

Joint Committee Statement of Accounts 2025/26

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Swansea Bay City Deal

The Swansea Bay City Deal is a £1.458 billion investment in 9 major projects across the Swansea Bay City Region – which is made up of Carmarthenshire, Neath Port Talbot, Pembrokeshire, and Swansea.

The City Deal is being funded, subject to the approval of project business cases, by the UK Government, the Welsh Government, the public sector, and the private sector.

Over the next 7 years, the City Deal will boost the regional economy by £1.8 billion and generate over 9,000 new, high-quality jobs.

City Deal projects are based on key themes of Economic Acceleration, Life Science and Well-being, Energy, and Smart Manufacturing. Each project will be supported by world class digital infrastructure and a Skills and Talent initiative that will give local people a pathway to access the jobs that will be created.

The Swansea Bay City Deal is being led by the four regional local authorities – Carmarthenshire County Council, City and County of Swansea Council, Neath Port Talbot County Borough Council and Pembrokeshire County Council - together with the Swansea Bay Health Board and Hywel Dda University Health Board, Swansea University, the University of Wales Trinity Saint David. The UK and Welsh Governments are funding bodies supporting the City Deal Grant.

Chair's Statement

"The Swansea Bay City Deal has continued to demonstrate strong financial stewardship and disciplined programme management throughout 2025/26, with the Portfolio maintaining a clear focus on delivering value for money, managing risk, and ensuring that public investment translates into tangible economic benefit across the region. During the year, the Portfolio has progressed in line with its approved business cases, with the majority of projects now in delivery or operational phases. This maturing profile is reflected in increasing levels of capital drawdown across the programme, supported by robust financial controls, regular monitoring, and close engagement with both UK and Welsh Government. All funding claims have been subject to appropriate assurance processes, ensuring compliance with grant terms and conditions.

Governance arrangements have remained strong, with financial performance scrutinised through established reporting frameworks to the Swansea Bay City Deal Joint Committee. Budget management has been effective, with expenditure closely aligned to approved allocations, while also responding to wider economic pressures, including inflationary impacts and supply chain challenges. Where necessary, mitigating actions have been taken by project sponsors and the Portfolio Management Office to maintain affordability and protect delivery outcomes. The Portfolio continues to leverage significant co-investment from both public and private sector partners, maximising the impact of the City Deal funding. This partnership approach remains central to the financial sustainability of individual projects and the wider programme, strengthening long-term regional economic resilience. Risk management has remained a key priority, with ongoing assessment of financial exposure across the Portfolio. While some projects have faced pressures associated with cost escalation and delivery timelines, these are being actively managed through established change control processes, with decisions taken in line with governance requirements to safeguard public value.

Looking ahead, the financial outlook for the Portfolio reflects its transition from development into full delivery and benefits realisation. Continued focus will be placed on ensuring that investment is translated into measurable outcomes, including job creation, economic growth, and enhanced infrastructure and innovation capacity across the Swansea Bay region. Overall, the Swansea Bay City Deal remains on a stable financial footing, underpinned by strong governance, effective financial management, and a continued commitment to transparency, accountability, and delivery."



Councillor Rob Stewart

Chair of Swansea Bay City Region Deal Joint Committee

Leader of City and County of Swansea Council

Narrative Report

The Swansea Bay City Region is an important driver for the Welsh and UK economy. An area with a significant coastal footprint, with rural idyllic landscape, complimented with diverse urban centres, the region offers opportunities far and wide reaching.

The Portfolio offers regional partners new ways of working and resource to unlock significant potential, to stimulate economic growth and increase added value in the region.

Taking a regional collaborative approach enables the Authorities to plan and deliver services more effectively, through strategic land use planning, strategic transport and economic development.

The City Deal is expected to boost the region estimating;

- Funding and investment of £1.458 billion for interventions to stimulate economic growth.
- Pan-region investment, ensuring all localities and citizens can benefit.
- Over 9,000 additional gross direct jobs.
- A contribution to regional Gross Value Added of over £1.8 billion.

The aim of the Swansea Bay City Deal is to create an outward-looking City Region with the innovation, capacity, and infrastructure to inform and advance solutions to major regional challenges.

Within the United Kingdom City Deals have been adopted by Governments to give local areas specific powers and freedoms to help regions in supporting economic growth, job creation and to stimulate investment in local projects.

During March 2017 the then Prime Minister Theresa May visited the City of Swansea to meet with region Council Leaders to formally sign-off the Swansea Bay City Region Deal, bringing the current portfolio into fruition.

The award of City Deal funding was based on local demand-led elements labelled under four key themes, each adopted to provide the region with value added growth and economic stimulation. The portfolio comprises of nine projects each designed around four key themes of Internet of Economic Acceleration, Life Science and Well-being, Energy, and Smart Manufacturing.

On establishment of the Swansea Bay City Region Deal, a shadow Joint Committee was formed consisting of all four regional participating Authorities, with support from four co-opt portfolio partners (Swansea University, University of Wales Trinity St David, Swansea Bay Local Health Board and Hywel Dda Local Health Board) to oversee delivery of all eleven projects within the established portfolio.

On approval by all four participating Authorities the Joint Committee was formalised by the investiture of the Joint Committee Agreement (JCA) on 29th August 2018. The JCA constitutes governance arrangements, embedding a structured framework of control through outlining accountability and responsibility, thus allowing Authorities to discharge their functions appropriately to successfully deliver projects under the City Deal Portfolio.

OUR VISION

Based on the Swansea Bay City Region Economic Regeneration Strategy 2013-2030, the Swansea Bay City Deal sets out an integrated, transformational approach to delivering the scale and nature of investment needed to support plans for growth in the Region.

The strategic vision is to create a super smart innovation region which will inform and advance solutions to some of the most pressing challenges of modern times in the areas of economic acceleration, smart manufacturing, energy, life sciences and well-being.

The City Deal provides a once in a generation opportunity to further consolidate the region's role in technological innovation through the creation of interconnected testbeds and living laboratories, designed not only for proof of concept but also for proof of business.

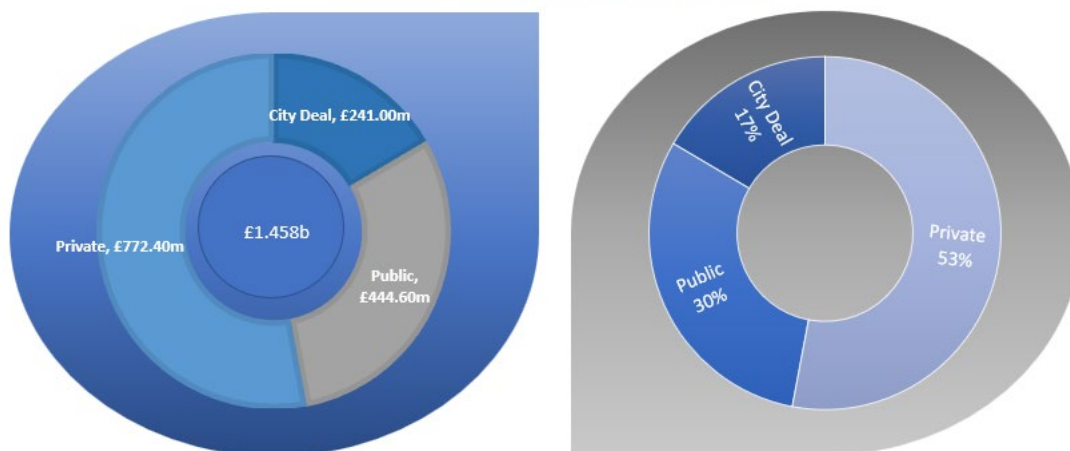
Using the transformational powers of next generation digital technologies, and supported by a portfolio of tailored skills development, the City Deal will accelerate the region's innovation, technological and commercialisation capabilities to support the establishment and growth of local innovation businesses, while also acting as a catalyst to attract further inward investment.

Swansea Bay City Region Deal Investment

The City Deal program is fabricated through three forms of funding components, constituting in £1.458 billion of investment within the South Wales region.

The total investment package is made up of £241 million (17%) UK and Welsh Government funding, £444.6 million (30%) other public sector investment, and £772.4 million (53%) from the private sector. This totalling £1.458 billion.

Funding Apportionment



Swansea Bay City Region Deal Grant Funding Profile

It is the aim of the Swansea Bay City Region Deal that all projects will be delivered by 2030/31 to maximise the full benefits realisation of the operational schemes during the lifetime of City Deal funding, which is to be released in the form of a capital grant to the Region from both the UK and the Welsh Governments over a 15-year period. On 2nd March 2021 the UK Government announced that it would be cutting its grant payment profile term from fifteen to ten years, front loading its financial commitment to 2027/28. On the 14th March 2024 the UK Government announced that it would reprofile its capital grant funding of the Swansea Bay City Region Deal with the revised reprofile further accelerating the funds in years 6 and 7.

The Portfolio will disperse funding to the regional Project Authority Leads to support the projects on which the grant was awarded. Funding will only be released by the Accountable Body on behalf of the Joint Committee on the successful approval of business cases by both UK and Welsh Government.

With the funding being released to the portfolio over a fifteen-year period an inherent temporary funding gap is recognised. Each Lead Authority is responsible for managing the cashflows in respect of the projects in which they hold responsibility for delivery and subsequently are accountable for managing inherent risks and the funding gaps recognised. Each Authority shall be responsible for borrowing to provide funding or securing funding for projects in its own area.

Swansea Bay City Region Deal Investment Breakdown

The Swansea Bay City Region Deal partnership, through the 'Internet Coast' publication and subsequent discussions with the Welsh and UK Governments, has developed a clear strategy which has been underpinned with identified interventions to deliver widespread and sustainable economic growth across the region. These interventions, subject to the submission and approval of detailed business cases for the now nine identified projects by the Welsh and UK governments, and the agreement of necessary governance arrangement and delivery models.

The overall estimated investment position is demonstrated at £1.458 billion over the fifteen-year life of the portfolio. The revised budget comprised of a total investment of £1.390 billion. Currently the City Deal is presenting over investment against the revised budget of £68m. Details of variances are outlined below:

Digital Infrastructure is demonstrating £34.1m additional investment against budget, mainly due to additional £31m private sector investment levered by the project. The increase in private sector investment has been driven by all active fibre network providers across our region.

Homes As Power Stations is demonstrating £13.1m additional investment against budget, mainly due to additional public sector investment levered by the project, due to a higher than forecast number of homes across the region benefiting from the installation of renewable technologies.

Skills & Talent is demonstrating £19.4m additional investment against budget, mainly due to additional private sector investment levered by the project. The project supports 2,477 confirmed apprenticeships, generating average annual wages of £7.8k per apprenticeship.

Portfolio Investment Breakdown

Prior Quarter (Quarter 3 2025/26) Portfolio Forcasted Total (£m)	Investment Component	Revised Budget (Quarter 1 2025/26) Total (£m)	Quarter 4 2025/26 Portfolio Forcasted Total (£m)	Variance (£m)	Variance
241.00	City Deal	241.00	241.00	-	0.00%
429.53	Public	429.60	444.61	15.01	3.49%
723.95	Private	719.46	772.42	52.96	7.36%
1,394.48	Grand Total	1,390.06	1,458.03	67.97	4.89%

Funding elements are subject to change as the portfolio evolves and matures. On the successful approval of business cases the Accountable Body will release Government grant funding to projects up to the maximum of the agreed allocated value. Grant values are subject to change, however this will be supported by a full business case and approval by the Joint Committee and both UK and Welsh Governments, as outlined within the Joint Committee Agreement.

Organisational Overview and External Environment

The Joint Committee is composed of the four Regional Local Authority Leaders, supported by the four Authority Chief Executive Officers and four non-voting co-opt partners. Internal Audit and External Audit (Audit Wales) report independently to the Joint Committee. Chaired by Councillor Rob Stewart, Leader of the City and County of Swansea Council, the Joint Committee whilst not itself a legal entity, rather a joint arrangement under a joint committee agreement, holds responsibility and accountability for the delivery of the Swansea Bay City Region Deal Portfolio.

To oversee delivery of the portfolio, the Joint Committee is supported by an Economic Strategy Board (ESB) (comprising of private sector advisers), Portfolio Board (comprising of the four regional authority Chief Executive Officers and co-opt partners), and an oversight board in the form of a Joint Scrutiny Committee. The Joint Committee has ultimate responsibility and accountability for decisions taken in relation to the Swansea Bay City Region Deal. The role of the Portfolio Board is to ensure that all schemes are developed in accordance with the agreed process, analysing the financial viability, deliverability and risk of each City Deal project proposal. This detailed analysis will then be reported to the ESB and Joint Committee.

To ensure successful delivery the portfolio has embedded core administration functions conforming to statutory and regulatory requirements, with a constructive governance framework entrenching transparency, integrity, objectivity, accountability and responsibility.

The financial structure of the portfolio has been split in to two distinct delivery areas the Joint Committee including administration and statutory functions, and the Portfolio Investment Fund.

Joint Committee

The Joint Committee has ultimate responsibility and accountability for decisions taken and the delivery of the City Deal Portfolio. There is recognition by both the UK and Welsh Governments of a requirement for revenue funding to support the Joint Committee's activities, including the administration and statutory functions. This was also acknowledged by all partners and subsequently an agreement was concluded to support these central functions with an amalgamation of funding consisting of partner contributions (£50k per partner, ending in 2022/23) and applying a top slice to Government grants of 1.5%.

Portfolio Investment Fund

The Portfolio Investment Fund is overseen and upheld by the Accountable Body who administer the receipt and distribution of City Deal grant on behalf of the Joint Committee. The Accountable Body is accountable to the Joint Committee and manages the City Deal grant and investment pool in line with Carmarthenshire County Council's approved Treasury Management Strategy.

The Joint Committee distributes Government grants on a programme/project basis to Project Lead Authorities. An annual grant award is receipted from Welsh Government on behalf of both Governments and then distributed on actual expenditure in arrears ensuring clear financial governance is pursued. The total investment package is an anticipated £1.458 billion, with grant totalling £241m relating to the Portfolio Investment Fund (UK and Welsh Governments). Any portfolio cash balances are invested to ensure effective optimisation of resources until approval is confirmed to initiate the release of funds from the Portfolio. Joint Committee have formally agreed it will afford Lead Authorities to borrow from any such balances that reside in the portfolio, this is done at a set rate on a 12-month term, as cashflow determines.

Government Grant 'Top Slice'

The Joint Committee has approved the 'Top Slice' of Government grants on an annual basis up to a value of 1.5%. This allocation will be earmarked to finance the Joint Committee, central administration and statutory functions required to support the delivery of the Portfolio.

Retention of National Non-Domestic Rates

Welsh Government have agreed in principle (as per below) that 50% of the additional net yield generated through City Deal developments can be retained by the region to support revenue costs associated with the portfolio. This has been acknowledged by the Lead Authorities within the Joint Committee Agreement (JCA - 29th April 2018).

