Prifddinas Ranbarth Caerdydd | Cardiff Capital Region

South East Wales Corporate Joint Committee

Statement of Accounts

2025/26

Prifddinas Ranbarth Caerdydd | Cardiff Capital Region

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Prifddinas Ranbarth Caerdydd | 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 2025/26. This ambition now centres around the ten local authorities of South-East Wales working together to deliver the objectives of Stronger, Fairer, Greener, all of which are focused on generating sustainable and inclusive growth with opportunities for all.

The 12 months spanning 2025-26 constituted the final year of the five-year strategic business plan approved in December 2020 and depict a clear sense of building momentum as a South East Wales Corporate Joint Committee (CJC). Now constituted as a public body in its own right, our CJC (operating as 'Cardiff Capital Region') has new powers, freedoms and flexibilities to serve the people of South East Wales.

The City Deal used to be the foundational pillar of our plans and funding for the region, but this focus has shifted to the new statutory corporate body that allows for management of our own assets, direct employment of expert staff, and strategic imperatives such as strategic development and regional transport planning. It is worth noting that the scope covers the same ten local authorities as before.

We are investing in the industries that will define our region's future, and fintech is a clear example of what that ambition can deliver. FinTech Wales, initially funded by Cardiff Capital Region has flourished into a powerful, member-led network, helping to establish Cardiff and Newport as recognised centres of innovation, collaboration and investment. The momentum is undeniable. Over the past year, Welsh fintech firms have attracted £25m in investment, and Cardiff is now firmly established as the UK's second-largest insurance-tech cluster outside London. The Fintech Foundry, now in its fourth season, has once again created and supported 12 high potential businesses that we look forward to seeing go from strength to strength.

The success of Fintech Wales demonstrates the Cardiff Capital Region vision: that with the right leadership, investment and collaboration, our region can compete with the very best.

As the 2025/26 accounts show, CCR continues to invest in companies that innovate and express a capability for inclusive growth. This funding takes place through CCR investment platforms (such as our specific impact funds) that demonstrate governance, accountability and established approval processes. I am pleased to state that these investments are widening in breadth, depth and impact. A major milestone to note is that this financial year of 2025-26 has seen the first of our commercial loans being repaid, with interest; these funds are being re-purposed to be lent out to new innovative companies in the future. This unique model in the public sector demonstrates our vision in practice.

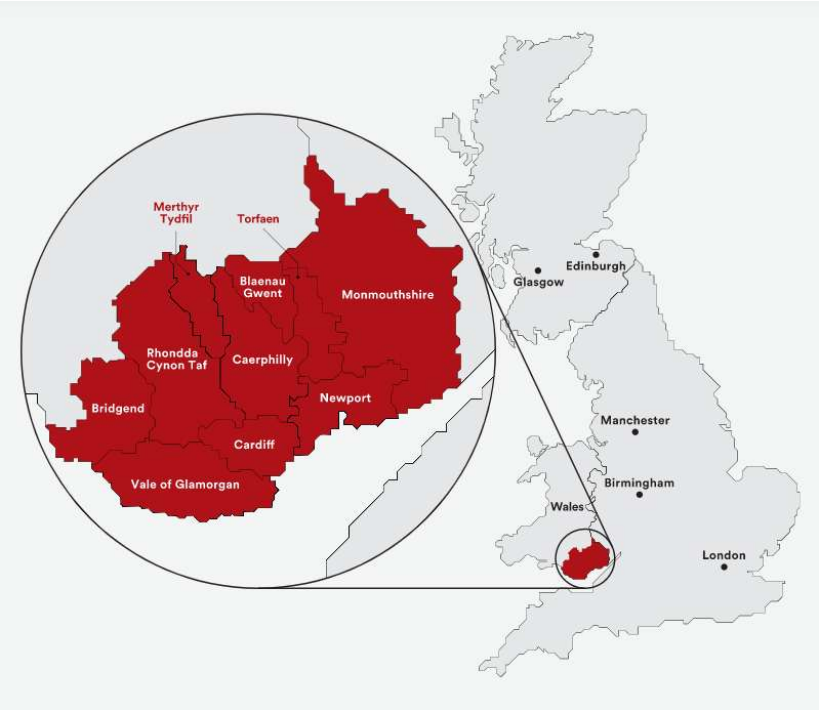
As Chair, I feel privileged to be part of the evolution of our new public body, with all its responsibilities and powers, as it begins to transform lives in the region as the new CJC. The new strategic planning initiatives are coming on stream now and these detailed and exciting accomplishments will start to pay dividends for years to come. My thanks, as ever, go to everyone in CCR for their hard work and dedication and this is extended, of course, to my fellow CJC Leaders for their valuable input and support.

Councillor Mary Ann Brocklesby

Chair, South East Wales Corporate Joint Committee

Narrative Report

Introduction



The South East Wales Corporate Joint Committee (trading as 'Cardiff Capital Region', or 'CCR') is a public body that brings together the ten councils of South East Wales, working with the UK and Welsh Governments to attract investment, grow the regional economy and support local community endeavour. Our goal is simple - to build a stronger, fairer, and greener economy that benefits businesses and communities across the region.

Our vision

'Cardiff Capital Region will work in partnership to foster a regional economy that is stronger, fairer, and greener, generating good growth and creating conditions for shared prosperity across our ten local authorities.'

Our ambition stretches beyond purely investment or commercial considerations. Given the challenges and opportunities of a highly diverse region that includes cities, towns, rural communities and the Northern Valleys, our investments and interventions are geared to delivering on the strategic goals of Stronger, Fairer and Greener – key deliverables of which are found in the following Report.

What is the South East Wales Corporate Joint Committee?

From 2017 to 2024 Cardiff Council acted as the accountable body for the Cardiff Capital Region City Deal, which comprised the ten local authorities of South East Wales with a £1.23bn budget, funded by the UK Government and the aforementioned local authorities. In April 2024 we became a Corporate Joint Committee (CJC), with our own legal status with statutory duties covering economic well-being; regional transport; and, strategic spatial planning. For the purpose of strategic planning, this includes Bannau Brycheiniog National Park.

Key functions and duties of the CJC include:

Economic well-being: Enhancing the region's economy by managing the Cardiff Capital Region City Deal and implementing initiatives like the new Investment Zone.

Strategic Planning: Preparing a Strategic Development Plan to manage land use and growth across the ten local authorities and the Bannau Brycheiniog National Park.

Regional Transport: Planning integrated transport systems through a Regional Transport Plan.

Cardiff Capital Region at a glance – key facts:

- Three £50m impact funds operating as part of the City Deal Wider Investment Fund – Innovation Investment Capital, Strategic Premises Fund, Northern Valleys Fund
- £30m Local Innovation Partnerships Fund, in partnership with UKRI, for innovation clusters
- 2,500 houses built in the region for local people using CCR's housing funds
- £160m Cardiff Capital Region Investment Zone – funding from UK and Welsh Governments
- Regional GVA of £39.4bn – around 49% of Wales's total output
- Set up the world's first compound semiconductor cluster
- Skilled workforce – 45% qualified to degree level or equivalent
- 70,000 + students studying full-time across the region's three universities

Our ambitions for a Stronger, Fairer and Greener region

A Stronger region

CCR is committed to helping the regional economy grow in the long-term, with innovation and productivity as key touchstones. We recognise the need for collaboration across the public, private and the higher and further education sectors to help achieve this, and the stronger these ties are, the stronger the economy will become.

CCR will continue to bring in new funds to strengthen the region and 2026 saw the formal commencement of both the £160m Cardiff Capital Region Investment Zone (IZ) and the Local Innovation Partnerships Fund (LIPF), in conjunction with UKRI, with a value of least £30m. The LIPF and IZ programmes aim to boost growth, create skilled jobs, improve infrastructure and help to attract inward investment to the region and sit alongside our current roster of impact funds that focus on sites, premises and innovation.

A Fairer region

A fairer regional economy means creating the conditions for shared prosperity. We view economic well-being as more than just a statutory requirement, we embrace it as the foundation for the long-term transformation of Cardiff Capital Region into an investable region.

A fairer region means a focus on regional planning, strategic development planning, housing viability, and in our case, the Northern Valleys. It also includes our impact funds that help innovative companies to grow, creating the conditions for a fairer economy.

We have also commenced the regional Strategic Development Plan and the next twelve months will see a long-term vision for spatial development and collaboration across our local authorities.

A Greener region

We are investing in the region's green future by focusing on renewable and low carbon energy technology, developing regional energy initiatives and partnering with national bodies to support decarbonisation. We are also investigating the potential for tidal power in the Severn Estuary with the West of England Combined Authority and other stakeholders.

The remediation of the former coal-fired power station at Aberthaw, purchased by CCR, and its proposed transformation into a low carbon energy site is of national and international significance and relevance. 2026 will be a major year for the project, as demolition will enter its final stages and the partial remediation of the site will begin.

Environmental sustainability has to be a key component of our economic strategy; we have a duty to ensure that the region’s growth is resilient, low carbon and aligned with wider net zero ambitions.

CCR's new responsibilities in action

Strategic Development Planning (SDP)

This activity is one of the new powers and responsibilities emerging from our CJC status. Launched in 2025, strategic development planning plays a new central role in shaping the long-term future of Cardiff Capital Region. This planning exists to ensure that growth across the region is ambitious, coordinated, sustainable, and deliverable.

The preparation of the new SDP represents one of the most significant opportunities to transform how CCR plans for its future. Over the past six months, the team has made significant progress in establishing the foundations for this transformative work.

A major achievement during the financial year has been the formal approval of the SDP Delivery Agreement. This sets out a clear, robust, and transparent planning timetable, alongside a comprehensive approach to stakeholder engagement.

Regional Transport Planning (RTP)

CCR was tasked with preparing a Regional Transport Plan for the five years between 2026 and 2031, including a Regional Transport Delivery Plan and Integrated Well-Being Appraisal. The value of this transport infrastructure development is likely to be around £250m over five years for CCR and leverages an estimated additional £60m in match funding from other sources, such as Local Authority capital programmes, S106 Agreements and other public funding.

Known as *Transport for CCR*, our RTP can also be used as a prospectus for private investment, where transport infrastructure is needed to drive improved economic activity and address social disparities, while prioritising innovation, through collaboration and partnership working across all sectors. The Cabinet Secretary for North Wales and Transport approved Transport for CCR in September 2025, and on 18th March 2026, the Welsh Government awarded funding to the value of £48.5m to the region for delivery of the Plan in 2026/27.

Policy development

Over the past year, CCR has made significant strides in strengthening the region's strategic direction, deepening its evidence base, and embedding a more holistic understanding of economic well-being across all areas of work. This has been a year defined by clearer purpose, stronger partnerships, and a growing ability to demonstrate the difference CCR is making across the region. CCR's new scope covers economic well-being, responsible investment and climate and nature strategies.

Major milestones reached have included: the development and approval of CCR's first Economic Well-Being Statement and Objectives; a prototype Economic Well-Being Data Dashboard, which brings together key indicators in an accessible visual format and a refreshed CCR Impact Framework, which strengthens the way CCR captures, analyses, and communicates impact.

Public engagement has been another area of significant progress. Over the past year, the team has expanded its outreach across the region, engaging communities in conversations about climate, inequality, and the future of the city region. These discussions have helped shape emerging strategies, built trust, and ensured that CCR's priorities reflect the experiences of residents. This work has also strengthened relationships with local authorities, community groups, and regional stakeholders.

Energy projects

In 2022, the Welsh Government committed to roll out Local Area Energy Plans (LAEPs) in every local authority in Wales. CCR agreed to coordinate that process across our region and collaborated with local authorities and technical partners.

A LAEP collates evidence and works with stakeholders across a local authority to identify the most effective route to reach a net zero energy system. We now have ten LAEPs in our region and this outlines a compelling vision for what a net-zero carbon energy system could look like, clear milestones for 2030 and 2050 and actions for the next five years at a national, regional and local level.

In addition to the LAEPs CCR has been active in promoting the Solar Together scheme enabling householders in specific local authorities to purchase and install Solar PV, batteries and EV charge points at a cheaper price and using reliable installers. Finally, in partnership with the West of England Combined Authority, we are exploring the energy potential along the Severn Estuary for tidal power.

Investment and Innovation

Property and Housing

Our regional infrastructure continues to get a major upgrade, with public and private sector money being invested in housing stock, road and rail infrastructure and digital infrastructure.

Unlocking stalled housing sites is one of the cornerstones of our operations and our successful Housing Viability Gap Fund will, subject to approval, see a second iteration now to deliver housing where it's needed most. Linking this to the revised Northern Valleys Fund will bring much needed investment to the six local authorities. To date, over 2,500 houses have been built in the region using CCR and Welsh Government funds across 14 developments.

We are supporting the redevelopment of Cardiff Central, Wales's busiest train station; the redevelopment represents a major step toward delivering a modern, welcoming and fully accessible station that maintains the heritage of this important landmark while preparing it for the needs of future generations. The scheme, led by Transport for Wales (TfW), is backed by up to £140m of investment from the Department for Transport, the Welsh Government, and Cardiff Capital Region, which is contributing £40m to the programme.

Investment Zone

CCR's ten year £160m Investment Zone (CCR – IZ) programme is moving at pace from planning into implementation phase.

The CCR-IZ Memorandum of Understanding (MoU) with the UK and Welsh Governments was signed in March 2026With this MOU secured, the IZ moves from planning to implementation, kickstarting a renewed focus on economic growth, job creation, and skills development within the globally significant compound semiconductor sector.

Impact Funds

CCR has a series of topic-specific impact funds that cover the region and allow innovative companies the opportunity to obtain commercial loans that often open the door to further co-investment from the private sector.

