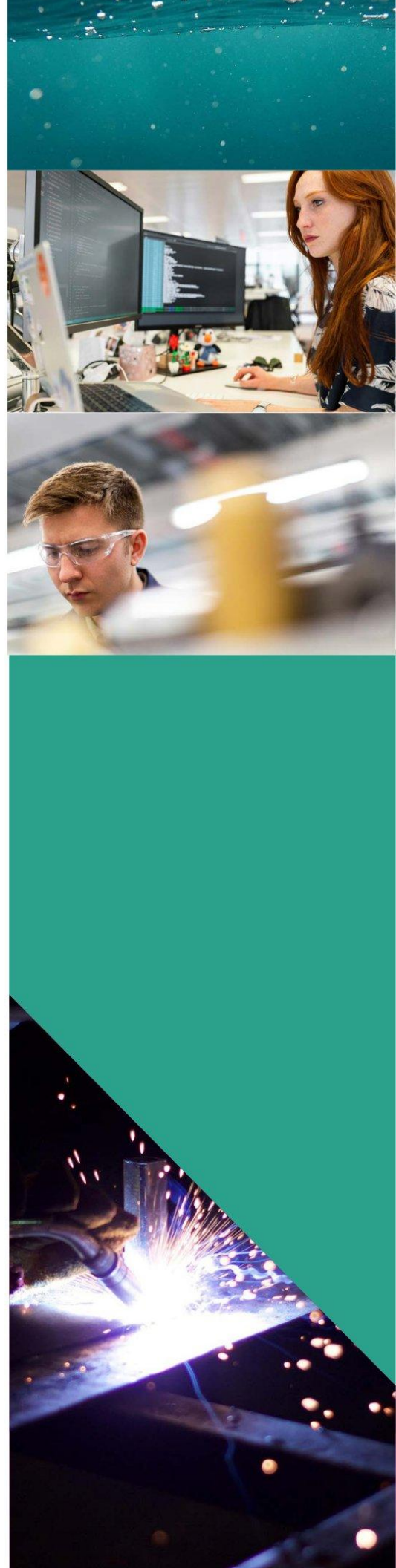


South West Wales Investment Strategy

2026–2031

Cyd-bwyllgor Corfforedig
De-orllewin Cymru
South West Wales
Corporate Joint Committee



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Executive Summary

Executive Summary

South West Wales is an area of enormous potential with the scale to deliver quickly and the strategic assets to compete nationally and internationally. With strong road, rail and port infrastructure, major gateways at Milford Haven, Port Talbot, Swansea, Fishguard and Pembroke Dock, and proximity to Cardiff and Bristol airports, the region is positioned to attract investment that is both commercially credible and mission-led.

Commissioned by the South West Wales Corporate Joint Committee (CJC), the South West Wales Investment Strategy 2026–2031 provides an actionable framework to translate the Regional Economic Delivery Plan (REDP) into a clear, investor-facing pipeline and delivery approach. Developed through an evidence-led “sprint” with wide stakeholder engagement, the Strategy responds to fast-moving policy and market conditions, and to a clear call from the Private Sector Advisory Board to sharpen the region’s investment proposition.

The Strategy’s investment vision is “Powering Wales: Past, Present, Future”, reflecting the region’s industrial heritage and its next wave of green and inclusive growth. The opportunity is substantial: South West Wales already supports a diverse economy of 28,080 businesses, strong enterprise creation, and major catalysts including the Swansea Bay City Deal and the Celtic Freeport. Priority sectors include energy and net zero (with a major base of activity and a growing role in the UK’s clean energy system), advanced manufacturing and materials (anchored by Tata Steel’s transition and Industry 4.0 capability), health and life sciences (underpinned by university, NHS and campus assets such as Pentre Awel), and the experience economy (tourism, culture and place).