Welsh Government (Cabinet Secretary for Finance, 11th April 2018)

'I intend to initiate arrangements to allow the region to retain 50% of the additional net yield in Non-Domestic rates generated by the 9 projects which are to be delivered by the Deal'

The Joint Committee formally agreed (JC-10th February 2022) the distribution basis of the allocated retention. Officers are working with Welsh Government to establish a robust process for the drawdown of the retention of rates. Welsh Government have finalised the process for the drawdown of the retention of rates and has begun payment of this back to the Local Authorities within the City Deal.

Gateway Reviews

The Welsh Government Assurance Process (consistent with the OGC Gateway) is the responsibility of the Integrated Assurance Hub (IAH) and authorised to deliver assurance under accredited license from the Infrastructure and Projects Authority (IPA), which is part of the UK's Cabinet Office. This process is designed to provide independent guidance to Senior Responsible Owners (SROs), portfolio and project teams and to the departments who commission their work, on how best to ensure that their portfolios and projects are successful.

During 2024/25, the Welsh Government Integrated Assurance Hub conducted an Office of Government Commerce (OGC) Gateway Review at a City Deal portfolio (Gate 0) level. This will assure successful progression and overall delivery, while supporting the SRO in the successful discharge of their duties. The Review was undertaken by an independent, external team in accordance with the Welsh Government Integrated Assurance Hub Guidelines. Fourteen 'Conversations' were held with stakeholders July 2025 together with a workshop session with the four local authority Leaders.

The next Review is due in October 2026.

Current Economic Climate

Partners and Governments are fully committed to the City Deal recognising it as an important driver in the economic recovery of the region and country. Despite the unprecedented national and global challenges, the City Deal's continued progress should reassure regional businesses and residents that partners remain focused on delivering the City Deal as soon as possible. The remaining programme/project business cases were approved during the year, with the portfolio now in full delivery.

The Joint Committee has conducted an assessment of the risks and issues affecting the delivery of the portfolio and will address and manage the matters identified that could significantly impact the delivery or scope of the Swansea Bay City Deal Portfolio. The Joint Committee will continue to monitor these impacts, risks, and issues.

The financial statements are required to reflect the conditions applying at the end of the financial year.

The City Deal's financial standing has been maintained at a prudent level, with internal audit presenting an assurance rating of 'Substantial' (Green Rating) once again. There continue to be no or few weaknesses in the adequacy and/or effectiveness of the governance, internal control, risk management and financial management arrangements, and they would either be unlikely to occur, or their impact is not likely to affect the achievement of the SBCD objectives.

There are unprecedented significant inflationary and construction cost increases that are impacting the projects. During the year an assessment of increasing construction costs and mitigating actions that are being taken to address them was presented to the Joint Committee. A construction impact assessment summary report is also presented at each Committee meeting.

The impact of continued high interest rates has had another positive effect on the finances of the City Deal. Cash balances have been high, so substantial additional interest has been redistributed to the projects.

Operational Model

Business Case Model

The need to get the best possible value from spending public money will always remain a constant for the Joint Committee and its partners. To this end, all City Deal business cases must be developed using the HM Treasury and Welsh Government's Five Case Model - an approach which is both scalable and proportionate. It is recognised as best practice and is the Treasury's standard methodology.

The business case, both as a product and a process, provides decision-makers, stakeholders and the public with a management tool for evidence-based, transparent decision-making and a framework for the delivery, management and performance monitoring of the resultant scheme.

Each business case in support of a SBCD project must evidence:

- Strategic Case - the intervention is supported by a compelling case for change that provides a holistic fit with other parts of the organisation and public sector
- Economic Case - the intervention represents best public value (to the UK as a whole)
- Commercial Case - the proposed project is attractive to the marketplace, can be procured and is commercially viable
- Financial Case - the proposed spend is affordable
- Management Case - what is required from all parties is achievable

As set out in the Joint Committee Agreement, the Project Business Case shall include a Resolution of the Project Authority Lead and all Councils in whose area the project shall take place will approve the submission of the Project Business case.

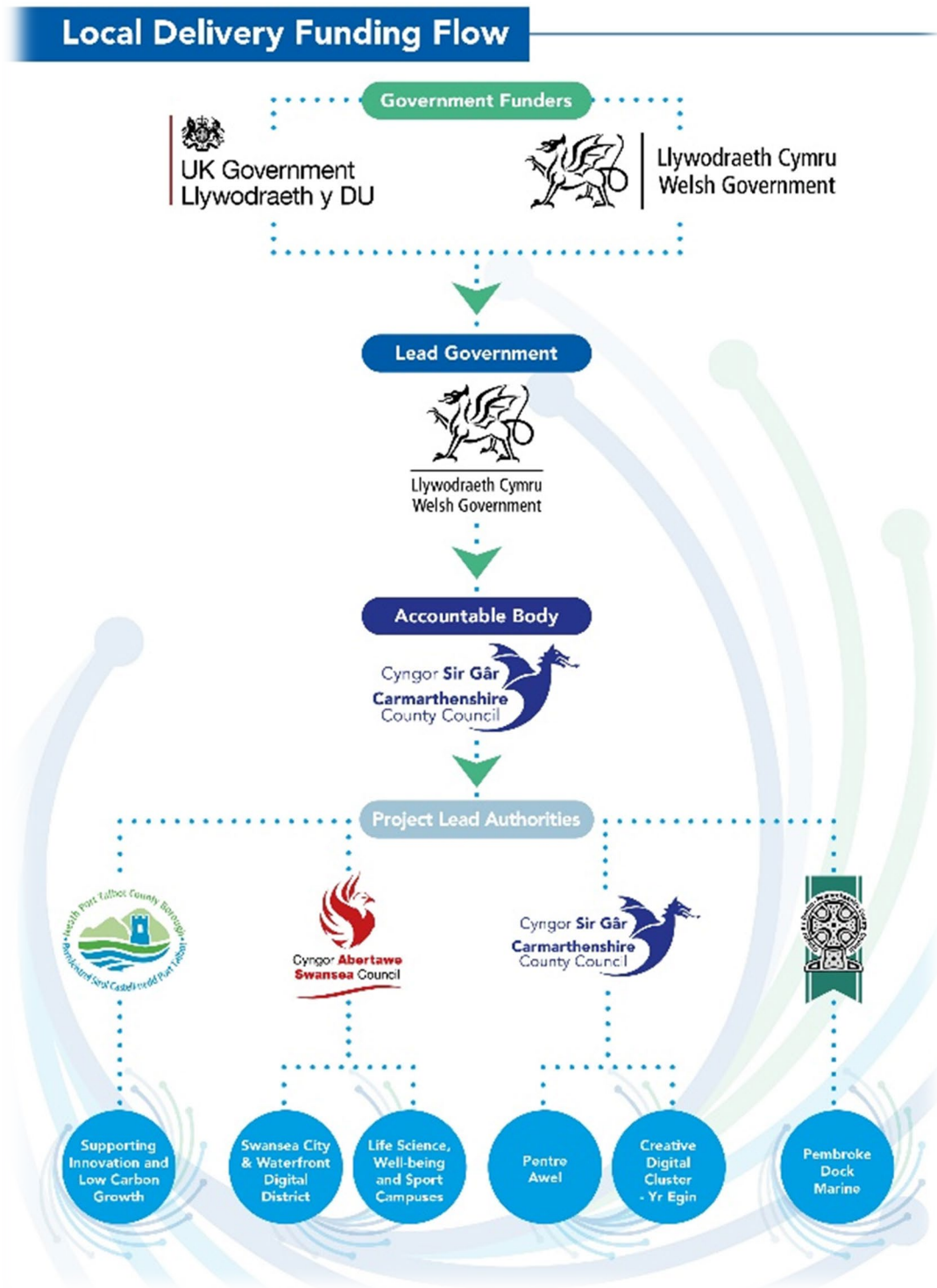
The Portfolio Management Office has day to day responsibility for managing the assessment process for projects.

To assist a speedier assessment process, the UK Government and Welsh Government have agreed an informal iterative review process for assessing draft versions of business cases in order to assist Project Leads in the production of complete full business cases which are appropriate for 5 case formal review process.

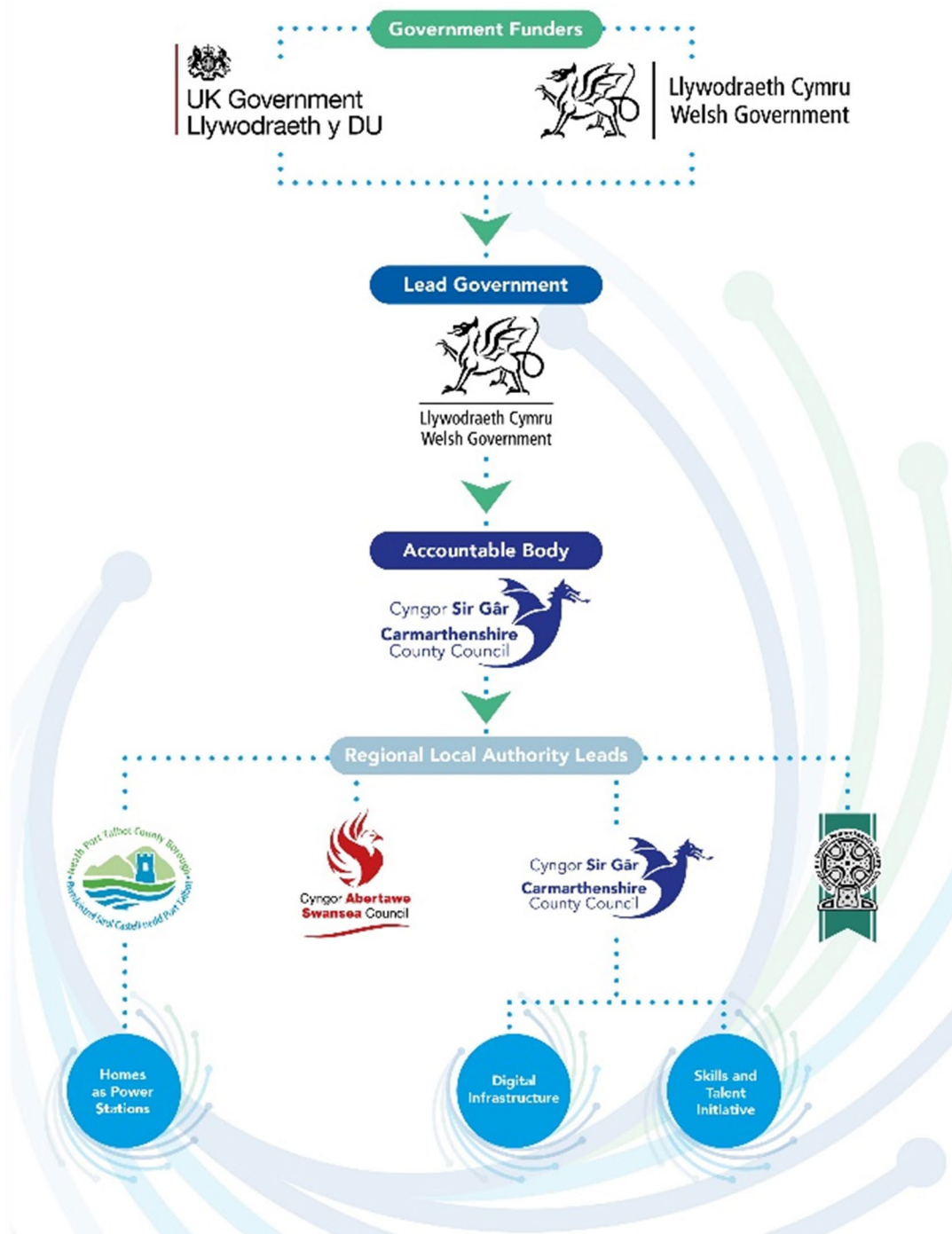
On completion of the final draft business case and following approval from the respective Regional/Project Authority Lead(s), full business cases for each of the City Deal projects will undergo assessment by the Portfolio Management Office before being considered by the respective City Deal governance structures. After approval by the Joint Committee the project business case will be forwarded to the UK Government and Welsh Government for approval to release City Deal Government project funding to the Accountable Body.

City Deal Flow of Finances

The release of funds from the Accountable Body will follow one of two funding routes. This is determined on a Programme/project basis depending on whether funding is being released to a regional project or a Local Authority lead project. The flow of funding is demonstrated below:



Regional Delivery Funding Flow



Summary of Financial Performance

Joint Committee Annual Year-End Outturn Position 2025/26

The year-end outturn position compared with the predetermined set annual budget is demonstrated below for both the Joint Committee and Portfolio Investment Fund (PIF). An extract of the Joint Committee's reserve is also summarised.

Joint Committee Budget and Out-Turn Position 2025/26

<u>Actual 2024/25</u> <u>(£)</u>	<u>Description</u>	<u>Budget 2025/26</u> <u>(£)</u>	<u>Actual 2025/26</u> <u>(£)</u>	<u>Variance 2025/26</u> <u>(£)</u>
<u>Gross Expenditure</u>				
119,392	Joint Committee	123,571	94,146	29,425
2,656,246	Accountable Body	90,836	3,001,822	(2,910,986)
22,682	Joint Scrutiny Committee	23,476	23,476	0
468,680	Portfolio Management Office	549,855	460,063	89,792
-	- City Deal Assurance Grant	-	-	-
3,267,000	Total Expenditure	787,738	3,579,507	(2,791,769)
<u>Income</u>				
0	Partner Contributions	-	-	-
(271,843)	'Top Slice' of Government Grants	(821,777)	(230,029)	(591,748)
(2,556,391)	Investment Income	-	(2,913,797)	2,913,797
-	- WG Government Revenue Grants	-	-	-
(2,828,234)	Total Income	(821,777)	(3,143,826)	2,322,049
438,765	Net Annual Total - (Surplus)/Deficit	(34,039)	435,681	(469,720)
<i>* -£469,720 is the difference between the Budget and Actuals and is not an additional surplus</i>				

Portfolio Investment Fund Out-Turn Position 2025/26

<u>Actual 2024/25 (£)</u>	<u>Description</u>	<u>Budget 2025/26 (£)</u>	<u>Actual 2025/26 (£)</u>	<u>Variance 2025/26 (£)</u>
	<u>Gross Expenditure</u>			
22,317,860	Project Lead Authorities	14,000,000	16,880,953	2,880,953
22,317,860	Total Expenditure	14,000,000	16,880,953	
	<u>Income</u>			
(34,000,000)	Government Grant Income	(14,000,000)	(14,000,000)	-
(34,000,000)	Total Income	(14,000,000)	(14,000,000)	-
(11,682,140)	Net Annual Total - (Surplus)/Deficit	-	2,880,953	2,880,953

Summary of Reserves (Extract from Balance Sheet) 2025/26

<u>31st March 2025</u>	<u>Description</u>	<u>31st March 2026</u>
<u>(£)</u>		<u>(£)</u>
(255,868)	Usable Reserves - Revenue	(691,549)
65,911,632	Capital Grants Unapplied	63,030,679
	- Unusable Reserves	-
65,655,764	Total Reserves	62,339,130

Supporting Information

Operational Summary

The operational costs demonstrate a deficit of £435.7k which will be transferred to the ring-fenced reserve.