Innovation Investment Capital

Innovation Investment Capital (IIC) invests in ambitious businesses with the potential to deliver both commercial growth and wider regional benefit. At the heart of this approach is the clear objective of investing in innovative companies whose products, services and technologies address major market needs, strengthen the regional economy and help build sustainable, long-term competitiveness.

Strategic Premises Fund

The Strategic Premises Fund (SPF) accelerates the delivery of commercial development and employment floor space across the region. The purpose of the fund is to offer financial support where conventional finance is unavailable, enabling the development of commercial premises and contributing to both job creation and job retention in the region.

Local Innovation Partnerships Fund (LIPF)

The Local Innovation Partnerships Fund (LIPF) is a UKRI-led programme that will invest up to £500m into the development and scaling of high-potential innovation clusters across regions of the UK. LIPF supports activities that address regional development and growth by investing in local collaborative innovation projects.

CCR’s component from this is £30m and the CCR LIPF programme is focused on place and interventions directed at boosting economic growth through the acceleration, adoption and reuse of innovation.

The two priorities for our CCR LIPF programme are Compound Semiconductors (Advanced Systems) and Creative Industries (Creative Technologies). These reflect areas of high growth potential and strong innovation capability that will attract investment, partnerships and talent.

Financial Performance 2025/26

Comprehensive Income and Expenditure 2025/26

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

CCR's 2025/26 budget was approved at the Corporate Joint Committee meeting on 27 January 2025 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 2025/26.

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**
Executive Team	390	699	309
Legal & Governance	903	985	82
Policy Impact & Partnerships	1,816	1,317	(499)
Regional Growth & Investment	7,212	9,423	2,211
Resources	1,301	2,165	864
Total	**11,622**	**14,589**	**2,967**
(Gains) or Losses on Disposal of Non-Current Assets		0	0
Interest	(1,289)	(5,631)	(4,342)
LA Contributions	(3,132)	(1,279)	1,853
Revenue Funding	(6,362)	(5,071)	1,291
Capital Funding	(53,964)	(55,292)	(1,328)
Total	**(53,125)**	**(52,684)**	**441**

	£'000
General Fund Balance as at 31 March 2025	**71**
Revenue Budget Out-turn	7,077
Release of Earmarked Reserves	(7,077)
General Fund Balance as at 31 March 2026	**71**

Expenditure on services amounted to £21.09m and can be analysed over the following expenditure categories.

Type of Expenditure	**£'000**	**%**
Employees	4,493	21
Premises	72	0
Transport	18	0
Supplies and Services	11,261	54
Payments to Third Parties	0	0
Transfer Payments	0	0
Capital Charges	4,819	23
Other Operating Costs (e.g. Support Services)	426	2
Total Gross Expenditure	**21,089**	**100**

Revenue & Capital Grants and Contributions

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

Revenue Grants and Contributions	**£'000**
Revenue WIF	5,071
Total	**5,071**

Capital Grants and Contributions	**£'000**
REFCUS	6,200
Loans & Equity	49,092
Total	**55,292**

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.

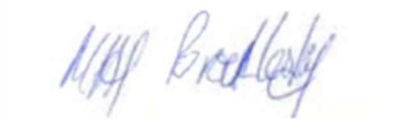
Group Accounts combine the South East Wales Corporate Joint Committee's own financial statements with its material interests in subsidiaries, associates and/or joint ventures, in this case CSC Foundry Ltd, CCR Energy Ltd and Innovation Investment Capital (IIC) Ltd.

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 (via the Governance & Audit Sub Committee).



Cllr M A Brocklesby **Date: 28/09/2026**

Chair of South East Wales Corporate Joint Committee

Cllr Mary Ann Brocklesby was appointed Chair of SEWCJC on 8 June 2026.

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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 2025/26 (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 2025/26 and the financial position at 31 March 2026.

James Howse **Date: 28/09/2026**

South East Wales Corporate Joint Committee Section 151 Officer

Audit of Financial Statements Report

The report of the Auditor General for Wales to the members of South East Wales Corporate Joint Committee

Opinion on financial statements

I have audited the financial statements of:

- South East Wales Corporate Joint Committee; and
- South East Wales Corporate Joint Committee Group

for the year ended 31 March 2026 under the Public Audit (Wales) Act 2004.

South East Wales Corporate Joint Committee's financial statements comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including the material accounting policies.

South East Wales Corporate Joint Committee Group's financial statements comprise the Group Comprehensive Income and Expenditure Statement, the Group Movement in Reserves 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 2026.

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

- give a true and fair view of the financial position of South East Wales Corporate Joint Committee and South East Wales Corporate Joint Committee Group as at 31 March 2026 and of their 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 2026.

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 South East Wales Corporate Joint Committee and its 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 South East Wales Corporate Joint Committee and its 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 2026;

- 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 South East Wales Corporate Joint Committee and its Group and their 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 14 to 15, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, including South East Wales Corporate Joint Committee 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 are necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing South East Wales Corporate Joint Committee and its 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 South East Wales Corporate Joint Committee and its Group will not continue to be provided in the future.
- The maintenance and integrity of South East Wales Corporate Joint Committee's website is the responsibility of the Finance Business Partner; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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, South East Wales Corporate Joint Committee's internal audit provider and those charged with governance, including obtaining and reviewing supporting documentation relating to South East Wales Corporate Joint Committee and its 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 following areas: revenue recognition, expenditure recognition, posting of unusual journals;
- obtaining an understanding of South East Wales Corporate Joint Committee and its Group's framework of authority as well as other legal and regulatory frameworks that South East Wales Corporate Joint Committee and its Group operate 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 South East Wales Corporate Joint Committee and its Group; and
- 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 advisers 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 South East Wales Corporate Joint Committee and its 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 Corporate Joint Committee and its Group in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Catherine Mealing-Jones
Auditor General for Wales
29/09/2026

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

2025/26 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.

2024/25 (Restated)					2025/26		
Gross Exp	**Gross Income**	**Net Exp**		***Note:***	**Gross Exp**	**Gross Income**	**Net Exp**
£'000	**£'000**	**£'000**			**£'000**	**£'000**	**£'000**
127	0	127	Executive Team		699	0	699
784	0	784	Legal & Governance		985	0	985
2,566	(685)	1,881	Policy Impact & Partnerships		2,207	(890)	1,317
18,537	(2,532)	16,005	Regional Growth & Investment		14,715	(5,293)	9,422
2,483	(339)	2,144	Resources		2,482	(317)	2,165
24,497	**(3,556)**	**20,941**	**Cost of Services**		**21,089**	**(6,500)**	**14,589**
			Other Operating Expenditure				
1,011	0	1,011	(Gains) or Losses on Disposal of Non-Current Assets	*7.1*	0	0	0
			Financing and Investment Income and Expenditure				
672	0	672	Interest Payable and Similar Charges	*8.2*	3,171	0	3,171
0	(6,802)	(6,802)	Interest Receivable and Similar Income	*8.2*	0	(8,802)	(8,802)

			Taxation and Non-Specific Grant Income				
0	(1,279)	(1,279)	LA Contributions	*25.0*	0	(1,279)	(1,279)
	(4,237)	(4,237)	(Surplus) or Deficit on Revaluation of Soft Loan Asset		0	0	0
0	(7,879)	(7,879)	WIF Revenue Grants and Contributions	*20.2*	0	(5,071)	(5,071)
0	(50,589)	(50,589)	WIF Capital Grants and Contributions	*20.2*	0	(55,292)	(55,292)
26,180	**(74,342)**	**(48,162)**	**(Surplus) or Deficit on the Provision of Services**		**24,260**	**(76,944)**	**(52,684)**
13,912	0	13,912	(Surplus) or Deficit on Revaluation of Financial Instrument Assets	*14.1*	0	(1,133)	(1,133)
70	0	70	Remeasurement of the Net Defined Benefit Liability		261	0	261
13,912	**0**	**13,912**	**Other Comprehensive Income and Expenditure**		**261**	**(1,133)**	**872**
40,162	**(74,342)**	**(34,180)**	**Total Comprehensive Income and Expenditure**		**24,521**	**(78,077)**	**(53,556)**

The directorates have been restated into the current designations for the CJC which differed from the previous financial year. In 2024/25 were two designations, CJC Statutory Duties net expenditure was £340k and City Deal Operations Net Expenditure was £20,601k.

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25/26 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:	*13.1*	*13.2*	*13.3*		*14.0*	
Balance at 1 April 2025	71	6,461	15,400	**21,932**	111,906	**133,838**
Movement in reserves during 2025/26:						
Total Comprehensive Income and Expenditure	53,817	0	0	**53,817**	(261)	**53,556**
Reversal of items debited/credited to CI&ES:						
Charges for depreciation and impairment of long-term assets	769	0	0	**769**	(769)	**0**
Adjustments primarily involving the Capital Grants Unapplied Account:						
Application of grants to capital financing transferred to the Capital Adjustment Account	(49,092)	0	0	**(49,092)**	49,092	**0**

Adjustments involving the Capital Receipts Reserve:						
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CI&ES	0	0	0	**0**	0	**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	292	0	0	**292**	(292)	**0**
Employer's pensions contributions and direct payments to pensioners payable in the year	(553)	0	0	**(553)**	553	**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	5	0	0	**5**	(5)	**0**
Other adjustments include:						
Change in Financial Instruments fair value revaluation	(1,133)	0	0	**(1,133)**	1,133	**0**
Transfer between Financial Instruments Adjustment Account	2,972	0	0	**2,972**	(2,972)	**0**
Net increase or (decrease) before transfers to Earmarked Reserves	7,077	0	0	**7,077**	46,479	**53,556**
Transfers to or from Earmarked Reserves	(7,077)	7,077	7,217	**7,217**	(7,217)	**0**
Increase or (decrease) in the year	0	7,077	7,217	**14,294**	39,262	**53,556**
Balance at 31 March 2026	**71**	**13,538**	**22,617**	**36,226**	**151,168**	**187,394**

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Movement 2024/2025

	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:	*13.1*	*13.2*	*13.3*		*14.0*	
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	34,250	0	0	**34,250**	(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**
Capital Grants and Contributions applied	(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	**1,011**	(1,011)	**0**

Adjustments involving the Pensions Reserve				**0**		**0**
Reversal of items relating to retirement benefits debited or credited to the CI&ES	350			**350**	(350)	**0**
Employer's pensions contributions and direct payments to pensioners payable in the year	(420)			**(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:						
Change in Financial Instruments fair value revaluation	13,912	0	0	**13,912**	(13,912)	**0**
Depreciation of long-term asset revaluation gains	0			**0**		**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**

Balance Sheet 25/26

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

31/03/2025				31/03/2026	
£'000			***Note:***	**£'000**	**£'000**
3,488	Long-Term Assets	Vehicles, Plant & Equipment	7.0	2,993	
313		Assets Under Construction	7.0	381	
2,944		Equity Investments	8.3/8.4	4,077	
17,517		Partnership Investments	8.3/8.5	28,468	
0		Defined Benefit Pension Scheme Asset	8.6	0	
83,525		Long-Term Loans	8.8	85,706	
107,787		**TOTAL LONG-TERM ASSETS**			**121,625**
67,525	Current Assets	Short-Term Investments	9.3	44,725	
7,791		Short Term Loans	9.4	35,554	
431		VAT	9.1	184	
28		Payments made in Advance	9.2	110	
810		Short-Term Debtors	9.0	19,447	
373		Cash and Cash Equivalents	10.0	526	
76,958		**TOTAL CURRENT ASSETS**			**100,546**
(47)	Current Liabilities	Accumulated Absences	11.1	(52)	
(14,212)		Short-Term Creditors	11.0	(6,130)	
(14,259)		**TOTAL CURRENT LIABILITIES**			**(6,182)**
(6,058)	Long-Term Liabilities	Long-Term Borrowing	12.0	(6,369)	
(30,590)		Long-Term Creditors	11.0	(22,226)	
(36,648)		**TOTAL LONG-TERM LIABILITIES**			**(28,595)**
133,838	**NET ASSETS**				**187,394**

71	Usable Reserves	General Fund Balance	13.1	71	
		Earmarked Reserves:			
6,461		Other Revenue Related Reserves	13.2	13,538	
15,400		Usable Capital Receipts Reserve	13.3	22,617	
21,932		**TOTAL USABLE RESERVES**			**36,226**
(7,556)	Unusable Reserves	Financial Instruments Revaluation Reserve	14.1	(6,423)	
115,567		Capital Adjustment Account	14.2	156,673	
3,942		Financial Instruments Adjustment Account	14.3	970	
0		Pensions Reserve	14.4	0	
(47)		Short-Term Accumulating Compensated Absence Account	14.5	(52)	
111,906		**TOTAL UNUSABLE RESERVES**			**151,168**
133,838	**TOTAL RESERVES**				**187,394**

25/26 Cashflow 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.

2024/25			2025/26	
£'000		*Note:*	£'000	£'000
(48,162)	Net (Surplus) or Deficit on the Provision of Services		(52,684)	
11,869	Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements	*15.0*	35,555	
67,525	Adjustments for Items Included in the Net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities	*16.0*	(22,800)	
31,232	**Net Cash Flows from Operating Activities**			**(39,929)**
35,611	Investing Activities	*18.0*	39,776	
(10,000)	Financing Activities	*19.0*	0	39,776
56,843	**Net (Increase) or Decrease in Cash or Cash Equivalents**			**(153)**
57,216	Cash and Cash Equivalents at the Beginning of the Reporting Period	*10.0*		373
373	**Cash and Cash Equivalents at the End of the Reporting Period**	*10.0*		**526**

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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 2026 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 2025/26 (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.

At the end of the financial year a small balance remained 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.