A 2025 regional call for projects has refreshed a pipeline of over 45 proposals, collectively representing more than £6 billion of investment opportunity across clean energy, innovation, skills, regeneration and connectivity. To focus effort and maximise impact, the Strategy sets out guiding principles and a transparent prioritisation framework covering strategic alignment, deliverability, impact, financial viability, inclusion and sustainability.

To move from fragmented funding to sustained delivery, the Strategy proposes a South West Wales Investment Fund, potentially up to £1.5 billion over 10 years, to bridge viability gaps, de-risk complex projects, support land remediation and enabling works, and crowd in private, institutional and impact finance. Clear governance, pipeline management and performance monitoring will ensure investment decisions are accountable, consistent and designed to deliver long-term value for communities and investors alike.

1 Introduction

South West Wales, covering Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea, is a dynamic and well-connected region with strong road, rail and sea links to major UK cities and international markets. With a striking natural landscape, a rich cultural heritage, and a thriving business base, it offers an attractive environment for both living and investment. The region's focus on innovation and sustainable growth creates significant opportunities for inward investment.

South West Wales is strategically positioned with excellent connectivity to major UK cities and international markets, thanks to its robust transport infrastructure, including road, rail, and sea links. The region boasts a stunning natural landscape, from the picturesque coastline of the Gower Peninsula to the rolling hills of the Brecon Beacons, making it an attractive destination for both business and leisure. With a rich cultural heritage, a thriving business community, and a commitment to innovation and sustainable growth, the South West Wales region offers unparalleled opportunities for inward investment.

The South West Wales Corporate Joint Committee (CJC) has commissioned the development of an actionable Regional Investment Strategy for South West Wales. This Strategy is designed to help the region remain competitive and agile in response to fast-moving political and economic developments across Wales and the wider UK.

Reflecting the CJC's commitment to a data-driven approach, AMION Consulting has undertaken an extensive evidence-gathering exercise to establish a robust analytical foundation for the Strategy. This document presents the key findings of that work, including a series of bespoke economic modelling exercises that have shaped the investment priorities and proposition for the region.

"Investing in South West Wales means investing in a region with the ideal balance of scale, ambition, and opportunity. The area is compact enough to enable strong partnerships and rapid delivery, yet strategically significant enough to generate industry leading return on investment. With its mix of vibrant city and town centres, innovative industries, and world-class natural assets, South West Wales offers a unique environment where businesses can thrive."

The Strategy also responds directly to an ask from the CJC's Private Sector Advisory Board, which has emphasised the need to position South West Wales more prominently around investment. Furthermore, the Strategy is aligned with the wider ambitions of the CJC and its Corporate Plan, which include strengthening South West Wales' capacity to attract, leverage and deploy investment more effectively, while also enhancing the region's ability to manage and direct its own funding through devolved mechanisms.

The Strategy is supported by complementary outputs:

- **Investment Prospectus:** A concise, outward-facing document designed to engage external investors, summarising the region's offer, opportunities and next steps.
- **Evidence Base:** A comprehensive and reliable foundation to inform decision-making, identify competitive strengths and highlight areas of opportunity.

1.1 Purpose of this strategy

The overarching purpose of the Investment Strategy: to strengthen the region's competitiveness, enhance collaboration across public and private sectors, and ensure that South West Wales presents a compelling, coordinated and ambitious proposition to investors.

This Investment Strategy sets out the strategic direction, priorities and interventions required to unlock growth across South West Wales. It defines how the region can attract, secure and deploy investment to maximise economic impact, accelerate innovation and support inclusive, sustainable development.

The Strategy aligns closely with the objectives of the Regional Economic Delivery Plan (REDP), providing a clear investment delivery framework that translates REDP ambitions into targeted, actionable and investor-focused propositions.