Salary and Pension Liabilities

The Joint Committee is not itself a separate legal entity and as such cannot enter into contracts for the provision of goods and services. Officers directly employed to support the Joint Committee are contractually employed through Carmarthenshire County Council. It is the responsibility of the employing Authority to remunerate officers and commit to current and future pension liabilities that may arise from these arrangements. Eight staff members continued to support the activities of the portfolio during the year.

The Joint Committee reimburse all costs in respect of salary and on-costs, including all employer related pension costs and account for this within its Income and Expenditure account. No liability is recognised within the statements of the Joint Committee in respect of future pension liabilities.

Investment Activities

Portfolio balances are invested in line with Carmarthenshire County Council's approved Treasury Management Strategy. Interest is calculated on an average rate and ring fenced to the City Deal portfolio. Throughout the year balances have been invested through approved institutions in short-term financial instruments in adherence to the protocols set out within the applied Treasury Management Strategy.

On the 11th June 2020, the Joint Committee approved the distribution of income generated from investments back to programmed/projects based on an allocation outlined within the original SBCD Heads of Terms. The £2.9m interest earned on balances during 2025/26 has been distributed to the 4 Authorities.

General Reserves

Usable Reserves

A General Fund Usable Reserve has been established due to income through partner contributions, interest on investments and 'Top slice of Government Grants' exceeding actual spend to date. The reserve currently resides at a deficit of £691.6k due to a timing effect of the grant disbursement and will be offset in future years.

Capital Grants Unapplied Reserve

The Capital Grants Unapplied Reserve comprises of portfolio balances created through the receipt of City Deal Government grant exceeding funding released to Project Authority Leads. Funding is only released to Project Authority Leads based on spend in arrears and upon approval of business cases and engagement in funding agreements. Payments and commitments to projects with a total of £16.9m were transacted during the year.

The SBCD received the grant award offer letter for financial year 2025/26 totalling £14m on the 13th October 2025, with subsequent acceptance and grant receipt also during October 2025.

Annual Review

“2025/26 represents a significant point in the lifecycle of the Swansea Bay City Deal Portfolio, as we move firmly into the second half of the agreed delivery timeframe. Building on the strong position reported in 2024/25, the Portfolio has continued to demonstrate effective financial stewardship, supporting the transition from development into delivery and early operational phases across a growing number of projects.

Over £719 million has now been invested since 2017/18, reflecting the acceleration of activity across the Portfolio. This includes substantial investment during the last financial year, aligned with the progression of projects into construction and delivery. Financial performance has remained closely aligned with approved business cases, with expenditure subject to robust assurance, monitoring, and compliance with UK and Welsh Government funding requirements. The Portfolio now comprises 39 project components at varying stages of maturity, ranging from completed schemes to those in procurement, delivery, and pre-commencement activity. This diversified delivery profile is reflected in the financial position, with increasing levels of capital drawdown as projects progress, alongside continued management of future financial commitments to ensure overall Programme affordability.

Strong governance and financial controls remain central to the management of the City Deal. Regular monitoring and reporting to the Swansea Bay City Deal Joint Committee ensures transparency and accountability in the use of public funds. Financial risks, including those associated with inflationary pressures, supply chain challenges, and market conditions, continue to be actively managed through established programme and change control processes. Where pressures have emerged, appropriate mitigating actions have been implemented to maintain delivery confidence and protect value for money.

Importantly, the City Deal continues to act as a catalyst for wider investment, leveraging additional funding from public and private sector partners. This has strengthened the overall financial position of the Portfolio and enhanced its ability to deliver long-term economic impact. The level of co-investment reflected across projects demonstrates continued market confidence in the Portfolio and its strategic importance to the region. As projects progress from construction into operation, the financial focus is increasingly aligned with the realisation of benefits. Early indicators, including job creation and visible infrastructure delivery, demonstrate that investment is beginning to translate into measurable economic outcomes, with further impacts expected as projects become fully operational.

Looking ahead to 2026/27 and beyond, the Portfolio will continue to maintain a disciplined approach to financial management while supporting delivery at pace. The focus will remain on ensuring that the significant public investment committed through the City Deal delivers lasting value, contributes to regional growth, and supports the long-term ambitions for a more innovative, sustainable, and inclusive South West Wales. Overall, the financial position of the Swansea Bay City Deal remains stable and well-managed, with strong governance, increasing delivery momentum, and a clear pathway towards full investment and benefits realisation.”



Dr Jonathan Burnes

Portfolio Director

Swansea Bay City Deal

Statement of Responsibilities

for the Statement of Accounts

The Joint Committee Responsibilities

The Joint Committee is required:

- To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of these affairs. In this Authority, that officer is the Director of Corporate Services.
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- To approve the Statement of Accounts.

Joint Committee Approval

Approval of Statement of Accounts post audit.

Signed: **R STEWART**

Dated: 22/09/2026

Councillor **Rob Stewart**

Chair of Swansea Bay City Region Deal Joint Committee

Leader of City and County of Swansea Council



Certificate of the Chief Finance Officer

The Director of Corporate Services Responsibilities

The Portfolio Section 151 Officer (Director of Corporate Services) is responsible for the preparation of the Joint Committee's Statement of Accounts, in accordance with proper accounting practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code) 2025/26.

In preparing this Statement of Accounts, the Director of Corporate Services has:

- Selected suitable accounting policies and then applied them consistently
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code;
- Kept proper and timely accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities;

Certification of Accounts

I certify that the Statement of Accounts on pages 26 to 39 demonstrates a true and fair view of the financial position of Swansea Bay City Region Deal at 31st March 2026 and its income and expenditure for the year ended 31st March 2026.

Signed: **C MOORE**

Dated: 22/09/2026

Chris Moore FCCA

Director of Corporate Services

Swansea Bay City Region Deal Section 151 Officer

Carmarthenshire County Council



Audit Report

The report of the Auditor General for Wales to the members of Swansea Bay City Deal Joint Committee

Opinion on financial statements

I have audited the financial statements of Swansea Bay City Deal Joint Committee for the year ended 31 March 2026 under the Public Audit (Wales) Act 2004.

Swansea Bay City Deal Joint Committee's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including the material accounting policies.

The 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 2025-26.

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

- give a true and fair view of the financial position of Swansea Bay City Deal Joint Committee as at 31 March 2026 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

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 of Public Sector Entities 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 Swansea Bay City Deal Joint Committee in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Swansea Bay City Deal Joint Committee's ability to

continue to adopt the going concern basis of accounting for a period of at least 12 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 2025-26; and
- the information given in the Annual 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 Swansea Bay City Deal Joint Committee and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual 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, the responsible financial officer is responsible for:

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

My procedures included the following:

- Enquiring of management, the Swansea Bay City Deal Joint Committee's Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Swansea Bay City Deal Joint Committee'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: management override and the posting of unusual journals.
- Obtaining an understanding of Swansea Bay City Deal Joint Committee's framework of authority as well as other legal and regulatory frameworks that Swansea Bay City Deal Joint Committee operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Swansea Bay City Deal Joint Committee.
- 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 Joint Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Swansea Bay City Deal Joint Committee'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 Swansea Bay City Deal Joint Committee 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

25 September 2026

1 Capital Quarter

Tyndall Street

Cardiff

CF10 4BZ

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ccounting Policies

The Statement of Accounts summarises the transactions of the Swansea Bay City Region Deal for the 2025/26 financial year and its position at the year ended 31 March 2026.

Carmarthenshire County Council as the Accountable Body is required to prepare annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 and the Service Reporting Code of Practice 2025/26, supported by International Financial Reporting Standards (IFRS).

Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Assets constructed or held as part of a project delivered within the portfolio will be disclosed and held on the Balance Sheet within the Project Lead Authority responsible for the delivery of such project.

Assets constructed or held as part of a regional project within the portfolio will be proportioned accordingly or reside within the balance sheet of the Project Authority Lead in which constituency such asset resides.

The Joint Committee will hold no such physical asset as categorised above within its legal remit.

Related Party Disclosures

Related parties denote the possibility that the SBCD financial position and profit or loss may have been affected or influenced by the existence of related parties, inhibiting the SBCD Joint Committee to operate and conduct its duties independently.

A related party is a person or an entity that is related to the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person has control, joint control, or significant influence over the entity or is a member of its key management personnel.
- An entity is related to a reporting entity if, among other circumstances, it is a parent, subsidiary, fellow subsidiary, associate, or joint venture of the reporting entity, or it is controlled, jointly controlled, or significantly influenced or managed by a person who is a related party.

Disclosure:

For the financial year 2025/26 all related party transactions are identified under the Notes to the Accounts, schedule 7: Related Party Disclosures.

Accruals Basis (Concept)

Financial Statements are prepared under the Accruals Concept of accounting which requires that income and expense must be recognised in the accounting periods to which they relate rather than on a cash basis. An exception to this general rule is the cash flow statement whose main purpose is to present the cash flow effects of transaction during an accounting period.

The Joint Committee applied the Accruals concept throughout the preparation of the Financial Statements and Accounts.

Under the Accruals basis of accounting, the Joint Committee recognized income in the accounting period in which it was earned. Income received was recognised within accounting period in which it arose, rather than in the subsequent period in which it will be received. Expenses, in contradiction, were recorded in the accounting period in which they incurred. Therefore, accrued expenditure was recognized in the accounting period in which it occurred, rather than period in which it was paid.

Revenue Income

It has been recognised by the Joint Committee and by both Governments that an element of revenue funding is required to support the central services employed to deliver the City Deal Portfolio. Revenue income to support the portfolio has been agreed as an amalgamation of partner contributions (£50k per partner for 5 years, ending in 2022/23) and “Top Slice” of Government grants (1.5%). Any surpluses are transferred to a ring-fenced reserve.

Cash and Cash Equivalents

Cash Equivalents are investments that are readily convertible to known amounts of cash with no change in value. Cash is withdrawn and deposited depending on a deficit or surplus of cash on the day. All call accounts are classified for this purpose. Cash Equivalents also includes fixed term investments that mature within three months or less from the date of acquisition.

The Joint Committee does not operate its own independent bank account, all cash related transactions are managed through Carmarthenshire County Council as the Accountable Body.

Carmarthenshire manage the Joint Committee’s cash balances and short-term Investments in line with their own approved Treasury Management Strategy.

The Treasury Management Strategy allows Carmarthenshire to successfully manage the Joint Committee’s funds independently from its own resources and ring-fence any reserves for future utilisation by the Committee. Arrangements consist of short-term investments through approved financial institutions to maximise the return on cash balances, whilst managing the cash requirement of approved projects within the portfolio.

Government Grants

The Government grant was awarded to fund expenditure incurred and future spend in the delivery of the approved projects within the portfolio. The terms and conditions of the grant award was accepted by 31st March 2026, and the transactions have been included based on the below judgments and methodology in line with **The Code of Practice on Local Authority Accounting in the UK, Section C: Government and Non-Government Grants**.

Government grants are recognised within the statements of the Portfolio when there is reasonable assurance that:

- the Portfolio (projects) will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Repayment of funding attached to the grant award will be initiated as a last resort on the occurrence of a notification event, and subsequent failed remedy (Welsh Government, Award of Funding - Terms and Conditions). As such, the Terms and Conditions are interpreted to be that of a **restrictive** nature, under **The Code of Practice on Local Authority Accounting in the UK** (Restriction - Paragraph 2.3.2.14; a return of funding obligation does not arise until such time as it is expected that a condition based on the occurrence (or otherwise) of a specified future event will be breached).

The afore mentioned accounting principle has concluded in the below treatment of government grants;

The receipt of grant is included within the balance sheet as Cash and Cash Equivalent, with a Capital Grants Unapplied Reserve created.

Funding Agreements demonstrating the legal framework between the Accountable Body and Lead Authorities embedding the terms and conditions, obligations and target outputs attached to the funding, were approved by the Joint Committee.

Events After the Reporting Period

Events occurring between the end of the reporting period and the date when the financial statements are authorised for issue are required to be accounted for in accordance with International Accounting Standard 10.

No events have been recognised as occurring after the reporting period.

Reserves

All reserves are considered usable reserves as they are available for future use in the delivery of the portfolio. There are two forms of reserve held within the City Deal:

Usable Reserves

This reserve is created through partner contributions, interest and the “Top Slice of Government Grants” exceeding operational expenditure. A prior year reserve was carried forward and is included within the Movement in Reserves Statement.

Capital Grants Unapplied Reserve

Reserves are created through the value of capital grant receipted exceeding the allowable release of funding to Project Lead Authorities in line with project delivery. Relevant grant is released and matched with eligible expenditure, with any balance residing in this reserve. This reserve is held within the accounts of the Accountable Body but ring-fenced to the Swansea Bay City Region Deal.

Financial Instruments

It is recognised that throughout the lifecycle of the City Deal Portfolio, cash balances will arise through cashflow movements as and when projects become live and actual expenditure is incurred.

Portfolio balances are invested in line with Carmarthenshire County Council's Treasury Management Policy to optimise the return on cash surpluses. Interest is calculated on an average rate and ring fenced to the City Deal portfolio. Throughout the year balances have been invested through approved institutions in short-term financial instruments in adherence to the protocols set out within the applied Treasury Policy. Within the Treasury strategy, investments are only employed with Counterparties whose risk appetite is very low.

Carmarthenshire County Council carries out its treasury management activities in accordance with the Prudential Code of Practice first developed for public services in 2002 by the Chartered Institute of Public Finance and Accountancy (CIPFA). This Code was last revised in 2021. The Council also carries out its treasury management activities in accordance with the CIPFA Treasury Management Code of Practice 2021.

Going Concern

The Swansea Bay City Deal Joint Committee Statement of Accounts have been prepared on a going concern basis. There has been no indication that the Swansea Bay City Deal cannot operate in its current form or fail to deliver its objectives outlined within the original Heads of Terms. Five projects have currently been approved by both UK and Welsh Government and three grant awards have been receipted and in line with the agreed profile.

Value Added Tax

VAT payable has been excluded from expenditure with exception where it is not recoverable from HMRC. The VAT on income receivable has been omitted from the statements.

Provisions, Contingent Assets and Liabilities

Provisions

A provision is a liability of uncertain timing or amount. The liability may be a legal obligation or a constructive obligation. A constructive obligation arises from the entity's actions, through which it has indicated to others that it will accept certain responsibilities, and as a result has created an expectation that it will discharge those responsibilities.