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the CJC becomes a party to the contractual provisions of a financial instrument. They are initially measured at fair value and carried at their amortised cost. Annual charges to the Comprehensive Income and Expenditure Statement for

interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. Interest that is due but is unpaid at the end of the year is recognised in the Balance Sheet as a current liability.

Where a fair value price which is paid to transfer a liability, is estimated and disclosed, inputs to the valuation techniques used to determine fair value are attributed to the same levels as stated under the Financial Assets accounting policy.

Expected Credit Losses

The CJC has a portfolio of loans which recognises the expected credit losses held at amortised cost, either on a 12-month or lifetime basis. Loss allowances are determined using historical default experience adjusted for current conditions, along with shadow credit ratings for individual loans.

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	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 2025/26 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.

Pensions

The CJC participates in a pension scheme that meet the needs of employees. This pension fund is administered by Rhondda Cynon Taf CBC under the Local Government Pension Scheme Regulations, under which contributions rates are set by the Fund's actuary based on triennial actuarial valuations. Under the regulations, contribution rates are set in order to lead to fell funding of the overall liability of the Fund over time. The Local Government Pension Scheme is accounted for as a Defined Benefit Scheme.

- The liabilities of CJC Pension Fund attributable to the CJC are included in the Balance Sheet on an actuarial basis – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employees turnover rates, etc., and projections of earnings for current employees.

- Liabilities are discounted to their value at current prices, using a discount rate of 6.2% in 2025/26 (5.8% in 2024/25)

- The assets of the pension fund attributable to the Council are included in the Balance Sheet at their fair value:

    - Quoted Securities - Current Bid Price
    - Unitised Securities - Current Bid Price
    - Property - Market Value

- The change in the net pensions asset or liability is analysed as follows:

  Service cost comprising:

    - Current Service Cost – the increase in liabilities as result of years of service earned this year allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked plus administration expenses.

    - Past Service Cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years debited to the 9Surplus) or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.

- Interest Cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement.

  Remeasurement comprising:

- Expected Return on Assets – the annual investment return on the fund assets attributable to the CJC based on an average of the expected long-term return excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the pensions reserve as other comprehensive income and expenditure

- Actuarial Gains and Losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their financial, demographic or experience assumptions – debited or credit to the Pensions Reserve.

- Contributions Paid to the Pension Fund – cash paid as employer's contributions to the Pension Fund in settlement of liabilities; not accounted for as an expense in the Comprehensive Income and Expenditure Statement.

- Net Benefits Paid Out – reducing the liability

In relation to retirement benefits, statutory provisions require the Council Fund Balance to be charged with the amount payable by the Council to the Pension Fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the Council Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

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:

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (amendments to Heritage assets) issued in March 2024
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024
- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

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 2026 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 Statement of Accounts was authorised for issue by the Interim Strategic Director of Resources as s151 Officer, on 25 September 2026. 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 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information

One of the loans within the Financial Instruments, the loan repayment date was extended inline with the original loan arrangement and therefore has been classed as a long term loan instead of short term. The agreement occurred in April 26.

6. Prior Period Adjustment

The prior period adjustments in the single entity relate to the classification in the CIES for the Soft Loan and restatement of directorates. In the group accounts, CSC Foundry restated due to the final audited accounts being approved after the group accounts were consolidated into the financial statements, the movement was £86k more in the balance sheet than stated.

7. Property, Plant and Equipment

Movements in 2025/2026

	Vehicles, Plant & Equipment	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000
Cost or Valuation			
At 1 April 2025	5,733	313	**6,046**
Additions	150	412	**562**
Other Reclassifications		(220)	**(220)**
Other Movements in Cost or Valuation	124	(124)	**0**
At 31 March 2026	**6,007**	**381**	**6,388**

Accumulated Depreciation and Impairment			
At 1 April 2025	(2,244)		**(2,244)**
Depreciation Charge	(769)		**(769)**
At 31 March 2026	**(3,013)**		**(3,013)**

Net Book Value:

At 31 March 2025	**3,489**	**313**	**3,802**
At 31 March 2026	**2,994**	**381**	**3,375**

Movements in 2024/25

	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)**	**0**	**(2,244)**

Net Book Value:

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

Other Long-Term Assets are of an investment nature and shown in Note 8: Financial Instruments.

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

	2024/25	2025/26
	£'000	£'000
Vehicles	1,011	0
Total	**1,011**	**0**

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	
	31/03/25	31/03/26	31/03/25	31/03/26
	£'000	£'000	£'000	£'000
Investments: Loans and Receivables	83,525	85,706	7,791	35,554
Equity Investments	2,944	4,077	0	0
Debtors: Financial Assets Carried at Contract Amounts	0	0	810	19,447
Total	**86,469**	**89,783**	**8,601**	**55,001**

Liabilities	Long-Term		Current	
	31/03/25	31/03/26	31/03/25	31/03/26
	£'000	£'000	£'000	£'000
Borrowings: Financial Liabilities at Amortised Cost	(6,058)	(6,369)	0	0
Creditors: Financial Liabilities at Amortised Cost	(30,590)	(22,226)	(14,212)	(6,130)
Total	**(36,648)**	**(28,595)**	**(14,212)**	**(6,130)**

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

	2024/25 Total £'000	2025/26 Total £'000
Interest Payable and Similar Charges		
Interest	672	510
Expected Credit Losses (Provision)	0	2,661
Total	**672**	**3,171**
Interest Receivable and Similar Income		
Bank Interest	(27)	(5)
Debt Management Office Interest	(3,161)	(1,771)
Interest From Loans	(1,427)	(4,594)
VAT Repayment Interest	(2)	(1)
Notional Interest	(2,185)	(2,430)
Rounding	0	(1)
Total	**(6,802)**	**(8,802)**

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 fair value 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:

	31/03/25		31/03/26	
	Carrying Amount (Restated)	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Welsh Government Repayable Funding	6,058	6,058	6,369	6,369
Trade Creditors	14,212	14,212	6,130	6,130
Total	**20,270**	**20,270**	**12,499**	**12,499**

	31/03/25		31/03/26	
	Carrying Amount (Restated)	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Equity Investments	2,944	2,944	4,077	4,077
Partnership Investments - ICC	17,517	17,517	28,468	28,468
Short Term Investments	67,525	67,525	44,725	44,725
Loans and Receivables	90,841	74,754	121,260	116,572

The carrying values for the Welsh Government Repayable Funding and Equity Investments have been restated from historic cost to carrying value.

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 8.42% shareholding in a BioTech business. None of these represent any form of 'control'.

The investments operate primarily within the healthcare data, digital manufacturing, biotechnology and fintech sectors and are classified as Level 1 inputs within the fair value hierarchy where quoted prices within an active market are available at the measurement date, and otherwise as Level 3 inputs.

31/03/25		31/03/26
£'000		£'000
2,944	Equity Investments	4,077
2,944	**Total**	**4,077**

8.5 Partnership Investment

31/03/25		31/03/26
£'000		£'000
17,517	Innovation Investment Capital	28,468
17,517	**Total**	**28,468**

Partnership Investment is CCR's investment into the Partnership Vehicle (IIC Ltd). The asset value of this at the Balance Sheet date (£28,468) represent the financing provided to the Partnership.

8.6 Pension Asset

Please refer to note 4.1 for the detail behind the pension asset, South East Wales Corporate Joint Committee (established by the South East Wales Corporate Joint Committee Regulations 2021) is a Scheduled Body under Schedule 2 Part 1 of the Local Government Pension Scheme Regulations. The Administering Authority is Rhondda Cynon Taf County Borough Council, since 1 April 2024.

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The fair value of assets assessed by our Pension Advisors.

31/03/25		31/03/26
£'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.

	31/03/26
	£'000
Deposits with Government Departments	**44,725**
Trade Debtors	**19,447**

Expected Credit Loss

In the current financial year the CJC have assessed its loan portfolio in accordance with IFRS 9 Financial Instruments, and have recognised them, because determined that there could be a material loss, which differs from the previous year treatment where the CJC assessed that no material loss allowance was required. This was because the loans advanced are subject to contractual conditions and security arrangements which significantly mitigate credit risk. These conditions ensured that repayment is not, considered doubtful, and therefore the recognition of an expected credit loss (which would be £540k in 24/25) is not applicable.

Asset Class (amortised cost)	12 Month expected credit loss £'000	Lifetime expected credit loss £'000	Total £'000
Opening Balance at 1 April 2025	0	0	0
Initial recognition of credit losses	2,298	363	2,661
As at 31 March 2026	**2,298**	**363**	**2,661**

Credit risk exposure

	Credit Rating	Gross carrying amount £'000
12 month expected credit losses	Ba1	19,854
	B1	20,263
	B2	29,105
	B3	12,418
	Caa1	40,253
lifetime expected credit losses	Caa3	2,027

8.8 Long Term Loans

31/03/25		31/03/26
£'000		£'000
-	**Revenue Loans**	-
83,525	**Capital Loans**	**85,706**
83,525	**Total**	**85,706**

The Capital Loans is net of expected credit losses, the gross carrying value £87,574k

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 £2.03m is included in the balance sheet at 31 March 2026.

A loan to Compound Semiconductor 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 £19.91m was outstanding on CCR's balance sheet at 31 March 2026.

£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 £34.80m is included in the balance sheet at 31 March 2026.

Loans of £19.09m 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 £19.09m is included in the balance sheet at 31 March 2026.

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 was repaid in year to 31 March 2026.

SEWCJC have loaned monies to six projects via the Site & Premises Fund. Including notional interest this is included in the balance sheet at £48.10m at 31 March 2026.

8.9 Refinancing and Maturity Risk

CJC 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.

In the maturity of Financial Liabilities is the soft loan we have received from the Welsh Government is at the cash value, compared to the carrying value in the balance sheet.

CJC holds grant funding received in advance from HM Treasury that is recognised within long-term creditors. This balance does not arise from a contractual obligation to deliver cash or another financial asset and is therefore not included in the maturity analysis below.

All trade creditors have a maturity of less than or equal to a year. 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 CJC'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.

Maturity of Financial Liabilities		
	31/03/25	**31/03/26**
	£'000	**£'000**
Between 5 and 10 years	10,000	10,000
Total	**10,000**	**10,000**

Maturity of Financial Assets

	31/03/2025	**31/03/2026**
	£'000	**£'000**
Maturity less than one year	67,525	44,725
Total	**67,525**	**44,725**

9. Short Term Debtors

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

31/03/25		31/03/26
£'000		£'000
368	Central Government Bodies	18,766
10	Other Local Authorities	1
432	Other Entities and Individuals	680
810	**Total**	**19,447**

9.1 VAT

31/03/25		31/03/26
£'000		£'000
431	VAT	184
431	**Total**	**184**

9.2 Payment Made in Advance

31/03/25		31/03/26
£'000		£'000
28	Prepayments	110
28	**Total**	**110**

9.3 Short-Term Investments

31/03/25		31/03/26
£'000		£'000
67,525	Central Government Bodies	44,725
67,525	**Total**	**44,725**

9.4 Short-Term Loans

31/03/25		31/03/26
£'000		£'000
7,791	Capital Loans	35,554
7,791	**Total**	**35,554**

This Capital Loans is net of expected credit losses, the gross carrying value £36,346k

10. Cash and Cash Equivalents

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

31/03/25		31/03/26
£'000		£'000
0	Intercompany Cash - Cardiff	0
373	Cash held - Corporate Joint Committee	526
373	**Total Cash and Cash Equivalents**	**526**

11. Creditors

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

Short-Term Creditors

31/03/25		31/03/26
£'000		£'000
(363)	Central Government Bodies	(906)
(8,606)	Other Local Authorities	(928)
(40)	NHS Bodies	0
(5,203)	Other Entities and Individuals	(4,296)
(14,212)	**Total**	**(6,130)**

Long-Term Creditors

31/03/25		31/03/26
£'000		£'000
(30,590)	Central Government Bodies	(22,226)
(30,590)	**Total**	**(22,226)**

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. £22.23m of the funding received to date has been drawn down to cover eligible expenditure during future financial years.

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.

31/03/25		31/03/26
£'000		£'000
(47)	Accumulated Absence Balance	(52)
(47)	**Total**	**(52)**

12.0 Long-Term Borrowing

31/03/25		31/03/26
£'000		£'000
(6,058)	Housing Loan	(6,369)
(6,058)	**Total**	**(6,369)**

13. Useable Reserves

31/03/25 £'000			31/03/26 £'000
71	General Fund Balance	*13.1*	71
6,461	Other Revenue Related Reserves	*13.2*	13,538
15,400	Usable Capital Receipts Reserve	*13.3*	22,617
21,932	**Total Usable Reserves**		**36,226**

13.1 CJC Fund Balance

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

Movements in CCR's Balance during 2025/26 were:

	General	RTP	SDP	Total £'000
Balance as at 31 March 2025	**0**	**47**	**24**	**71**
Revenue Budget Outturn				**0**
Release of Reserves				**0**
Balance as at 31 March 2026	**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 2025/26. All earmarked reserves are deemed to be revenue reserves.

Reserve	Purpose	Balance at 31/03/25	Transfers Out	Transfers In	Balance at 31/03/26
		£'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	**61**	(61)		**0**
Aberthaw	This reserve is held for costs associated with the Aberthaw Procurement Challenge, and is expected to be fully drawn down in 2025/26	**186**	(186)		**0**
Budget Reserve	This reserve is held to support future revenue budget pressures.	**314**	(300)	21	**35**
CJC Transition	This reserve was held for specific costs associated with the transition to the CJC and was fully utilised in 2024/25	**0**			**0**
RTP	This reserve is held for future costs associated with the delivery of the Regional Transport Plan	**42**	(24)		**18**
SDP	This reserve is held for future costs associated with the delivery of the Strategic Development Plan	**0**		101	**101**
Interest Reserve	This reserve is held to support ongoing revenue projects and the development of future strategic funds	**5,858**	(1,227)	8,753	**13,384**
Total		**6,461**	**(1,798)**	**8,875**	**13,538**

Total Earmarked Reserves	**6,461**	**(1,798)**	**8,875**	**13,538**

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 2026/27.