1.2 Approach and methodology

Development of the Strategy has followed a collaborative development "sprint" ensuring momentum while maintaining analytical rigour and broad stakeholder input. Key elements of the methodology include:

- A six-week "sprint" to rapidly shape the Investment Prospectus and Strategy.
- Two webinars attended by more than 100 participants, drawing insights from industry, public sector and academia.
- Two in-person workshops involving over 60 stakeholders, exploring priorities, challenges and opportunities.
- More than 20 in-depth interviews with key South West Wales and cross-Wales partners and investors, alongside regular engagement with the project steering group.
- A regional call for projects, capturing investable ideas and propositions from across South West Wales.
- Alignment with key milestones, including the 1st December Welsh Investment Summit.

This collaborative approach has ensured that the resulting Strategy is grounded in evidence, shaped by local insight, and focused on practical delivery.

1.2.1 Document structure

The structure of the strategy is outlined below:

- **Section 1** introduces the Strategy. It sets out its purpose and the approach taken to its development.
- **Section 2** sets out the strategic priorities. It defines the investment vision and the focus on moving from strategy to delivery and establishes the guiding principles for investment and decision-making

- **Section 3** makes the case for investment in South West Wales. It describes the region's economic foundations, strengths and assets.
- **Section 4** describes the investment opportunities and project pipeline. It outlines the investment environment, funding and financing models, and types of investment.
- **Section 5** sets out how investment opportunities will be taken forward, assessed and progressed.
- **Section 6** outlines why an investment fund for South West Wales is a logical next step.
- **Section 7** describes the governance and programme management arrangements. It sets out leadership, decision-making and monitoring approaches.
- **Section 8** sets out the next steps for implementation.

2 Strategic Priorities

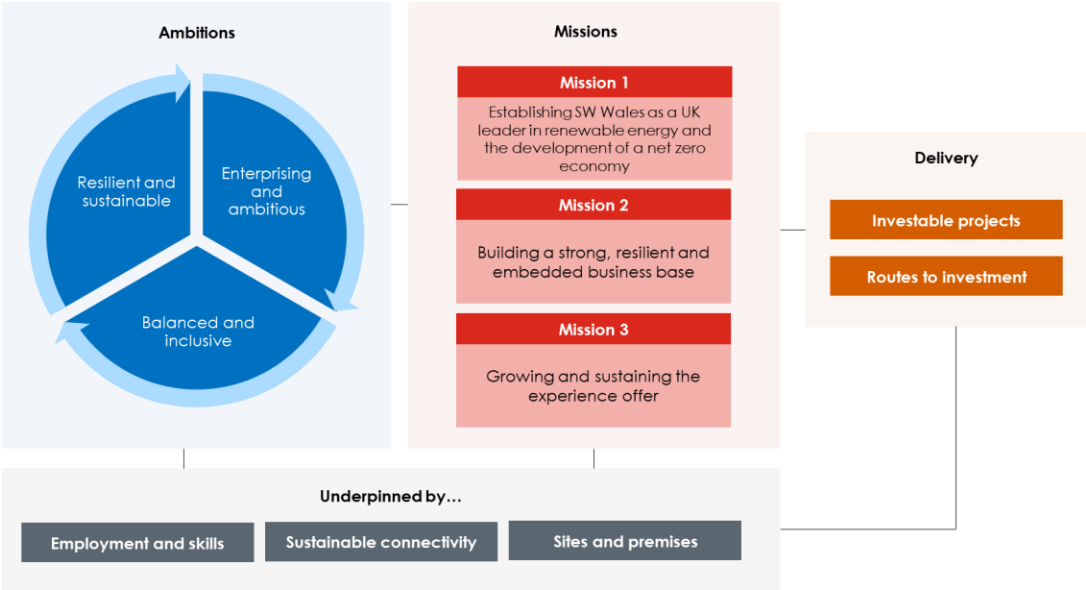
The Investment Strategy directly supports the REDP by translating its missions and priorities into a focused set of investable opportunities with clear pathways to delivery. It provides the investment framework, project pipeline and investor-facing narrative needed to accelerate progress against the REDP’s long-term ambitions.

