactions and those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

3.1 Grant and Contribution Conditions

Judgements are made in terms of conditions attached to both capital and revenue grants. Grants are recognised as income when received/receivable. Unless there are assumptions that conditions of the grant are breached, a return obligation is not recognised. As a result, capital grants received, with no expected return obligation are reflected in the Capital Grants Unapplied Account until they are used to fund the Capital Programme. Similarly, revenue grants received with no expected return obligation that are to be used to fund future years' expenditure are reflected in Earmarked Reserves in the Balance Sheet.

4. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

This Statement of Accounts contains estimated figures that are based on assumptions made by CCR about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because assets and liabilities cannot always be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in CCR's Balance Sheet at 31st March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

4.1 Pension Asset/Liability

Estimation of the net asset/liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. AON PLC is engaged to provide CCR with advice on the assumptions to be applied.

GMP equalisation and indexation

The disclosures allow for full CPI inflation pension increases to be paid on Guaranteed Minimum Pension (GMP) for those reaching State Pension Age on or after 6th April 2016. This recognises the cost of the Government's commitment to compensate public service scheme members from the removal of the Additional Pension element of the State Pension from this date, and for the outcome of the Lloyds judgement which found GMPs to be illegally sex discriminatory. Government has recognised that this solution will not address all sex inequalities for a minority of

members and further guidance is expected from DLUHC on how they propose to deal with this. These inequalities are expected to be small.

In October 2020 a second ruling in the Lloyds bank case clarified that compensation would be required for members who transferred benefits out since May 1990. Government has not yet acknowledged a liability in public service schemes nor indicated an approach in rectifying this. Therefore, no allowance for potential liabilities relating to the second Lloyds ruling is included in the accounts.

Goodwin Ruling

In June 2020 an Employment Tribunal ruled in relation to the Teachers' Pension Scheme, that provisions for survivor benefits of a female member in an opposite sex marriage are less favourable than for a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on grounds of sexual orientation. The chief secretary to the Treasury announced in a ministerial statement on 20 July 2020 that he believed that changes would be required to other public service pension schemes with similar arrangements. As these changes are yet to be reflected in the LGPS regulations and also on the basis of materiality, allowance has not been made in the calculations.

Cost Management Process in the LGPS incl. McCloud

Legislation requires HM Treasury and the Scheme Advisory Board (SAB) to undertake periodic valuations to monitor the cost of the LGPS to ensure it remains sustainable and affordable. This is referred to as the "Cost Management Process". The outcomes of the reviews recommended no changes to the provisions of the scheme. However, the legality of the Government's decision to include McCloud costs as a member cost within the 2016 HMT process was challenged by a Judicial Review brought by trade unions. The Judicial Review was unsuccessful, and the unions were given permission to appeal that decision. On 17 April 2024, the judgment given by the Court of Appeal on trade unions' challenge to the way in which McCloud costs were handled under the 2016 cost management process for public service schemes was published. The Court of Appeal agreed with the earlier ruling of the High Court and consequently, it has been found legitimate that the McCloud costs were treated as member costs within the process. This in turn means that there was no breach of the cost "floor" under the process and there is no requirement to revisit the outcome of the 2016 scheme-wide valuations, under which no benefit changes were made.

On 11 April 2024, the Government Actuary's Department (GAD) had published its completed valuation on the scheme-wide LGPS England & Wales valuation as at 31 March 2020. The valuation found that the core 'cost cap cost' of the scheme lies outside the 3% cost control mechanism corridor (3.2% below target cost) that is in operation for this valuation.

However, there is now also an "economic check" that GAD carries out to take account of the wider economic situation. This check includes considering reduced long-term expectations for UK economic growth as reflected in the Government's 'SCAPE' discount rate. This also lies outside the 3% corridor, but in the other

direction (7.3% above target cost). As a result, the “cost cap corridor” as a whole is not breached and the Government is not proposing to make any changes to LGPS benefits.

The England & Wales Scheme Advisory Board announced on 19 April 2024 that it will shortly be publishing the final report of the separate scheme cost assessment that it is required to undertake under Regulation 116 of the LGPS Regulations 2013, in which different actuarial assumptions are used. However, the Board has already seen the initial results and agreed that it is “not minded to recommend to the Secretary of State any changes to LGPS benefits through that process”.

Pension Surplus Restriction

Recognition of a pension surplus in the Balance Sheet is detailed in Financial Reporting Standard (FRS) 102, which states “If the present value of the defined benefit obligation at the reporting date is less than the fair value of the plan assets at that date, the plan has a surplus. An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan”.

There is a requirement to disclose any restrictions on the current realisability of the surplus or the basis used to determine the amount of the economic benefit available.

The principles of International Financial Reporting Interpretations Committee (IFRIC) 14 have been applied to limit the economic benefit available through reduced contributions. The actuary has undertaken calculations of the potential surplus that could be recognised through reduced contributions in the future and not a surplus that could be recognised through future refunds as refunds are only possible when the employer exits the fund.

The value of the surplus restriction, calculated by the actuary, applied to the Net Asset is £0m.

5. Events After the Reporting Period

The draft Statement of Accounts was authorised for issue by the Strategic Director of Resources as s151 Officer, on 2 September 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provide information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

6. Prior Period Adjustment

In the Balance Sheet it has been recognised that £450k was misclassified to CAA instead of Loan Assets in the FY 2022/23. The effect has been to reduce the CAA and reduce the outstanding loan in the Balance Sheet.

7. Property, Plant and Equipment

Movements in 2024/2025

	Vehicles, Plant & Equipment	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000
Cost or Valuation			
At 1 April 2024	6,683	825	**7,508**
Additions	307		**307**
Derecognition – Other	(1,769)		**(1,769)**
Other Movements in Cost or Valuation	512	(512)	**0**
At 31 March 2025	**5,733**	**313**	**6,046**

Accumulated Depreciation and Impairment			
At 1 April 2024	(2,044)		**(2,044)**
Depreciation Charge	(958)		**(958)**
Derecognition – Other	758		**758**
At 31 March 2025	**(2,244)**		**(2,244)**

Net Book Value:

At 31 March 2024	**4,639**	**825**	**5,464**
At 31 March 2025	**3,489**	**313**	**3,802**

Movements in 2023/24

	Vehicles, Plant & Equipment	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000
Cost or Valuation			
At 1 April 2023	4,478	825	**5,303**
Additions	775	1,430	**2,205**
Other Movements in Cost or Valuation	1,430	(1,430)	**0**
At 31 March 2024	**6,683**	**825**	**7,508**

Accumulated Depreciation and Impairment			
At 1 April 2023	(1,090)		**(1,090)**
Depreciation Charge	(955)		**(955)**
At 31 March 2024	**(2,045)**	**0**	**(2,045)**

Net Book Value:

At 31 March 2023	**3,388**	**825**	**4,213**
At 31 March 2024	**4,638**	**825**	**5,463**

Other Long-Term Assets are of an investment nature and shown in Note 14.2: Financial Instruments.

7.1 (Gains) or Losses On Disposal of Non-Current Assets

	2023/24	2024/25
	£'000	£'000
Vehicles	0	1,011
Total	**0**	**1,011**

8. Financial Instruments

8.1 Categories of Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

Assets	Long-Term		Current	
	31/03/24	31/03/25	31/03/24	31/03/25
	£'000	£'000	£'000	£'000
Investments: Loans and Receivables	58,413	83,525	5,130	7,791
Debtors: Financial Assets Carried at Contract Amounts	0	0	5,808	810
Total	**58,413**	**83,525**	**10,938**	**8,601**

Liabilities	Long-Term		Current	
	31/03/24	31/03/25	31/03/24	31/03/25
	£'000	£'000	£'000	£'000
Borrowings: Financial Liabilities at Amortised Cost	0	(6,058)	0	0
Creditors: Financial Liabilities at Amortised Cost	(34,193)	(30,590)	(22,698)	(14,212)
Total	**(34,193)**	**(36,648)**	**(22,698)**	**(14,212)**

There are no expected credit loss calculations included in the financial assets set out above. The value of creditors in the table relates to invoices and payments authorised by CCR but which remain unpaid at year-end. This balance is included within the Balance Sheet heading Short Term Creditors.

8.2 Interest Payable and Receivable

	2023/24	2024/25
	Total	Total
	£'000	£'000
Interest Payable and Similar Charges		
Interest	0	672
Total	**0**	**672**
Interest Receivable and Similar		
Bank Interest	(2,075)	(27)
Debt Management Office Interest	0	(3,161)
Interest From Loans	(368)	(1,427)
VAT Repayment Interest	0	(2)
Notional Interest	(1,672)	(2,185)
Total	**(4,115)**	**(6,802)**

8.3 Fair Value of Assets and Liabilities

Financial liabilities, financial assets (represented by loans and receivables) and long term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- Loans taken out by CCR have been valued at historic cost as this is an interest free loan;
- Loans made by CCR have been valued by discounting future cashflows;
- No early repayment or impairment is recognised;
- Where a financial instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount;
- Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

The fair values of CCR's element of financial instruments are as follows:

	31/03/24		31/03/25	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Welsh Government Repayable Funding	0	0	10,000	6,058
Trade Creditors	22,698	22,698	14,212	14,212
Total	**22,698**	**22,698**	**24,212**	**20,270**

	31/03/24		31/03/25	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Equity Investments	8,800	15,656	10,000	2,944
Partnership Investments - ICC	8,867	8,867	17,517	17,517
Short Term Investments	0	0	67,525	67,525
Loans and Receivables	63,993	59,692	90,841	74,754

8.4 Equity Investments

Equity investments are held in the Balance Sheet at Fair Value as set out above, with Gains and Losses upon review reflected in 'Other Comprehensive Income and Expenditure' in the Income and Expenditure Statement and the Equity Revaluation Reserve.

Equity represents investments in a healthcare data business for a 22.86% shareholding; a 21.68% shareholding of a digital manufacturing business; a 6.53%

shareholding in a FinTech business and a 9.40% shareholding in a BioTech business. None of these represent any form of 'control'.

The fair value estimates for the equity investments in the healthcare data business, the digital manufacturing business and the FinTech company have been calculated using the cashflow in perpetuity method as at 31 March 2024 and are based on information provided to Arlingclose by each of the companies. They are not based on quoted prices as the companies are not listed. The valuations may change subject to the company's actual performance in terms of profit and income along with the relevant multipliers in the industries within the companies areas of operation, technical accounting adjustments and the economic climate.

Regarding the investment in a BioTech business, CCRCD purchased additional shares during 2023/24 and there were no significant changes to the company during this time, therefore, the price paid for the shares is a suitable approximation to their fair value at 31 March 2024.

31/03/24		31/03/25
£'000		£'000
15,656	Equity Investments	2,944
15,656	**Total**	**2,944**

8.5 Partnership Investment

31/03/24		31/03/25
£'000		£'000
8,867	Innovation Investment Capital	17,517
8,867	**Total**	**17,517**

Partnership Investment is CCR's investment into the Partnership Vehicle (IIC Ltd). The asset value of this at the Balance Sheet date (£17,517k) represent the financing provided to the Partnership.

8.6 Pension Asset

Please refer to note 4.1 for the detail behind the pension asset, CCR set up its own pension fund as of the 1 April 2024 which is managed by Rhondda Cynon Taf CBC.

These assets relate to the balance transferred into the scheme from Cardiff Council and the fair value of assets assessed by our Pension Advisors.

31/03/24		31/03/25
£'000		£'000
0	Pension Asset	0
0	**Total**	**0**

8.7 Credit Risk

Credit Risk arises from deposits with banks and financial institutions as well as credit exposures to the CCR's customers.

This risk is minimised through the Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria. Such criteria include credit ratings assigned by credit ratings agencies. The Investment Strategy also imposes a maximum amount and duration to be invested with a financial institution.

CCR undertakes appropriate due diligence and puts in place appropriate security arrangements when lending to organisations. There are also other criteria and controls in place regarding counterparty selection, further details of which can be found in the approved Treasury Management Strategy.

The following analysis summarises the potential maximum exposure to credit risk (CCR element only). The default rates give details of CCR's experience of its customer's collection levels.

	31/03/25
	£'000
Deposits with Government Departments	**67,525**
Trade Debtors	**810**

The CJC has assessed its loan portfolio in accordance with IFRS 9 Financial Instruments. While the standard requires recognition of expected credit losses, the CJC has determined that no material loss allowance is required. This is because the loans advanced are subject to contractual conditions and security arrangements which significantly mitigate credit risk. These conditions ensure that repayment is not considered doubtful, and therefore the recognition of an expected credit loss (which would be £540k in 24/25 and £1,003k in 23/24) is not applicable.

8.8 Long Term Loans

31/03/24		**31/03/25**
£'000		**£'000**
2,109	**Revenue Loans**	**0**
56,304	**Capital Loans**	**83,525**
58,413	**Total**	**83,525**

Revenue Loans

A Revenue loan of £2.06m was made to a MedTech business to support the development of cool plasma sterilisation and decontamination technology. The loan was drawn down in July 2020 and is due to be repaid in 2025 with interest payments

being made in the interim therefore a balance of £2.06m is included in the balance sheet as Short-Term Loans at 31 March 2025.

Capital Loans

£2.00m was loaned to the healthcare data business in which CCR already holds an equity stake in order to support its ongoing activities. Interest is being received on this loan with the principal due to be repaid in 2025, therefore a balance of £2.00m is included in the balance sheet at 31 March 2025.

A loan to Compound Semi-Conductor Foundry Ltd (CSC Foundry Ltd.) funded the acquisition (from Welsh Government) of the Foundry building, its refurbishment, fit-out and initial start-up costs. Loans amounting to £24.66m were drawn down in 2017/18 and £12.46m in 2018/19. The loan is profiled to be repaid over an 11-year term and loan repayments commenced in August 2021. The loan repayments are to be recycled back into the Wider Investment Fund and used to fund future projects. A balance of £20.32m was outstanding on CCR's balance sheet at 31 March 2025.

£24.90m has been loaned to CCR Energy Ltd to purchase, demolish and remediate the site of the former Aberthaw Power Station. The repayment profile of the loan is yet to be agreed as it is subject to future company receipts. Including notional interest a total balance of £27.37m is included in the balance sheet at 31 March 2025.

Loans of £12.50m have been made to a Fibre to the Premises business to assist in the role out of its services across the Region**.** Interest is being charged on these loans which have a repayment date in 2031**.** Including notional interest a total balance of £12.59m is included in the balance sheet at 31 March 2025.

A loan of £1.00m has been made to a Television Production Company to help fund the set-up of a production facility in the Region. Interest is being charged on this loan which has a repayment date in 2029. Including notional interest a total balance of £1.05m is included in the balance sheet at 31 March 2025.

A total of £20.57m has been loaned across three projects via the Site & Premises Fund. Including notional interest this is included in the balance sheet at £20.81m at 31 March 2025.

8.9 Refinancing and Maturity Risk

CCR has significant short term investments which are invested via the Debt Management Office of the United Kingdom Government, there exposure and maturity risk is low.

The approved prudential indicator limits for the maturity structure of surplus monies for investment are key parameters used to address this risk. The Corporate Joint Committee approved treasury and investment strategies parameters.