The Joint Committee will recognise a provision if it is probable that an outflow of cash or other economic resource will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. When payments are made, they are charged to the provision account held within the balance sheet and are credited back to the service category if no longer required. All provisions are reviewed at the end of the financial year.

Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity. Contingent liabilities also include obligations that are not recognised because their amount cannot be measured reliably or because settlement is not probable.

Contingent liabilities do not include provisions for which it is certain that the entity has a present obligation that is more likely than not to lead to an outflow of cash or other economic resources, even though the amount or timing is uncertain.

A contingent liability is not recognised in the Statement of Financial position. However, unless the possibility of an outflow of economic resources is remote, a contingent liability is disclosed in the notes of the Statement of Accounts.

Contingent assets

Contingent assets are possible assets whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the entity. Contingent assets are not recognised, but they are disclosed when it is more likely than not that an inflow of benefits will occur. However, when the inflow of benefits is virtually certain an asset is recognised in the statement of financial position because that asset is no longer considered to be contingent.

Judgements and Key Assumptions

There were no further critical judgments made in the preparation of the financial statements other than those outlined within the specific accounting policies adopted and the estimations used in the compilation of the statement of accounts.

No information key assumptions concerning the future, and other key sources of estimation uncertainty were disclosed at the end of the reporting period.

F inancial Statements

Comprehensive Income and Expenditure Statement (CIES)

This statement shows the accounting cost in the year of the delivery of portfolio outputs in accordance with generally accepted accounting practices, rather than the amount to be funded from the award of grant. The reconciliation to the grant position is shown in the Movement in Reserves Statement.

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Joint Committee, analysed into usable reserves. The Provision of Services line shows a deficit of £3,316,635 with operational expenditure of £3,579,507 being the true economic cost of providing the Joint Committee's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

The Balance Sheet

This shows the assets and liabilities of the Joint Committee as at 31 March 2026.

The Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Committee during the reporting period.

Notes to the Financial Statements

These are the notes that accompany the financial statements and provide further information to support the stated accounts.

Comprehensive Income and Expenditure Statement

The below statement demonstrates all income and expenditure, received, and incurred by the Joint Committee throughout the financial year. The statement represents the accounting cost of service provision during the financial year 2025/26, aligned with United Kingdom Generally Accepted Accounting Practices.

<u>Actuals 2024/25</u> (£)	<u>Description</u>	<u>Actuals 2025/26</u> (£)	<u>Notes</u>
<u>Cost of Service</u>			
419,201	Employee Expenditure	417,492	1
22,898	Premises Related Expenditure	23,184	2
1,218	Transport Related Expenditure	1,027	3
2,762,915	Supplies & Services	3,074,914	4
60,768	Support Services	62,889	5
3,267,000	Total Operating Expenditure	3,579,507	
<u>Income</u>			
-	Partner Contributions	-	6
(271,843)	Top Slice' of Government Grants	(230,029)	6
-	Other: Government Grant	-	6
(271,843)	Total Operating Income	(230,029)	
2,995,157	Net Cost of Service - (Surplus) / Deficit	3,349,478	
<u>Financing and Investment Activities</u>			
(2,556,391)	Investment Interest Income	(2,913,797)	14
(2,556,391)	Net Financing and Investment Activities	(2,913,797)	
<u>Taxation and Non-Specific Grant Income and Expenditure</u>			
(34,000,000)	Capital Grants and Contributions Receipted	(14,000,000)	15
22,317,860	Capital Grants and Contributions Applied	16,880,953	15
(11,682,140)	Net Taxation and Non-Specific Grant Income	2,880,953	
(11,243,375)	Total (Surplus) / Deficit on Service Provision	3,316,635	
<u>Other Comprehensive Income and Expenditure</u>			
-	Other Income and Expenditure	-	
-	Net Other Comprehensive Income and Expenditure	-	
(11,243,375)	Total (Surplus)/Defecit on Comprehensive Income and Expenditure	3,316,635	

Movement in Reserves Statement

The statement below demonstrates the Swansea Bay City Deal reserve position as at 31st March 2026.

Description	General Fund Balance (£)	General Fund Earmarked Reserves (£)	Capital Grants Unapplied (£)	Total Usable Reserves (£)	Unusable Reserves (£)	Total Reserves (£)
Balance Brought Forward (as at 1st April 2024)	182,897	-	54,229,492	54,412,389		54,412,389
Movements in Reserve during Financial year 2024/25;						
Provision of Services - Surplus / (Deficit)	11,243,375	-	-	11,243,375	-	11,243,375
Adjustments Between Accounting Basis and Funding Basis Under Regulations - Surplus / (Deficit)	(11,682,140)	-	11,682,140	-	-	-
Total In-Year Reserve Movement	(438,765)	-	11,682,140	11,243,375	-	11,243,375
Balance Carried Forward (as at 31st March 2025)	(255,868)	-	65,911,632	65,655,764	-	65,655,764
Movements in Reserve during Financial year 2025/26;						
Provision of Services - Surplus / (Deficit)	(3,316,635)	-	-	(3,316,635)	-	(3,316,635)
Adjustments Between Accounting Basis and Funding Basis Under Regulations - Surplus / (Deficit)	2,880,953	-	(2,880,953)	-	-	-
Total In-Year Reserve Movement	(435,681)	-	(2,880,953)	(3,316,635)	-	(3,316,635)
Balance Carried Forward (as at 31st March 2026)	(691,550)	-	63,030,680	62,339,130	-	62,339,130

Balance Sheet

The below statement demonstrates the assets held and the committed obligations and liabilities of the Joint Committee, together with its current reserve balance, as at the 31st March 2026.

<u>31st March 2025</u> (£)	<u>Description</u>	<u>31st March 2026</u> (£)	<u>Notes</u>
<u>Non-Current Assets</u>			
	- Long Term Debtors Capital	-	
	- Total Long Term Assets	-	
<u>Current Assets</u>			
154,854	Short Term Debtors	156,533	9
69,434,131	Cash and Cash Equivalents	66,449,580	10
69,588,985	Total Current Assets	66,606,113	
<u>Current Liabilities</u>			
(3,933,220)	Short Term Creditors	(4,266,983)	12
(3,933,220)	Total Current Liabilities	(4,266,983)	
<u>Long Term Liabilities</u>			
	- Long Term Creditor	-	
	- Total Long Term Liabilities	-	
65,655,765	Total Net Assets	62,339,130	
<u>Total Reserves</u>			
-	255,868 Usable Reserves - Revenue	(691,549)	13
65,911,632	Capital Grants Unapplied	63,030,679	15
	- Unusable Reserves	-	
65,655,765	Total Reserves	62,339,130	

Cashflow Statement

The statement below demonstrates how cash and cash equivalents are generated and applied to the portfolio by the Joint Committee. These are presented through classifying cashflows as ascending from either operating, investing, or financing activities, during the Financial Year.

<u>Actuals 2024/25</u> <u>(£)</u>	<u>Description</u>	<u>Actuals 2025/26</u> <u>(£)</u>	<u>Notes</u>
(11,243,375)	Net (surplus)/Deficit on the provision of services	3,316,635	
28,493,025	Adjust net surplus or deficit on the provision of services for non-cash movements	(299,241)	16
17,249,650	Net Cashflows from operating activities	3,017,394	
(14,238,532)	Investing Activities	(32,843)	16
-	- Financing Activities	-	16
3,011,119	(Net increase) / Decrease in cash and cash equivalents	2,984,551	
(72,445,249)	Cash and cash equivalents at the beginning of the reporting period	(69,434,130)	
(69,434,130)	Cash and cash equivalents at the end of the reporting period	(66,449,580)	

N otes to the Accounts

1. Employee and Related Expenditure

<u>Actuals 2024/25</u> <u>(£)</u>	<u>Description</u>	<u>Actuals 2025/26</u> <u>(£)</u>
	Pay - NJC Apprentice Levy Staff Recruitment Expenses	
419,201	Employee and Related Expenditure	417,492
	- Training Of Staff	-
419,201	Total Employee and Related Expenditure	417,492

Direct employees supporting the activities of the Joint committee are contractually employed by Carmarthenshire County Council, with additional support being provided by Carmarthenshire on a recharge methodology.

In adherence with the International Accounting Standard; IAS 19- Employee Benefits, the employing body is required to provide disclosure of information concerning the income and expenditure of its pension scheme and any related assets and liabilities.

As the Joint Committee is not by right a separate legal entity, it cannot enter into employee contracts of employment. The Joint Committee therefore does not directly employ officers, as such, related statutory disclosures do not apply, as employee remuneration costs will be disclosed within the Financial Statements of each employing organisation.

Employee Voluntary Remuneration Disclosures

Under the Accounts and Audit (Wales) Regulations 2014 it is a requirement to disclose the number of employees in receipt of remuneration exceeding £60,000 per annum. Further disclosure is required under the afore mentioned regulation in respect of senior officers employed within the portfolio.

Details of officer remuneration have been made on voluntary basis, as per the reasoning outlined above. Disclosures of officers who fall within the Officer Emoluments criteria are demonstrated below:

Number of Senior Employees (Exceeding £60,000)

<u>Remuneration Bandings</u>	<u>Number of Employees</u>	
	<u>2024/25</u>	<u>2025/26</u>
£100,000 to £104,999	-	-
£105,000 to £109,999	1	1

Senior Officer Disclosures

<u>Total Remuneration</u> <u>2024/25 (£)</u>	<u>Senior Employee Position Title</u>	<u>Salary, Fees &</u> <u>Allowances (£)</u>	<u>Employers Pension</u> <u>Contribution (£)</u>	<u>Total Remuneration</u> <u>2025/26 (£)</u>
123,703	Programme Director	109,864	17,798	127,662
123,703		109,864	17,798	127,662

2. Premises Related Expenditure

The total premises costs incurred for the year is demonstrated below:

<u>Actuals 2024/25</u> <u>(£)</u>	<u>Description</u>	<u>Actuals 2025/26</u> <u>(£)</u>
14,889	Rents & Room Hire	14,889
-	Premises Maintenance	-
8,009	National Non Domestic Rates	8,295
22,898	Total Premises Related Expenditure	23,184

3. Transport Related Expenditure

The total transport related costs incurred for the year is demonstrated below:

<u>Actuals 2024/25</u> <u>(£)</u>	<u>Description</u>	<u>Actuals 2025/26</u> <u>(£)</u>
-	Public Transport - Staff	-
1,218	Staff Travelling Expenses	1,027
1,218	Total Transport Related Expenditure	1,027

4. Supplies and Services

The total supplies and services costs incurred for the year is demonstrated below:

<u>Actuals 2024/25</u> <u>(£)</u>	<u>Description</u>	<u>Actuals 2025/26</u> <u>(£)</u>
181,177	Professional Fees	150,508
57	Admin, Office & Operational Consumables	-
1,041	Computer software	-
671	Translation/Interpret Services	1,363
129	Subsistence & Meetings Expenses	322
23,447	Promotions, Marketing & Advertising	8,925
2,556,393	Projects & Activities Expenditure*	2,913,797
2,762,915	Total Supplies and Services	3,074,914
<i>* Relates to interest earned on cash balances, paid out to projects</i>		

5. Support Services

The total support services expenditure incurred for the year is demonstrated below:

<u>Actuals 2024/25</u> <u>(£)</u>	<u>Description</u>	<u>Actuals 2025/26</u> <u>(£)</u>
60,750	Recharges - Employee costs (in-direct)	62,876
-	Central Recharges	-
18	Photocopying Recharge	13
60,768	Total Support Services	62,889

6. Income

The total receipted income during the year is demonstrated below:

<u>Actuals 2024/25</u> <u>(£)</u>	<u>Description</u>	<u>Actuals 2025/26</u> <u>(£)</u>
-	Income - Partnership Contributions	-
(271,843)	'Top Slice' of Government Grants	(230,029)
-	Government Revenue Grants - WAG	-
(271,843)	Total Income	(230,029)

Partnership Income

Within the Joint Committee Agreement there is an acknowledgment that all partners will contribute £50,000 per annum to support the central and administrative functions of the portfolio, this contribution ceased in 2022/23. This applies to all eight partners (including co-opt members).

'Top Slice of Government Grants'

The income in respect of the 'Top slice' has been drawn down against grant paid and committed throughout the year. The top slice is agreed at 1.5% of the grant value as outlined within the Joint Committee Agreement.

7. Related Party Disclosures

Under International Accounting Standard 24 – Related Party Disclosures the Joint Committee is required to disclose material transactions between partners, bodies, individuals, or related parties, that could potentially influence the decisions of the Joint Committee or be influenced by the Joint Committee.

Any transactions between parties outlined above will require disclosure to allow the users of these financial statements to assess the extent to which the Joint Committee independence could potentially been impaired or influenced another party's ability to transact with the Joint Committee.

Welsh and UK Governments could influence the Joint Committees decision making abilities or operational delivery, through grant terms and conditions or legislation and regulation. Details of grant receipts are outlined in note **6. Income**.