The movements on the reserve are as follows:

2024/25		2025/26
£'000		£'000
10,479	**Balance as at 1 April**	**15,400**
	Receipts during the year:	
4,921	Loan repayments	7,217
15,400	**Balance as at 31 March**	**22,617**

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.

31/03/25			31/03/26
£'000 restated		*Ref*	£'000
(7,556)	Financial Instruments Revaluation Reserve	*14.1*	(6,423)
115,567	Capital Adjustment Account	*14.2*	156,673
3,942	Financial Instruments Adjustment Account	*14.3*	970
0	Pensions Reserve	*14.4*	0
(47)	Short-Term Accumulating Compensated Absence Account	*14.5*	(52)
111,906	**Total Unusable Reserves**		**151,168**

The figures in Financial Instruments Revaluation Reserve and Capital Adjustment Account have been changed to reflect the balance in the notes 14.1 and 14.2.

14.1 Financial Instruments Revaluation Reserve

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

- revalued downwards or impaired and the gains are lost;
- disposed of and the gains are realised.

2024/25		2025/26	
		SEWCJC	
£'000		£'000	£'000
6,356	**Balance at 1 April**	**(7,556)**	
0	Upward revaluation of assets/equity	1133	
(13,912)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	0	
(7,556)	**Balance at 31 March**		**(6,423)**

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.

2024/25		2025/26	
£'000		£'000	£'000
82,890	**Balance at 1 April**	**115,567**	
(958)	Charges for depreciation and impairment of Long-Term Assets	(769)	
(1,011)	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	0	
80,921	**Net written out amount of the cost of Long-Term Assets consumed in the year**		**114,798**
	Capital Financing Applied in the Year:		
39,567	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	49,092	
(4,921)	Transfer of Capital Assets	(7,217)	
34,646			**41,875**
115,567	**Balance at 31 March**		**156,673**

14.3 Financial Instruments Adjustment Account

2024/25		2025/26
£'000		£'000
0	**Balance at 1 April**	**3,942**
4,237	Adjustment for Fair value of Loan	0
0	Initial Recognition of Expected Credit Losses charge to SDPS*	(2,661)
(295)	Soft Loans Interest adjustment charge to SDPS*	(311)
3,942	**Balance at 31 March**	**970**

*Surplus or Deficit on the Provision of Services

14.4 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.

2024/25		2025/26
£'000		£'000
0	**Balance at 1 April**	**0**
(70)	Actuarial gains or (losses) on Pensions Assets and Liabilities	(261)
(350)	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	(292)
420	Employer's pensions contributions and direct payments to pensioners payable in the year	553
0	**Balance at 31 March**	**0**

14.5 Short-Term Accumulating Compensated Absence Account

2024/25		2025/26
£'000		£'000
(28)	**Balance at 1 April**	**(47)**
(19)	Additions in year	(5)
(47)	**Balance at 31 March**	**(52)**

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

2024/25		2025/26
£'000		£'000
(958)	Depreciation and Impairment	(769)
12,089	(Increase)/Decrease in Creditors	16,445
(4,997)	Increase/(Decrease) in Debtors	18,637
8	Increase/(Decrease) in Payments in Advance	82
426	Increase/(Decrease) in VAT	(247)
70	Movement in Pension Liability	261
(19)	Short-Term Accumulated Absence Accrual	(5)
(1,011)	Carrying amount of Long-Term Assets and Assets Held For Sale, sold or derecognised	0
6,261	Other non-cash items charged to the Net (Surplus) or Deficit on the Provision of Services	1,151
11,869	**Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements**	**35,555**

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

2024/25		2025/26
£'000		£'000
67,525	Short Term Investments	(22,800)
67,525	**Investing and Financing Activities**	**(22,800)**

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.

2024/25 (restated)		2025/26
£'000		£'000
(4,300)	Interest received	(4,678)
1	Interest paid	215
(4,299)	**Interest within Operating Activities**	**(4,463)**

18. Cash Flow Statement - Investing Activities

2024/25		2025/26
£'000		£'000
307	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	343
1,200	Purchase of Short-Term and Long-Term Investments - Equity	0
0	(Redemption) of Short-Term and Long-Term Investments – Equity	0
30,375	Purchase of Short-Term and Long-Term Investments - Loans	37,753
(4,921)	(Redemption) of Short-Term and Long-Term Investments – Loans	(9,271)
8,650	Purchase of Short-Term and Long-Term Investments - IIC	10,951
0	(Redemption) of Short-Term and Long-Term Investments - IIC	0
0	Other Receipts from Investing Activities	0
35,611	**Net Cash Flows from Investing Activities**	**39,776**

19. Cash Flow Statement - Financing Activities

2024/25		2025/26
£'000		£'000
(10,000)	Cash receipts of Short and Long-Term Borrowing	0
(10,000)	**Net Cash Flows from Financing Activities**	**0**

20. 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 2025/2026

	General Fund Movement	Equity Revaluation Reserve Movement	Capital Adjustment Account Movement	Financial Instruments Adjustment Account	Accumulated Absence Account Movement	Total Reserve Movement
	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments between revenue and capital resources				0		
Fair value adjustment to equity assets	(1,133)	1,133	0	0	0	0
Initial Recognition of Expected Credit Losses	(2,661)	0	0	2,661	0	0
Soft Loan Interest to Financial Instructions Adjustment Account	(311)	0	0	311	0	0
Capital Grants and Contributions credtied to CIES that have been applied to capital fancing	(49,092)	0	49,092	0	0	0
Transfer of Vehicles under lease	0	0	0	0	0	0
Charges for depreciation and impairment of Non-Current assets	769	0	(769)	0	0	0
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	5	0	0	0	(5)	0
Total	(52,423)	1,133	48,323	2,972	(5)	0

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Movement 2024/2025

	General Fund Movement	Equity Revaluation Reserve Movement	Capital Adjustment Account Movement	Accumulated 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 financing	(40,017)	0	40,017	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	(24,117)	(13,912)	38,048	(19)	0

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20.1 Expenditure and Funding Analysis Statement

2025/2026

	2025/26				
	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**
Executive Team	699		14	14	713
Legal & Governance	985		1	1	986
Policy Impact & Partnerships	1,317	(68)	(6)	(74)	1,243
Regional Growth & Investment	9,423	(6,132)	(1)	(6,133)	3,290
Resources	2,165		(13)	(13)	2,152
Cost of Services	**14,589**	**(6,200)**	**(5)**	**(6,205)**	**8,384**
Other Income and Expenditure	0	0		0	0
Interest Payable	3,171			0	3,171
Interest Receivable	(8,802)			0	(8,802)
LA Contributions	(1,279)			0	(1,279)
Recognised Revenue Grants & Contributions	(5,071)			0	(5,071)
Recognised Capital Grants & Contributions	(55,292)	55,292		55,292	0
(Surplus) or Deficit	**(52,684)**	**49,092**	**(5)**	**49,087**	**(3,597)**
Opening Corporate Joint Committee Fund at 31 March 2025					71
Less (Surplus) Deficit on Corporate Joint Committee Fund in Year					7,077
Transfers to or (from) Earmarked Reserves					(7,077)
Closing Corporate Joint Committee Fund at 31 March 2026					**71**

2024/2025

	2024/25				
	Income and Expenditure Chargeable to the General Fund (restated)	**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**
Executive Team	127			0	127
Legal & Governance	784			0	784
Policy Impact & Partnerships	1,881	(673)		(673)	1,208
Regional Growth & Investment	16,005	(7,010)		(7,010)	8,995
Resources	2,144		(20)	(20)	2,124
					0
Cost of Services	**20,941**	**(7,683)**	**(20)**	**(7,703)**	**13,238**
Other Income and Expenditure	1,011	(1,011)		(1,011)	0
Interest Payable	672			0	672
Interest Receivable	(6,802)			0	(6,802)
(surplus) or Deficit on Revaluation of Soft Loan Asset	(4,237)			0	(4,237)
LA Contributions	(1,279)			0	(1,279)
Recognised Revenue Grants & Contributions	(7,879)			0	(7,879)
Recognised Capital Grants & Contributions	(50,589)	50,589		50,589	0
(Surplus) or Deficit	**(48,162)**	**41,895**	**(20)**	**41,875**	**(6,287)**
Opening Corporate Joint Committee Fund at 31 March 2024					311
Less (Surplus) Deficit on Corporate Joint Committee Fund in Year					10,063
Transfers to or (from) Earmarked Reserves					(10,303)
Closing Corporate Joint Committee Fund at 31 March 2025					**71**

The directorates have been restated into the current designations for the CJC which differed from the previous financial year. In 2024/25 were two designations, CJC Statutory Duties net expenditure was £340k and City Deal Operations Net Expenditure was £20,601k.

20.2 Grant Funding

	2024/25	2025/26
	£'000	£'000
(Surplus) or Deficit on Revaluation of Soft Loan Asset	(4,237)	0
Capital Grants and Contributions - WIF	(50,589)	(55,292)
Revenue Grants and Contributions - WIF	(7,879)	(5,071)
Total	**(62,705)**	**(60,363)**

21. CJC Expenditure and income is analysed as follows:

	2024/25	2025/26
Expenditure	£'000	£'000
Employee Benefits Expenses	3,950	4,517
Other Services Expenses	19,693	15,803
Depreciation, Amortisation, Impairment	958	769
Interest Payments and similar	672	3,171
Loss On The Disposal Of Assets	1,011	0
Total Expenditure	**26,284**	**24,260**
Income		
Fees, Charges and Other Service Income	(719)	(401)
Interest and Investment Income	(6,802)	(8,802)
(surplus) or Deficit on Revaluation of Soft Loan Asset	(4,237)	0
Local Authority Grants And Contributions	(1,340)	(1,282)
Government Grants and Contributions	(61,244)	(66,459)
Total Income	**(74,342)**	**(76,944)**
(Surplus) or Deficit on the Provision of Services	**(48,162)**	**(52,684)**

22. 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).

	2024/25	2025/26
	£'000	£'000
Allowances	5	10
Total	**5**	**10**

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.

23. 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 1:4 with the median earnings being £33,320.94. 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	2024/25	2025/26		
	No. of Employees	No. of Employees		
	Total	At 31/03/26	Left in Year	Total
£60,000 - £64,999	7	4		4
£65,000 - £69,999	2	8		8
£70,000 - £74,999	1	0		0
£75,000 - £79,999	4	0		0
£80,000 - £84,999	0	3		3
£85,000 - £89,999	0	0		0
£90,000 - £94,999	1	1		1
£95,000 - £99,999	0	0	1	1
£100,000 - £104,999	0	1		1
£105,000 - £109,999	0	1		1
£110,000 - £114,999	0	0		0
£115,000 - £119,999	0	0		0
£120,000 - £124,999	1	0		0
£125,000 - £129,999	1	0		0
£130,000 - £134,999	0	1		1
Total	**17**	**19**	**1**	**20**

The above table is based on 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 2025/26, from 21.02.26, CCR's S151 Section officer services were provided by a recruitment agency at a cost of £32,805. The named Officer during this period was James Howse.
From 01.04.25-01.06.25, CCR's Monitoring Officer services were provided by a recruitment agency at a cost of £29,768.90. The named Monitoring Officer during this period was Jayne La Grua.
From 02.06.25-01.02.26, CCR's Monitoring Officer services were provided by a recruitment agency at a cost of £134,850. The named Monitoring Officer during this period was Mark Watkins.

	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	132	0	0	0	**132**	25	**157**
Strategic Director of Regional Growth & Investment - Mike Brough - from 1.8.25	67	0	0	0	67	13	**80**
Strategic Director of Legal & Governance - Jill Byron from 2.2.26	19	0	0	0	**19**	3	**22**
Strategic Director of Resources (Section 151 Officer) - Liam Hull resigned 20/02/2026	96	0	0	0	**96**	17	**113**
Strategic Director of Policy, Impact & Partnerships - Colan Mehaffey	101	0	0	0	**101**	19	**120**

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2024/2025 Comparative

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**

24. External Audit Costs

The estimated costs to CCR for financial year 2025/26 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:

	2024/25	2025/26
	Estimated	Estimated
Fees Payable to the Auditor General for Wales	**£'000**	**£'000**
External financial audit services carried out by the Statutory Auditor for the year	164	149
External performance audit services carried out by the Statutory Auditor for the year	47	48
Total	**211**	**197**

25. LA Contributions

31/03/25		31/03/26
£'000		£'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)
(202)	Rhondda Cynon Taf CBC	(202)
(78)	Torfaen CBC	(78)
(108)	Vale of Glamorgan Council	(108)
(1,279)	**Total**	**(1,279)**

26. 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.

2025/2026

Local Authorities

Related Party Transactions - SEWCJC Funding	Revenue	Capital	2025/26
	£'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	78	0	78
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	Revenue	Capital	2025/26
	£'000	£'000	£'000
Brecon Beacons National Park Authority	3	0	3

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 Authority	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 2025/2026 between CCR and Welsh Government are as follows:

Such transactions are detailed below.