This includes:

- Monitoring the maturity profile of investments to ensure sufficient liquidity is available for CCR's day-to-day cash flow needs, and the spread of longer

term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

	31/03/24	31/03/25
	£'000	£'000
Between 5 and 10 years	0	10,000
Total	**0**	**10,000**

	31/03/2024	31/03/2025
	£'000	£'000
Maturity less than one year	0	67,525
Total	**0**	**67,525**

9. Short Term Debtors

An analysis of Short-Term Debtors in the Balance Sheet is as follows:

31/03/24 (Restated)		31/03/25
£'000		£'000
3,548	Central Government Bodies	368
802	Other Local Authorities	10
1,458	Other Entities and Individuals	432
5,808	**Total**	**810**

9.1 VAT

31/03/24 (Restated)		31/03/25
£'000		£'000
5	VAT	431
5	**Total**	**431**

9.2 Payment Made in Advance

31/03/24 (Restated)		31/03/25
£'000		£'000
20	Prepayments	28
20	**Total**	**28**

9.3 Short-Term Investments

31/03/24 (Restated)		31/03/25
£'000		£'000
0	Central Government Bodies	67,525
0	**Total**	**67,525**

9.4 Short-Term Loans

31/03/24		31/03/25
£'000		£'000
5,130	Capital Loans	7,791
5,130	**Total**	**7,791**

10. Cash and Cash Equivalents

The Cash and Cash Equivalents are made up of the following elements:

31/03/24		31/03/25
£'000		£'000
57,015	Intercompany Cash - Cardiff	0
201	Cash held - Corporate Joint Committee	373
57,216	**Total Cash and Cash Equivalents**	**373**

11. Creditors

An analysis of Short-Term and Long-Term Creditors in the Balance Sheet is as follows:

Short-Term Creditors

31/03/2024 (Restated)		31/03/25
£'000		£'000
(4,335)	Central Government Bodies	(363)
(8,621)	Other Local Authorities	(8,606)
(134)	NHS Bodies	(40)
(9,608)	Other Entities and Individuals	(5,203)
(22,698)	**Total**	**(14,212)**

Long-Term Creditors

31/03/24		31/03/25
£'000		£'000
(34,193)	Central Government Bodies	(30,590)
(34,193)	**Total**	**(30,590)**

HM Treasury Capital Grant totalling £52.00m was received during the year in respect of the eighth year of City Deal funding. The grant is passported through Welsh Government (the grant paying body) following acceptance of their grant terms & conditions.

Welsh Government have confirmed that in any year, where funds have been committed and/or there is a clear intention to spend, carry forward of funding to future years will be permitted. £30.66m of the funding received to date has been drawn down to cover eligible expenditure during the financial year.

11.1 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on CCR's Balance from accruing for compensated absences earned but not taken in the year e.g., annual leave entitlement carried forward on 31 March. Statutory arrangements require that the impact on CCR's Balance is fully offset by transfers to and from the Account.

31/03/24		31/03/25
£'000		£'000
(28)	Accumulated Absence Balance	(47)
(28)	**Total**	**(47)**

12. Other Long-Term Liabilities

An analysis of Other Long-Term Liabilities is given in the following table:

31/03/24		31/03/25
£'000		£'000
(34,193)	City Deal Grant	(30,590)
(34,193)	**Total**	**(30,590)**

12.1 Long-Term Borrowing

31/03/24 (Restated)		31/03/25
£'000		£'000
0	Housing Loan	(6,058)
0	**Total**	**(6,058)**

13. Useable Reserves

31/03/24			31/03/25
£'000			£'000
311	General Fund Balance	*13.1*	71
100	Other Revenue Related Reserves	*13.2*	6,461
10,479	Usable Capital Receipts Reserve	*13.3*	15,400
10,890	**Total Usable Reserves**		**21,932**

13.1 CJC Fund Balance

CCR's Balances are accumulated working balances and relate to general fund services.

Movements in CCR's Balance during 2024/25 were:

	General	RTP	SDP	Total £'000
Balance as at 31 March 2024	**270**	**27**	**14**	**311**
Revenue Budget Outturn	0	20	10	**30**
Release of Reserves	(270)	0	0	**(270)**
Balance as at 31 March 2025	**0**	**47**	**24**	**71**

13.2 Earmarked Reserves

This note sets out the amounts set aside from CCR's Fund Balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet CCR expenditure in 2024/25. All earmarked reserves are deemed to be revenue reserves.

Reserve	Purpose	Balance at 31/03/24	Transfers Out	Transfers In	Balance at 31/03/25
		£'000	£'000	£'000	£'000
Gateway Review	This reserve is held for costs associated with the UK Government Gateway Review, required as part of City Deal funding terms and conditions	**60**	0	1	**61**
Aberthaw	This reserve is held for costs associated with the Aberthaw Procurement Challenge, and is expected to be fully drawn down in 2025/26	**0**	0	186	**186**
Budget Reserve	This reserve is held to support future revenue budget pressures.	**204**	(190)	300	**314**
CJC Transtion	This reserve was held for specific costs associated with the transition to the CJC and was fully utilised in 2024/25	**57**	(57)	0	**0**
RTP	This reserve is held for future costs associated with the delivery of the Regional Transport Plan	**125**	(83)	0	**42**
Interest Reserve	This reserve is held to support ongoing revenue projects and the development of future strategic funds	**(346)**	0	6,204	**5,858**
Total		**100**	**(330)**	**6,691**	**6,461**
Total Earmarked		**100**	**(330)**	**6,691**	**6,461**

13.3 Usable Capital Receipts Reserve

The Usable Capital Receipts Reserve is the proportion of capital receipts that has been returned through our investment strategy. A strategy on the most appropriate way to deploy these resources will be developed in 2025/26.

The movements on the reserve are as follows:

2023/24		2024/25
£'000		£'000
6,898	**Balance as at 1 April**	**10,479**
	Receipts during the year:	
3,581	Loan repayments	4,921
10,479	**Balance as at 31 March**	**15,400**

14. Unusable Reserves

Unusable reserves arise out of the interaction of legislation and proper accounting practice either to store revaluation gains or as adjustment accounts to reconcile accounting requirements driven by reporting standards to statutory requirements. They do not represent resources available for the CCR's general use.

31/03/24			31/03/25
£'000		Ref	£'000
6,356	Revaluation Reserve	*14.1*	(7,556)
82,440	Capital Adjustment Account	*14.2*	115,567
0	Financial Instruments Adjustment Account	*14.3*	3,942
(28)	Short-Term Accumulating Compensated Absence Account	*14.4*	(47)
88,768	**Total Unusable Reserves**		**111,906**

14.1 Revaluation Reserve

The Revaluation Reserve contains the gains and losses made by CCR arising from increases and decreases in the value of its Property, Plant and Equipment and Intangible Assets. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

2023/24		2024/25	
		SEWCJC	
£'000		£'000	£'000
4,344	**Balance at 1 April**	**6,356**	
2,012	Upward revaluation of assets/equity	0	
	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(13,912)	
6,356	**Surplus or Deficit on revaluation of Long-Term Assets not posted to the Surplus or Deficit on the Provision of Services**	**0**	**(7,556)**
6,356	**Balance at 31 March**		**(7,556)**

14.2 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of Long-Term Assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisation are charged to

the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by CCR as finance for the costs of acquisition, construction and enhancement.

2023/24		2024/25	
£'000		£'000	£'000
65,192	**Balance at 1 April**	**82,890**	
	Reversal of items relating to Capital Expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
(955)	Charges for depreciation and impairment of Long-Term Assets	(958)	
	Amounts of Long-Term Assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,011)	
64,237	**Net written out amount of the cost of Long-Term Assets consumed in the year**		**80,921**
	Capital Financing Applied in the Year:		
21,784	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	39,567	
(3,581)	Transfer of Capital Assets	(4,921)	
18,203			**34,646**
82,440	**Balance at 31 March**		**115,567**

14.3 Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. CCR accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as CCR makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a shortfall in the benefits earned by past and current employees and the resources CCR has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits are due to be paid.

2023/24		2024/25
£'000		£'000
0	**Balance at 1 April**	**0**
0	Actuarial gains or (losses) on Pensions Assets and Liabilities	(70)
0	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(350)
0	Employer's pensions contributions and direct payments to pensioners payable in the year	420
0	**Balance at 31 March**	**0**

14.4 Financial Instruments Adjustment Account

2023/24		2024/25
£'000		£'000
0	**Balance at 1 April**	**0**
0	Adjustment for Fair value of Loan	4,237
0	Capitalised Interest	(295)
0	**Balance at 31 March**	**3,942**

14.5 Short-Term Accumulating Compensated Absence Account

2023/24		2024/25
£'000		£'000
(23)	**Balance at 1 April**	**(28)**
(5)	Additions in year	(19)
(28)	**Balance at 31 March**	**(47)**

15. Cash Flow Statement - Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements

2023/24		2024/25
£'000		£'000
(955)	Depreciation and Impairment	(958)
(12,590)	(Increase)/Decrease in Creditors	12,089
609	Increase/(Decrease) in Debtors	(4,997)
20	Increase/(Decrease) in Payments in Advance	8
5	Increase/(Decrease) in VAT	426
	Movement in Pension Liability	70
	Short-Term Accumulated Absence Accrual	(19)
	Carrying amount of Long-Term Assets and Assets Held For Sale, sold or derecognised	(1,011)
	Other non-cash items charged to the Net (Surplus) or Deficit on the Provision of Services	(295)
(12,911)	**Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements**	**5,313**

16. Cash Flow Statement – Adjustments for items included in the Net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities

2023/24		2024/25
£'000		£'000
0	Short Term Investments	67,525
0	**Investing and Financing Activities**	**67,525**

17. Cash Flow Statement – Interest within Operating Activities

The following table details interest received, and interest paid included within 'Net Cash Flows from Operating Activities' on the Cash Flow Statement.

2023/24		2024/25
£'000		£'000
(4,115)	Interest received	(6,802)
0	Interest paid	672
(4,115)	**Interest within Operating Activities**	**(6,130)**

18. Cash Flow Statement - Investing Activities

2023/24		2024/25
£'000		£'000
2,204	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	307
0	Purchase / (Redemption) of Short-Term and Long-Term Investments - Equity	1,200
8,156	Purchase / (Redemption) of Short-Term and Long-Term Investments - Loans	25,454
9,743	Purchase / (Redemption) of Short-Term and Long-Term Investments - IIC	8,650
1,672	Other Receipts from Investing Activities	2,319
21,775	**Net Cash Flows from Investing Activities**	**37,930**

19. Cash Flow Statement - Financing Activities

2023/24		2024/25
£'000		£'000
0	Cash receipts of Short and Long-Term Borrowing	(10,000)
0	**Net Cash Flows from Financing Activities**	**(10,000)**

19. Notes to the Expenditure and Funding Analysis

The Expenditure and Funding Analysis demonstrates how the funding available to CCR has been used to provide services in comparison with those resources consumed or earned under Generally Accepted Accounting Practices (GAAP).

Movement 2024/2025

	General Fund Movement	Equity Revulation Reserve Movement	Capital Adjustment Account Movement	Accumlated Absence Account Movement	Total Reserve Movement
	£'000s	£'000s	£'000s	£'000s	£'000s
Adjustments between revenue and capital resources					
Fair value adjustment to equity assets	13,912	(13,912)	0	0	0
Capital Grants and Contributions credtied to CIES that have been applied to capital fancing	(39,761)	0	39,761	0	0
Transfer of Vehicles under lease	1,011	0	(1,011)	0	0
Charges for depreciation and impairment of Non-Current assets	958	0	(958)	0	0
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	19	0	0	(19)	0
Total	(23,861)	(13,912)	37,792	(19)	0

Movement 2023/2024

	General Fund Movement	Equity Revulation Reserve Movement	Capital Adjustment Account Movement	Accumlated Absence Account Movement	Total Reserve Movement
	£'000s	£'000s	£'000s	£'000s	£'000s
Adjustments between revenue and capital resources					
Fair value adjustment to equity assets	(2,012)	2,012	0	0	0
Capital Grants and Contributions credtied to CIES that have been applied to capital fancing	(22,233)	0	22,233	0	0
Transfer of Vehicles under lease	0	0	0	0	0
Charges for depreciation and impairment of Non-Current assets	955	0	(955)	0	0
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	(6)	0	0	6	0
Total	(23,296)	2,012	21,278	6	0

19.1 Expenditure and Funding Analysis Statement

2024/2025

	2024/25				
	Income and Expenditure Chargeable to the General Fund	Adjustment Between Funding and Accounting Basis - Capital	Adjustments Between Funding and Accounting Basis	Total Adjustments Between Funding and Accounting Basis	Net Expenditure for the Equivalent Amounts for CI&ES
	£'000	£'000	£'000	£'000	£'000
CJC Statutory Duties	340		(2)	(2)	338
City Deal Operations	20,601	(7,683)	(18)	(7,701)	12,900
Cost of Services	**20,941**	**(7,683)**	**(20)**	**(7,703)**	**13,238**
Other Income and Expenditure	1,011	(1,011)		(1,011)	0
Interest Payble	672			0	672
Interest Receivable	(6,802)			0	(6,802)
LA Contributions	(1,279)			0	(1,279)
Recongnised Revenue Grants & Contribtions	(7,879)			0	(7,879)
Recongnised Capital Grants & Contribtions	(50,589)	50,589		50,589	0
(Surplus) or Deficit	**(43,925)**	**41,895**	**(20)**	**41,875**	**(2,050)**
Opening Corporate Joint Committee Fund at 31 March 2024					311
Less (Surplus) Deficit on Corporate Joint Comittee Fund in Year					10,063
Transfers to or (from) Earmarked Reserves					(10,303)
Closing Corporate Joint Committee Fund at 31 March 2025					**71**

2023/2024

	2023/24				
	Income and Expenditure Chargeable to the General Fund	Adjustment Between Funding and Accounting Basis - Capital	Adjustments Between Funding and Accounting Basis	Adjustments Between Funding and Accounting Basis	Net Expenditure for the Equivalent Amounts for CI&ES
	£'000	£'000	£'000	£'000	£'000
CJC Statutory Duties	258			0	258
City Deal Operations	38,031	(23,042)	(28)	(23,070)	14,961
Cost of Services	**38,289**	**(23,042)**	**(28)**	**(23,070)**	**15,219**
Interest Receivable	(4,115)			0	(4,115)
LA Contributions	(1,280)			0	(1,280)
Recongnised Revenue Grants & Contribtions	(125)			0	(125)
Recongnised Capital Grants & Contribtions	(51,825)	51,825		51,825	0
(Surplus) or Deficit	**(19,056)**	**28,783**	**(28)**	**28,755**	**9,699**
Opening General Fund at 31 March 2023					294
Less (Surplus) Deficit on General Fund in Year					(18)
Closing General Fund at 31 March 2024					**312**

19.2 Grant Funding

	2023/24	2024/25
	£'000	£'000
Capital Grants and Contributions - WIF	(51,825)	(50,589)
Credited to Services - WIF	(125)	(7,879)
Total	**(51,950)**	**(58,468)**

20. CJC Expenditure and income is analysed as follows:

	2023/24	2024/25
Expenditure	**£'000**	**£'000**
Employee Benefits Expenses	2,567	3,950
Other Services Expenses	35,268	19,693
Depreciation, Amortisation, Impairment	954	958
Interest Payments	0	672
Loss On The Disposal Of Assets	0	1,011
Total Expenditure	**38,789**	**26,284**
Income		
Fees, Charges and Other Service Income	(501)	(754)
Interest and Investment Income	(4,115)	(6,802)
Local Authoristy Grants And Contributions	(1,279)	(1,340)
Government Grants and Contributions	(51,950)	(61,244)
Total Income	**(57,845)**	**(70,140)**
(Surplus) or Deficit on the Provision of Services	**(19,056)**	**(43,856)**

21. Members' Allowances

The Local Authorities (Allowances for Members of County and County Borough Councils and National Parks Authorities) (Wales) Regulations 2002, require authorities to make public their schemes for Members' allowances and to disclose annually amounts paid to each Member under such schemes.