Related Party Transactions

Actuals 2025/26							
Related Party	Revenue Income (£)	Revenue Expenditure (£)	Total Revenue (£)	Capital Receipts (£)	Capital Expenditure (£)	Total Capital (£)	Total (£)
PEMBROKESHIRE COUNTY COUNCIL	-	370,256	370,256	-	1,548,246	1,548,246	1,918,502
HYWEL DDA UNIVERSITY HEALTH BOARD	-	-	-	-	-	-	-
SWANSEA UNIVERSITY	-	-	-	-	-	-	-
CITY & COUNTY OF SWANSEA	-	876,103	876,103	-	3,854,633	3,854,633	4,730,736
SWANSEA UNIVERSITY HEALTHBOARD	-	-	-	-	-	-	-
NEATH PORT TALBOT CBC	-	800,291	800,291	-	1,481,502	1,481,502	2,281,793
UNIVERSITY OF WALES TRINITY SAINT DAVID	-	-	-	-	-	-	-
CARMARTHENSHIRE COUNTY COUNCIL	(3,143,826)	3,579,507	435,681	(14,000,000)	16,880,953	2,880,953	3,316,635

Actuals 2024/25							
Related Party	Revenue Income (£)	Revenue Expenditure (£)	Total Revenue (£)	Capital Receipts (£)	Capital Expenditure (£)	Total Capital (£)	Total (£)
PEMBROKESHIRE COUNTY COUNCIL	-	342,253	342,253	-	4,268,728	4,268,728	4,610,981
HYWEL DDA UNIVERSITY HEALTH BOARD	-	-	-	-	-	-	-
SWANSEA UNIVERSITY	-	-	-	-	-	-	-
CITY & COUNTY OF SWANSEA	-	757,882	757,882	-	7,622,205	7,622,205	8,380,087
SWANSEA UNIVERSITY HEALTHBOARD	-	-	-	-	-	-	-
NEATH PORT TALBOT CBC	-	749,735	749,735	-	1,505,852	1,505,852	2,255,587
UNIVERSITY OF WALES TRINITY SAINT DAVID	-	-	-	-	-	-	-
CARMARTHENSHIRE COUNTY COUNCIL	(2,828,234)	3,267,000	438,765	(34,000,000)	22,317,860	(11,682,140)	(11,243,375)

Balance Sheet Disclosures

Actuals 2024/25			Description	Actuals 2025/26		
Debtors (£)	Creditors (£)	Balance (£)		Debtors (£)	Creditors (£)	Balance (£)
154,854	(3,869,640)	(3,714,786)	Partner Local Authorities	156,533	(4,202,876)	(4,046,343)
-	-	-	Central Government Bodies	-	-	-
154,854	(3,869,640)	(3,714,786)	Total	156,533	(4,202,876)	(4,046,343)

Carmarthenshire County Council (as the Accountable Body) Disclosures

Actuals 2024/25 (£)	Description	Actuals 2025/26 (£)
3,267,000	Expenditure	3,579,507
(2,828,234)	Income	(3,143,826)
438,765	Net Cost of Service - (Surplus) / Deficit	435,681
69,588,985	Assets	66,606,113
(3,933,220)	Liabilities	(4,266,983)
65,655,765	Total Net Assets	62,339,130
65,655,765	Total Reserves	62,339,130

8. External Audit Fees

The following charge is the cost payable to Audit Wales for external audit services provided to the Swansea Bay City Region Deal:

<u>Actuals 2024/25</u> (£)	<u>Description</u>	<u>Actuals 2025/26</u> (£)
14,122	Audit Fees - Audit of Accounts	14,833
11,930	Audit Fees - Performance Audit	12,562
26,052	Total External Audit Fees	27,395

9. Debtors

The total outstanding debtor balances as at 31st March 2026 are demonstrated below:

<u>31st March 2025</u> (£)	<u>Description</u>	<u>31st March 2026</u> (£)
154,854	Income - other Authorities & Bodies	156,533
-	Government Grant Income	-
154,854	Total Debtor Balance	156,533

10. Cash and Cash Equivalents

The Joint Committee itself does not operate or control its own individual bank account to facilitate the delivery of the Portfolio. Carmarthenshire County Council in its role as the Accountable Body administer all cash and cash equivalent transactions on behalf of the Joint Committee.

Portfolio balances are invested in line with Carmarthenshire County Council's Treasury Management Policy to optimise the return on cash surpluses. Interest yielded is recognised in the Comprehensive Income and Expenditure Statement and accounted for within Carmarthenshire Council's Statement of Accounts.

All monies demonstrated within the Cash and Cash equivalents are retained within the accounts of Carmarthenshire County Council as the accountable body, ring-fenced to the Swansea Bay City Deal Joint Committee and available for immediate use.

<u>31st March 2025</u> (£)	<u>Description</u>	<u>31st March 2026</u> (£)
72,445,249	Balance B/F	69,434,131
-3,011,118	Cash and Cash Equivalents In Year Movements	(2,984,551)
69,434,131	Total Cash and Cash Equivalents	66,449,580

11. Financial Instruments

Financial instruments held by the Joint Committee consist of the cash and cash equivalents as stated in schedule 10. **Cash and Cash Equivalents.**

It is recognised that throughout the lifecycle of the City Deal Portfolio, cash balances will arise through cashflow movements as and when projects become live and actual expenditure is incurred.

Portfolio balances are invested in line with Carmarthenshire County Council's Treasury Management Policy to optimise the return on cash surpluses. Interest is calculated on an average rate and ring fenced to the City Deal portfolio. Throughout the year balances have been invested through approved institutions in short-term financial instruments in adherence to the protocols set out within the applied Treasury strategy. Within the Treasury strategy, investments are only employed with Counterparties whose risk appetite is very low.

Carmarthenshire Council carries out its treasury management activities in accordance with the Prudential Code of Practice first developed for public services in 2002 by the Chartered Institute of Public Finance and Accountancy (CIPFA). This Code was last revised in 2017. The Council also carries out its treasury management activities in accordance with the CIPFA Treasury Management Code of Practice 2017.

All cash and cash equivalents are demonstrated within these financial statement's representative of their fair value, which equates to their carrying value, in accordance with the requirements of **IFRS 9 Financial Instruments**.

<u>31st March 2025</u> (£) Fair Value	<u>Description</u>	<u>31st March 2026</u> (£) Fair Value
72,445,249	Balance B/F	69,434,131
(3,011,119)	Cash and Cash Equivalents In Year Movements	(2,984,551)
69,434,131	Total Financial Instruments	66,449,580

12. Creditors

The total outstanding creditor balances as at 31st March 2026 are demonstrated below:

<u>31st March 2025</u> (£)	<u>Description</u>	<u>31st March 2026</u> (£)
-	Central Government Bodies	-
(3,869,640)	Local Authorities	(4,202,876)
(63,580)	Other: Short Term Creditors	(64,107)
(3,933,220)	Total Creditors Balance	(4,266,983)

13. Usable Reserves

Usable reserves in respect of the Swansea Bay City Region Deal Portfolio are demonstrated below:

<u>31st March 2025</u>	<u>Description</u>	<u>31st March 2026</u>
<u>(£)</u>		<u>(£)</u>
182,897	Balance B/F	(255,868)
(438,765)	Usable Reserves In Year Movements	(435,681)
(255,868)	Total Usable Reserves	(691,549)

14. Interest

Carmarthenshire County Council upholds responsibility as the Accountable Body for managing investments of cash balances held by the Joint Committee. Portfolio balances are invested in line with Carmarthenshire County Council's treasury policy. Interest is calculated on an average rate and ring fenced to the Swansea Bay City Region Deal Portfolio.

Investment activities consist of short-term investments in cash through approved institutions to optimise returns, whilst maintaining and managing cash requirements of approved projects within the Portfolio. Investment income is based on the bank balance held.

<u>31st March 2025</u>	<u>Description</u>	<u>31st March 2026</u>
<u>(£)</u>		<u>(£)</u>
(2,556,391)	Interest Income	(2,913,797)
(2,556,391)	Total Interest Income Balance	(2,913,797)

15. Capital Grants Unapplied Reserve

This reserve is in sole respect of the capital grant receipted by the portfolio from the Welsh and UK Governments.

<u>31st March 2025</u>	<u>Description</u>	<u>31st March 2026</u>
<u>(£)</u>		<u>(£)</u>
54,229,492	Balance B/F	65,911,632
34,000,000	Capital Grants Unapplied	14,000,000
(22,317,860)	Capital Grants Applied	(16,880,953)
65,911,632	Total Capital Grants Unapplied	63,030,679

16. Notes in Respect of the Cashflow Statement

Operating Activities

This statement outlines the cash generated through the activities of the Joint Committee, including the Portfolio Investment Fund.

<u>Actuals 2024/25</u>	<u>Description</u>	<u>Actuals 2025/26</u>
<u>(£)</u>		<u>(£)</u>
14,425,235	Creditors - (Increase) / Decrease	(333,763)
(170,741)	Debtors - Increase / (Decrease)	1,679
34,000,000	Capital grants and contributions recognised in CIES	14,000,000
(22,317,860)	Capital Grants and Contributions Applied in CIES	(16,880,953)
2,556,391	Interest Received	2,913,797
28,493,025	Net Cashflow from Operating Activities	(299,241)

Investing Activities

This component of the cashflow statement demonstrates changes in assets and investments. Effectively, it documents the cash spend or the drawdown of cash from investments.

<u>Actuals 2024/25</u>	<u>Description</u>	<u>Actuals 2025/26</u>
<u>(£)</u>		<u>(£)</u>
(11,682,140)	Short-Term Investments	2,880,953
(2,556,391)	Interest Received	(2,913,797)
(14,238,532)	Net Cashflow from Investing Activities	(32,843)

17. Expenditure and Funding Analysis

The Expenditure and Funding Analysis breakdown was omitted from the financial statements due to the transactions being of minimal value and as such immaterial in the presentation of the accounts.

18. Contingent Liabilities

During the financial year 2020/21 it was agreed to extend the budget for the Portfolio Management Office to five operational years to 2024/25. Within the budget there was a provision for redundancy in respect of the current posts employed by Carmarthenshire directly attributable to the City Deal.

All employees are permanently contracted to Carmarthenshire County Council and at present the probability of redundancy preceding the budgeted operational term is considered remote due to the delay in the commencement of programmes / projects. Therefore, no redundancy provision has been included within the accounts, should there be need for consideration of any such payment this would be provided from the reserves.

Annual Governance Statement

Scope of Responsibility

The Swansea Bay City Region Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It must also ensure that public money is safeguarded and properly accounted for and used economically, efficiently, and effectively and to secure continuous improvement and delivery in this regard.

The Joint Committee is responsible for putting in place appropriate arrangements for the Governance of its affairs and facilitating the effective exercise of its functions including having appropriate arrangements for the management of risk and portfolio delivery.

The Joint Committee details how it deals with all aspects of Governance through its Joint Committee Agreement which defines the standards, roles and responsibilities of the Chair, its Members, Committees, and its Officers. The Joint Committee Agreement includes a Scheme of Delegation outlining the decision-making process taking into account the relevant legislation.

The Governance Framework

The Governance Framework comprises of the systems, processes, cultures, and values by which the Joint Committee is directed, controlled and the way it accounts to, engages with and leads the Region and Community. It enables the Committee to monitor the achievement of its strategic objectives and to consider whether those objectives are/have led to the delivery of appropriate, relevant, value for money projects.

The system of internal control is a significant part of that framework and is designed to manage risk to an appropriate level. It aims to identify and prioritise the risks to the achievement of the Committee's policies, aims and objectives. It evaluates the likelihood and impact of identified risks being realised and to manage individual risks appropriately.

This Statement explains how the Joint Committee has complied with the various elements of the Governance Framework.

The Joint Committee has adopted and implemented a code of Corporate Governance based on the Framework 'Delivering Good Governance in Local Government' published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives and Senior Managers (SOLACE).

The Governance Environment

The Governance framework comprises of 7 fundamental principles implemented to endorse high standards of confidence and trust in the governance and operation of the Portfolio, whilst upholding a commitment to ongoing improvement on a continuing basis through a process of evaluation and review.

The CIPFA/SOLACE Governance Framework sets out 7 fundamental principles of Corporate Governance. The 'CIPFA Seven' are:

1. Integrity and Values - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
2. Openness and engagement - Ensuring openness and comprehensive stakeholder engagement.
3. Making a difference - Defining outcomes in terms of sustainable economic, social, and environmental benefits.
4. Making sure we achieve what we set out to do - Determining the interventions necessary to optimise the achievement of the intended outcomes.
5. Valuing our people; engaging, leading, and supporting - Developing capacity and the capability of leadership and individuals.
6. Managing risks, performance, and finance - Managing risks and performance through robust internal control and strong public financial management.
7. Good transparency and accountability - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Integrity and Values

- The behaviour and expectations of Officers/Members are set out in the Swansea Bay City Region Joint Committee Agreement. The Agreement sets out the procedure for meetings, highlights conflicts of interest and includes Rules of Conduct of Co-opted Members of the Joint Committee and the Economic Strategy Board.
- The Joint Committee Agreement sets out requirements for members and officers to disclose gifts and hospitality annually.
- The Joint Committee Agreement provides that Members must at all times act in accordance with the Member Code of Conduct of their respective authorities. The Code of Conduct will apply when they are acting in their capacity as Joint Committee Member.
- Declarations of interest is a standing item of the agenda for both Portfolio Board and Joint Committee.
- All members of the Joint Committee, Programme Board, Economic Strategy Board, as well as Statutory Officers and direct SBCD portfolio employees, are required to complete a declaration of interest form on a six-month basis, including within, third party interests and related party disclosures.
- Compliance with policies and rules set out in the Joint Committee Agreement.
- Reports to both Portfolio Board and Joint Committee have legal/finance clearance prior to publication.
- Comprehensive scrutiny function.
- Comprehensive audit scrutiny.
- The Monitoring Officer ensures compliance with statute and reports on any maladministration.
- External challenge from auditors.

Openness and Engagement

- The Joint Committee ensures an open culture evidenced by open meetings and publication of agendas, minutes, and webcasts where appropriate.
- There is enough opportunity for public questions at Joint Committee.
- Portfolio and project risks are published.
- There is appropriate consultation and engagement supporting the decision-making process including annual budget consultation, engagement with Governments, Economic Strategy Board regional advisers and key stakeholders.
- The scrutiny function invites stakeholder participation and contribution.
- The Portfolio's Marketing and Media function promotes the work of the Portfolio and supports proactive engagement with members of the public, helping them to access information on project delivery wherever and whenever it is convenient to them.

Making a difference

- The portfolio has a clear vision set out within its heads of terms.
- The portfolio deliverables will make a step change in the economic prosperity of the Swansea Bay Region.
- The Portfolio Management Office presents quarterly the Implementation Plan and has developed an Integrated Assurance Action Plan, Monitoring and Evaluation Plan and a Portfolio Business Plan.
- The Accountable Body provides regular financial monitoring updates.
- Portfolio risk management policy ensures consistent application of risk registers and terminology and audit scrutiny.
- Improved communications and regional working across all 8 primary stakeholders.

Making sure we achieve what we set out to do

- Establishment of a regional Portfolio Management Office to oversee the governance, assurance, and portfolio progression.
- Appointment of a Senior Responsible Officer for the Swansea Bay City Deal Portfolio to work with the Portfolio Director and Joint Committee.
- There is regular public and stakeholder engagement at project level.
- The Portfolio takes a sustainable view, with Lead Authorities each having their own independent social and environmental policies and plans, including:
 - *Medium term financial plan*
 - *Corporate Plan*
 - *Annual reports*
- Projects are supported by detailed business cases with clear deliverables and are managed locally.
- There is an annual budget setting process in place. There is regular financial monitoring updates and engagement in respect of financial matters with members.
- The portfolio has a detailed risk management procedure.