2.1 Moving from strategy to delivery

The REDP sets out an ambitious ‘route map’ for the development of the region’s economy over the next ten years, identifying priorities for intervention and setting out how business, government, education, voluntary/ community organisations, social enterprises and other partners can work together to bring them forward.

1. **Mission One: Powering the UK’s Energy Transition** - South West Wales is uniquely positioned to anchor the UK’s drive for energy security and low-carbon transition. A place where energy has long defined the landscape, and where the next generation of clean, flexible, and resilient energy systems are being built.
2. **Mission Two: Building a Strong, Resilient Business Base** - The region’s industrial and digital ecosystem is evolving fast; from advanced materials to precision manufacturing, data innovation, and health technology.
3. **Mission Three: Investing in the South West Wales Experience** - From the Gower Peninsula to Pembrokeshire’s coast, this region combines natural beauty with vibrant communities and a growing creative economy. Its “*experience offer*”; culture, landscape, food, lifestyle — is central to its appeal for both investors and talent.

Figure 1: REDP Overview



Targeted investment is critical to turning the REDP's missions into actionable outcomes. Each mission requires both the capital to unlock major projects and the revenue needed to build capability, skills and innovation across the region. Investment accelerates the delivery of energy transition infrastructure, enables businesses to scale and adopt new technologies, and enhances the cultural, environmental and place-based assets that underpin the region's experience economy.

By directing resources toward projects aligned with the REDP's long-term ambitions, South West Wales can create the conditions for sustained growth, strengthen its resilience and competitiveness, and ensure that transformational opportunities benefit communities across the region.

2.2 Vision for Investment: Powering Wales - Past, Present, Future

For generations, South West Wales has powered the nation. Its coal and steel built the UK's industrial strength; its fertile land and coastline sustained communities and fed the country. Today, that same spirit of resilience and innovation is driving a new era of prosperity - one that is green, inclusive, and future-focused.

South West Wales is the engine room of Wales and a catalyst for UK growth. Our vision is to harness the region's unique assets, including its abundance of natural resources, to power the transition to a sustainable economy, creating opportunities that benefit people, businesses, and the planet. This means:

Powering Homes and Industry: Energy, Net Zero and Green Economy

From floating offshore wind in the Celtic Sea to hydrogen innovation and homes as power stations, South West Wales will power the UK's clean energy future. With over 70,000 jobs linked to net zero activities and £2.7 billion GVA contribution, the region will anchor energy security and decarbonisation.

Powering Production: Manufacturing, Technology and Materials

The building blocks of a modern economy start here. South West Wales powers UK industry through green steel, advanced composites, and smart manufacturing. Supported by Tata Steel's £1.25 billion transformation and world-class research, this sector employs 23,000 people and generates £1.59 billion GVA.

Powering People: Health and Life Sciences

Good health is central to empowering people. South West Wales powers wellbeing through cutting-edge healthcare, med-tech, and life sciences innovation. Anchored by Swansea University's Institute of Life Science and Pentre Awel, this sector combines 30,000 jobs, £1.2 billion GVA, and global research excellence.

Powering Minds and Spirits: The 'Experience' Economy

Across the whole area experience, leisure and visitor economy assets power creativity, relaxation, and renewal. The experience economy recharges people and attracts talent, employing 40,000 and contributing £1.3 billion GVA through culture, tourism, and lifestyle.

Powering Ideas: Creative and Digital

Creativity fuels innovation. With the £55 million Digital Infrastructure Programme and assets like Bay Studios, South West Wales powers the UK's creative economy - film, media, and digital - unlocking £350 million GVA over 15 years.

Powering Growth: Agri-Tech and High-Value Food

Food powers people. South West Wales combines tradition and technology to deliver sustainable farming and premium food production, from IoT-enabled agriculture to pioneering facilities like Pembrokeshire Creamery.

Our ambition is clear: By building on our heritage and embracing the industries of the future South West Wales will continue to power Wales and the UK for generations to come.