During the year CCR paid the following amounts in respect of basic allowances, special responsibility allowances and dependent care allowances to 5 Members (excluding employer's national insurance contributions, employer's pension contribution and other associated costs).

	2023/24	2024/25
	£'000	£'000
Allowances	-	5
Total	**-**	**5**

Details of all remuneration and allowances paid annually by CCR to each Councillor and Co-opted Member is published on CCR's website, following the end of each financial year.

21. Officers Remuneration

Statutory guidance issued by Welsh Ministers recommends the use of pay multipliers as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010).

CCR's remuneration ratio is 1:3 with the median earnings being £43,429.01. This is the ratio between the Chief Executive's pay and the median earnings of the workforce within CCR, using current pay levels.

Under the Accounts and Audit (Wales) Regulations 2014 (as amended), local authorities must disclose in their accounts the number of employees whose remuneration in the year fell in each bracket of a scale in multiples of £5,000 commencing at £60,000 (excluding employer pension contributions). The disclosure includes redundancy payments.

Remuneration Band	2023/24	2024/25		
	No. of Employees	No. of Employees		
	Total	At 31/03/25	Left in Year	Total
£60,000 - £64,999	0	7	0	7
£65,000 - £69,999	2	2	0	2
£70,000 - £74,999	2	1	0	1
£75,000 - £79,999	0	4	0	4
£80,000 - £84,999	0	0	0	0
£85,000 - £89,999	0	0	0	0
£90,000 - £94,999	1	1	0	1
£95,000 - £99,999	0	0	0	0
£100,000 - £104,999	0	0	0	0
£105,000 - £109,999	0	0	0	0
£110,000 - £114,999	0	0	0	0
£115,000 - £119,999	0	0	0	0
£120,000 - £124,999	1	0	1	1
£125,000 - £129,999	0	1	0	1
Total	**6**	**16**	**1**	**17**

The above table is based on full time equivalent posts and does not represent the actual payments to employees.

The above table includes specific Senior Officers, disclosed in the following table:

The following table sets out the remuneration for specific Senior Officers.

The table represents CCR's Senior Executive Leadership Team and includes employers pension contributions.

During 2024/25 CCR's Monitoring Officer services were provided by a recruitment agency at a cost of £177k. The named Monitoring Officer during this period was Jayne LaGrua.

Post Holder Information (Post Title)	2024/25						
	Salary	Taxable Benefits in Kind	Compensation for Loss of Employment		Total Remuneration	Employer's Pension Contributions	Total Remuneration Including Employer's Pension Contributions
			Redundancy	Early Access Costs			
	£'000						
Chief Executive - Kellie Beirne	128	0	0	0	**128**	24	**152**
Chief Operating Officer - Rhys Thomas - to 06/05/2024	10	0	0	0	**10**	2	**12**
Deputy Chief Executive & Director of Regional Growth - Rhys Thomas - 07/05/2024 to 20/03/2025	111	0	0	0	**111**	19	**130**
Interim Section 151 Officer - Christopher Bradshaw - to 03/06/2024	10	0	0	0	**6**	0	**6**
Interim Section 151 Officer - Hrjinder Singh 03/06/2024 to 14/07/2024	10	0	0	0	**10**	2	**12**
Strategic Director of Resources (Section 151 Officer) - Liam Hull from 15/07/2024	70	0	0	0	**70**	13	**83**
Strategic Director of Policy, Impact & Partnerships - Colan Mehaffey from 01/08/2024	66	0	0	0	**66**	12	**78**

The prior year comparator table below, was prior to the establishment of a CCR Senior Executive Team and it was therefore not possible to include the same format.

2023/2024 Comparative

Post Title	Salary, fees and allowances £	Employers Pension Contributions £	Total £	Notes
Chief Executive	124,696	29,439	154,135	Post commenced August 2018.
Chief Operating Officer	102,780	19,939	122,719	Post commenced August 2019.
Head of Finance, Risk and Assurance	76,815	14,902	91,717	Post commenced August 2019.
Head of Inclusive Growth & Business Develop	76,815	15,535	92,350	Post commenced July 2019.
Head of Governance, Policy & Communicatior	23,566	4,490	28,056	Post commenced October 2021 and vacated July 2023
Head of Digital & Data Innovation	76,815	14,902	91,717	Post commenced September 2021
Head of Programme Management Office	53,249	0	53,249	Post commenced July 2023. Annualised Salary £76,815
Senior Programme Manager	55,753	10,816	66,569	Post commenced July 2023. Annualised Salary £76,815
Senior Programme Manager	49,667	9,635	59,302	Post commenced July 2023. Annualised Salary £66,801
Total Senior Staff	**640,155**	**119,659**	**759,813**	

22. External Audit Costs

The estimated costs to CCR for financial year 2024/25 in relation to the audit of the Statement of Accounts for certification of grant claims, statutory inspections and other services provided by CCR's external auditors are set out in the table below:

Fees Payable to the Auditor General for Wales	2023/24 Estimated £'000	2024/25 Estimated £'000
External financial audit services carried out by the	138	136
External performance audit services carried out by the Statutory Auditor for the year	24	47
Total	**162**	**183**

23. LA Contributions

31/03/24 £'000		31/03/25 £'000
(59)	Blaenau Gwent CBC	(59)
(121)	Bridgend CBC	(121)
(153)	Caerphilly CBC	(153)
(304)	City of Cardiff Council	(304)
(50)	Merthyr Tydfil CBC	(50)
(78)	Monmouthshire County Council	(78)
(126)	Newport City Council	(126)
(203)	Rhondda Cynon Taf CBC	(202)
(78)	Torfaen CBC	(78)
(108)	Vale of Glamorgan Council	(108)
(1,280)	**Total**	**(1,279)**

24. Related Parties

CCR is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence CCR or to be controlled or influenced by CCR. Disclosure of these transactions allows readers to assess the extent to which CCR might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with CCR.

Funding of expenditure by the ten constituent Local Authorities is in line with the City Deal Joint Working Agreement and approved by the leader of each Authority by decision at Regional Cabinet meetings.

2024/2025

Local Authorities

Related Party Transactions - SEWCJC Funding	Revenue	Capital	2024/25
	£'000	£'000	£'000
Blaenau Gwent CBC	59	0	59
Bridgend CBC	121	0	121
Caerphilly CBC	153	0	153
City of Cardiff Council	303	0	303
Merthyr Tydfil CBC	50	0	50
Monmouthshire County Council	79	0	79
Newport City Council	126	0	126
Rhondda Cynon Taf CBC	202	0	202
Torfaen CBC	78	0	78
Vale of Glamorgan Council	108	0	108
Sub Total: Local Authority Contributions	**1,279**	**0**	**1,279**

Related Party Transactions - Valleys Regional Park Funding	Revenue	Capital	2024/25
	£'000	£'000	£'000
Blaenau Gwent CBC	9	0	9
Bridgend CBC	9	0	9
Caerphilly CBC	9	0	9
Merthyr Tydfil CBC	9	0	9
Rhondda Cynon Taf CBC	8	0	8
Torfaen CBC	8	0	8
Carmarthenshire County Council	8	0	8
Sub Total: Valleys Regional Park Contributions	**60**	**0**	**60**

Related Party Transactions	Revenue	Capital	2024/25
	£'000	£'000	£'000
Brecon Beacons National Park Auhtority	1	0	1

2023/2024

Related Party Transactions	Revenue	Capital	2023/24
	£'000	£'000	£'000
Blaenau Gwent CBC	59	0	59
Bridgend CBC	121	0	121
Caerphilly CBC	153	0	153
City of Cardiff Council	304	0	304
Merthyr Tydfil CBC	50	0	50
Monmouthshire County Council	79	0	79
Newport City Council	126	0	126
Rhondda Cynon Taf CBC	202	0	202
Torfaen CBC	78	0	78
Vale of Glamorgan Council	108	0	108
Sub Total: Local Authority Contributions	**1,280**	**0**	**1,280**

Related Party Transactions	Revenue	Capital	2024/25
	£'000	£'000	£'000
Brecon Beacons National Park Auhtority	1	0	1

Welsh Government

The Welsh Government has the ability to affect influence on CCR via legislation and providing its funding in the form of grants. Grants received in 2024/2025 between CCR and Welsh Government are as follows:

Such transactions are detailed below.

2024/2025

Related Party Transactions	Revenue	Capital	2024/25
	£	£	£
HMT Capital Grant Funding (via Welsh Government)	0	52,000	52,000
Welsh Government Housing	0	2,889	2,889
Ultra-Low Emission Vehicle Grant Funding	0	0	0
Welsh Government Regional Transport Plan	100	0	100
Welsh Government Valleys Region Parks	60	0	60
Welsh Government Local Area Energy Plan Grant	273	0	273
Shared Prosperity Fund Grant (via Rhondda Cynon Taf CBC)	2,201	0	2,201
Sub Total: Contributions from Other Parties	**2,634**	**54,889**	**57,523**

2023/2024

Related Party Transactions	Revenue	Capital	2023/24
	£'000	£'000	£'000
HMT Capital Grant Funding (via Welsh Government)	0	52,000	52,000
Ultra-Low Emission Vehicle Grant Funding	0	1,431	1,431
Welsh Government Regional Transport Plan	125	0	125
Welsh Government Local Area Energy Plan Grant	913	0	913
Shared Prosperity Fund Grant (via Rhondda Cynon Taf CBC)	1,037	0	1,037
Sub Total: Contributions from Other Parties	**2,075**	**53,431**	**55,506**

Registration and Declarations of Interests

A register has been developed to track, capture, and update Declarations of Interests for all CCR Committees, Sub-committees, Boards, and key officer groups.

The declaration forms that have been used capture interests on a regional, rather than local basis. This exercise is tracked via the 'Declarations of Interests Register', which captures key information, such as: Date form issued/returned/uploaded onto CCR's website, dates of any amendments submitted, changes to membership during the year etc.

The review of the declarations made has not required any related party disclosures to be set out in the Statement of Accounts.

25. Retirement Benefits – Defined Benefit Scheme

25.1 Participation in Pension Schemes

As part of their terms and conditions Officers are offered retirement benefits by CCR. Although these benefits will not actually be payable until retirement, CCR has a commitment to make these payments. The liability for these payments needs to be accounted for at the time the future entitlement is earned.

CCR participates in a pension scheme:

The Local Government Pension Scheme is administered by Rhondda Cynon Taf CBC. This is a funded defined benefit career average scheme. CCR and participants pay contributions into the fund calculated at a level intended to balance the pensions liabilities with investment assets. The pension costs that are charged to CCR's accounts are defined by IAS 19 "Employee Benefits".

Employees transferred to CCR on 1 April 2024 as part of TUPE arrangements had the opportunity to transfer their benefits to the Rhondda Cynon Taf Pension Fund.

25.2 Transactions Relating to Post-Employment Benefits

The cost of retirement benefits is recognised in the cost of services when they are earned by employees, rather than when the benefits are eventually paid as

pensions. However, the charge which CCR is required to make is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of CCR's Fund via the Movement in Reserves Statement. The scheme was transferred from the Cardiff & Vale Pension Fund on the 1 April 2024 and therefore, 20245/25 represents the first year the scheme has been run. The net defined benefit asset as at 31st March 2025 is nil. This means that there is no current requirement for additional contributions to cover future post-employment (retirement) benefits.

	2023/24	2024/25	
		SEWCJC	Total
	£'000	£'000	£'000
Comprehensive Income and Expenditure Statement:			
Cost of Services:			
Current Service Cost	0	354	354
Net Interest Expense	0	(4)	(4)
Total Post Employment Benefit charged to the Surplus or Deficit on the Provision of Services	**0**	**350**	**350**
Remeasurement of the Net Defined Benefit Liability Comprising:			
Asset gains/(losses) arising during the period	0	(68)	(68)
Actuarial (Gains) and Losses Arising on Liabilities - Demographic Assumptions	0	21	21
Actuarial (Gains) and Losses Arising on Liabilities - Financial Assumptions	0	698	698
Actuarial (Gains) and Losses Arising on Liabilities - Experience	0	(2)	(2)
Adjustment gain (loss) due to restriction of surplus		(607)	(607)
Contributions by scheme participants	0	0	0
Surplus Restriction	0	0	0
Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement	**0**	**392**	**392**
Movement in Reserves Statement:			
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the code	0	(350)	(350)
Actual amount charged against the CJC Fund Balance for pensions in the year:			
Employers' contributions payable to scheme	0	420	420

25.3 Reconciliation of Present Value of the Scheme Liabilities

	2023/24	2024/25	
		SEWCJC	Total
	£'000	£'000	£'000
Balance at 1 April	**0**	**0**	**0**
Current Service Cost	0	354	354
Interest Cost on Defined Obligation	0	103	103
Contributions by scheme participants	0	178	178
Remeasurement (Gains) and Losses:			
Asset transferred in to scheme		2,102	2,102
Actuarial gains/(losses) due to changes in financial assumptions		(698)	(698)
Actuarial (Gains) and Losses Arising on Liabilities - Demographic Assumptions	0	(21)	(21)
Actuarial (Gains) and Losses Arising on Liabilities - Experience	0	2	2
Benefits paid	0	(15)	(15)
Balance at 31 March	**0**	**2,005**	**2,005**

25.4 Reconciliation of Fair Value of the Scheme Assets

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date.

Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets. The actual return on scheme assets in the year was a gain of £0k (£nil in 2023/24).

	2023/24	2024/25	
		SEWCJC	Total
	£'000	£'000	£'000
Balance at 1 April	**0**	**0**	**0**
Interest Income	0	107	107
Remeasurement (Gains) and Losses:			
Transfer in of Fair value of assets	0	1,990	1,990
Remeasurement gains/(losses) on assets	0	(68)	(68)
Employer contributions	0	420	420
Contributions by scheme participants	0	178	178
Benefits paid	0	(15)	(15)
Balance at 31 March	**0**	**2,612**	**2,612**

25.5 Scheme History

	2023/24	2024/25
	£'000	£'000
Present Value of the Defined Obligation	0	(2,005)
Fair Value of Plan Assets	0	2,612
Unrecognised Asset	0	(607)
Asset/(liability) recognised on the balance sheet	**0**	**0**

The scheme was transferred from the Cardiff & Vale Pension Fund on the 1 April 2024 and therefore, 20245/25 represents the first year the scheme has been run. The net defined benefit asset as at 31st March 2025 is nil. This means that there is no current requirement for additional contributions to cover future post-employment (retirement) benefits.

25.6 Local Government Pension Scheme Assets

As at 31 March 2025, the Rhondda Cynon Taf Pension Fund Assets used in IAS19 calculations comprised of:

Fair Value of Scheme Assets		
	2023/24	2024/25
	£'000	£'000
UK Equities	0	1,663
UK Fixed Interest Gilts	0	293
UK Corporate Bonds	0	397
Property	0	162
Cash and Net Current Assets	0	97
Total	**0**	**2,612**

25.7 Basis for Estimating Assets and Liabilities

Roll-forward of Assets

The valuation results from the last full valuation of the Fund (or results at the previous accounting date as appropriate) are adjusted to the accounting year-end allowing for:

- Investment returns, and
- Cash-flows including investment returns on those cashflows.