Valuing our people; engaging, leading and supporting

- The Joint Committee ensures that members and officers have the right skills, knowledge and mind set to operate efficiently and effectively to achieve its intended outcomes by:
 - *Providing a comprehensive induction portfolio*
 - *Annual performance review*
 - *Providing job related training*
- The Joint Committee encompasses a robust governance structure including private sector advisors.
- Effective shared leadership and understanding of roles and objectives is supported by:
 - *Clear and defined leadership roles.*
 - *Appraisal of Portfolio Director role and remuneration.*
 - *Regular committee and board meetings.*
 - *The JCS sets out clearly defined roles and responsibilities of members, officers and advisers.*

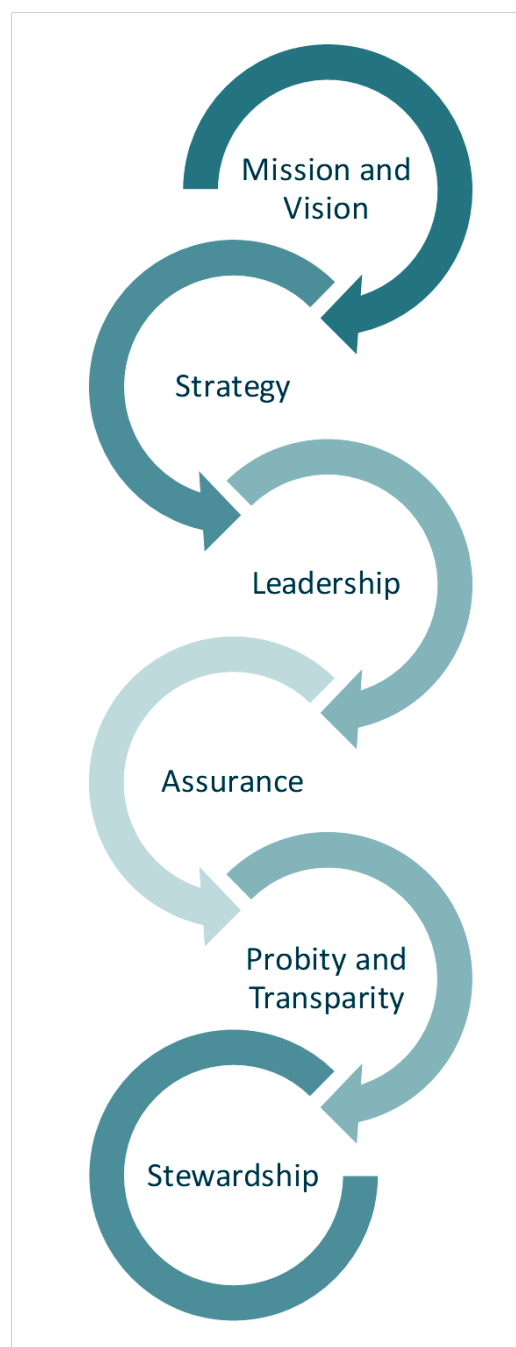
Managing risks, performance and finance

- Decision making supported by;
 - *Risk register*
 - *Issue log*
 - *Progress update log*
- Regular financial monitoring updates by the Section 151 officer.
- Monthly review of all risk logs and registers
- There are regular individual project updates, given by respective Lead Authority leaders/chief executives.
- Internal audit provides an independent and objective assurance on the effectiveness of internal control, risk management and governance.
- The portfolio has approved and embedded anti-fraud and corruption policy.
- The Internal Audit plan is approved by Joint Committee
- The External Audit plan is approved by Joint Committee.
- Financial Management is integrated through all levels of planning and control by:
 - *Specific corporate risk around financial control within the risk register.*
 - *Financial implications are included within all decision-making reports.*

Good Transparency and Accountability

- Joint Committee Agreement demonstrates clear accountability of project delivery leads.
- Project outputs and outcomes linked to grant funding.
- Government progress updates.
- Reports are published on the City Deal website and are available in the Welsh language.
- Where possible exempt reports are split so the main report can be heard in public with confidential information being a separate exempt report.
- The Joint Committee have adopted the Code of Corporate Governance based on CIPFA framework.
- Implementation of Audit Wales and Internal Audit recommended actions monitored by Joint Committee.
- Peer review and inspection from regulatory bodies, including Gateway Assurance Processes.

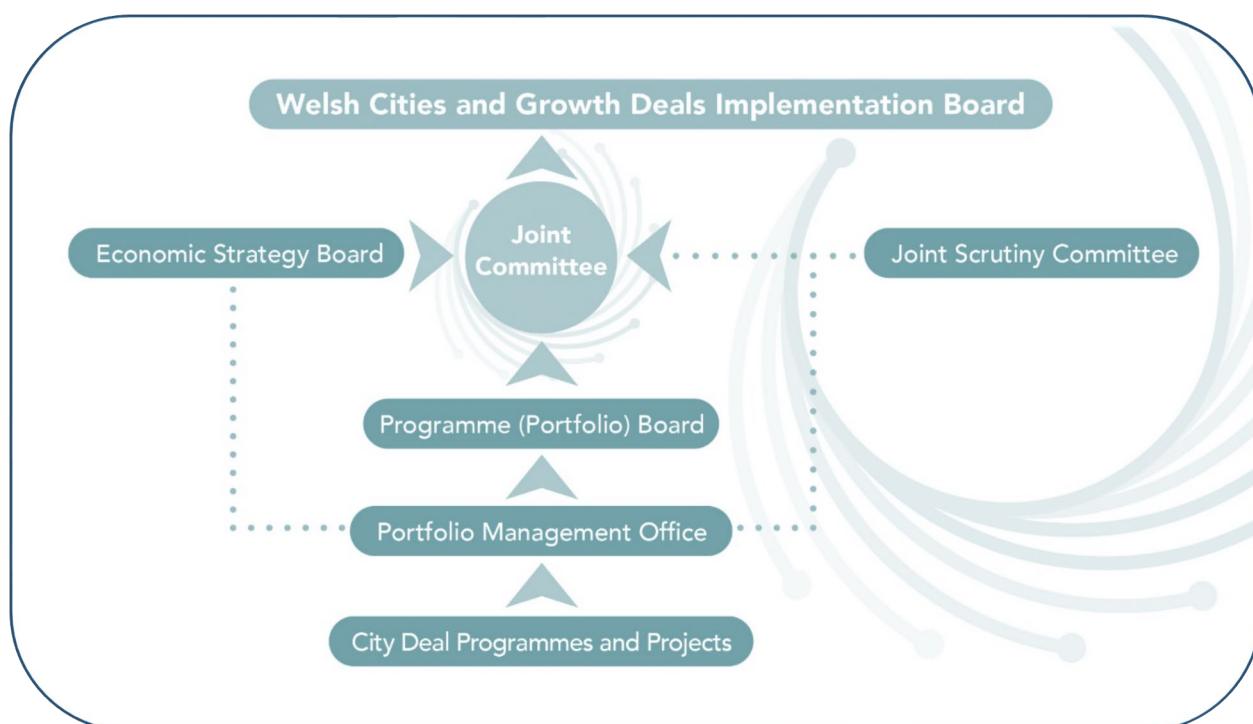
Embracing good governance in the Public Sector



Governance Structure

The Governance Structure details the hierarchy of committees and boards adopted to successfully manage, control, and deliver the Swansea Bay City Region Deal portfolio. The formal Governance Structure adopted by the City Deal for project implementation is demonstrated below. The Joint Committee upholds ultimate responsibility and accountability for decisions taken in the City Deal portfolio. However, this is not an independent entity, rather a collaborative leadership group consisting of the four regional Local Authorities, underpinned by a Joint Committee Agreement.

Swansea Bay City Deal Governance Structure



Swansea Bay City Deal Accountable Officers

Chair of the Joint Committee - Councillor Rob Stewart, Leader of City and County of Swansea Council

Senior Responsible Owner – Wendy Walters, Chief Executive of Carmarthenshire County Council

Section 151 Officer – Chris Moore, Director of Corporate Services, Carmarthenshire County Council.

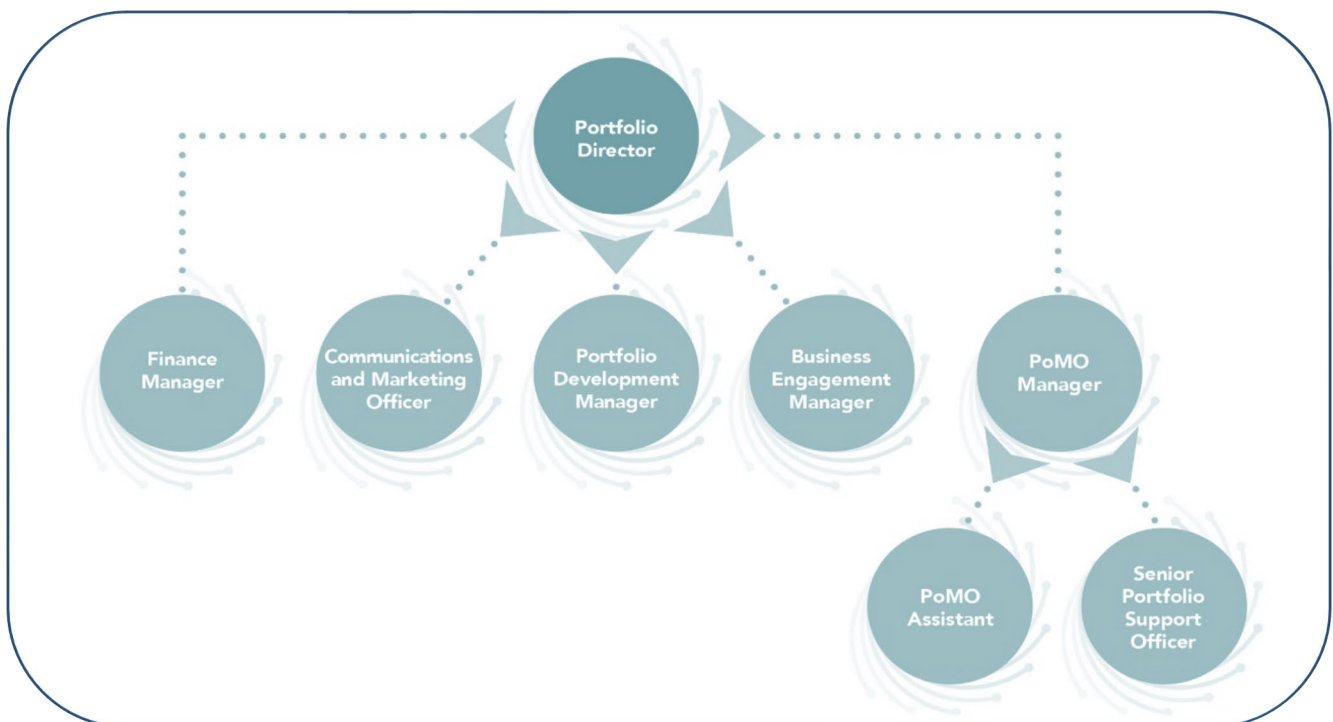
Monitoring Officer – Debbie Smith, Chief Legal Officer and Monitoring Officer, City and County of Swansea Council

Portfolio Management Office – Dr Jonathan Burnes, Portfolio Director

Portfolio Management Office

The PoMO is tasked with the responsibility for the day-to-day management of matters relating to the Swansea Bay City Deal. Two posts are vacant as at year end (PoMO Manager and the Portfolio Development Manager). The PoMO staffing structure is outlined below:

Portfolio Management Office Staffing Structure*



*The Finance Manager is responsible to the Portfolio Section 151 Officer.

Internal Sources of Assurance

Governance Structure

Joint Committee

The Joint Committee comprises of the four Local Authority Leaders of Carmarthenshire, Neath Port Talbot, Pembrokeshire, and Swansea councils.

The Joint Committee will be chaired by a Local Authority Leader, and it has been agreed by the four Councils that the Leader of Swansea Council will take on this responsibility. The Chair of the Joint Committee will be elected for a two-year term in the first instance, reviewed annually thereafter.

The Joint Committee has ultimate responsibility and accountability for decisions taken in relation to the Swansea Bay City Deal, in line with the visions and interests of all participating parties and the Swansea Bay City Deal document signed on 20th March 2017.

Since the signing of the Heads of Terms document, to maintain momentum, the Joint Committee operated in shadow form. The first formal meeting of this committee took place on 29th August 2018 when each of the four Local Authorities signed the Joint Committee Agreement, the legal document which sets out how the Councils will work together.

The Head of Paid Service, Monitoring Officer, and Section 151 officer of each of the Councils shall be entitled to attend meetings of the Joint Committee as an adviser and shall not have a vote.

The Leaders have agreed to co-opt to the Joint Committee the Chair of the Economic Strategy Board, and one representative each from the University of Wales Trinity Saint David, Swansea University, Hywel Dda University Health Board and Swansea Bay University Health Board. Voting rights will be reserved to the four Local Authority Leaders.

The Joint Committee meets currently on a quarterly basis and as set out in the Joint Committee Agreement; its function includes:

- Identifying and implementing appropriate governance structures for the implementation of any projects within the Swansea Bay City Deal portfolio. This shall include the formation of bodies corporate and any other structures which the Councils can lawfully establish or participate in.
- Agreeing and planning the overall strategy for and delivery of the portfolio for the Swansea Bay City Deal.
- Performance management of the Swansea Bay City Deal portfolio.
- Strategic communications
- Monitoring of the impact of the Swansea Bay City Deal portfolio and reporting on this to the Councils.
- Authorising the Accountable Body to commission external support and to oversee the delivery and management of project expenditure.
- Progressing a regional approach for the Swansea Bay City Region for the discharge of strategic functions. These functions may include land use planning, transport planning and economic development.
- Approval and adoption of the Implementation Plan.
- Approval of any extension agreed by the Councils to the deadline for approval of the Implementation Plan.
- Agreeing the terms and conditions of Government Funding.
- Overseeing the proportion of each Council's responsibility for borrowing to provide funding for regional projects.
- Reviewing performance of the Chair of the Economic Strategy Board on an annual basis.
- Agreeing the Annual Costs Budget.

Following the process as set out in the Joint Committee Agreement, the Joint Committee shall consider the project business case and the recommendations of the Portfolio Board and the Economic Strategy Board and shall decide whether or not to approve the project for submission to the UK Government and Welsh Government for approval by the UK Government and Welsh Government for the release of government funding for the project.

Economic Strategy Board

Reporting to the Joint Committee, the Economic Strategy Board will represent the wider community, including the private sector.

The Economic Strategy Board will act as the voice of business and will provide strategic direction for the Swansea Bay City Deal, through advice to the Joint Committee on matters relating to the Swansea Bay City Region. It will have a role in advising the Joint Committee on opportunities to strengthen the City Deal's impact.

The Chair will be accountable to the Joint Committee. The Economic Strategy Board will not have any formal decision-making powers, and it will reach agreement by consensus.

The Economic Strategy Board will meet with the following frequency or as and when required:

- Quarterly in advance of any Joint Committee meeting.
- When necessary to deal with business as agreed by the Chair of the Economic Strategy Board.
- The Portfolio Management Office will arrange for minutes of the proceedings of each meeting to be taken, approved, and recorded. Key activities of the Economic Strategy Board include.
- Submit strategic objectives for the Swansea Bay City Region.
- Assess the individual Project Business Cases against the strategic aims and objectives of the Swansea Bay City Deal and make a recommendation to the Joint Committee on whether or not the Project Business Case should proceed.
- Consider implications of a proposed withdrawal or change of Project Authority Lead and any proposal for a new project and provide recommendations to the Joint Committee on whether the new project proposed should replace the project to be withdrawn and if not the process for selecting new projects or reallocation of funding.
- Monitor progress with regard to the delivery of the Swansea Bay City Deal.