2025/2026

Welsh Government

Related Party Transactions	Revenue	Capital	2025/26
	£	£	£
HMT Capital Grant Funding (via Welsh Government)	0	52,000	52,000
Welsh Government Housing	0	0	0
Ultra-Low Emission Vehicle Grant Funding	0	0	0
Welsh Government Regional Transport Plan	200	0	200
Welsh Government Strategic Development Plan	200	0	200
Welsh Government Capacity Building	200	0	200
Welsh Government Valleys Region Parks	0	0	0
Welsh Government Local Area Energy Plan Grant	348	0	348
Investment Fund	2,000	3,000	5,000
Shared Prosperity Fund Grant (via Rhondda Cynon Taf CBC)	0	0	0
Sub Total: Contributions from Other Parties	**2,948**	**55,000**	**57,948**

2024/2025

Welsh Government

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**

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Subsidiary Companies

2025/2026

Subsidiary Companies	Description of the nature of the related party relationship	the amount of transactions that have occurred	The amount of outstanding balance	Seconded Staff Charges
			£'000	£'000
CCR Energy Ltd	Yes 100% Shareholding stated	17 transactions Loan drawdowns & seconded staff charges	34,797	230
IIC Limited	Yes 100% Shareholding stated	7 transactions partnership drawdowns	28,468	0
CSC Foundry Limited	Yes 100% Shareholding stated		19,905	0
			83,170	**230**

2024/2025

Subsidiary Companies	Description of the nature of the related party relationship	the amount of transactions that have occurred	The amount of outstanding balance	Seconded Staff Charges
			£'000	£'000
CCR Energy Ltd	Yes 100% Shareholding stated	17 transactions Loan drawdowns & seconded staff charges	27,767	122
IIC Limited	Yes 100% Shareholding stated	7 transactions partnership drawdowns	17,517	0
CSC Foundry Limited	Yes 100% Shareholding stated		24,470	0
			69,754	**122**

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.

27. Retirement Benefits – Defined Benefit Scheme

27.1 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".

27.2 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 net defined benefit asset as at 31st March 2026 is nil. This means that there is no current requirement for additional contributions to cover future post-employment (retirement) benefits.

	2024/25	2025/26	
		SEWCJC	Total
	£'000	£'000	£'000
Comprehensive Income and Expenditure Statement:			
Cost of Services:			
Current Service Cost	354	308	308
Net Interest Expense	(4)	(16)	(16)
Total Post Employment Benefit charged to the Surplus or Deficit on the Provision of Services	**350**	**292**	**292**
Remeasurement of the Net Defined Benefit Liability Comprising:			
Asset gains/(losses) arising during the period	(68)	(181)	(181)
Actuarial (Gains) and Losses Arising on Liabilities - Demographic Assumptions	21	30	30
Actuarial (Gains) and Losses Arising on Liabilities - Financial Assumptions	698	(51)	(51)
Actuarial (Gains) and Losses Arising on Liabilities - Experience	(2)	222	222
Adjustment gain (loss) due to restriction of surplus	(607)	241	241
Contributions by scheme participants	0	0	0
Surplus Restriction	0	0	0
Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement	**392**	**553**	**553**
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	(350)	(292)	(292)
Actual amount charged against the CJC Fund Balance for pensions in the year:			
Employers' contributions payable to scheme	420	553	553

27.3 Reconciliation of Present Value of the Scheme Liabilities

	2024/25	2025/26	
		SEWCJC	Total
	£'000	£'000	£'000
Balance at 1 April	**0**	**2,005**	**2,005**
Current Service Cost	354	308	308
Interest Cost on Defined Obligation	103	141	141
Contributions by scheme participants	178	238	238
Remeasurement (Gains) and Losses:			
Asset transferred in to scheme	2102	0	0
Actuarial gains/(losses) due to changes in financial assumptions	(698)	(51)	(51)
Actuarial (Gains) and Losses Arising on Liabilities - Demographic Assumptions	(21)	30	30
Actuarial (Gains) and Losses Arising on Liabilities - Experience	2	222	222
Benefits paid	(15)	620	620
Balance at 31 March	**2,005**	**3,513**	**3,513**

27.4 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 £373k (£39k in 2024/25).

	2024/25	2025/26	
		SEWCJC	Total
	£'000	£'000	£'000
Balance at 1 April	**0**	**2,612**	**2,612**
Interest Income	107	192	192
Remeasurement (Gains) and Losses:			
Transfer in of Fair value of assets	1990	0	0
Remeasurement gains/(losses) on assets	(68)	181	181
Employer contributions	420	553	553
Contributions by scheme participants	178	238	238
Benefits paid	(15)	620	620
Balance at 31 March	**2,612**	**4,396**	**4,396**

27.5 Scheme History

	2024/25	2025/26
	£'000	£'000
Present Value of the Defined Obligation	(2,005)	(3,513)
Fair Value of Plan Assets	2,612	4,396
Unrecognised Asset	(607)	(883)
Asset/(liability) recognised on the balance sheet	**0**	**0**

The net defined benefit asset as at 31st March 2026 is nil (31st March 2025 is £nil). This means that there is no current requirement for additional contributions to cover future post-employment (retirement) benefits.

27.6 Local Government Pension Scheme Assets

As at 31 March 2026, the Rhondda Cynon Taf Pension Fund Assets used in IAS19 calculations comprised of:

Fair Value of Scheme Assets		
	2024/25	**2025/26**
	£'000	**£'000**
UK Equities	1,663	2,915
UK Fixed Interest Gilts	293	457
UK Corporate Bonds	397	633
Property	162	255
Cash and Net Current Assets	97	136
Total	**2,612**	**4,396**

27.7 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 (£m)	3.436	3.513	3.590
% change in present value of total obligation	-2.2%		2.2%
Projected service cost (£m)	0.295	0.313	0.331
Approximate % change in projected service cost	-5.6%		5.8%
Rate of general increase in salaries	+0.1% p.a.	Base Figure	-0.1% p.a.
Present value of total obligations (£m)	3.524	3.513	3.502
% change in present value of total obligation	0.3%		-0.3%
Projected service cost (£m)	0.313	0.313	0.313
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 (£m)	3.580	3.513	3.446
% change in present value of total obligation	1.9%		-1.9%
Projected service cost (£m)	0.331	0.313	0.295
Approximate % change in projected service cost	5.8%		-5.6%
Post retirement mortality assumption*	-1 year	Base Figure	+1 year
Present value of total obligations (£m)	3.590	3.513	3.436
% change in present value of total obligation	2.2%		-2.2%
Projected service cost (£m)	0.326	0.313	0.300
Approximate % change in projected service cost	4.0%		-4.1%
* 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 than 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.

	31/03/25	31/03/26
Long-Term Expected Rate of Return on Assets in the Scheme (in line with the discount rate)	5.8%	6.20%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	20.9	21.7
Women	23.7	24.4
Longevity at 45 for future pensioners:		
Men	21.8	22.5
Women	24.8	25.2
Rate of inflation (CPI)	2.5%	2.8%
Rate of increase in salaries	3.75%	4.05%
Rate of increase in pensions	2.5%	2.8%
Rate for discounting scheme liabilities	5.8%	6.2%
Take-up of option to convert annual pension into retirement lump sum	0.0%	0%

27.8 Contributions for the Accounting Period ending 31 March 2026

The Employer's regular contributions to the Fund for the accounting period 31 March 2026 were £553k.

28.0 Capital Expenditure and Capital Financing

	2024/25	2025/26
	£'000	£'000
Opening Capital Financing Requirement	0	0
Capital Investment:		
Property, Plant & Equipment	306	562
Investment (Loans, Equity & Partnerships)	40,225	48,670
Intangible Assets	0	0
Revenue Expenditure Funded from Capital Under Statute	7,683	6,200
	48,214	**55,432**
Sources of Finance:		
Capital Receipts	0	0
Other Capital Grants	(514)	(140)
WIF Capital Grant Used for REFCUS	(7,683)	(6,200)
Capital Development Fund	0	0
Government Grants and Other Contributions	(40,017)	(49,092)
	(48,214)	**(55,432)**
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**

29.0 Contingent Liability

One employment related legal claim has been made against SEWCJC. The basis of the claim is not accepted. It is being defended with the help of legal advice. Any financial liability, if any, remains uncertain and therefore no provision has been made with regard to this matter in these Statement of Accounts.

Group Accounts

Introduction

The group accounts that follow comply with the requirement of the 2025/26 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.

2025/26 Group Comprehensive Income & Expenditure Statement

2024/25 (Restated)					2025/26		
Gross Exp	**Gross Income**	**Net Exp**		***Note:***	**Gross Exp**	**Gross Income**	**Net Exp**
£'000	**£'000**	**£'000**			**£'000**	**£'000**	**£'000**
127	0	127	Executive Team		699	0	699
784	0	784	Legal & Governance		985	0	985
2,566	(685)	1,881	Policy Impact & Partnerships		2,207	(890)	1,317
20,371	(5,219)	15,152	Regional Growth & Investment		15,993	(7,941)	8,052
2,483	(440)	2,043	Resources		2,482	(317)	2,165
26,331	**(6,344)**	**19,987**	**Cost of Services**		**22,366**	**(9,148)**	**13,218**
			Other Operating Expenditure				
1,011	0	1,011	(Gains) or Losses on Disposal of Non-Current Assets		0	0	0
			Financing and Investment Income and Expenditure				
672	0	672	Interest Payable and Similar Charges		2,045	0	2,045
0	(5,458)	(5,458)	Interest Receivable and Similar Income		0	(7,157)	(7,157)
1,372	0	1,372	Income, Expenditure and Changes in the Fair Value of Investment Properties		1,537	0	1,537

			Taxation and Non-Specific Grant Income				
0	(1,279)	(1,279)	Local Authority Contributions		0	(1,279)	(1,279)
0	(4,327)	(4,237)	(Surplus) or Deficit on Revaluation of Soft Loan Asset		0	0	0
0	(7,879)	(7,879)	WIF Revenue Grants and Contributions		0	(5,071)	(5,071)
0	(50,589)	(50,589)	WIF Capital Grants and Contributions		0	(55,292)	(55,292)
29,386	**(75,786)**	**(46,400)**	**(Surplus) or Deficit on the Provision of Services**		**25,948**	**(77,947)**	**(51,999)**
			Tax Expenses				
0	(2,202)	(2,202)	Taxation of Group Entities		3,466	0	3,466
29,386	**(77,988)**	**(48,602)**	**(Surplus) or Deficit**		**29,414**	**(77,947)**	**(48,533)**
16,436	0	16,436	(Surplus) or Deficit on Revaluation of Financial Instrument Assets		7,463	(1,133)	6,330
70	0	70	Remeasurement of the Net Defined Benefit Liability		261	0	261
16,506	**0**	**16,506**	**Other Comprehensive Income and Expenditure**		**7,724**	**(1,133)**	**6,591**
45,892	**(77,988)**	**(32,096)**	**Total Comprehensive Income and Expenditure**		**37,138**	**(79,080)**	**(41,942)**

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2025/26 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 Ventures	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2025	71	3,595	15,400	**19,066**	96,767	**115,833**	18,501	**134,334**
Movement in reserves during 2025/26								
Total comprehensive income and expenditure	52,513	0	0	**52,513**	(261)	**52,252**	(10,310)	**41,942**
Adjustments between Group Accounts and Authority Accounts:	0	0	0	**0**	0	**0**	0	**0**
Net Increase or decrease before transfers	52,513	0	0	**52,513**	(261)	**52,252**	(10,310)	**41,942**
Reversal of items debited / credited to CI&ES:								
Charges for depreciation and impairment of long-term assets	769	0	0	**769**	(769)	**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	(49,092)	0	0	**(49,092)**	49,092	**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	0	0	0	**0**	0	**0**	0	**0**
Adjustments involving the Pensions Reserve:								
Reversal of items relating to retirement benefits debited or credited to the CI&ES	292	0	0	**292**	(292)	**0**	0	**0**
Employer's pensions contributions and direct payments to pensioners payable in the year	(553)	0	0	**(553)**	553	**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	5	0	0	**5**	(5)	**0**	0	**0**
Other adjustments include:								
Change in Financial Instruments fair value revaluation	(1,133)	0	0	**(1,133)**	1,133	**0**	0	**0**
Transfer between Financial Instruments Adjustment Account	1,846	0	0	**1,846**	(1,846)	**0**	0	**0**
Net increase or (decrease) before transfers to Earmarked Reserves	4,647	0	0	**4,647**	47,605	**52,252**	(10,310)	**41,942**
Transfers to or from Earmarked Reserves	(4,647)	4,646	7,217	**7,216**	(16,217)	**(9,001)**	9,001	**0**
Increase or (decrease) in the year	0	4,645	7,217	**11,863**	31,388	**43,251**	(1,309)	**41,942**
Balance at 31 March 2026	**71**	**8,241**	**22,617**	**30,929**	**128,154**	**159,083**	**17,193**	**176,276**

Prifddinas Ranbarth Caerdydd | Cardiff Capital Region

2024/2025

	General Fund Balance	Earmarked Reserves: Other Revenue	Usable Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves of CJC	CJC's share of Reserves of Subsidiaries, Associates &	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								
Surplus or (deficit) on the provision of services (accounting basis)	32,409	0	0	**32,409**	70	**32,479**	(261)	**32,218**
Total comprehensive income and expenditure	32,409	0	0	**32,409**	70	**32,479**	(261)	**32,218**
Adjustments between Group Accounts and Authority Accounts:	0	0	0	**0**	0	**0**	0	**0**
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:								
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	8,362	0	0	8,362	24,117	32,479	(261)	32,218
Transfers to or from Earmarked Reserves	(8,602)	4,660	4,921	**979**	(4,875)	**(3,896)**	3,896	**0**
Increase or (decrease) in the year	(240)	4,660	4,921	**9,341**	19,242	**28,583**	3,635	**32,218**
Balance at 31 March 2025	**71**	**3,595**	**15,400**	**19,066**	**96,766**	**115,832**	**18,501**	**134,333**