The asset value at the start of the accounting period is accumulated with the Fund investment return over the accounting period. Net cashflows are assumed to be paid halfway through the period and accrue half of the Fund investment return over the period.

Roll-forward of Liabilities

The valuation results from the last full valuation of the Fund (or results at the previous accounting date as appropriate) are adjusted to allow for the later calculation date (by adding interest to the liabilities) and make allowance for changes in liabilities due to:

- The accrual of new benefits and the discharge of liabilities from the payment of benefits;
- The financial and demographic assumptions adopted at the year-end;
- The impact of any known experience affecting the liabilities, such as the impact of actual pension increases on pensions in payment and deferred benefits;
- If applicable, the impact of events which result in a change in the liability such as past service costs, settlements and curtailments.

The full valuation was based on funded benefits and the principal assumptions used by the actuary have been:

Adjustment to discount rate	+0.1% p.a.	Base Figure	-0.1% p.a.
Present value of total obligations (£000)	1,963	2,005	2,049
% change in present value of total obiligation	-2.1%		2.2%
Projected service cost (£000)	187	200	213
Approximate % change in projected service cost	-6.5%		6.7%
Rate of general increase in salaries	+0.1% p.a.	Base Figure	-0.1% p.a.
Present value of total obligations (£000)	2,015	2,005	1,995
% change in present value of total obiligation	0.5%		-0.5%
Projected service cost (£000)	200	200	200
Approximate % change in projected service cost	0.0%		0.0%
Rate of increase to pensions and rate of revaluation of pension accounts	+0.1% p.a.	Base Figure	-0.1% p.a.
Present value of total obligations (£000)	2,039	2,005	1,973
% change in present value of total obiligation	1.7%		-1.6%
Projected service cost (£000)	213	200	187
Approximate % change in projected service cost	6.7%		-6.5%
Post retirement mortality assumption*	-1 year	Base Figure	+1 year
Present value of total obligations (£000)	2,049	2,005	1,961
% change in present value of total obiligation	2.2%		-2.2%
Projected service cost (£000)	209	200	191
Approximate % change in projected service cost	4.5%		-4.5%
* A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older tthan them			

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant.

	31/03/24	31/03/25
Long-Term Expected Rate of Return on Assets in the Scheme (in line with the discount rate)	0%	5.80%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	0.0	20.9
Women	0.0	23.7
Longevity at 45 for future pensioners:		
Men	0.0	21.8
Women	0.0	24.8
Rate of inflation (CPI)	0%	2.5%
Rate of increase in salaries	0%	3.75%
Rate of increase in pensions	0%	2.5%
Rate for discounting scheme liabilities	0%	5.8%
Take-up of option to convert annual pension into retirement lump sum	0%	0%

25.8 Contributions for the Accounting Period ending 31 March 2025

The Employer's regular contributions to the Fund for the accounting period 31 March 2025 were £420k.

26.0 Capital Expenditure and Capital Financing

	2023/24	2024/25
	£'000	£'000
Opening Capital Financing Requirement	0	0
Capital Investment:		
Property, Plant & Equipment	2,205	306
Investment (Loans, Equity & Partnerships)	21,840	40,225
Intangible Assets	0	0
Revenue Expenditure Funded from Capital Under Statute	23,042	7,683
	47,087	**48,214**
Sources of Finance:		
Capital Receipts	0	0
Other Capital Grants	(24,854)	(8,197)
Capital Development Fund	0	0
Government Grants and Other Contributions	(22,233)	(40,017)
	(47,087)	**(48,214)**
Sums Set Aside from Revenue:		
Direct Revenue Contributions	0	0
Minimum Revenue Payment	0	0
	0	**0**
Closing Capital Financing Requirement	**0**	**0**
Explanation of Movements in Year		
Increase/(Decrease) in underlying need to borrowing supported by government financial assistance		
Increase in underlying need to borrowing (unsupported by government financial assistance)		
Finance Leases	0	0
Increase/(Decrease) in Capital Financing Requirement	**0**	**0**

Group Accounts

Introduction

The group accounts that follow comply with the requirement of the 2024/25 Code of Practice, that a local authority with interests in subsidiaries, associates and joint ventures should prepare group accounts in addition to its single entity accounts. These accounts consolidate the operating results and balances of Cardiff Capital Region (CCR) and its subsidiaries, Compound Semi-Conductor Foundry Ltd (CSC Foundry Ltd), CCR Energy Ltd and Innovation Investment Capital (IIC) Ltd

Accounting Policies Applicable to the Group Accounts

Basis of Consolidation

The group accounts have been prepared on the basis of a full consolidation of the financial transactions and balances of the CCR, CSC Foundry Ltd, CCR Energy Ltd and IIC Ltd. Inter-group transactions and balances between CCR and its subsidiaries have been eliminated in full.

Accounting policies

CSC Foundry Ltd is a private company, limited by shares, domiciled in England and Wales, registration number 10888081. The registered office is Tredomen Innovation & Technology Centre, Tredomen Park, Ystrad Mynach, Hengoed, Wales CF82 7FN. Its accounts have been prepared in accordance with the provisions of FRS102 Section 1A small entities.

CCR Energy Ltd is a private company, limited by shares, domiciled in England and Wales, registration number 13951868. The registered office is Aberthaw Power Station, The Leys, Aberthaw, Barry, Wales CF62 4ZW. Its accounts have been prepared in accordance with the provisions of FRS102 Section 1A small entities.

Innovation Investment Capital Ltd (IIC) is a Private Fund Limited Partnership registered with Companies House as company number LP022853, with registered offices at 2nd Floor Malta House, 36-38 Piccadilly, London, W1J 0DP via which CCR has agreed to supply up to £51.2m of funding to innovative businesses in the local area via the Innovation Investment Capital Fund. The fund has been structured as a Limited Partnership, with investments in the local area managed by PWC and Capricorn Fund Management as the Fund Managers. CCR provides the funding by way of partnership contributions. It was incorporated on 27 September 2022 and filed its first formal accounts for the Financial Year 2023/24.

The Group Accounts are prepared in accordance with the Code, using uniform accounting policies for like transactions and other events in similar circumstances. The policies to be applied are those specified for the single entity financial statements of the reporting authority, requiring realignment of the policies applied by other group members where they have materially different effect.

Therefore, the financial statements in the group accounts are prepared in accordance with the policies set out in the Statement of Accounting Policies.

2024/25 Group Comprehensive Income & Expenditure Statement

2023/24 (Restated)					2024/25		
Gross Exp	Gross Income	Net Exp		Note:	Gross Exp	Gross Income	Net Exp
£'000	£'000	£'000			£'000	£'000	£'000
258	0	258	CJC Statutory Duties	G 1.0	441	(101)	340
40,016	(3,286)	36,730	City Deal Operations		25,854	(6,243)	19,611
40,274	**(3,286)**	**36,988**	**Cost of Services**		**26,295**	**(6,344)**	**19,951**
			Other Operating Expenditure				
0	0	0	(Gains) or Losses on Disposal of Non-Current Assets		1,011	0	1,011
			Financing and Investment Income and Expenditure				
0	0	0	Interest Payable and Similar Charges		672	0	672
0	(4,349)	(4,349)	Interest Receivable and Similar Income		0	(5,458)	(5,458)
1,782	0	1,782	Income, Expenditure and Changes in the Fair Value of Investment Properties		1,372	0	1,372
			Taxation and Non-Specific Grant Income				
0	(1,279)	(1,279)	Local Authority Contributions		0	(1,279)	(1,279)
0	0	0	WIF Revenue Grants and Contributions		0	(7,879)	(7,879)
0	(51,826)	(51,826)	WIF Capital Grants and Contributions		0	(50,589)	(50,589)
42,056	**(60,740)**	**(18,684)**	**(Surplus) or Deficit on the Provision of Services**		**29,350**	**(71,549)**	**(42,199)**
			Tax Expenses				
0	201	201	Taxation of Group Entities		0	(2,202)	(2,202)
42,056	**(60,539)**	**(18,483)**	**(Surplus) or Deficit**		**29,350**	**(73,751)**	**(44,401)**
0	(2,012)	(2,012)	(Surplus) or Deficit on Revaluation of Financial Instrument Assets		16,436	0	16,436
			(Surplus) or Deficit on Revaluation of Soft Loan Asset		(4,237)		(4,237)
			Remeasurement of the Net Defined Benefit Liability		70	0	70
0	**(2,012)**	**(2,012)**	**Other Comprehensive Income and Expenditure**		**12,269**	**0**	**12,269**

2024/25 Group Movement in Reserves Statement

	General Fund Balance	Earmarked Reserves: Other Revenue Related	Usable Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves of CJC	CJC's share of Reserves of Subsidiaries, Associates & Joint	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2024	311	(1,065)	10,479	**9,725**	77,524	**87,249**	14,866	**102,115**
Movement in reserves during 2024/25								
Total comprehensive income and expenditure	34,110	0	0	**34,110**	70	**34,180**	(347)	**33,833**
Adjustments between Group Accounts and Authority Accounts:	0	0	0	**0**	0	**0**	0	**0**
Net Increase or decrease before transfers	34,110	0	0	**34,110**	70	**34,180**	(347)	**33,833**
Reversal of items debited / credited to CI&ES:								
Charges for depreciation and impairment of long-term assets	958	0	0	**958**	(958)	**0**	0	**0**
Adjustments primarily involving the Capital Grants Unapplied Account:								
Capital grants and contributions unapplied credited to CI&ES	0	0	0	**0**	0	**0**	0	**0**
Application of grants to capital financing transferred to the Capital Adjustment Account	(40,017)	0	0	**(40,017)**	40,017	**0**	0	**0**
Adjustments involving the Capital Receipts Reserve:								
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CI&ES	1,011	0	0	**1,011**	(1,011)	**0**	0	**0**
Adjustments involving the Pensions Reserve:								
Reversal of items relating to retirement benefits debited or credited to the CI&ES	(350)	0	0	**(350)**	350	**0**	0	**0**
Employer's pensions contributions and direct payments to pensioners payable in the year	420	0	0	**420**	(420)	**0**	0	**0**
Adjustment involving the Accumulated Absences Account:								
Amount by which officer remuneration charged to the CI&ES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	19	0	0	**19**	(19)	**0**	0	**0**
Other adjustments include:								
Adjustment between the Capital Adjustment Account and the Revaluation Reserve	13,912	0	0	**13,912**	(13,912)	**0**	0	**0**
Net increase or (decrease) before transfers to Earmarked Reserves	10,063	0	0	**10,063**	24,117	**34,180**	(347)	**33,833**
Transfers to or from Earmarked Reserves	(10,303)	4,660	4,921	**(722)**	(2,351)	**(3,073)**	1,372	**(1,701)**
Increase or (decrease) in the year	(240)	4,660	4,921	**9,341**	21,766	**31,107**	1,025	**32,132**
Balance at 31 March 2025	**71**	**3,595**	**15,400**	**19,066**	**99,290**	**118,356**	**15,891**	**134,247**

2023/2024

	General Fund Balance	Earmarked Reserves: Other Revenue Related	Usable Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves of CJC	CJC's share of Reserves of Subsidiaries, Associates & Joint	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2023	294	2,079	6,898	**9,271**	59,602	**68,873**	13,571	**82,444**
Movement in reserves during 2023/24								
Surplus or (deficit) on the provision of services (accounting basis)	20,158	0	0	**20,158**	0	**20,158**	(487)	**19,671**
Other comprehensive income and expenditure	0	0	0	**0**	0	**0**	0	**0**
Total comprehensive income and expenditure	20,158	0	0	**20,158**	0	**20,158**	(487)	**19,671**
Reversal of items debited / credited to CI&ES:								
Revaluation losses on property, plant & equipment	5,628	(5,628)	0	**0**	0	**0**	0	**0**
Adjustments primarily involving the Capital Grants Unapplied Account:								
Application of grants to capital financing transferred to the Capital Adjustment Account	(21,278)	0	0	**(21,278)**	21,278	**0**	0	**0**
Adjustments involving the Financial Instruments Adjustment Account:								
Adjustment between the Capital Adjustment Account and the Revaluation Reserve	(2,012)	0	0	**(2,012)**	2,012	**0**	0	**0**
Other adjustments include:								
Adjustment between the Capital Adjustment Account and the Revaluation Reserve	0	0	0	**0**	0	**0**	0	**0**
Net increase or (decrease) before transfers to Earmarked Reserves	2,502	(5,628)	0	(3,126)	23,284	19,671	(487)	19,671
Transfers to or from Earmarked Reserves	(2,484)	2,484	3,581	**3,581**	(5,363)	**(1,782)**	1,782	**0**
Increase or (decrease) in the year	18	(3,144)	3,581	**455**	17,921	**17,889**	1,295	**19,671**
Balance at 31 March 2024	**312**	**(1,065)**	**10,479**	**9,726**	**77,523**	**86,762**	**14,866**	**102,115**

Group Balance Sheet as at 31 March 2025

31/03/24 Restated				31/03/25	
£'000			Note:	£'000	£'000
4,680	Long-Term Assets	Vehicles, Plant & Equipment	G 2.1	3,536	
825		Assets Under Construction		313	
20,419		Equity Investments		11,184	
61,355		Investment Properties		59,846	
		Defined Benefit Pension Scheme Asset		0	
1,556		Long-Term Bond		1,660	
2,136		Long-Term Deffered Tax		5,038	
9,466		Long-Term Debtors	G 12.0	7,692	
19,589		Long-Term Loans		40,050	
120,026		**TOTAL LONG-TERM ASSETS**			**129,319**
	Current Assets	Short-Term Investments		67,525	
668		Short Term Loans		2,070	
5		VAT		431	
20		Payments Made in Advance		37	
7,565		Short-Term Debtors	G 12.0	2,463	
64,390		Cash and Cash Equivalents		5,628	
72,648		**TOTAL CURRENT ASSETS**			**78,154**
(28)	Current Liabilities	Asbense Liability		(47)	
(25,705)		Short-Term Creditors	G 13.0	(15,588)	
(25,733)		**TOTAL CURRENT LIABILITIES**			**(15,635)**
(36,607)	Long-Term Liabilities	Long-Term Creditors	G 13.0	(33,478)	
(28,219)		Long-Term Provisions	G 14.0	(18,055)	
		Long-Term Borrowing		(6,058)	
(64,826)		**TOTAL LONG-TERM LIABILITIES**			**(57,591)**
102,115	**NET ASSETS**				**134,247**

311	**Usable Reserves**	General Fund Balance		71	
		Earmarked Reserves:			
(1,065)		Other Revenue Related Reserves		3,595	
10,479		Usable Capital Receipts Reserve		15,400	
9,725		**TOTAL USABLE RESERVES**			**19,066**
6,356	**Unusable Reserves**	Revaluation Reserve		(7,556)	
71,195		Capital Adjustment Account	*G 5.1*	102,951	
		Financial Instruments Adjustment Account		3,942	
(28)		Short-Term Accumulating Compensated Absence Account		(47)	
14,867		Group Companies Reserve	*G 3.0*	15,891	
92,390		**TOTAL UNUSABLE RESERVES**			**115,181**
102,115	**TOTAL RESERVES**				**134,247**

2024/25 Group Cash Flow Statement

2023/24			2024/25	
£'000		Note:	£'000	£'000
(18,483)	Net (Surplus) or Deficit on the Provision of Services		(44,401)	
(11,540)	Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements	G 6.0	17,042	
0	Adjustments for Items Included in the Net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities	G 7.0	67,525	
(30,023)	**Net Cash Flows from Operating Activities**			**40,166**
28,006	Investing Activities	G 9.0	28,596	
(7,943)	Financing Activities	G 10.0	(10,000)	18,596
(9,960)	**Net Increase or Decrease in Cash or Cash Equivalents**			**58,762**
54,430	Cash and Cash Equivalents at the Beginning of the Reporting Period			64,390
64,390	**Cash and Cash Equivalents at the End of the Reporting Period**			**5,628**

Notes to the Core Group Financial Statements

These notes should be read in conjunction with the notes to CCR's Core Financial Statements. Unless specifically identified below, the information provided for the single entity accounts also applies to the Group Statements.