The Chair of the Economic Strategy Board has been appointed following an open competition exercise. The process of appointing other members of the Economic Strategy Board has taken place through an open recruitment and nomination process, membership being drawn from across the wider private and public sectors. The Economic Strategy Board membership was agreed through a vote at the first formal meeting of the Joint Committee on 29th August 2018. Members are expected to adhere to the conditions of membership as outlined in schedule 13 of the Joint Committee Agreement.

Portfolio Board

The Portfolio Board is accountable to the Joint Committee and consists of the Head of Paid Service of each of the four Councils, or another officer nominated by the Head of Paid Service. The Portfolio Board Chair shall be reviewed annually.

The Portfolio Board may co-opt additional representatives to the Board. Co-opted members may include representatives of Swansea University, University of Wales Trinity St David, Hywel Dda University Health Board and Swansea Bay University Health Board.

It has been unanimously agreed by the Councils that the Chief Executive of Carmarthenshire County Council will chair the Portfolio Board meetings.

Portfolio Board was formally established by the Joint Committee at its first meeting.

The Portfolio Board has four distinct roles:

- Preparing recommendations on the Swansea Bay City Deal portfolio:
 - *Ensuring that all schemes are developed in accordance with the agreed package, analysing the financial viability, deliverability, and risk of each City Deal project proposal.*
 - *Overseeing production of business case.*
- Advising on the strategic direction of the Economic Strategy Board.
- Overseeing performance and delivery of the delivery of projects, reviewing progress against agreed milestones, focusing on delivery and financial risks, and identifying any necessary remedial action.
- Working on a regional basis to improve public services especially in the areas of economic development, transport, planning and strategic land use, housing, and regeneration.

Meetings of the Portfolio Board take place on a quarterly basis before the Joint Committee meeting and before all quarterly meetings of the Economic Strategy Board.

Portfolio Management Office

Reporting directly to the Accountable Officer and the Joint Committee, the Portfolio Management Office plays a pivotal coordinating and supporting role and it is responsible for the day-to-day management of matters relating to the Joint Committee and the Swansea Bay City Deal.

Key activities of the Portfolio Management Office include:

- Strategic liaison with UK Government and Welsh Governments and policy advisors.
- Governance support for all aspects of the City Deal governance structure, the SBCD Joint Committee, Portfolio Board and Economic Strategy Board.
- Portfolio implementation co-ordination, monitoring, and evaluation.
- Undertake research, analysis and report on findings as requested by groups within the governance structure.
- Strategic project co-ordination includes advising on and coordinating the development and submission of 5 case business models for City Deal projects.
- Liaison and engagement with government funding bodies and portfolios, and with the Universities and Health Boards.
- Responsibility for managing the identification, assessment, approval, monitoring and evaluation processes for Regional interventions and projects.
- Communications and engagement management for the Swansea Bay City Deal.
- Private sector involvement, business development and inward investment.

Utilising the Joint Committee's governance model to lead in the consideration and development of opportunities for additional capital and revenue external funding bids for additional funding sources to assist in the delivery of the regional activities which are complimentary to the SBCD.

Accountable Body

The Councils have agreed that Carmarthenshire County Council will act as the Accountable Body responsible for discharging the Councils' Obligations in relation to the Swansea Bay City Deal in accordance with the Joint Committee Agreement.

The role of the Accountable Body is to:

- Act as the primary interface with Welsh Government, UK Government, and any other funding bodies necessary to discharge the Councils' Obligations.
- Hold and release any Government Funding in relation to the Swansea Bay City Deal and only to use and release such funds as agreed in accordance with the terms of such funding and the Joint Committee Agreement.
- Comply with the Funding Conditions as set out in the JCA.
- Undertake the accounting responsibilities set out in this Agreement.
- Employ the Regional Office staff.

The Joint Committee will designate the Chief Executive of the Accountable Body as Lead Chief Executive to act as its principal adviser and as Accountable Officer to manage and oversee the work of the Accountable Body and the Portfolio Management Office team.

Monitoring Officer

The Monitoring Officer is responsible for ensuring good governance and maintaining the highest ethical standards, ensuring the legality of arrangements as well as ensuring that the Joint Committee Agreement is adhered to. The Monitoring Officer has access to all meetings of the Joint Committee including the Economic Strategy Board and the Portfolio Board.

The Councils have agreed that the Monitoring Officer function and occupation with responsibility for discharging the Councils' Obligations in relation to the Swansea Bay City Deal in accordance with the Joint Committee Agreement, will be supported by the City and County of Swansea. Due to sickness absence the Monitoring Officer duties have been undertaken since May 2023 by the Deputy Chief Legal Officer and Deputy Monitoring Officer of Swansea Council.

The Monitoring Officer is well placed to play a proactive role in supporting Members and Officers in both formal and informal settings to comply with the law and with the Joint Committee's own procedures. The Monitoring Officer is supported by the Democratic Services function of City and County of Swansea Council who is responsible for the formal recording and publication of the democratic decision-making process.

The Monitoring Officer works closely with the Portfolio Director and the Section 151 Officer in accordance with the provisions of the Local Government and Housing Act 1989 and will report to Joint Committee or the Portfolio Board if she considers that any proposal will give rise to unlawfulness.

Financial Services (Section 151 Officer)

The Director of Corporate Services Carmarthenshire County Council is the responsible officer for the administration of the Joint Committees affairs under Section 151 of the Local Government Act 1972 and carries overall responsibility for the financial administration of the Swansea Bay City Region Deal.

The Chartered Institute of Public Finance and Accountancy (CIPFA) previously published a “Statement on the Role of the Chief Financial Officer in Local Government”. The Statement describes the role and responsibilities of the Chief Financial Officer (CFO) and sets out 5 Key Principles (see below) that define the core activities and behaviours that belong to the role of CFO in public service organisations and the organisational arrangements needed to support them. Carmarthenshire County Council through the appointment of the Director of Corporate Services fully complies with the Statement.

- Principle 1 - The CFO in a Local Authority is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the Authority’s strategic objectives sustainably and in the public interest.
- Principle 2 - The CFO in a Local Authority must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the Authority’s overall financial strategy.
- Principle 3 - The CFO in a Local Authority must lead the promotion and delivery by the whole Authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.
- Principle 4 - The CFO in a Local Authority must lead and direct a finance function that is resourced to be fit for purpose.
- Principle 5 - The CFO in a Local Authority must be professionally qualified and suitably experienced.

The Financial Services function provides support to the Joint Committee and co-ordinates and supports the budget preparation and financial monitoring process.

Internal Audit

The review of the effectiveness of the system of Internal Control and Governance arrangements is informed by the work of the Internal Auditors on which the Joint Committee gains assurance. Internal Audit are required to undertake their work in accordance with the standards as set out in the Public Sector Internal Audit Standards (PSIAS) established in 2013 are the agreed professional standards for Internal Audit in Local Government. The principles of Internal audit are demonstrated below.

As required by the Standards, the Head of Internal Audit (Pembrokeshire County Council) prepares an annual report for consideration by the Joint Committee. The format of the Annual Report complies with the requirements of the Code of Practice.

Internal Audit Report – Swansea Bay City Deal

The audit aims to provide assurance that the Swansea Bay City Deal has adequate governance, internal control, risk management and financial management arrangements in place, which are operating effectively and assisting it to achieve its objectives.

Audit Scope

Area	Description
Follow Up of Previous Recommendations	• Review of progress towards completion of previous Internal Audit recommendations • Review of arrangements in place to ensure findings from the Audit Wales Assurance and Risk Assessment are addressed
Governance:	• Joint Committee Agreement • Governance Boards & Decision-Making Arrangements, including review of the Scrutiny Function • Portfolio Management Office Structure and Support
Risk Management:	• Risk Management Arrangements
Project Management & Monitoring	• Project Management Arrangements • Benefits Management Strategy • Monitoring and Evaluation Arrangements for Outputs, Outcomes and Benefits Realisation • Change Control Process • Project Closure Process and Post Completion Reviews
Financial Management:	• Budgetary Control • Forward Financial Planning and Preparedness • Private Sector Investment • Grant Claims Process

The internal audit report, agreed by Joint Committee on 27th May 2025, has determined an audit assurance rating of 'Substantial'; There are none or few weaknesses in the adequacy and/or effectiveness of the governance, internal control, risk management and financial management arrangements, and they would either be unlikely to occur, or their impact is not likely to affect the achievement of the SBCD objectives. Taking into account of this assurance, the Joint Committee is satisfied that its governance arrangements are fit for purpose and operating effectively.

The Strategic and Annual Audit Plans are approved by Joint Committee annually and regular reports are made to the Joint Committee throughout the year on progress and any significant weaknesses identified.

In addition to the planned work, the Internal Audit Unit undertakes fraud investigation and proactive fraud detection work.

Committees

Joint Scrutiny Committee

The Joint Scrutiny Committee comprise of 12 members in total, three from each of the four Constituent Authorities. The Role of the Joint Scrutiny Committee is to provide advice, challenge and support to the Joint Committee. The Joint Scrutiny Committee is required to:

- Review and Scrutinise the Joint Committee's financial affairs.
- Review and assess the Joint Committees risk management, internal control and corporate governance arrangements.
- Review and assess the economy, efficiency and effectiveness with which resources have been used.
- Make reports and recommendations to the Joint Committee in relation to the points outlines above.

The purpose of the Joint Scrutiny Committee shall be:

- Performing the overview and scrutiny function for the Swansea Bay City Deal on behalf of the four constituent authorities.
- To develop a forward work Portfolio reflecting the functions as demonstrated in the Joint Committee Agreement (Cl. 2.1.1)
- To seek reassurance and consider if the city deal is operating according to the Joint Committee Agreement, its business plan, timetable and/or is being managed effectively.
- To monitor any City Deal Regional projects against its portfolio plan.
- To make any reports and recommendations to the constituent authorities, whether to their executive boards or Full Council as appropriate, in respect of any function which has been delegated to the Joint Committee pursuant to the Joint Committee Agreement.

Scrutiny of individual authorities' projects shall be a matter for the relevant Constituent authorities Scrutiny Committee.

External Sources of Assurance

External Audit

The Auditor General (Audit Wales) is the auditor for Carmarthenshire County Council and discharges his responsibilities under the Public Audit (Wales) Act 2004 through the external audit of the Swansea Bay City Deal Joint Committee statement of accounts.

Carmarthenshire County Council holds responsibility for the Accountable Body function on behalf of the Swansea Bay City Deal Joint Committee.

The agreed Annual Audit plan 2025 outlined the proposed audit plan and scope of the external audit to be undertaken by Audit Wales of the Swansea Bay City Deal Joint Committee Statement of Accounts. This plan was prepared and agreed by the Joint Committee and represents the fifth year of external audit work.

The Auditor General has a duty under the Public Audit (Wales) Act to assure himself each year that audited bodies, including the Swansea Bay City Deal Region Joint Committee, have put in place proper arrangements to secure value for money in the use of their resources. Audit Wales plan to undertake this review between May 2026 and October 2026.

Gateway Reviews

Office of Government Commerce (OGC) Gateway Reviews will be appropriately carried out at both a City Deal Portfolio (Gate 0) and project level (Project Assessment Reviews (PARS) or Gates 1-5) to examine specific points in their lifecycles. This will assure successful progression and overall delivery, while supporting the Senior Responsible Owner (SRO) in the successful discharge of their duties.

These reviews are among a suite of assurance activities the City Deal's Portfolio Management Office will organise, with the best course of action determined by the maturity of the portfolio or the stage of a constituent project's development or delivery.

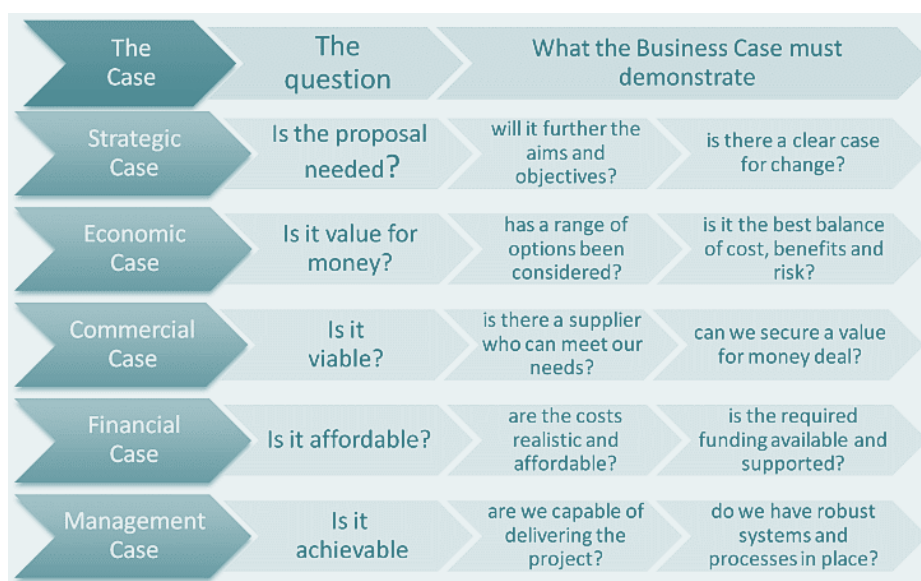
To support this process the Portfolio SRO and Joint Committee will ensure the delivery of an Integrated Assurance and Approval Plan (IAAP), a Monitoring and Evaluation Plan and a Portfolio plan. The Regional Portfolio Management Office will provide visibility to the SRO and Joint Committee of the collaborative work undertaken with Welsh Assurance Hub to develop these assurances and monitoring plans over the coming months. A portfolio level IAAP has been developed and implemented together with individual IAAPs for each of the constituent projects. A Joint SBCD / WG / UKG Assurance Panel has been established and a Portfolio Assurance Framework developed to inform and guide assurance activity across the Portfolio.

Government Review (5 case business model)

The need to get the best possible value from spending public money will always remain a constant for the Joint Committee and its partners. To this end, all City Deal business cases must be developed using the HM Treasury and Welsh Government's Five Case Model - an approach which is both scalable and proportionate. It is recognised as best practice and is the Treasury's standard methodology.

The business case, both as a product and a process, provides decision-makers, stakeholders, and the public with a management tool for evidence-based, transparent decision-making and a framework for the delivery, management and performance monitoring of the resultant scheme.

Each business case in support of SBCD project must evidence:



- Strategic Case - the intervention is supported by a compelling case for change that provides a holistic fit with other parts of the organisation and public sector
- Economic Case - the intervention represents best public value (to the UK as a whole)
- Commercial Case - the proposed project is attractive to the marketplace, can be procured and is commercially viable
- Financial Case - the proposed spend is affordable
- Management Case - what is required from all parties is deliverable

As set out in the Joint Committee Agreement, the Project Business Case shall include a Resolution of the Project Authority Lead and all Councils in whose area the project shall take place that they approve the submission of the Project Business case.