Group Balance Sheet 2025/26

31/03/25				31/03/26	
£'000			*Note:*	£'000	£'000
Restarted					
	Long-Term Assets	Property, Plant & Equipment:		0	
3,536		Vehicles, Plant & Equipment	G 2.1	3,104	
313		Assets Under Construction		381	
11,184		Equity Investments		10,685	
59,846		Investment Properties		57,484	
0		Defined Benefit Pension Scheme Asset		0	
1,660		Long-Term Bond		1,788	
4,956		Long-Term Deferred Tax		3,461	
7,692		Long-Term Debtors	G 12.0	5,784	
40,050		Long-Term Loans		44,249	
129,237		**TOTAL LONG-TERM ASSETS**			**126,936**
67,525	**Current Assets**	Short-Term Investments		44,725	
2,070		Short Term Loans		29,662	
431		VAT		184	
37		Payments Made in Advance		122	
2,463		Short-Term Debtors	G 12.0	20,864	
5,628		Cash and Cash Equivalents		7,920	
78,154		**TOTAL CURRENT ASSETS**			**103,477**
(47)	**Current Liabilities**	Absence Liability		(52)	
(15,588)		Short-Term Creditors	G 13.0	(7,769)	
(15,635)		**TOTAL CURRENT LIABILITIES**			**(7,821)**
(33,478)	**Long-Term Liabilities**	Long-Term Creditors	G 13.0	(24,520)	
(17,887)		Long-Term Provisions	G 14.0	(15,427)	
(6,058)		Long-Term Borrowing		(6,369)	
(57,423)		**TOTAL LONG-TERM LIABILITIES**			**(46,316)**
134,333	**NET ASSETS**				**176,276**
71	**Usable Reserves**	General Fund Balance		71	
		Earmarked Reserves:			
3,595		Other Revenue Related Reserves		8,241	
15,400		Usable Capital Receipts Reserve		22,617	
19,066		**TOTAL USABLE RESERVES**			**30,929**

(10,080)	**Unusable Reserves**	Financial Instrument Revaluation Reserve	G 5.1	(16,410)	
102,951		Capital Adjustment Account	G 5.1	142,520	
3,942		Financial Instruments Adjustment Account		2,096	
0		Pensions Reserve		0	
(47)		Short-Term Accumulating Compensated Absence Account		(52)	
18,501		Group Companies Reserve	G 3.0	17,193	
115,267		**TOTAL UNUSABLE RESERVES**			**145,347**
134,333	**TOTAL RESERVES**				**176,276**

2025/26 Group Cash Flow Statement

2024/25			2025/26	
£'000		*Note:*	£'000	£'000
(48,602)	Net (Surplus) or Deficit on the Provision of Services		(48,533)	
20,217	Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements	*G 6.0*	34,045	
67,525	Adjustments for Items Included in the Net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities	*G 7.0*	(22,800)	
39,140	**Net Cash Flows from Operating Activities**			**(37,288)**
29,622	Investing Activities	*G 9.0*	34,996	
(10,000)	Financing Activities	*G 10.0*	0	34,996
58,762	**Net (Increase) or Decrease in Cash or Cash Equivalents**			**(2,292)**
64,390	Cash and Cash Equivalents at the Beginning of the Reporting Period			5,628
5,628	**Cash and Cash Equivalents at the End of the Reporting Period**			**7,920**

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 2025/2026

	Vehicles, Plant & Equipment	Assets Under Construction	Total
	£'000	**£'000**	**£'000**
Cost or Valuation			
At 1 April 2025	5,805	313	**6,118**
Additions	238	412	**650**
Other Reclassifications		(220)	**(220)**
Other Movements in Cost or Valuation	124	(124)	**0**
At 31 March 2026	**6,167**	**381**	**6,548**

Accumulated Depreciation and Impairment			
At 1 April 2025	(2,269)	0	**(2,269)**
Depreciation Charge	(794)	0	**(794)**
At 31 March 2026	**(3,063)**	**0**	**(3,063)**
Net Book Value:			
At 31 March 2026	**3,104**	**381**	**3,485**
At 31 March 2025	**3,536**	**313**	**3,849**

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)		**(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		**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**

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 2025	**1,959**	**(3,092)**	**19,634**	**18,501**
Increase/(Decrease) 2025/26	(2,644)	(524)	1,860	(1,308)
Balance as at 31 March 2026	**(685)**	**(3,616)**	**21,494**	**17,193**

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 2025	**March 2026**	**March 2025**	**March 2026**	**March 2025**	**March 2026**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Net Current Assets	4,381	2,141	623	2,030	9,125	8,152
Total Assets less Current Liabilities	43,571	43,593	11,900	14,865	32,695	29,593
Net Assets	1,960	(685)	11,900	14,865	7,018	7,341
(Loss)/Profit Before Tax	(395)	(88)	(3,582)	(7,987)	1,428	1,231
(Loss)/Profit After Tax	2,164	(2,646)	(3,582)	(7,987)	1,156	323
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	Signed		Signed		Signed	

IIC total loss includes £1,058k loss on provision of services and £2,524k other comprehensive losses for 24/25
IIC total loss includes £524k loss on provision of services and £7,463k impairment for 25/26
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 2025	**102,951**
Gains/(Losses) during the year	39,569
Balance as at 31 March 2026	**142,520**

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 £14,153k.

Financial Instruments Revaluation Reserve

	£'000
Balance as at 1 April 2025	**(10,080)**
Gains/(Losses) during the year	(6,330)
Balance as at 31 March 2026	**(16,410)**

In CCR's accounts the value of the equity and loans held by CCR Energy, IIC & CSC Foundry have a revaluations to account they fair value. To allow consolidation of the accounts the value of revaluations must be reinstated, which results in a debit to the Financial Instruments Revaluation Reserve of £7,463k.

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

2024/25		2025/26
£'000		£'000
(972)	Depreciation and Impairment	(794)
13,247	(Increase)/Decrease in Creditors	16,774
10,164	Increase/(Decrease) in Provision	2,460
(6,772)	Increase/(Decrease) in debtors	16,621
2,902	Increase/(Decrease) in Deferred Tax	(1,495)
426	Increase/(Decrease) in VAT	(247)
17	Increase/(Decrease) in Payments made in Advance	85
70	Movement in Pension Liability	261
(19)	Short-Term Accumulated Absence Accrual	(5)
(1,011)	Carrying amount of Long-Term Assets and Assets Held For Sale, sold or derecognised	0
2,164	Other non-cash items charged to the Net (Surplus) or Deficit on the Provision of Services	385
20,217	**Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements**	**34,045**

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

2024/25		2025/26
£'000		£'000
	Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets	
67,525	Short Term Investments	(22,800)
	Any Other Items for which the Cash Effects are Investing or Financing Cash Flows	
67,525	**Investing and Financing Activities**	**(22,800)**

G 8.0 Cash Flow Statement – Interest within Operating Activities

The cash flows for operating activities include the following items:

2024/25		2025/26
£'000		£'000
(4,455)	Interest received	(4,799)

1	Interest paid	215
(4,454)	**Interest within Operating Activities**	**(4,584)**

G 9.0 Cash Flow Statement – Investing Activities

2024/25		**2025/26**
£'000		**£'000**
1,829	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	(1,930)
22,175	Purchase of Short-Term and Long-Term Loans	38,850
(1,582)	Redemption of Short-Term and Long-Term Loans	(4,674)
7,200	Purchase of Short-Term and Long-Term Equity Investment	2,750
0	Redemption of Short-Term and Long-Term Equity Investment	0
0	Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	0
0	Other receipts from Investing Activities	0
29,622	**Net Cash Flows from Investing Activities**	**34,996**

G 10.0 Cash Flow Statement – Financing Activities

2024/25		**2025/26**
£'000		**£'000**
(10,000)	Cash Receipts of Short-Term and Long-Term Borrowing	0
	Cash Payments for the reduction of the outstanding liabilities relating to Finance Leases	
0	Partnership Contributions	0
(10,000)	**Net Cash Flows from Financing Activities**	**0**

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.

2024/25 (restated)		**2025/26**
£'000		**£'000**
	Capital Adjustment Account	
115,567	Single Entity	156,673
(12,616)	Less CSC Foundry movement	(14,153)
102,951	Restatement Capital Adjustment Account	142,520

	Financial Instruments Revaluation Reserve	
(7,556)	Single Entity	(6,423)
(2,524)	Less IIC movement	(9,987)
(10,080)	Restatement Financial Revaluation Reserve	(16,410)
	Company Group Reserves	
1,960	CCR Energy	(685)
(5,617)	IIC	(13,603)
7,017	CSC Foundry	7,341
3,360	Company Group Reverses	(6,947)
18,500	**Net Group Company Reserves**	**17,193**

G 12.0 Debtors

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

2024/25		2025/26
£'000		£'000
	Short Term Debtors	
368	Central Government Bodies	18,766
10	Other Local Authorities	1
2,085	Other Entities and Individuals	2,097
2,463	**Total**	**20,864**
	Long Term Debtors	
7,692	Other Entities and Individuals	5,784
7,692	**Total**	**5,784**
10,155	**Total Debtors**	**26,648**

G 13.0 Creditors

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

Short-Term Creditors

2024/25		2025/26
£'000		£'000
(363)	Central Government Bodies	(906)
(8,606)	Other Local Authorities	(928)
(40)	NHS Bodies	0
(6,579)	Other Entities and Individuals	(5,935)
(15,588)	**Total**	**(7,769)**

Long-Term Creditors

2024/25		2025/26
£'000		£'000
(30,590)	Central Government Bodies	(22,226)
(2,888)	Other Entities and Individuals	(2,294)
(33,478)	**Total**	**(24,520)**

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 2025	**(4,043)**	**(13,844)**	**(17,887)**
Additional provisions made in 2025/26	(1,903)		(1,903)
Amounts used in 2025/26		4,363	4,363
Unused amounts reversed in 2025/26			0
Balance at 31 March 2026	**(5,946)**	**(9,481)**	**(15,427)**

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.

Investments

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

South East Wales Corporate Joint Committee
Annual Governance Statement 2025-26

South East Wales Corporate Joint Committee Annual Governance Statement 2025/2026

Introduction and Background

1. The South East Wales Corporate Joint Committee (SEWCJC) is a regional body (also known Cardiff Capital Region) established as a body corporate by the South East Wales Corporate Joint Committee Regulations 2021 (the Regulations).

2. In 2025-26, the SEWCJC had three key areas of responsibility:

   - preparing a Strategic Development Plan;
   - preparing a Regional Transport Plan and overseeing its delivery;
   - doing whatever is deemed necessary to enhance or promote the economic well-being of the region

3. Under the Regulations the core membership of the SEWCJC comprises the elected leaders of the 10 local authorities[1] falling within the SEWCJC Region and a representative of the Bannau Brycheiniog National Park Authority. There is a general power to co-opt additional members.

Scope of Responsibility

4. The SEWCJC is responsible for ensuring that (i) its business is conducted in accordance with the law and proper standards; and (ii) that public money is safeguarded and properly accounted for, with resources being used economically, efficiently, and effectively. In discharging this overall responsibility, the CJC is responsible for putting in place proper arrangements for the governance of its affairs, and facilitating the effective exercise of its functions, including arrangements for the management of risk and must publish an Annual Governance Statement (AGS) that reflects on how, in the previous financial year, it has discharged these responsibilities.

5. In addition to the three key areas set out in paragraph 2 above, SEWCJC is responsible for the delivery of the Cardiff Capital Region City Deal, an Investment Zone centred on Cardiff and Newport and the Local Innovation Partnership Fund. It has two wholly owned subsidiary companies, CSC Foundry Ltd and CCR Energy Ltd, both of which traded in 2025-26. The SEWCJC is also the general partner in a private fund limited partnership, Innovation Investment Capital Limited Partnership.

[1] Blaenau Gwent, Bridgend, Caerphilly, Cardiff, Merthyr Tydfil, Monmouthshire, Newport, Rhondda Cynon Taff, Torfaen and Vale of Glamorgan

6. The CJC's governance framework detailed in the Constitution sets out the systems, processes and values by which itis directed and controlled; and the activities through which it accounts to the region. It ensures that the CJC directs its resources towards its priorities and in accordance with its policy framework; that there is sound and inclusive decision-making; and that there is clear accountability. These arrangements cannot be viewed in isolation and there are a number of different bodies involved in the delivery of CCR's objectives, each with their own governance arrangements. These include:

- The ten constituent Local Authorities in South East Wales
- The Brecon Beacons National Park Authority
- Regional Partners and Stakeholders
- Welsh Government
- UK Government
- CCR Energy Ltd
- CSC Foundry Ltd
- Innovation Investment Capital Limited Partnership
- Organisations in which the CJC holds investments

Annual Governance Statement (AGS)

7. This AGS has been prepared in accordance with the framework set out in the CIPFA/Solace publication '**Delivering Good Governance in Local Government**'. The Framework comprises two core principles and five supporting principles. Good governance is dynamic, and the SEWCJC is committed to improving governance on a continuing basis through a process of evaluation and review. These seven principles remain untouched by the recently issued addendum on Delivering Good Governance.

Core principles

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

B. Ensuring openness and comprehensive stakeholder engagement

Supporting principles

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

F. Managing risks and performance through robust internal control and strong public financial management

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Assessment Process and Summary

8. The AGS summarises the assessment of governance against the Governance Framework and comprises three elements:

- **assurance statements** from Senior Management, Internal Audit and the Governance and Audit Committee
- a **supporting analysis** mapped to the seven Framework principles (A-G) to indicate how the assessment is based on supporting information and evidence
- identification and disclosure from the Senior Executive Team (SET) of any significant governance issues affecting the CJC in the form of **summary actions** to take forward and address.