G.1.0 Segmental Analysis (Subsidiary Companies)

The operating income and expenditure of CCR Energy, IIC & CSC Foundry Ltd. has been included within CCR & Wider Investment Fund

A Group Expenditure and Funding Analysis Statement, and its associated notes, has not been included in the Group Statements due to materiality.

G 2.0 Long-Term Assets

G 2.1 Property, Plant and Equipment

Movement 2024/2025

	Vehicles, Plant & Equipment	Assets Under Construction	Total
	£'000	£'000	£'000
Cost or Valuation			
At 1 April 2024	6,736	825	**7,561**
Additions	326	0	**326**
Derecognition – Disposals	(1,769)	0	**(1,769)**
Other Movements in Cost or Valuation	512	(512)	**0**
At 31 March 2025	**5,805**	**313**	**6,118**
Accumulated Depreciation and Impairment			
At 1 April 2024	(2,055)	0	**(2,055)**
Depreciation Charge	(972)	0	**(972)**
Derecognition – Disposals	758	0	**758**
At 31 March 2025	**(2,269)**	**0**	**(2,269)**
Net Book Value:			
At 31 March 2025	**3,536**	**313**	**3,849**
At 31 March 2024	**4,681**	**825**	**5,506**

Movement 2023/2024

	Vehicles, Plant & Equipment	Assets Under Construction	Total
	£'000	£'000	£'000
Cost or Valuation			
At 1 April 2023	4,514	825	**5,339**
Additions	793	1,430	**2,223**
Derecognition – Disposals	(1)	0	**(1)**
Other Movements in Cost or Valuation	1,430	(1,430)	**0**
At 31 March 2024	**6,736**	**825**	**7,561**
Accumulated Depreciation and Impairment			
At 1 April 2023	(1,086)	0	**(1,086)**
Depreciation Charge	(969)	0	**(969)**
At 31 March 2024	**(2,055)**	**0**	**(2,055)**
Net Book Value:			
At 31 March 2024	**4,681**	**825**	**5,506**
At 31 March 2023	**3,428**	**825**	**4,253**

G 2.2 Valuation of Long-Term Assets

Assets are valued according to asset type. The following table shows the type of operational assets held, the basis of valuation and the date of last valuation.

Asset Type	Date of Last Valuation	Basis of Valuation
Vehicles, Plant & Equip	N/A	DHC

DHC – Depreciation

G 3.0 Group Companies Reserve

Movements in the Group Companies Reserve are summarised as follows:

	CCR Energy	IIC	CSC Foundry	Total
	£'000	£'000	£'000	£'000
Balance as at 31 March 2024	**(204)**	**(2,034)**	**17,105**	**14,867**
Increase/(Decrease) 2024/25	2,163	(3,582)	2,443	1,024
Balance as at 31 March 2025	**1,959**	**(5,616)**	**19,548**	**15,891**

G 4.0 Subsidiary Companies Statutory Accounts

A summary of the statutory accounts for the CCR +Energy, IIC & CSC Foundry Ltd is given in the following table. These accounts have been prepared in accordance with the Financial Reporting Standards for Smaller Entities.

	CCR Energy		IIC		CSC Foundry	
	March 2024	March 2025	March 2024	March 2025	March 2024	March 2025
	£'000	£'000	£'000	£'000	£'000	£'000
Net Current Assets	43,077	162	234	623	(940)	(2,087)
Total Assets less Current Liabilities	41,370	(1,152)	52	581	(6,556)	(8,952)
Net Assets	(204)	(598)	6,832	11,900	5,861	6,932
(Loss)/Profit Before Tax	(148)	(395)	(1,195)	(3,582)	1,058	1,428
(Loss)/Profit After Tax	(148)	2,164	(1,195)	(3,582)	857	1,071
Registration No.	13951868		LP022853		10888081	
Registered Office/Location of Accounts	Aberthaw Power Station The Lays Aberthaw, Barry CF62 4ZW		2nd Floor Malta House 36-38 Piccadilly, London W1J 0DP		Room 6.12 & 6.17 Sbarc Maindy Road Cardiff, Wales CF24 4HQ	
Auditors	Kilsby & Williams LLP		Blick Rothenberg Audit LLP		Baker Knoyle	
Audit Opinion			True and Fair			

IIC total loss includes £1,058k loss on provision of services and £2,524k other comprehensive losses

The Accounts will be presented at the companies' Annual General Meeting.

G 5.0 Consolidation Adjustments

G 5.1 Capital Adjustment Account

	£'000
Balance as at 1 April 2024	**71,195**
Gains/(Losses) during the year	31,756
Balance as at 31 March 2025	**102,951**

In CCR's accounts the value of the shareholding in CCR Energy, IIC & CSC Foundry is written down to the value of the net assets of the company. To allow consolidation of the accounts the value of shareholding must be reinstated, which results in a debit to the Capital Adjustment Account of £12,616k.

G 6.0 Cash Flow Statement – Adjusting to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements

2023/24		2024/25
£'000		£'000
(966)	Depreciation and Impairment	(972)
(10,906)	(Increase)/Decrease in Creditors	13,247
	Increase/(Decrease) in Provision	10,164
2,089	Increase/(Decrease) in debtors	(6,772)
	Increase/(Decrease) in Deferred Tax	2,902
5	Increase/(Decrease) in VAT	426
20	Increase/(Decrease) in Payments made in Advance	17
	Movement in Pension Liability	70
	Short-Term Accumulated Absence Accrual	(19)
(1,782)	Carrying amount of Long-Term Assets and Assets Held For Sale, sold or derecognised	(1,011)
	Other non-cash items charged to the Net (Surplus) or Deficit on the Provision of Services	(1,010)
(11,540)	**Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements**	**17,042**

G 7.0 Cash Flow Statement – Adjust for Items Included in the Net (Surplus) or Deficit on the Provision on Services that are Investing and Financing Activities

2023/24		2024/25
£'000		£'000
0	Short Term Investments	67,525
0	**Investing and Financing Activities**	**67,525**

G 8.0 Cash Flow Statement – Interest within Operating Activities

The cash flows for operating activities include the following items:

2023/24		2024/25
£'000		£'000
(4,349)	Interest received	(5,458)
0	Interest paid	672
(4,349)	**Interest within Operating Activities**	**(4,786)**

G 9.0 Cash Flow Statement – Investing Activities

2023/24		2024/25
£'000		£'000
2,285	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	1,829
9,991	Purchase and Redemption of Short-Term and Long-Term Loans	20,593
14,058	Purchase and Redemption of Short-Term and Long-Term Equity Investment	7,200
0	Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	0
1,672	Other receipts from Investing Activities	(1,026)
28,006	**Net Cash Flows from Investing Activities**	**28,596**

G 10.0 Cash Flow Statement – Financing Activities

2023/24		2024/25
£'000		£'000
0	Cash Receipts of Short-Term and Long-Term Borrowing	(10,000)
(7,943)	Partnership Contributions	0
(7,943)	**Net Cash Flows from Financing Activities**	**(10,000)**

G 11.0 Adjustments between Group Accounts and CCR's Accounts in the Group Movements in Reserve Statement

The adjustments between Group Accounts and the CCR's Accounts in the Group Movements in Reserves Statement relate to sales and purchases between CCR and its subsidiaries.

2023/24		2024/25
£'000		£'000
	Capital Adjustment Account	
82,440	Single Entity	115,567
(11,245)	Less CSC Foundry movement	(12,616)
71,195	Restatement Capital Adjustment Account	102,951
	Company Group Reverses	
(204)	CCR Energy	1,960
(2,034)	IIC	(5,617)
5,861	CSC Foundry	6,931
3,623	Company Group Reverses	3,274
(7,622)	**Net Expenditure**	**(9,342)**

G 12.0 Debtors

An analysis of Short-Term and Long-Term Debtors in the Group Balance Sheet is as follows:

2023/24 (Restated)		2024/25
£'000		£'000
	Short Term Debtors	
3,548	Central Government Bodies	368
802	Other Local Authorities	10
3,215	Other Entities and Individuals	2,085
7,565	**Total**	**2,463**
	Long Term Debtors	
9,466	Other Entities and Individuals	7,692
9,466	**Total**	**7,692**
17,031	**Total Debtors**	**10,155**

G 13.0 Creditors

An analysis of Short-Term and Long-Term Creditors in the Group Balance Sheet is as follows:

Short-Term Creditors

2023/24		2024/25
£'000		£'000
(4,335)	Central Government Bodies	(363)
(8,621)	Other Local Authorities	(8,606)
(134)	NHS Bodies	(40)
(12,615)	Other Entities and Individuals	(6,579)
(25,705)	**Total**	**(15,588)**

Long-Term Creditors

2023/24		2024/25
£'000		£'000
(34,193)	Central Government Bodies	(30,590)
(2,414)	Other Entities and Individuals	(2,888)
(36,607)	**Total**	**(33,478)**

G 14.0 Provisions

CCR Energy Ltd has an obligation to remediate the site at Aberthaw Power Station, and to return the land to a safe, reusable condition. Initial calculations suggest that the cost of these works, including the cost of acquiring the site, will be in the region of £38m. Some of these costs have been defrayed in this financial year, with a provision being recognised for the balance of the remaining estimated costs.

Provisions are amounts set-aside for specific future costs, which are likely to be incurred, but the amount or timing of which cannot be determined accurately. Provisions for bad debts are shown as a deduction from debtors.

Movements in provisions during the year were:

Long Term Provision

Long-Term Provision	**Provision for Tax Liabilities - CSC Foundry Ltd**	**Provision for Liabilities - CCR Energy Ltd**	**Total**
	£'000	**£'000**	**£'000**
Balance at 1 April 2024	**(3,511)**	**(24,708)**	**(28,219)**
Additional provisions made in 2024/25	(700)	0	(700)
Unused amounts reversed in 2024/25	0	10,864	10,864
Balance at 31 March 2025	**(4,211)**	**(13,844)**	**(18,055)**

Glossary of Relevant Local Government Accountancy Terms

Knowledge of basic accountancy terminology is assumed. However, there are certain specialist terms related to local government finance, which are described below:

Accruals Basis

The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

Asset Under Construction

An asset that is not yet complete.

Borrowing

Loans taken out to pay for capital expenditure or for the prudent management of CCR's financial affairs.

Capital Adjustment Account

The Account accumulates (on the debit side) the write-down of the historical cost of non-current assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The same process applies to capital expenditure that is only capital by statutory definition (revenue expenditure funded by capital under statute). The balance on the account thus represents timing differences between the amount of the historical cost of non-current assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

Capital Expenditure

Capital expenditure pays for improvements to existing and new assets used in the delivery of services as well as other items determined by Regulation. Capital resources are scarce, costly and also have long term revenue implications over many years and even generations where capital expenditure is funded by borrowing. Hence the requirement of the Prudential Code to ensure what is charged as Capital Expenditure is Prudent, Sustainable and Affordable.

The statutory definition of capital expenditure is given in the Local Government Act 2003, the Local Authorities (Capital Finance) Regulations 2003 and 2004 amended. Statute relies on the accounting measurement of cost in IAS 16 to

determine whether expenditure is eligible to be capitalised or whether it should be treated as revenue expenditure. Key to what is eligible as capital spend are the following words in IAS 16 - 'Costs directly attributable to bringing the specific asset into working condition for its intended use'.

Carrying Amount

The Balance Sheet value recorded of either an asset or a liability.

Cash and Cash Equivalents

Sums of money available for immediate use and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Chartered Institute of Public Finance & Accountancy (CIPFA)

CIPFA is the leading professional accountancy body which determines accounting standards and reporting standards to be followed by Local Government.

Creditors

Amounts owed by CCR for work done, goods received or services rendered, for which payment has not been made at the date of the balance sheet.

Current Value

The current value of an asset reflects the economic environment prevailing for the service or function the asset is supporting at the reporting date.

Debtors

These are sums of money due to CCR that have not been received at the date of the Balance Sheet.

Earmarked Reserves

Amounts set aside to be used to meet specific, known or predicted future expenditure.

External Audit

The independent examination of the activities and accounts of Local Authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure CCR has made proper arrangements to secure value for money in its use of resources.

Fair Value

Fair Value is the price that would be received to sell and asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one

entity and a financial liability or equity instrument of another. The term 'financial instrument' covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

Impairment

A reduction in the value of assets below its value brought forward in the Balance Sheet. Examples of factors which may cause such a reduction in value include general price decreases, a significant decline in an asset's market value or recoverability and evidence of obsolescence or physical damage to the asset.

/nvestments

The purchase of financial assets in order to hold temporary cash balance, receive income and/or make capital gain at a future time, however with the prime concern being security of the initial sum invested.

Liabilities

These are amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

Prior Period Adjustments

These are material adjustments which are applicable to an earlier period arising from changes in accounting policies or for the correction of fundamental errors.

Property, Plant and Equipment (PPE)

Tangible assets (i.e., assets that have physical substance) that are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and are expected to be used during more than one year.

Provisions

Amounts set aside in respect of liabilities or losses which are likely or certain to be incurred, but in relation to which the exact amount and date of settlement may be uncertain.

Related Parties

Related parties are Central Government, other Local Authorities, precepting and levying bodies, subsidiary and associated companies, Elected Members, all senior officers from Director and above. For individuals identified as related parties, the following are also presumed to be related parties:

- members of the close family, or the same household; and
- partnerships, companies, trusts or other entities in which the individual, or member of their close family or the same household, has a controlling interest.

Reserves

Reserves are also amounts set aside for future use. Reserves may be for a specific purpose in which case they are referred to as 'earmarked reserves' or they

may be general reserves (or balances) which every organisation must maintain as a matter of prudence.

Revenue Expenditure funded from Capital Under Statute (REFCUS)

Represents expenditure that may properly be capitalised under statutory provisions, but which creates no tangible asset for CCR.

Treasury Management

The process by which the CCR manages and controls its cash flow and lending activities.

Prifddinas Ranbarth Caerdydd | Cardiff Capital Region

Cardiff Capital Region

Annual Governance Statement 2024/25

Cardiff Capital Region Annual Governance Statement 2024/2025

1. Purpose and statutory context

1.1 This Annual Governance Statement (AGS) explains how the South East Wales Corporate Joint Committee (commonly known as CCR and used interchangeably with CJC unless otherwise indicated) has complied with its governance framework during the period **2024/2025**, and reports on the effectiveness of those arrangements.

1.2 The Statement is prepared in accordance with:

- the Local Government and Elections (Wales) Act 2021;
- the Accounts and Audit (Wales) Regulations 2014 (as amended); and
- the CIPFA/SOLACE "Delivering Good Governance in Local Government" Framework (2016, as updated).