The Portfolio Management Office has day to day responsibility for managing the assessment and approval process for all City Deal projects.

To assist a speedier assessment process, the UK Government and Welsh Government have agreed an informal iterative review process for assessing business cases to assist Project Leads in the production of robust outline business cases which are appropriate for 5 case formal review process.

On completion of the final draft business case and following approval from the respective Regional/Project Authority Lead(s), business cases for each of the City Deal projects will undergo assessment by the Portfolio Management Office before being considered by the respective City Deal governance structures. After approval by the Joint Committee the project business case will be forwarded to the UK Government and Welsh Government for approval to release City Deal Government project funding to the Accountable Body. Following outline business case approval there is an expectation that all the SBCD project and programme business cases are developed as they progress into Full Business Case stage and reported through the SBCD Governance arrangements. A Business Case Update process has been developed and approved to facilitate this process.

Well-being of Future Generations Act (Wales) 2015

The Swansea Bay City Deal demonstrates close alignment with the Well-being of Future Generations Act (Wales) 2015, as well as the seven well-being goals for Wales, which are at the core of the investment portfolio.

This is evidenced both at a portfolio business case level, as well as within business cases for the City Deal's constituent projects.

City Deal reports considered at both Portfolio Board and Joint Committee also demonstrate alignment with the legislation.

OGC Gateway™ Review 0: Strategic assessment

As part of the assurance arrangements for the SBCD Portfolio, an independent Gateway 0 Review was undertaken in July 2025.

The Review was undertaken by an independent, external team in accordance with the Welsh Government Integrated Assurance Hub Guidelines. Sixteen ‘conversations’ were held with stakeholders between 17th-19th July 2023 together with a workshop session with the local authority Leaders.

The SBCD Portfolio received an Amber-Green Delivery Confidence Assessment (DCA) rating. The summary finding of the Review were:

1. The SBCD Portfolio continues to make progress under the leadership of a strong SRO and Portfolio Director
2. The Portfolio continues to exercise good disciplines and work well with the individual SROs across the multiple partners in a quest to capitalise on the opportunities SBCD presents to the region.
3. There is a need to keep all parts of the Portfolio strategically relevant in enabling, contributing to, or delivering directly the Outcomes and Benefits intended.
4. The Portfolio is in good shape and indications are that successful delivery appears probable. Constant attention should be maintained, however, to ensure that risks to not materialise into issues threatening delivery (of the Projects and Programmes) or the achievement of the strategic intent (of the Portfolio).

The Review Team made two recommendations to the Portfolio SRO to ensure that the portfolio is positioned for effective management and delivery. The recommendations cover communications regarding strategic intent, benefits management, governance (in terms of the alignment with the CJC) and maximising value from dependencies and opportunities, particularly in relation to the private sector.

All of the recommendations of the Review team are shown below.

Ref. No.	Recommendation	Urgency (C/E/R)	Target date for completion	Status
1.	Develop the Benefits Management Strategy and Plan, incorporating private sector leverage to shape the focus of the Portfolio forward look.	E- Essential	Dec 25	In progress. Benefits profiles have been revised. Benefits strategy approved by Joint Committee in Nov 24. Revised reports dashboard to be submitted to governance board in May 26.
2.	Profile the skills and staffing of the Portfolio Management Office towards Benefits Management and ensuring continued alignment with business case intent.	E- Essential	End of financial year 25/26	Joint Committee approved Review of SBCD Portfolio Resource. Review took place between March-May 25. Future of the SBCD PoMO Progress update submitted through Regional Governance Boards November 2025. The report has been taken to the 4 LA Council meetings by end of January 2026.

Internal review

Project approval process and flow of funds

On completion of a final draft business case and following approval from the respective regional/project authority lead, business cases for each of the City Deal projects will undergo assessment by the Regional Portfolio Management Office before being considered by the respective City Deal governance structures.

After regional approval by the Joint Committee, the project business case will undergo an external Stage Gate review before progressing to the UK Government and Welsh Government for Ministerial approval.

The flow of funds for the City Deal portfolio is set out in the financial section of this Portfolio Business Case.

Governance Assessment Process

Each Swansea Bay City Deal project has its own governance structure and management arrangements to oversee their development and delivery, which are outlined in their individual business case.

Portfolio level governance arrangements are also in place that each project will be expected to implement and provide updates on.

These include, but are not limited to:

- Implementation plan
- Risk and issue management
- Monitoring and evaluation
- Benefits realisation
- Community Benefits
- Change control
- Dependencies and interdependencies
- Escalation and reporting structures
- Integrated Assurance and Approval Plan
- Construction Impact Assessment
- Procurement Pipeline Activity
- Financial control and contingency management

Integrated Assurance and Approval Plan

This plan will ensure the planning, coordination and provision of assurance activities and approval points throughout the City Deal portfolio, proportionate to levels of project cost and risk. As well as a portfolio level IAAP, constituent projects will also feed into the overall plan. The IAAP is a live document that will be kept updated and actioned throughout the lifecycle of the City Deal portfolio.

Risk Management Arrangements

The Swansea Bay City Deal risk register logs risks both at a project and portfolio level. These include business, organisational and external risks. Each risk is updated periodically and reported to Portfolio Board where each risk details the description, owner, consequence and review update, accompanied by a scoring based on probability and impact.

Key business risks captured in a portfolio risk register include SBCD partner withdrawal, delays to project approval and funding draw down and portfolio delivery delays.

Following Portfolio Board review, the portfolio red risks and portfolio red issues, are considered by Joint Committee on a quarterly basis. These documents are also considered by Joint Scrutiny Committee at each of its meetings, which take place once every two months.

Organisational risks are captured in project specific risk registers.

The current portfolio risk register demonstrates risks of an operational, governance and financial nature with emphasis on the significant (red) risks, which are risks that will significantly impact the delivery of the portfolio. A summary of the current significant risks are demonstrated below:

Risk	Review Update/Control Actions
Risk that increasing cost of construction will impact on budgets set in Programme/Project Business Cases	The PoMO is working closely with programme/project teams to identify potential impact. Quarterly Construction Impact Assessment provided to governance boards. Three key mitigations are being reported by projects: i) secure additional funding, ii) revisit design brief, iii) undertake detailed contractual negotiations during procurement.
Welsh Government (WG) 2021 update of Technical Advice Note (TAN) 15 development risk of flooding and coastal erosion and associated flood planning maps	Flood Map for planning embedded. Welsh Government are monitoring effectiveness of Planning Policy Wales and TAN 15 through a notification direction and sustainable development indicators. WG have been working with NRW to understand the integrity of existing flood defenses. WG expect to be putting advice to the Cabinet Secretary soon with a redrafted version of TAN 15.
Implications of Marine Nitrate Directive	Welsh Government has formed a Marine Nitrates Development Taskforce which brings together senior officials from the Welsh Government, Local Authorities, Natural Resources Wales, and Dŵr Cymru Welsh Water. It is working at pace to identify and explore all reasonable options. From October 2025, clearer government-backed coordination, funding support to help meet nutrient neutrality and secure planning consent is available. Projects known or likely to be affected are Pentre Awel & HAPS.
Ability for programmes/projects to deliver all outputs and outcomes within the business cases	Programmes / Projects have populated benefit realisation templates to incorporate into SBCD Governance reporting. Joint Committee have approved an Evaluation Framework.

Evaluation Profile review complete Q4 2024/25. Construction Impact Assessment has been modified to assess Risk down to project level to provide confidence of delivery of physical infrastructure outputs across the Portfolio. SBCD Portfolio Benefits Strategy approved at Joint Committee November 2025. Programmes / Projects have reviewed their Benefits Profiles which will be shared with Governance Boards in May 2026.

Benefits Realisation Arrangements

The Swansea Bay City Deal headline benefits are at least a £1.8 billion boost to regional GVA and the creation of at least 9,000 high-value jobs.

The focus on the regional economy across the SBCD projects will also support regional supply chain businesses, with the City Deal's energy theme due to further accelerate the growth of the region's blue and green economies, helping meet regional, Wales and UK-wide decarbonisation targets.

As well as financial benefits, the City Deal will also lead to societal benefits. These include tackling fuel poverty, improving people's health and well-being, and creating more resilient communities and businesses.

The benefits realisation plan is made up from the constituent projects, where they are required to develop and submit a benefit's register as part of the business case submission. The approach to monitoring and evaluating the portfolio benefits features in the Portfolio's Monitoring and Evaluation Plan and are regularly reported at project and portfolio level at the Portfolio Board and Joint Committee governance groups.

Monitoring and evaluating the portfolio performance and impact will improve informed decision making and planning and risk management in order to deliver the widest possible benefits to the region and value for money. It will also create a culture of learning from doing and sharing.

The Portfolio SRO will oversee the vision, objectives, and project governance arrangements, in conjunction with the Joint Committee and Portfolio Director, including the benefits realisation of the portfolio.

Post Implementation and Evaluation Arrangements

The Swansea Bay City Deal deliverables are aligned to SMART (specific, measurable, achievable, realistic and timebound) objectives. These will aid with the post evaluation at both project and portfolio level.

The objectives will be detailed in the tools adopted in the Monitoring and Evaluation Plan at both a portfolio and individual project level. Periodic reports and evaluations will be undertaken both at key project and portfolio milestones and at the end of the implementation stage. External stage gate reviews will form part of this process, along with regional reviews and assessments.

Action Plan of Portfolio Governance Issues May 2025

Governance Issues	Action	Target for Completion
The budget for 2025-26 (either scenario based or an interim financial profile) should be developed and presented to Joint Committee, in accordance with the Joint Committee Agreement. Amendments to the budget should subsequently be presented during the financial year, as required.	The interim budget for 2025-26 has been developed for approval by Joint Committee in May 2025.	End of quarter 1 FY 2025/26
Services provided to Swansea Bay City Deal by Partner Authorities should be reviewed and subsequently formalised in signed documented agreements setting out the costs, expected provision and roles/responsibilities of each party.	Formal SLA's were not originally set up, however Partner Authorities are clear on what is expected to be delivered. Currently there is a review being undertaken of the future role of the PoMO and the South West Wales Corporate Joint Committee with the option to consider how the two services could potentially work together. As part of this review there is an opportunity to consider SBCD support service resource requirements. SLA's with Partner Authorities would be set as part of the future resource requirements.	End of quarter 2 / 3 FY 2025/26

The above governance issues will be monitored and assessed as part of the internal audit work undertaken on the City Deal and through the implementation of an Annual Governance Statement.

Certificate of Approval

Chair of Joint Committee Approval:

Signed: R STEWART

Date: 22/09/2026

Councillor Rob Stewart

Chair of Swansea Bay City Region Deal Joint Committee

Leader of City and County of Swansea Council

Senior Responsible Owner Approval:

Signed: A WILLIAMS

Date: 22/09/2026

Ainsley Williams

Chair of Swansea Bay City Deal Portfolio Board

Director of Place, Infrastructure & Economic Development, Carmarthenshire County Council

Glossary of Terms

The following section summarises expiation around the technical terminology demonstrated and included within the Financial Statements and accompanying narrative.

General Terms

Accrual

An accrual is a sum shown in our accounts to cover income or expenditure for the accounting period that was not paid at the date of the balance sheet.

Audit

An audit is an independent examination of our activities.

Audit Wales

An independent body lead by the Auditor General for Wales who is responsible for the appointment of external auditors to local authorities.

Balance

The surplus or deficit on any account at any point in time.

Balance Sheet

This is a statement of our assets, liabilities and other balances at the end of the financial year.

Budget

A budget is a spending plan, usually for the following financial year.

Capital Expenditure

Capital expenditure is spending on non-current assets such as Property, Plant and Equipment, Investment Properties and Heritage Assets. This would include the purchase or construction of new assets, together with subsequent expenditure on major maintenance or development work.

Capital Receipt

These are the sales proceeds from the disposal of land and buildings which are restricted in their use by statute. They can only be used to fund new capital expenditure or set aside to finance historic capital expenditure.

Creditor

A creditor is someone to whom money is owed at the end of the financial year for work done, goods received, or services rendered.

Current Assets

These are short-term assets that are available for us to use in the following accounting year.

Current Liabilities

These are short-term liabilities that are due for payment by us in the following accounting year.

Debtor

A debtor is someone who owes money to us at end of the financial year.

Depreciation

Depreciation is a method of allocating the cost of Property Plant and Equipment assets over their useful lives.

Employer Contributions

The employer contributions are the amounts actually paid by the employer during the year. They include any amounts paid in respect of early retirement strains and any recharges in respect of compulsory added years benefits.

Financial Year

This is the accounting period. For local authorities it starts on 1 April and finishes on 31 March in the following year.

Gross Expenditure

The total cost of providing the council's services before taking into account income, such as fees and charges for services etc.

IFRS*

International Financial Reporting Standard.

IFRIC*

International Financial Reporting Interpretations Committee.

**The above two are accounting standards which provide a guideline for financial accounting.*

Liability

A liability is an amount due and payable at some time in the future.

National Non-Domestic Rates (NNDR)

The NNDR, or Business Rate, is the charge occupiers of business premises pay to finance part of local Authority spending. The NNDR is set by Government and is a percentage of the rateable values. The percentage is the same throughout Wales. The total collected is split among individual authorities in proportion to their adult populations.

Net Realisable Value

The selling price of the asset reduced by the relevant costs of selling it.

Operating Leases

A means by which capital items are bought. These are leases where risks (and rewards) of ownership of the asset remain with the owner.

Pension Fund

The fund maintained to meet pension payments on the retirement of participants.

Property, Plant and Equipment

These are assets with a physical substance that are held for use in the production or supply of goods and services, for rental to others (as part of a service) or for administrative purposes. Any asset included in this category is expected to be used for more than one financial year.

Provision

Provisions are amounts set aside for liabilities or losses which are likely or certain to be incurred, but the amounts or the dates on which they will arise are uncertain.

Prudential Code

The Prudential Code is a professional code of practice to support local authorities in making capital investment decisions.

Public Works Loan Board (PWLb)

This is a Government agency that provides longer-term loans to local authorities. It charges interest rates only slightly higher than those at which the Government itself can borrow.

Reserve

Reserves are amounts set aside that do not fall within the definition of provisions and include general reserves (or 'balances') which every Authority must maintain as a matter of prudence.

Revenue Account

This is an account that records our day-to-day spending and income on items such as salaries and wages, running costs of services and the financing of capital expenditure.

Securities

These are investments such as stocks, shares, and bonds.

Inventories

Inventories are raw materials purchased for day-to-day use. The value of those items not used at the end of the financial year is shown within current assets in the balance sheet.

Subjective Analysis

An analysis of income and expenditure according to type. Such expenditure headings include employee, premises and

transport expenses. Income includes government grants and fees and charges.

Variance

The difference between actual expenditure and budget - expressed in cash or percentage terms.



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The **Swansea Bay City Deal** is an alliance of four Regional Local Authorities governed by a legally constituted Joint Committee.