Taken together, these three elements assess the SEWCJC's governance through the perspectives of SET and the independent opinions of Internal Audit and the Governance and Audit Committee, based on their respective programmes of work and assessments of the systems of internal control.

Assurance Statements for the year 2025-26

9. The following statements take performance information, governance disclosures and audit and regulatory report findings from assessors both internal and external to the SEWCJC into account.

Senior Management Statement

10. The region has worked successfully as a partnership since 2017 and that has continued and accelerated following the incorporation of the Corporate Joint Committee in 2024. The CJC invests in things that improve quality of life – jobs, transport, homes, and communities and has statutory powers for transport and planning which provide the opportunity to do more. Gateway Reviews assessing the impact of the City Deal fund have resulted in positive feedback highlighting good investment decisions, strong

partnership working, positive political engagement, robust governance, and evidence-based decision making.

11. In 2023-24 a new streamlined and strengthened governance framework was put in place to support the transition to a corporate body and provide strong foundations upon which the CJC could develop and grow. Having looked closely at how this operated in 2025-26, SET have committed to a rigorous review of governance during 2026-27 to ensure it remains fit for purpose, resilient and sustainable. Project Evolution will closely examine governance, assurance and process to ensure that the CJC's transition from a City Deal to a regional body with statutory responsibility is fully reflected in its governance and operations.

12. As described in this AGS, SET considers that the CJC demonstrates primarily strong application of good governance. The actions from 2024-25 have largely been closed and there is a clear plan to complete work on the MTFP. The three new actions for 2026-27 build on work that commenced in 2025-26 and will be monitored closely throughout the year. Those actions are described in more detail elsewhere in this AGS.

13. SET continues to meet on a weekly basis. The focus of these meetings has been to ensure that resources are used appropriately, outcomes delivered, and controls remain in place or are amended to reflect the environment at the time. The following areas are considered on a regular basis:

- Delivery across multiple programmes and delivery functions
- Development of 5 year Corporate and Business Plans
- Performance and Impact and linked systems of regular self evaluation
- Audit and Risk

14. In 2025-26 SET continued to collectively own the Corporate Risk Register, reviewing all corporate risks quarterly and monitoring progress against the action plan. The Chief Executive continues to emphasise that areas of weakness need to be addressed. There is a maintained focus on acting upon audit recommendations in a timely and proportionate manner but self-identification of solutions and improvements is strongly encouraged. The CJC operates within an external landscape of significant challenge and uncertainty and this only serves to emphasise the importance of maintaining consistent standards of governance and control across all operations.

Internal Audit Annual Opinion

15. The Internal Audit Annual Report 2025/26:

1. INTRODUCTION

1.1 The purpose, authority and responsibility of the Corporate Joint Committee's (CJC) Internal Audit Service is set out within the Internal Audit Charter, which was reported to and approved by the Governance and Audit Sub Committee at its meeting held on 11th April 2025.

1.2 The CJC's Internal Audit Service is an assurance function that provides an independent and objective opinion to management and the Governance and Audit Sub Committee on the organisation's overall governance, risk management and control processes. The Service helps the CJC to deliver its objectives by applying a systematic and disciplined approach to evaluating and supporting improvements to the arrangements in place.

1.3 The Risk Based Internal Audit Plan was reported to and approved by the Governance and Audit Sub Committee at its meeting held on 11th April 2025. The outcome of the work completed during 2025/26 contributes to this annual report.

1.4 This report summarises the work of the Internal Audit Service between the period April 2025 and March 2026. It provides a detailed account of the performance of the service along with a summary of the work undertaken during this period. The report concludes with an overall opinion. The opinion is used as a source of assurance for the Annual Governance Statement 2025/26.

2. INTERNAL AUDIT SERVICE 2025/26

Performance

2.1 This section of the report aims to set out what the Service planned to deliver at the start of the year.

2.2

2.3 Within the audit plan for 2025/26 the Internal Audit Service planned to complete a total of 6 individual assurance assignments. As at the end of the financial year all 6 audits have been completed either to final report or draft report stage. This equates to 100% of the audit plan completed for the year, split as follows:

- 6 audits completed to report stage, comprising:
  - 4 finalised audits;
  - 2 audits completed to draft report stage.

Performance – concluding comments

2.4 The Internal Audit Service has performed well during 2025/26 delivering 100% of the audit plan, and this provides a sound platform looking ahead to 2026/27. The Service has invested in its workforce with the skills and experience of the team being used to mentor a new member of staff. There have been no instances whereby our Officers have not had the necessary competencies to deliver the work required.

3. ASSIGNMENTS COMPLETED DURING 2025/26

3.1 On completion of each review an audit opinion is formed in respect of the overall governance, risk management and control processes. The following structure is applied to all opinions:

Audit Assurance Category Code	
Robust Arrangements in place (No Findings)	No findings have been raised in this report. The overall control environment is considered robust.
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of

	governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

3.2 The following Table summarises the outcome of the assignments that have been completed by the Internal Audit Service during 2025/26:

Table 1

	Summary of audit opinions compared to the priority of each planned audit assignment					Recs		
Priority	**Robust Arrangements in place (No Findings)**	**Substantial Assurance**	**Reasonable Assurance**	**Limited Assurance**	**No Assurance**	**H**	**M**	**L**
High	4	0	1	0	0	**0**	**3**	**2**
Medium	1	0	0	0	0	**0**	**0**	**0**
Low	0	0	0	0	0	**0**	**0**	**0**
Total	**5**	**0**	**1**	**0**	**0**	**0**	**3**	**2**

*Note: the full detail in respect of opinions and recommendations against each audit, as per the 2025/26 audit plan, is provided at **Annex A** to this report.*

3.3 Robust arrangements were in place whereby the status of the High and Medium priority recommendations made were followed up with Management to confirm they had been implemented. During the 2025/26 Municipal Year, the Governance and Audit Sub Committee received updates in respect of the status of these recommendations.

3.4 The work summarised across paragraphs 3.2 to 3.3 provides the basis and evidence upon which the Head of Internal Audit forms the overall opinion for 2025/26.

Internal Audit assignments completed – concluding comments

3.5 The service completed 6 assignments to report stage during the year with all of the audit opinions providing a satisfactory level of assurance in respect of

the governance, risk management and control processes that were reviewed. As shown in Table 1, for five of the six completed assignments there were 'Robust Arrangements in place' and there were no findings raised within the audit reports.

3.6 All High and Medium rated recommendations have been subject to routine monitoring by the Internal Audit Service.

4. EDUCATION & TRAINING UPDATE

4.1 The Global Internal Audit Standards in the UK Public Sector require that the Head of Internal Audit make arrangements for ongoing training and continued professional development. During 2025/26 the following training has been delivered to the Team:

- CIPFA – On the Agenda – Ethics and Professionalism
- Professional Scepticism & Root Cause Analysis
- Safeguarding – Keeping People Safe
- General Data Protection Regulations
- Cyber Ninjas – Cyber Security
- Compliance Awareness – Welsh Language Standards
- Diversity & Inclusion

In addition, the Internal Audit Graduate Officer is currently undertaking a professional qualification with the Institute of Internal Auditors to become an Internal Audit Practitioner.

4.2 The training programme is informed by the requirements of the Global Internal Audit Standards and by the performance management arrangements in place. All Internal Audit staff received a performance review during 2025/26, the outcomes from these will inform the training programme for 2026/27.

5. OUTCOME OF FEEDBACK FROM CLIENTS

5.1 The Global Internal Audit Standards in the UK Public Sector requires the Internal Audit Service to obtain feedback on the overall audit process. This includes the conduct of the auditor and the value they place on the findings and recommendations.

5.2 On completion of each audit assignment, a feedback questionnaire is issued to the Client to enable them to provide feedback on the work undertaken by auditors.

5.3 The return rate was 25%, an area that needs to be improved. A review of the process undertaken where surveys have not been returned will take place to help ensure this rate improves in the future.

6. GLOBAL INTERNAL AUDIT STANDARDS

6.1 The Internal Audit Service conformed with the Global Internal Audit Standards in the UK Public Sector during 2025/26 with no significant instances of non-conformance.

6.2 The Service is independently placed, and this enables the Head of Internal Audit to have direct access to the Chief Executive, Section 151 Officer, Monitoring Officer and the Governance and Audit Sub Committee.

6.3 All Internal Auditors have undertaken their roles in accordance with the Global Internal Audit Standards in the UK Public Sector and have carried out their duties independently, with objectivity, integrity and with the necessary competencies to deliver the tasks allocated to them.

6.4 All work is undertaken using purpose built internal audit software and this helps to ensure quality assurance arrangements are in place for each individual internal audit undertaken.

7. OVERALL OPINION FOR 2025/26

5.1 Based on the work undertaken by Internal Audit during 2025/26, ***in my view, the overall governance, risk management and control processes of the Corporate Joint Committee operated effectively during 2025/26 with some areas identified for improvement***.

5.2 There have been some instances whereby areas for improvement in the governance, risk management or control processes have been identified but, in my opinion, these do not have a material impact on the overall level of assurance provided.

5.3 It should be noted that absolute assurance can never be provided in respect of assets being safeguarded, transactions authorised and properly recorded. This is due to the sample testing approach undertaken when completing internal audit reviews.

Governance and Audit Committee Annual Letter

16. The letter from the Chair of the Governance and Audit Committee for 2025-26:

> As Chair of the Governance and Audit Sub-Committee, I am writing to provide you with a summary of the work of the Sub-Committee in the municipal year 2025-26.
>
> At the first meeting of the year, I was elected as the Chair and Andrew Blackmore was elected as the Deputy Chair. Together we have met with officers to shape the agendas, advise on draft reports and to monitor the Action Log and Work Programme for the Sub-Committee. Also, in my capacity as Chair, I attend the Investment Board and the Corporate Joint Committee as an observer. This has allowed me to gain a broader understanding of the full governance structure within CCR and organisational priorities, which gives comforting levels of assurance.
>
> The membership of our Sub-Committee, both in terms of the councillors and the lay members, has considerable experience of audit, governance and risk committees in local authorities. Many of our Members, also have a career background in these areas. This external view and experience is a valuable resource that we are encouraging officers to utilise whenever possible.
>
> We are grateful to officers for working with us to help us understand organisational assumptions which in turn enables us to review and scrutinise the CJC's financial affairs.
>
> During the course of our five meetings, including one Extraordinary Meeting, held throughout the year, we have worked with officers to improve the information that is available to us in fulfilling our functions. We have focused on reviewing and scrutinising the CJC's financial affairs to provide an independent focus on the audit, assurance,

performance and reporting arrangements that underpin good governance and financial standards.

In addition to these meetings, we have had one additional Briefing as a Sub-Committee, and one joint Briefing with the Joint Overview and Scrutiny Committee. I have also attended a joint meeting between the Chairs and Deputy Chairs of the Governance and Audit Sub-Committee and the Joint Overview and Scrutiny Committee to discuss joint working opportunities and to establish the role, remit and responsibilities of both Committees. This joint working has been valuable to the Members of the Governance and Audit Sub-Committee, particularly in regards to the Independent Review and we will continue to work closely with this Committee and other Sub-Committees in Cardiff Capital Region as appropriate.

In accordance with good governance practice, the Governance and Audit Sub-Committee approved a Work Programme for the full municipal year, which sat alongside the Actions Log. These documents were monitored at each meeting and periodically throughout the year. We have requested further reports to be included within our Work Programme, such as an independent annual report on the operation of the Anti-Money Laundering Policy and additional, more focused, reports on the Risk Register.

A few matters have arisen during the year which it is important to raise:

Risk Management

The Governance and Sub Committee has overseen the organisation's risk management arrangements over the past year and in particular would note the following areas where oversight will continue:

- **Resourcing**: As set out in the risk register, the organisation faces challenges in terms of its resources and resourcing. The absence of recurring core funding over the medium to long term is worthy of particular consideration and the case for extra funding to manage CCR as a Public body needs to be won. As set out in the risk register, this is a risk that requires further mitigation.

- **Staffing**: there has been a high level of vacancies across the organisation in the last year, and the senior team have been stretched as a result. This is identified on the CJC risk register and mitigations have been put in place. It is important that these mitigations are implemented.

- The Governance and Audit Committee were unable to scrutinize the CJC Treasury Management Strategy prior to it being approved by the CJC at its meeting on 27 March 2026. We would value the opportunity to do this, including whether the balance of risk and reward is appropriate, and therefore are pleased that the planned committee timetable for 2026/27 will enable this next time.

- **Aberthaw:** The Governance and Audit Sub Committee has received assurances regarding the steps taken in response to the Aberthaw procurement matter and has received the Summary Report. Questions have been raised regarding the level of transparency on this matter – with some members wishing to see the full report. That said the Committee has been advised that the full Report is subject to legal privilege which belongs to Cardiff Council and that publication could prejudice the potential claims referenced in the Action Plan. The Committee as a result needs to consider whether they are best placed to provide oversight and scrutiny of the Action Plan that has been put in place in this regard. A way forward on this matter has been discussed. We will keep the Chair of the CJC informed.

- **Governance:** The CJC has 5 Sub-Committees (three of which meet on a regular basis) and four advisory Boards. As set out in the risk register, it remains important that governance structures are both sufficient and sustainable and that the risk of duplication is mitigated.

Finally, I would like to take this opportunity to thank the Lay Members and the Elected Members of the Governance & Audit Sub-Committee for their hard work and dedication throughout the year. All meetings have been well attended and all Members have been fully engaged and come together from their different backgrounds and perspectives to ensure that the Sub-Committee operated cohesively with constructive questioning and challenge throughout.