1.3 CCR is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. In discharging this responsibility, the CJC puts in place arrangements for governance that include the system of internal control, risk management, and assurance designed to manage risk to a reasonable level.

2. About the Cardiff Capital Region (CCR) and our governance framework

2.1 CCR exercises functions in relation to economic well-being, transport, and strategic planning across the ten local authorities of the Cardiff Capital Region.

2.2 The CJC's governance framework is set out in its Constitution, which defines decision-making structures, schemes of delegation, financial regulations, and member/officer protocols. The framework is underpinned by the seven CIPFA/SOLACE principles (A–G) and is supported by policies and procedures that promote behaviours consistent with openness, integrity, and strong public accountability.

2.3 Oversight and assurance are delivered through the Corporate Joint Committee itself, its sub-committees, notably the Governance & Audit Sub-Committee. Internal Audit services are provided through a service level agreement with Rhondda Cynon Taff County Borough Council.

2.4 CCR operates a **"Three Lines" assurance model**:

- **First line:** Management own and manage risks, controls and performance, including programme and investment oversight.
- **Second line:** Corporate functions (finance, risk, governance, legal, HR) provide policies, frameworks, advice and monitoring.
- **Third line:** Internal Audit provides independent assurance on the adequacy and effectiveness of governance, risk management and control.

2.5 Group and partnership arrangements: CCR engages through its investment portfolio and associated entities/vehicles (e.g. CCR Energy Ltd, CSC Foundry Ltd). The CJC acts as shareholder and receives performance, risk and compliance reporting via established shareholder and programme governance routes. This AGS covers how those arrangements inform CCR's assurance.

3. Scope of the review and how we assessed effectiveness

3.1 **Scope and timing**. It considers the full governance framework, including constitutional compliance, ethical standards, decision-making, financial management, risk management, performance management, transparency, partnership governance and audit arrangements.

3.2 **Approach.** The assessment has been carried out by the Monitoring Officer in consultation with the Chief Executive and Chief Finance Officer (s151 Officer), with input from senior management and review by the Governance & Audit Sub-Committee. It draws on:

- Statement of Accounts;
- committee minutes, work programmes and decision records;
- assurance from corporate frameworks (risk registers, performance reports, financial monitoring, counter-fraud, information governance, Welsh language compliance);
- updates on group/partnership governance and shareholder assurance; and
- self-assessment against the CIPFA/SOLACE principles (A–G).

3.3 **Materiality and evidence.** Evidence has been evaluated for relevance, reliability and timeliness. Where improvement actions were identified in-year, their status and impact have been verified with responsible officers and, where appropriate, tested by Internal Audit.

4. Outcome.

4.1 The results of this review are set out in Annexures to this Statement and progress against those actions will be monitored by the Governance & Audit Sub-Committee and reported to the CJC.

4.2 Section 6 of this report provides a summary Review of Effectiveness for the 2024/25 financial year against the local governance arrangements, with full detail provided in Annex 2.

5. Governance Framework 2024/25

The Current governance framework is detailed in CCR's Constitution approved by SEWCJC on 18 March 2024 and illustrated in Figure 1. This retains previous City Deal arrangements and integrates these into a simplified framework which clearly distinguishes the need for external engagement with internal programme management systems.

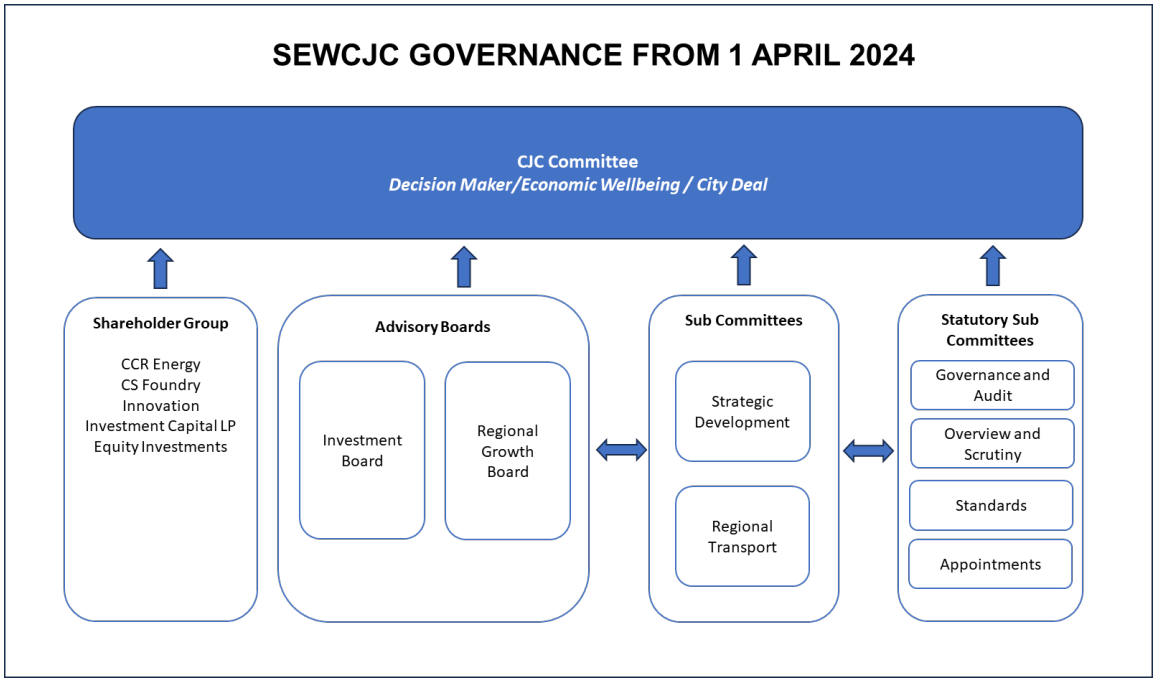


Figure 1: SEWCJC Governance from 1 April 2024

The current CCR governance framework provides the following:

- Single CCR Committee comprising leaders of the 10 Local Authorities plus a representative from Brecon Beacons National Park for matters related to strategic development planning;
- Checks and balances to ensure good governance, including Governance & Audit and Standards Sub-Committees, together with sub-committees to support new statutory duties in relation to spatial and transport planning;
- Advisory Boards focused on Investment and Regional Growth;
- Arrangements for Joint Overview and Scrutiny;
- Shareholder Group to provide oversight of CCR's Ltd Companies and investments.

This framework is supported by an officer structure which is illustrated in Figure 2. This builds on City Deal arrangements, with the Assurance Framework and CCR Investment & Intervention Framework remaining at the core of decision-making.

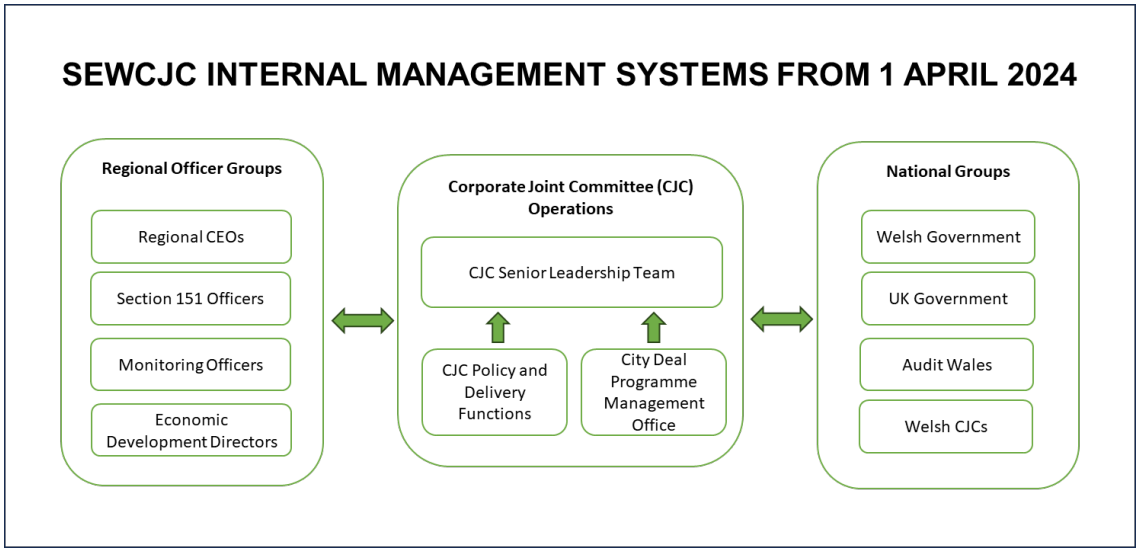


Figure 2: SEWCJC Internal Management Systems from 1 April 2024

6. Review of Effectiveness

The AGS draws on a range of input and feedback to capture different perspectives.

For 2024/25 this includes:

- Statutory CCR officers and other senior officers
- Internal audit
- External audit
- Governance & Audit Sub-Committee

The table below summarises how CCR has delivered against the seven fundamental principles of governance as set out in the CIPFA framework during 2024/25. A detailed assessment is provided in Annex 2 and an Action Plan included at Annex 3.

Principle	Assessment 2024-2025
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	We have followed effective policies and processes to ensure that: - Members and Staff understand and follow the standards of behaviour expected; - We act ethically; - Our activities are lawful.
B. Ensuring openness and comprehensive stakeholder engagement	We have demonstrated a strong commitment to openness and stakeholder engagement through: - Transparent decision making with publication of information and webcasting; - Regular meetings with institutional stakeholders; - Ongoing business engagement programme.
C. Defining outcomes in terms of sustainable	We have continued to ensure outcomes are clearly defined through the following activities:

economic, social and environmental benefits	- Local Evaluation Framework; - Updated Regional Economic & Industrial Plan; - Development of CCR strategic plans.
D. Determining the interventions necessary to optimise the achievement of the intended outcomes	We follow our governance framework, which sets out how interventions are determined and planned, and outcomes monitored. This includes: - Assurance Framework and Investment & Intervention Framework; - Regional Economic Growth Panel and Investment Panel Advice to Regional Cabinet; - Business Case development following HMT Green Book standards.
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it	During 2024/25 we have developed the capacity and capability of the new CJC through the following: - Interim appointments to Executive Leadership Team; - Continued staff development through performance reviews, objective setting, and training.
F. Managing risks and performance through robust internal control and strong public financial management	We have effective policies and processes in place to manage risks and performance, including: - Risk Management Framework; - Robust quarterly performance reporting to Welsh Government and UK Government. - Compliance with GDPR; - Financial management follows CIPFA frameworks and guidance.
G. Implementing good practices in transparency, reporting and audit to deliver effective accountability	We continue to demonstrate good practice in transparency, reporting and audit. This has included: - Internal Audit through our Accountable Body and External Audit delivered through Audit Wales, with regular reporting to Regional Cabinet; - Gateway Review Mid-Term report

7. Other Governance Arrangements During 2024/25

CCR has two fully owned Ltd Companies, CSC Foundry Ltd and CCR Energy Ltd, and a private fund Limited Partnership, Innovation Investment Capital Limited Partnership. Stand-alone governance policies have been developed for these companies.

Oversight of these, and other CCR investments, is provided through the CCR Shareholders' Group. This is comprised of the Chair of the SEWCJC, the Directors of the Ltd Companies and Ltd Partnership, together with the CCR nominated Non-Executive Directors of companies in which CCR has made equity investments. The Shareholders' Group is responsible for considering issues and making reports and

recommendations to the Governance & Audit Sub-Committee and/or CCR Committee, as appropriate.

8. Assurance Summary

Statement from the CEO, Cardiff Capital Region, on the level of assurance and governance arrangements during 2024/25:

Cardiff Capital Region (CCR) has worked as a regional partnership since 2017. Having in April of 2024 transitioned from the City Deal Programme to a new Corporate Joint Committee, it is important to recognise the breadth and scope of CCR's new statutory and corporate duties, as well as the multiple funding programmes and company interests, it now overreaches.

Under the statutory duty for promotion of economic wellbeing, City Deal remains the largest single funding programme under the CJC banner. Over the 20-year life of the City Deal, our ambitions remain to: create 25,000 new jobs; leverage £4bn of additional private investment; and increase regional GVA by 5%. The Deal envelope continues to comprise £734m ring-fenced for the South Wales Metro and £495m for the Wider Investment Fund.

In terms of delivery to date, our portfolio and wider activity have created and safeguarded 4300 jobs, supported 750+ businesses, and invested significantly in the Metro and enabling infrastructure. CCR is rated as the highest climbing region on the 2023 UK Competitiveness Index. Gateway Review #2 is due to report in early 2026 and we anticipate a continued demonstration of support in its findings and recommendations.

Additionally, economic wellbeing duties are further reinforced and supported through new 'triple helix' place-based investment programmes, announced by UK and Welsh Governments. The £160M Investment Zone focussed on the duality of next generation semiconductors and their relationship with the wider data and technology ecosystem, offers unprecedented opportunities to unlock growth and prosperity, as well as the opportunity for new fiscal levers through the retention and redeployment of business rate uplift. We also progressing new innovation-led growth initiatives—securing at least £30m in UK Government support to unlock local innovation and launching a CCR–UKRI programme as part of a UK network of ten regions—reinforcing the Chief Executive's focus on innovation, connectivity and inclusive prosperity.

In relation to the wider statutory duties of the Corporate Joint Committee (CJC) – a new Regional Transport Plan has been approved and its work extensively informed and supported by the Regional Transport Sub-Committee. Work is now underway on the Regional Transport Delivery Plan and the new transport grant administration responsibilities that now sit with CJC. Earlier in 2025, a comprehensive Delivery Agreement was also received and approved by CJC – again, substantially informed and shaped by the SDP Sub-Committee. This all sees CJC on track with progressing and exercising its statutory duties and importantly, creating important points of coordination, alignment and leverage across economic wellbeing, regional spatial planning and regional transport.

On the matter of wider governance and decision making, public decision-making by democratically elected Members continues, alongside active collaboration with Welsh Government, UK Government, and stakeholders across the region. Scrutiny and engagement during the year have included Regional Transport Plan development and public committee sessions.

On matters of assurance, our Local Governance Framework sets out the policies and processes that secure good governance. During 2024/25 we continued to work to the principles embedded in our Assurance Framework and Investment & Intervention Framework, with our management of public funds subject to review by Internal Audit and Audit Wales.

The year has also seen significant change on the Aberthaw Project and the role and focus of CCR Energy Ltd. Following a legal challenge on the procurement decision related to the demolition of the former coal-fired power station, a settlement was reached following concession of liability. This has been an extremely challenging process and in 2025 an Independent Review was commissioned to fully look into the circumstances and provide detailed findings and lessons learned for immediate action.

As regards evaluation and improvement, building on the refreshed Local Evaluation Framework used for the second City Deal Gateway Review and Mid-Term Review work in 2023/24, we have maintained an evidence-led approach throughout 2024/25—aligning investment decisions to regional outcomes and strengthening group/partnership oversight. The positive external feedback received (on investment quality, partnership working, political engagement, and robust governance) continues to inform our action plans for the year ahead.

In strengthening the framework to support the transition to the new corporate body, we have streamlined and strengthened our governance arrangements and adopted a new Constitution—developed with Members—to reflect our growing partnership with industry and education providers and to manage returns from our maturing portfolio. This provides strong foundations for the next phase of delivery, complemented in 2024/25 by initiatives such as the CCR Invest Partnership Programme to amplify regional investment and profile.

Whilst there is further work to do to consolidate and streamline processes, fully bed in advisory board structures and sub-committees and invest further in greater levels of self-evaluation, progress feels appropriate to the present phase of development. In the coming year, a greater emphasis will be placed on deeper-dive impact assessments, evaluating progress overall and providing feedback to WG on the fit for purpose aspects of CJC legislation and requirements, so that feedback loops are open and continued adjustments and adaptation can occur, to strengthen and reinforce this potentially very effective model, of regional public investment.

9. Action plan

Progress against the actions identified in the 2023/24 Annual Governance Statement was reported quarterly to Regional Cabinet as part of the Quarterly Performance Report

Actions for completion in 2024/25 are detailed in the Assessment Table at Annex 2 and summarised in the Action Plan at Annex 3. Progress will be reported to the Governance and Audit Sub-Committee and to CCR Committee.

10. Conclusion

During 2024/25 CCR built upon the earlier transition to a new standalone and sovereign organisation.

Based on the review of effectiveness against the Local Code of Governance, CCR's governance arrangements provided the basis to effectively manage delivery during 2024/25. As it evolves, the Constitution of CCR continues to provide strengthened and streamlined governance arrangements that will be further embedded into the new organisation during 2024/25. Progress against actions identified from this Annual Governance Statement will be reported to the Governance and Audit Sub-Committee and to CJC Committee at regular intervals.

This position, together with a track record of implementing actions identified within previous Annual Governance Statements, provides assurance that appropriate arrangements are in place to take forwards recommendations set out in the Action Plan.

11. Signed

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Leader of CCR	CCR Chief Executive

Annex 1: CCR Local Governance Arrangements

Principle A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law			
Sub Principle	**Governance Arrangements**	**Local Guidance**	**Key Sources of Assurance**
Behaving with integrity	Constitution includes codes of conduct which define standards of behaviour for members and staff and approach to conflicts of interest.	• Members' code of conduct • Employee code of conduct • Protocol on officer/member relations • Whistleblowing Policy • Anti-Fraud, Bribery and Corruption Policy • HR Policies	• Register of interests for members and officers • Register of gifts and hospitality • Declarations of interest at meetings • Reports and minutes from Standards Sub-Committee
Demonstrating strong commitment to ethical values	Policies in place to ensure compliance with relevant legislation and demonstrate commitment to ethical working practices.	• Wellbeing of Future Generations Act • Strategic Equality Plan • Modern Slavery Statement • Investment & Intervention Framework and Responsible Investing Policy • Nolan Principles of Standards in Public Life • Member and officer induction	• Wellbeing of Future Generations considerations in Committee reports • Review of Strategic Equality Plan • Training records for Members and officers
Respecting the rule of law	Policies and procedures in place to ensure that corporate decisions are lawful.	• Terms of reference for CCR Committee and Sub-Committees • Scheme of delegations • Finance Procedure Rules • Contract Procedure Rules	• Internal audit reports • External audit reports • Reports and minutes from Governance & Audit Sub-Committee
Principle B. Ensuring openness and comprehensive stakeholder engagement			
Sub Principle	**Governance Arrangements**	**Local Guidance**	**Key Sources of Assurance**
Openness	Documented commitment to openness and acting in the public interest.	• Access to Information Procedure Rules • Petition Scheme • Committee and Sub-Committee procedures	• Calendar of CCR meetings • Forward Plans of CCR Committee and Sub-Committee meetings • Workplans for JOSC and

		• Chief Executives' Group • Complaints Policy and Procedure • Welsh Language Regulations	Governance & Audit Sub-Committee • Publication of agendas and papers, minutes, and decision registers for CCR Committee and Sub-Committees • Webcasting of meetings • FOI Publication Scheme • Reports on Complaints and FOI compliance
Engaging with institutional stakeholders	Good governance arrangements in respect of partnerships and other joint working.	• Terms of reference Investment Board, Regional Growth Board, CEO Group, Shareholder Group • Memorandum of Understanding with Universities	• Minutes of partnership meetings • Records of advice provided to Committee in reaching decisions • Business engagement events • Regular newsletter
Engaging with individual citizens and service users	Clear channels of communication with the community and other stakeholders, ensuring accountability and encouraging open consultation.	• Communications Strategy • Regional Unleashed programme	• Reports and feedback from events and communications initiatives
Principle C. Defining outcomes in terms of sustainable economic, social, and environmental benefits			
Sub Principle	**Governance Arrangements**	**Local Guidance**	**Key Sources of Assurance**
Defining outcomes	Developing and communicating a vision which specifies intended outcomes for citizens and service users and is used as a basis for planning.	• Regional Economic & Industrial Plan • Five Year Corporate Strategy • Annual Business Plan • Regional Transport Plan • Strategic Development Plan • Local Evaluation Framework	• Regional Growth Board Minutes • Annual Review • Mid Term and Five-Year Gateway Review • Minutes from Sub-Committee meetings (Regional Transport and Strategic Development)
Sustainable	Policies and processes in place to	• Strategic Equality Plan	• Regular review and

economic, social, and environmental benefits	support sustainable outcomes.	• Biodiversity Compliance Plan • Child Poverty Strategy • Modern Slavery Statement • Responsible Investment Policy	development of policy framework • Integrated Regional Transport Plan Well-Being Assessment
Principle D. Determining the interventions necessary to optimise the achievement of the intended outcomes			
Sub Principle	**Governance Arrangements**	**Local Guidance**	**Key Sources of Assurance**
Determining interventions	Defined processes in place to translate the vision into planned courses of action for the authority, its partnerships, and collaborations and to monitor progress through delivery and towards achievement of outcomes.	• Assurance Framework • Risk Management Framework • Internal Investment Pipeline meetings • Terms of reference for CCR Committee, Sub-Committees and Advisory Bodies	• Records of decisions taken at CCR Committee and supporting evidence considered
Planning Interventions		• Investment and Intervention Framework • Responsible Investment Policy	• Investment Board Minutes • Risk registers • Joint Overview & Scrutiny reports
Optimising achievement of intended outcomes		• Annual Budget • Joint Overview and Scrutiny	• Quarterly performance reports • Project budget monitoring reports • Investment Dashboard
Principle E. Developing the CJC's capacity, including the capability of its leadership and the individuals within			
Sub Principle	**Governance Arrangements**	**Local Guidance**	**Key Sources of Assurance**
Developing capacity	Ensuring effective arrangements are in place for the discharge of the monitoring officer function. Ensuring effective arrangements are in place for the discharge of the head of paid service function.	• Workforce planning and development	• Executive appointments
Developing capability	Defining and documenting the roles and responsibilities of	• Performance Management • Annual Appraisal	• Appraisals • Personal development plans

	members and management, with clear protocols for effective communication in respect of the authority and partnership arrangements. Providing induction and identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.	• Learning & Development programme • Corporate induction • Committee and Sub-Committee Member Training & Development programme • Job descriptions • Refreshed HR Policies and Procedures	• Access to courses/briefings • Mentoring and peer support programmes
Principle F. Managing risks and performance through robust internal control and strong public financial management			
Sub Principle	**Governance Arrangements**	**Local Guidance**	**Key Sources of Assurance**
Managing risk	Framework for identifying and managing risks and for performance and demonstrating clear accountability.	• Risk Management Strategy & Policy • Corporate risk register • Operational risk register	• Senior Executive Team review of risk registers, in particular, risk escalation review • Reports to Governance & Audit Sub-Committee • Inclusion of Risk Summary within Quarterly performance reports to CJC, UK Government, and Welsh Government.
	Counter fraud and anti-corruption arrangements developed and maintained in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).	• Anti-Fraud, Bribery & Corruption Policy • Anti-Money Laundering Policy • Whistleblowing Policy	• Fraud Action Plan (Reported to G&A Sub-Committee) • Annual Report of all activity undertaken by Corporate Fraud Team (via Internal Audit SLA) • Collaboration with other partners and agencies (membership of National Fraud

	Undertaking the core functions of an audit committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013).	• Governance & Audit Sub-Committee Terms of Reference and Work Plan • Annual Internal Audit Work Plan	Initiative) • Appointment of Anti-Money Laundering Officer • Risk Management is a standing item on the Governance & Audit Sub-Committee Agenda
Managing performance	Measuring the performance of services and related projects and ensuring that they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money.	• Internal Investment Pipeline Meetings • Project Reviews	• Quarterly performance reports to Governance & Audit Committee, CJC, UK Government, and Welsh Government. • Five-year Gateway Reviews • Joint Overview & Scrutiny reports • Reports to Investment Board and Committee • Project closure and lessons learned reports
Robust internal control	Reviewing the effectiveness of the decision-making framework, including delegation arrangements, decision-making in partnerships, information provided to decision makers and robustness of data quality.	• CIPFA Statement on the Role of the Head of Internal Audit (2010) • Financial Procedure Rules • Treasury Management Strategy • Contract standing orders • Scheme of delegations • Segregation of duties • Internal and External Audit • Section 151 Officer • Governance & Audit Sub-Committee	• Internal Audit report and plan • Governance & Audit Sub-Committee workplan • Budget Monitoring Reports • Treasury Management Update Reports • Recommendations from Internal and External Audit Reports • Contracts register • Procurement Tracker

Managing data	Ensuring data is managed in accordance with legislation.	• Senior Information Risk Owner and Data protection officers • Information governance processes (GDPR/DP/FOI) • IT security policies (Including Cyber Security) • Information management principles and retention schedule	• Privacy notices • Data Sharing agreements • Data processing agreements • Information asset register • IT Security/GDPR training • Reports to Governance & Audit Sub-Committee
Strong public financial management	Ensuring that financial management arrangements conform with recognised best practice and CIPFA guidance.	• CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015) • CIPFA frameworks and accounting practices • Treasury Management Strategy • Annual Business Plan • Medium Term Financial Plan	• Budget Monitoring Reports (Operational & Wider Investment Fund) to CJC • Annual Statement of Accounts including External Audit opinion • Treasury Management Update Reports • KPI analysis of partner organisations (e.g. covenant tests / debt ratios) • Strong system of financial controls in place • Financial procedures and policies in place • Finance team keep up to date on legislative changes through best practice events and networks.
Principle G. Implementing good practices in transparency, reporting and audit to deliver effective accountability			
Sub Principle	**Governance Arrangements**	**Local Guidance**	**Key Sources of Assurance**
Implementing good practice in	Providing timely support, information and responses to	• Internal Audit plan • External Audit through Audit Wales	• Internal Audit report and recommendations

transparency	internal and external auditors and properly considering audit findings and recommendations.	(the Auditor General for Wales and the Wales Audit Office) • Governance & Audit Sub-Committee	• External Audit Report and Recommendations • Reports to Governance & Audit Sub-Committee
Implementing good practice in reporting	Compliance with CIPFA financial management code of practice.	• Compliance with CIPFA financial management code of practice	• Annual review of compliance with CIPFA FM code of practice • Finance team keep up to date on legislative changes through best practice events and networks.
Assurance and effective accountability	Providing accurate and timely reporting to Internal and External bodies to provide assurance.	• Governance & Audit Sub-Committee • UK Gateway Review • Annual Governance Statement	• Reports to Governance & Audit Sub-Committee • Annual Governance Statement • Gateway Review – Mid Term and Quinquennial Reviews • Internal Audit risk-based plan • Annual report of the Head of Internal Audit

Annex 2: CCR Annual Governance Assessment 2024/25

A. **Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**		
Sub Principle	**Review of Effectiveness 2024/25**	**Actions Planned for 2025/26**
A1 Behaving with integrity	During 2024-25 we had effective processes in place to ensure that Members and staff understood and followed the standards of behaviour expected of them. In particular: • The existing Member and Employee codes of conduct and protocols on officer/member relations were reviewed • Registers of Interests for Members, Partnership Members and Senior Officers are updated annually • Declarations of Interest were requested at all meetings of Regional Cabinet, SEWCJC and Advisory Boards. Any potential conflicts were documented and, where advised by the Monitoring Officer, certain Advisory Board members did not receive reports or join discussions on specific matters. • Members to our Standards Sub-Committee have now been recruited and nominated.	A1.1 Induction to be provided for all Members of CCR Committee, Sub-Committees, Boards, Advisory Groups following appointments at the AGM. (Staff induction detailed in Principle E) A2 Reports to be provided to Standards Sub-Committee during 2025-26 as agreed in the work programme. A3 Development of new CCR HR policies is developed and published. This will include a Counter-Fraud, Bribery & Corruption Policy
A2 Demonstrating strong commitment to ethical values	We demonstrate commitment to strong ethical values through: • Detailed Wellbeing of Future Generations considerations provided with all decisions to SEWCJC during 2024/25. • Continued staff briefings provided to all staff on the Strategic Equality Plan on how this is being implemented. • Nolan principles of Standards in Public Life form core	A2. Further Training on working in a political environment to be delivered to all staff

	element of role descriptions for independent members to Boards and Committees	
A3 Respecting the rule of law	The new CCR Constitution is designed to ensure we have effective policies in place to ensure that activities are lawful. These include: • Defined terms of reference for Committees, Sub Committees, Advisory Boards and Groups. • Scheme of delegations • Financial Procedure Rules and Contract Procedure Rules We have internal processes in place to ensure that policies and procedures are followed and mechanisms to monitor this through Internal and External Audit (detailed in Principle G) Legal implications were provided as part of all proposals brought to SEWCJC for decision during 2024-25, alongside financial implications and Subsidy control advice for all investment decisions.	A3.1 The Legal & Governance will remain embedded at the heart of CCR's decision making processes. During 2025/26 this will be strengthened through appointment of a permanent monitoring officer and in-house team A3.2 A range of workshops for our Governance & Audit Sub-Committee to take place during Q3 & Q4

B. Ensuring openness and comprehensive stakeholder engagement		
Sub Principle	**Review of Effectiveness 2024/25**	**Actions Planned for 2025/26**
B1 Openness	We are committed to openness and demonstrated this during 2024/25 through: • Publication of agendas and papers for SEWCJC within statutory three clear working days of meetings. Decision Registers published within one day of meetings. Summons, agendas, and minutes published in both Welsh and English. • Live broadcast of all SEWCJC meetings, with	B1.1 CCR governance arrangements will build on existing processes and activities will include: • Publication of forward plans for CCR Committee and Sub-Committees • Publication of full calendar of CCR meetings for 2025/26 following agreement at AGM • Strengthen reporting of decisions through publication of a composite and searchable

	recordings available on our website • Complaints policy and procedure now in place. • During 2024-25 valid FOI requests were received and responded to. • The CCR Constitution includes Access to Information Procedure Rules summarising the rights of the public to attend meetings and inspect and copy documents, along with a Petition Scheme setting out how individuals, community groups and organisations can raise issues of public concern for consideration by the CCR Committee or a Sub-Committee	register of Committee, Member and Officer decisions • Publish workplans for new Governance & Audit Sub-Committee and Joint Overview & Scrutiny • Officer training on publication of sensitive/exempt information B1.2 Work with RCT with a view to monitoring CCR compliance with Welsh Language Regulations. B1.3 Reports on Complaints and Freedom of Information compliance to be brought to new Governance & Audit Sub-Committee
B2 Engaging comprehensively with institutional stakeholders	During 2024/25 there was comprehensive engagement with stakeholders, as follows: • Regional Economic Growth Partnership met six times to consider matters around economic policy development • Investment Panel met six times to consider investment proposals and to provide advice to Regional Cabinet • Regional Business Council met five times to provide feedback on policy and investment activity • Chief Executives Programme Board met six times to ensure a regional perspective provided to policy and investment proposals, and to inform development of the new SEWCJC • A Member Working Group was convened in January 2024 to provide input into the new CCR Constitution • A comprehensive stakeholder engagement exercise, including interviews and survey, conducted as part of	B2.1 The Constitutional arrangements for our sub-committees, groups and boards will be subject to ongoing review as they further establish themselves during 2025/26 with any recommendations for improvements brought to Corporate Joint Committee for decision, as appropriate.

	the Mid Term Review	
B3 Engaging with individual citizens and service users	During 2024/25 mechanisms were in place to engage with individual citizens and service users regarding investment and funding opportunities via the CCR website, along with provision for more general enquiries.	B3.1 A review of the Communications Strategy is planned for 2025/26. B3.2 A week's public engagement on CCR's Strategic Equality Plan and wider inequality issues due to take place during the Autumn 2025 to understand lived experiences of those living in the region. This engagement will be hosted and led by The Talking Shop, taking the established model to public engagement 'on tour' across the CCR. B3.3. Further engagement planned for the Autumn of 2025 on CCR's Economic Well-being agenda, to engage with various people on well-being and their understanding of economic well-being to help inform CCR's Economic Well-being duty as a CJC.