We look forward to continuing to advise and support the South East Wales Corporate Joint Committee with good governance practices and financial standards.

Governance Framework – Supporting Analysis for the year 2025-26

Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

17. All SEWCJC members and officers are required to comply with the Codes of Conduct set out in the Constitution, which detail their different roles and responsibilities and provide clarity on the interface between them, including:

- Delegations to Officers (part 3C)
- Code of Conduct for members (part 5A)
- Code of Conduct for Employees (part 5B)
- Protocol on Member Officer Relations (part 5C)

18. The Strategic Director of Legal & Governance is the Monitoring Officer and, amongst other things, has a duty under section 5 of the Local Government and Housing Act 1989 to ensure that SEWCJC, its officers, and its members maintain the highest standards of conduct. The Monitoring Officer received no complaints relating to member conduct in 2025-26.

19. The Standards Sub-Committee will monitor and scrutinise standards and report any matters of concern to SEWCJC.

20. SEWCJC has adopted a Whistleblowing Policy which explains how workers (whether employed or contracted) are encouraged to raise whistleblowing concerns without fear of victimisation, discrimination or disadvantage. A whistleblowing concerns (also known as disclosures in the public interest) are concerns about misconduct or illegal behaviour which affects the public or other people or which otherwise relate to wrongdoing at work. There were no whistleblowing disclosures in 2025-26.

21. Members and Co-opted Members are required to register their personal interests in SEWCJC business and to comply with the rules on personal interests set out in the Members' Code of Conduct. Under the Employees' Code of Conduct, employees must ensure that their private interests do not conflict with their public duties and comply with SEWCJC's rules on the registration and declaration of financial and non-financial interests.

22. The CJC takes fraud, corruption, and maladministration very seriously, supported by the following strategy and policies to prevent and manage such occurrences:

- Counter-Fraud, Bribery and Corruption Strategy
- Financial Procedure Rules
- Contract Standing Orders
- Whistleblowing Policy
- Anti-Money Laundering Strategy
- Cyber Security Policy
- Data Protection Policy

Core Principle B: Ensuring openness and comprehensive stakeholder engagement.

23. Meetings of the SEWCJC and its sub-committees are open to the public to attend except where confidential or exempt information within the meaning set out in Schedule 12A of the Local Government Act 1972 is being discussed.

24. SEWCJC complies with legislative requirements to broadcast/webcast meetings. Recordings are kept for reference. The following table highlights webcasting activity since the SEWCJC was established on 1 April 2024:

Webcasting Data		
Year	**2025-26**	2024-25
Number of Meetings webcast	18	18
Number of Committees (Types) webcast	4	3
Total Hours Webcast	16h 54m	18h 42m

25. The CJC has risk management arrangements in place which are reported and reviewed on a quarterly basis at SET, with further challenge and oversight from the CJC and the Governance & Audit Committee. The process is supported by a culture of open discussion and constructive challenge on performance and risk management issues. The Chief Executive and Directors receive regular assurance on a number of key areas, including procurement compliance, performance management and implementation of internal and external audit recommendations.

26. The public and other stakeholders can share their views and provide feedback through the Comments, Complaints and Compliments process. The SEWCJC receives an annual report detailing the number of complaints received. In 2025-26 the CJC received no complaints.

27. Regular meetings are held with institutional stakeholders to whom the CJC is accountable, which include the Welsh Government, the UK Government and regulatory bodies such as Audit Wales.

Supporting Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits.

28. The SEWCJC set outs its aspirations for a "Stronger, Fairer, Greener" city region in its annual business plan. In the last decade, the CJC has used this process to lay the groundwork for a sustainable and resilient future. The guiding principle is to position the region to create prosperity, jobs, and improved living conditions for its 1.5m population, unlocking local potential, tackling regional socio-economic disparities and fostering dynamic inter-connected local economies through strategic investment, harnessing unique strengths and promoting collaboration for sustainable and inclusive development. Not only has the City Deal been effectively deployed in line with the above principles, but new programmes and opportunities have also been secured, a new kind of capability to engage with complex issues has been built and the region has evolved into a public investment body.

29. The Annual Plan is framed by well-being objectives, steps and performance measure and plays a key role in translating the CJC's policy ambitions into deliverable organisational objectives, setting out what the CJC wants to achieve and how it will organise itself to achieve it. It is supported by directorate delivery plans which, in turn, detail further how business will be taken forward.

30. The region has its origins in the findings and foundations of the Economic Growth and Competitiveness Commission, led by globally renowned urbanist Professor Greg Clark CBE. In 2025-6 the CJC commissioned **CCR@ten**, asking Professor Clark to revisit progress over the last ten years and, learning from the experiences and

insights of others, shape what good could look like for the next ten years. In 2026-27 this crucial work will provide inform the CJC's vision for the next decade and help to frame a five-year Strategic Corporate Plan for the region, aligning long, medium- and short-term objectives.

31. The CJC has developed a suite of assurance and performance frameworks for the City Deal (Gateway Review, Investment Framework, Assurance Framework) and for the Investment Zone but recognises it is now time to work on pulling them together into a single Planning and Performance Framework. The existing robust approach to the management of public funds is recognised in reports from Internal and External Auditors.

32. SEWCJC has embarked upon the planning phase of a five year MTFP to sit alongside the five year Corporate Plan. This is necessary since SEWCJC does not receive core funding for its activities from WG and instead, has an annual budget which is comprised of largely top-slicing programmes it is contracted to deliver, along with core contributions from each of the ten constituent councils for City Deal only and a small element of income generation and one-off specific grants. Given the SEWCJC is a public body with long-term policy aims and statutory duties to enact, it is critical these are matched with long-term funding sustainability. It is therefore anticipated that in line with the Regulations, a MTFP will be built on the following principles and financing pillars:

- enhanced annual government contributions
- programme-derived top-slices
- utilisation of some of the 'recycled capital' held in balances by SEWCJC
- the outputs of any early phases of 'double devolution' settlement negotiated by SEWCJC such as around annual precepting or single settlements
- other sources of income

Supporting Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

33. All decisions taken by members are supported by reports from officers that include the legal, people (HR), property and financial implications arising from the decision and outline the economic, social, and environmental outcomes, member consultations, the key risks and alternative courses of action which are available.

34. To meet requirements of the Well-being of Future Generations (Wales) Act 2015, the CJC has well-being objectives and has built their consideration into reporting requirements.

35. Communications with staff remain a key focus, to ensure staff were consulted and involved in decision making. Various channels of communication have been used during 2025-26, in particular a face to face monthly whole-team meeting and regular in person events.

36. The CJC has detailed business planning and assurance mechanisms in place.

37. The CJC's budgets are informed by corporate priorities. During 2025-26 the CJC received quarterly budget monitoring reports.

38. Following the settlement of the procurement litigation involving CCR Energy Ltd (a subsidiary company) in March 2025, the CJC issued a new remit letter to the revised Board and received regular reports on progress during 2025-26.

Supporting Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it.

39. Decision making responsibilities and authority are clearly set out in the CJC's Constitution which documents roles and relationships for decision making, between the CJC, its sub-Committees and senior officers.

40. The Chief Executive is the statutory Head of Paid Service (most senior member of staff), responsible for overall management and leading the Senior Executive Team, working alongside the Monitoring Officer (Strategic Director of Lefal & Governance) and the section 151 (Finance) Officer (Strategic Director of Resources) as the Golden Triangle.

41. All officers are required to complete a suite of mandatory e-learning training modules, covering Cybersecurity, Data Protection, Equality and Diversity, Health & Safety, an Introduction to Welsh Language and the PREVENT duty. Completion rates for each module are reported to SET. CJC values, objectives, policies and procedures are communicated to new staff and existing staff and members through induction and engagement programmes.

42. An in-house Senior Leadership Training offer (Heads of Service) was introduced in 2025-26 alongside a compulsory Manager Essential Training programme as a key component of the learning and development of all staff with line management responsibilities.

43. Officer performance is primarily evaluated through SEWCJC's Personal Appraisal Development Review process, which provides a framework for employees and managers to discuss work performance and behaviour, as well as to identify learning and development needs. It enables employees to be clear about their roles, responsibilities and the behaviours expected of them whilst giving a clear understanding of how their job and efforts contribute to the CJC's objectives.

44. The Strategic Director Legal & Governance is the Senior Information Risk Owner (SIRO).

45. The Strategic Director of Resources (s151 officer) has overall responsibility for financial administration. The CJC's financial management arrangements align to the CIPFA Financial Management Code (2020). The focus of the Code is to improve financial resilience by embedding enhanced standards of financial management. The Code is intended to support good practice in financial management and translates principles of good financial management into a series of standards.

46. Financial resilience is a key driver and spending plans are underpinned by robust business cases and funding strategies, underpinned by the need to ensure that the appropriate level of capacity and skills is available to ensure regional outcomes are delivered efficiently, effectively and economically with proper assurance in place.

Supporting Principle F: Managing risks and performance through robust internal control and strong public financial management.

47. A Risk Register is maintained and regularly reviewed by SET to ensure it includes key risks to the CJC's vision, objectives and priorities. The Risk Register was reported to Governance and Audit Committee throughout 2025-26 to provide an opportunity for comment and questioning on the status of corporate risks.

48. Under the provisions set out in Part 3 of the Corporate Joint Committees (general) (No. 2) (Wales) Regulations 2022, the CJC is required to:

    (i) co-operate with and give reasonable assistance to any relevant overview and scrutiny committee;
    (ii) consider any reports or recommendations from such a committee (**note**: this step cannot be delegated); and
    (iii) publish a statement in response within 2 months.

    The ten councils within the CJC region have set up a Joint Overview & Scrutiny Committee (JOSC), which is administered on their behalf by Rhondda Cynon Taf.

49. SEWCJC has robust arrangements for internal control which are set out within the AGS assurance statements from Internal Audit, the Governance and Audit Committee and SET.

Supporting Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

50. Reports are written in a fair, balanced and understandable way to try to offer transparency without being onerous or overly complex.

51. SEWCJC looks to aligns its approach with the Information Commissioner's model publication scheme. Information that is not published due to practical constraints remains available upon request through the Freedom of Information process. The CJC receives an annual report detailing FOI requests received.

52. The CJC upholds the rights of individuals under UK Data Protection legislation (GDPR) and, with support under an SLA with Rhondda Cynon Taff, ensures that personal data is handled lawfully, transparently, and securely.

53. At its Annual Meeting, held in June following the Annual Meetings of the local authorities within the region, the Corporate Joint Committee notes the CJC membership of the Leaders of those authorities in accordance with the South East Wales Corporate Joint Committee Regulations 2021 and confirms appointments to its Sub-Committees and Advisory Boards. The Sub-Committees appointed to discharge regulatory and scrutiny services deliver annual reports on their performance and findings.

54. On 1 April 2024 the CJC inherited procurement litigation in respect of the award of a demolition contract by CCR Energy Ltd in 2023. The claim was settled in March 2025. The CJC subsequently commissioned an Independent Review into the procurement process which reported in January 2026. A summary of the Report and its good practice recommendations was shared with the local authorities within the region and CCR Energy Ltd. The summary was also published in February 2026. An Action Plan was shared with the CJC's Governance and Audit Committee, and implementation is being monitored by the CJC.

55. The Annual Governance Statement assesses the Corporate Joint Committee's governance against the 'Delivering Good Governance in Local Government' CIPFA/SOLACE framework, as outlined above. SET are responsible for the AGS Action Plan, which is an open disclosure of the most prominent issues of governance which require attention. Progress on the items in the 2024-25 Action Plan is set out below.

2024-25 AGS Action Plan

56. The following outstanding actions from the 2024-25 AGS were carried forward and completed in 2025-26:

No.	Action
A2.1	review Strategic Equality Plan
B1.3	update FOI publication scheme with senior management organisation chart, guide to constitution and updated pay scales - complete in part. Will conclude in 2026-27 as the website is refreshed.
C2.1	review and refresh Child Poverty Strategy
B2.1	arrangements for new Regional Growth Board, Investment Board, CEO Group and Shareholder Group to be reviewed as they establish during 2024/5
C1.2	commence development of Regional Transport Plan and Strategic Development Plan
D1.2	develop new CCR Risk Management Framework
D2.1	embed new Governance arrangements as set out in Annual Governance Statement and report to CCR Committee on progress
E1.2	complete project closure and lessons learned report for Transition Programme
F1	develop Investment Dashboard to bring together to bring together information about projects and investments
G3	embed new ways of working with RCTBC Internal Audit

57. The following outstanding actions from the 2025-26 AGS is due for completion in 2026-27:

No.	Action
F4.1	develop a Medium Term Financial Plan

Action Plan 2026-27

58. Having considered this overall Annual Governance Statement, the following actions are proposed to strengthen assurance during 2026–27:

26-7 A1 **Project Evolution**: a rigorous review of governance to ensure it is fit for purpose, resilient and sustainable and the CJC's transition from a City Deal to a regional body with statutory responsibility is fully reflected in its governance and operations. As mentioned elsewhere in the AGS, this will include:

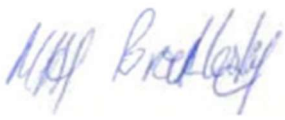
- A single planning and performance framework
- The MTFP

26-7 A2 **CCR@ten**: these reports will be received during 2026-7 and, as set out above, will influence the development of the CJC's five year Corporate Plan

26-7 A3 **Local Growth Fund:** ensure that resilient and sustainable governance arrangements are in place ready for the assumption of responsibility on 1 April 2027

59. Progress will be reported to the Governance and Audit Sub-Committee and to the Corporate Joint Committee.

Signed



SEWCJC Chair

SEWCJC Chief Executive