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits		
Sub Principle	**Review of Effectiveness 2024/25**	**Actions Planned for 2025-2026**
C1 Defining outcomes	During 2024/25, as part of the Five-Yearly Gateway Review, CCR successfully completed the Mid-Term Review. This is an evaluation based on the comprehensive Local Evaluation Framework which define outputs, outcomes and impacts for activity, including economic, social and environmental benefits.	C1.1 Complete the Five Year Gateway Review, with a comprehensive evidence submission and final report to be assessed and, if appropriate, approved by UK Government C1.2 Submission and, if appropriate, approval of the Regional Transport Plan, including Integrated Well-

	CCR also began development of the Regional Transport Plan, including a draft Integrated Well-Being Appraisal, which aligns the plan with the Well-being of Future Generations Act, and ensures outcomes are measured.	being Appraisal by Welsh Government. C1.3 Begin development of the Strategic Development Plan, following submission and, if appropriate, approval of the Delivery Agreement, which sets out how outcomes will be established.
C2 Sustainable economic, social, and environmental benefits	During 2024/25 CCR continued to develop plans to ensure economic, social, and environmental benefits are placed at the heart of the organisation's decision-making processes. These included: • Delivery against the Strategic Equality Plan and Biodiversity Compliance Plan • Development of Economic Well-being statement and objectives for the organisation, which will be at the centre of our new five-year corporate strategy • Implementation of a revised Responsible Investing Policy • Implementation of an ESG Framework for investments and projects, to ensure that there is a clear assessment of alignment with ESG goals	C2.1 Work will continue to develop CCR's policy framework during 2024, including the further development of the CCR Child Poverty Strategy. C2.2 Development of a new five-year Corporate Plan, which will be tightly centred around the Economic Well-being objectives C2.3 Working with the Future Generations Commissioner on how the Act can be further applied to regional economic development

D. Determining the interventions necessary to optimise the achievement of the intended outcomes		
Sub Principle	**Review of Effectiveness 2024-2025**	**Recommendations for 2025-2026**
D1 Determining interventions	We have complied with our Local Governance arrangements when determining interventions. • All investment and intervention proposals assessed in line with Assurance Framework and Investment & Intervention Framework. • Internal Investment Pipeline meetings were held monthly to review investment requests against the criteria in these frameworks before review by Advisory Groups and subsequent recommendations to Corporate Joint Committee • Risks are reviewed as part of the monthly performance meeting and a risk management is reported in Quarterly Performance reports.	D1.1 Review of Investment & Intervention Framework to be carried out during 25-26 to ensure further alignment CCR policy framework. D1.2 New CCR Risk Management Framework to be further developed during 25-26.
D2 Planning interventions	We have planned interventions effectively and ensured that, in reaching decisions, Corporate Joint Committee have been provided with appropriate information and supporting evidence from Advisory Groups. • Investment Panel, Regional Economic Growth Board and Chief Executives Programme Board each met six times during 2024/25 with meetings taking place in advance of Regional Cabinet to ensure that feedback and recommendations from these Advisory Groups could be properly considered. • All Regional Cabinet investment decisions in relation to funding from the Wider Investment Fund (WIF) were informed by the submission of a combination of the following, Strategic Outline Case, Outline Business Case or Full Business Case, all following HMT Green	D2.1 Embed new governance arrangements during 2025/26 to ensure that information flows effectively and efficiently between the CCR Committee, Sub-Committees and Advisory Boards. Make operational adjustments as necessary and if appropriate bring proposals for improvements/changes to CCR Committee for consideration.

	Book standards. • Business Cases for several interventions were considered during 2024/25.	
D3 Optimising achievement of intended outcomes	We have effective processes in place to review progress towards achieving outcomes. • Detailed project and investment budget monitoring, including forecast, actual and variance, is provided as part of our quarterly performance reporting.	D3 Workplan for Joint Overview & Scrutiny to be further refined in order to provide more opportunity to scrutinise decisions as well as delivery performance.

E. Developing the CJC's capacity, including the capability of its leadership and the individuals within it		
Sub Principle	**Review of Effectiveness 2024-2025**	**Actions Planned for 2025-2026**
E1 Developing the CJC's capacity	During 2024-2025 further arrangements were put in place in order to ensure capacity and compliance. These included: • Recruitment of CCR Interim Monitoring Officer • CCR Head of HR and OD appointed March 2024.	E1.1 Recruitment to senior vacancies
E2 Developing the capability of the CJC's leadership and other individuals	We have continued to develop the capability of senior officers and other staff by way of the following: • Regular mandatory training for all employees including GDPR/Data Protection, Information Security, Safeguarding. • Basic Induction for all new starters up. • Job Descriptions and Person Specifications in place for all and independently evaluated. To support ongoing staff development, the following preparations were made in 2024/25: • Training needs analysis to identify key employee training needed, mandatory training (e-learning), and	To reflect the standalone status of CCR a number of employee support and development activities are planned for 2025/26, including: • E2.1 New Performance Management Framework (Achieving Full Potential) introduced May 2024, with competencies aligned to CCR's values, to help create the right behaviours. • E2.2 Mentoring Programme to be introduced In addition, the following actions are detailed at Principle A: • Adherence to refreshed CCR specific HR and

	development training to enhance employee performance. i.e., Leadership Programme. • Induction Handbook (Playbook) developed and published on new CCR Intranet. • Decision to develop own suite of policies.	Organisational Polices • Training for CCR Committee and Sub-Committee Members to be provided following appointments at the June AGM. • Training for independent Members of Sub-Committees and Advisory Roles to be provided following appointments. • Training for all staff on working in a political environment.

F. Managing risks and performance through robust internal control and strong public financial management		
Sub Principle	**Review of Effectiveness 2024/25**	**Actions Planned for 2025/26**
F1.1 Managing risk	We have effective processes in place to manage risk through the CCR Risk Management Policy. Both a corporate and an operational risk register are maintained and monitored, with regular reporting to members as part of the Quarterly Performance Report.	We will be reviewing and strengthening our reporting structures - Risk Management reporting will continue through existing quarterly and financial performance reporting and our Risk Management Policy will be reviewed and updated (Principle D) F1 This will include development of an Investment Dashboard to bring together information about loans and equity performance. This reflects the increasing maturity of CCR, as projects and investments start to generate returns, and will link into our longer term resourcing strategy.
F1.2 Managing performance	We effectively monitor and manage performance of our investments and interventions through a robust system of quarterly performance reports which are provided to CJC and to Welsh Government, and UK Government. These provide: • detail of expenditure against Investment Fund budgets as set out in the Annual Business Plan and proposals for any changes to capital and revenue budgets • a report on investment portfolio activities • a report on non-investment activity including events, programmes, and communications	

	• a progress update on the AGS action plan • a progress update on the Internal Audit action plan • CCR resourcing • Corporate risk register update	
F2 Robust internal control	During 2024/25 we had robust internal control systems in place, notably: • The new CCR Constitution includes Financial Regulations, Contract Standing Orders and Scheme of Delegations for the new organisation, and these have been made available to all staff.	F2.1 Workplan to be developed for new Governance and Audit Sub-Committee following appointments at AGM F2.2 Ongoing review of control systems will be undertaken
F3 Managing data	During 2024/25 the following processes were followed to ensure the effective management of data: • All staff were provided with guidance on processes and were required to complete mandatory training on Information Security/GDPR • During 2024/25 CCR Compliance with GDPR was managed through an SLA with RCT for provision of This arrangement will continue. • Data Sharing Agreements and Privacy Notices were updated where necessary, and all staff were reminded of their responsibilities in terms of data retention and deletion. • An SLA was agreed with RCT to provide ICT services and these services will meet required technical standards for security.	F3.1 All staff are to complete mandatory IT Security and GDPR training within a month of access. Information management guidance will be developed during to ensure all staff understand basic principles and to support transition to new systems and processes. F3.2 The CCR Information Asset Register will be further developed to reflect the data held by the new organisation and this will be used to identify any further activities that may be required.
F4 Strong public financial management	We ensure strong public financial management through the following: • []Management Accounts and Financial Statements	Further embed new ways of working to ensure we build on the strong foundations of good public financial management that have been in place to date. This will

	were reported to Members and follow CIPFA frameworks and accounting practices. • Following transition to the SEWCJC, recruitment has now taken place at CCR to ensure that the Finance Team is now fully resourced to support activities effectively following transition.	include: • F4.1 Building on the Annual Business Planning cycle to develop a Medium-Term Financial Plan • F4.2 Reporting Regularly on new Treasury Management activities

G. Implementing good practices in transparency, reporting and audit to deliver effective accountability		
Sub Principle	**Review of Effectiveness 2024/25**	**Actions Planned for 2025-2026**
G1 Implementing good practice in transparency	• Internal Audit in 2024-25 has been provided through an SLA with RCT. • External Audit is provided to CCR by Audit Wales. Regular meetings between CCR and Audit Wales has occurred during 2024/25.	G1 In 2025/26 Governance & Audit Sub-Committee will have oversight of Internal and External Audit plans and reports for CCR.
G2 Implementing good practices in reporting	To ensure good practices in reporting, CCR reviewed compliance with the CIPFA Financial Management Code (2019) during 2024/25.	G2 Annual reviews of the CIPFA FM Code (2019) will continue in 2025/26

G3 Assurance and effective accountability	During 2024/25 we have ensured effective accountability through working closely to provide those bodies responsible for Assurance with the information required. This includes: • Internal Audit with an SLA agreed with RCT. • External Audit through Audit Wales We have monitored progress against the Annual Governance Statement Action Plan and reported this quarterly to CJC.	G3 We will continue to ensure we are clearly accountable as we proceed to further embed new ways of working with Internal Audit provided through RCT.

Annex 3: CCR Annual Governance Statement Action Plan 2025/26

A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law				
	Action	**Target Date**	**Lead**	**Status**
A1.1	Induction to be provided for all Members of CCR Committee, Sub-Committees, Boards, Advisory Groups	Q2 and aligned to appointments.	Strategic Director, L&G*	Provisionally Scheduled for September 2025.
A1.2	Reports to be provided to Standards Sub-Committee during 2025/26	Autumn	Strategic Director, L&G	Work programme for 25/26 to be agreed
A1.3	Develop and publish a full suite of new CCR HR policies	Ongoing	Head of P&C	Ongoing
A2.2	Deliver [refresher) training on working in a political environment to all staff	Q2&Q3	Strategic Director, L&G	To be scheduled
A3.1	Recruit permanent Monitoring Officer and in-house team		Chief Executive	Recruitment undertaken for Monitoring Officer and Democratic Services Manager

B. Ensuring openness and comprehensive stakeholder engagement				
	Action	**Target Date**	**Lead**	**Status**
B1.1	Refine governance arrangements around publication of forward plan, calendar of meetings, sub-committee workplans and searchable decision register	Ongoing during 2025/26	Strategic Director, L&G	Forward plan published on website. Calendar of meetings agreed at CCR AGM.
B1.2	Work towards compliance with Welsh Language Regulations	Ongoing during 2025/26	Strategic Director, L&G	Agreement in place with RCT for provision of support to implement regulations and draft policy written
B1.3	Update FOI publication scheme with senior management organisation chart, guide to constitution and updated pay scales	As information becomes available	Strategic Director, L&G	Ongoing
B1.4	Report to Governance & Audit Sub Committee on Complaints and Information Access	Ongoing during 2025/26	Strategic Director, L&G	Ongoing

B3.2	Review Communications Strategy	2025/26		Initial review currently underway.

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits				
	Action	**Target Date**	**Lead**	**Status**
C1.1	Agree and publish a refreshed five-year corporate strategy	2025/26	Strategic Director, PIP	Ongoing
C1.2	Commence development of Regional Transport Plan and Strategic Development Plan	2025/26	Strategic Director, PIP	Ongoing
C2.1	Review and refresh Child Poverty Strategy	2025/26	Strategic Director, PIP	Ongoing
C2.2	Develop Responsible Investment Policy	2025/26	Strategic Director, PIP	Ongoing

D. Determining the interventions necessary to optimise the achievement of the intended outcomes				
	Action	**Target Date**	**Lead**	**Status**
D1.1	Review and update Investment & Intervention Framework	Q3	CEO	Ongoing
D1.2	Review and update CCR Risk Management Framework	Q3	Strategic Director, Resources	Ongoing
D3.2	Develop Investment Dashboard	2025/26	CEO	See Principle F

E. Developing the CJC's capacity, including the capability of its leadership and the individuals within it				
	Action	**Target Date**	**Lead**	**Status**
E1.1	Complete recruitment to Executive Team	2025/26	Chief Executive	Ongoing
E2.1	Introduce Performance management Framework for CCR staff	2025/26	Head of P&C	Ongoing

F. Managing risks and performance through robust internal control and strong public financial management				
	Action	**Target Date**	**Lead**	**Status**
F1	Develop Investment Dashboard to bring together to bring together information about	2025/26	CEO	Ongoing

	projects and investments			
F2	Develop workplan for Governance and Audit Sub committee	Q1	Strategic Director, Resources & L&G	Workplan discussed and being finalised
F3.1	All staff to complete mandatory IT security and GDPR training	ongoing		Initial training rolled out. New GDPR training due September.
F3.2	Develop data asset register to identify further GDPR/Data Protection activities	Q1/Q2	Strategic Director, L&G	Agreement in place with RCTBC to provide Data Protection support
F4.1	Develop a Medium-Term Financial Plan	2025/26	Strategic Director, Resources	Ongoing
F4.2	Report regularly on new Treasury Management activities	Ongoing	Strategic Director, Resources	Included in regular reports to CCR Committee

G. Implementing good practices in transparency, reporting and audit to deliver effective accountability				
	Action	**Target Date**	**Lead**	**Status**
G1	Governance and Audit Sub Committee to have oversight of internal and external audit plans	Ongoing	Strategic Director, Resources	Ongoing
G2	Plan future reviews of CIPFA FM Code (2019)	2025/26	Strategic Director, Resources	Ongoing
G3	Embed new ways of working with RCTBC Internal Audit	2025/26	Strategic Director, Resources	Ongoing

* “Strategic Director L&G” refers to Strategic Director Legal & Governance; “Strategic Director PIP” refers to Strategic Director Policy, Impact & Partnerships