2.3 Guiding Principles

The region's approach to investment will be underpinned by a clear and consistent set of principles that ensure public resources are directed toward opportunities that deliver genuine long-term value. These principles provide a framework for assessing proposals, shaping funding decisions, and maintaining a balanced, future-focused investment portfolio.

1. Align with policy priorities

All investments will be required to demonstrate a strong fit with Welsh and UK policy priorities, ensuring coherence with the missions of the Regional Economic Development Plan (REDP). This includes a focus on energy and net zero, business resilience and innovation, the experience economy, and opportunities that deliver economic, social and environmental impact in combination. Aligning with policy priorities ensures that investment activity supports broader strategic objectives and contributes meaningfully to the region's transition to a more sustainable, productive and equitable economy.

2. Prioritise readiness and deliverability

Funding will be directed toward projects that are well-developed, evidence-based and financially robust. Proposals must present clear delivery pathways, realistic timescales and credible management arrangements, giving confidence that outcomes can be achieved effectively. This principle helps minimise delivery risk while accelerating progress on high-value initiatives that can move quickly to implementation.

3. Maintain flexibility and adaptability

The investment environment is fast-moving, and regional needs evolve over time. To remain responsive, the portfolio will retain flexibility to pursue emerging opportunities, adapt to policy or market shifts, and support innovative or time-sensitive proposals. This adaptability ensures

that the region can capitalise on strategic openings while managing uncertainty in a proactive and informed way.

4. Strengthen the regional economy

Investments will be assessed on their capacity to strengthen regional productivity, support business growth, stimulate innovation and create high-quality employment opportunities. Priority will be given to projects that enhance long-term economic resilience, build sectoral strengths and raise the overall competitiveness of the region. This principle ensures that investment contributes to sustained structural improvements rather than short-term gains.

How these principles will shape funding decisions

Together, these principles will act as a coherent decision-making framework, guiding the appraisal, prioritisation and selection of investment proposals. They will ensure that resources are allocated to projects that are strategically aligned, deliverable, future-focused and capable of driving meaningful economic impact. The principles will also support transparency and consistency in decision-making, helping stakeholders understand how and why investment choices are made and reinforcing confidence in the region's approach to growth.

3 Investing in South West Wales

This section outlines the economic strengths, strategic drivers and structural dynamics that shape the investment landscape in South West Wales. It provides an overview of the region's economic performance, business base, labour market, productivity profile and commercial property conditions, establishing a clear understanding of the opportunities and challenges that underpin investment decisions. It also highlights how the region's priorities align with key Welsh and UK policy frameworks, ensuring that the Investment Strategy is grounded in a coherent, multi-level policy environment.

More information is available in the accompanying evidence base.

3.1 Economic Foundations for Investment

3.1.1 *Policy and Strategic Alignment*

The South West Wales Investment Strategy is strongly aligned with key policies across UK, Welsh, regional and local levels, ensuring that proposed interventions reinforce rather than duplicate existing priorities. At the UK level, the region's strengths in advanced manufacturing, life sciences and clean energy reflect national industrial strategy and net zero ambitions. Welsh Government priorities - including the Economic Mission, the Economic Action Plan, and the Well-being of Future Generations Act - are mirrored in the region's focus on innovation, decarbonisation, productivity and long-term resilience. Regionally, the South West Wales Corporate Joint Committee's missions of leading the UK in renewable energy, strengthening the business base and growing the experience economy provide the strategic backbone for the Strategy, supported by assets such as the Celtic Freeport and Swansea Bay City Deal. Each local authority contributes complementary priorities - ranging from Carmarthenshire's innovation and net-zero focus, to Pembrokeshire's energy and marine strengths, Neath Port Talbot's Advanced Manufacturing and Green Energy ambitions, and Swansea's regional city status and its major regeneration and digital infrastructure programmes - creating a coherent policy environment that supports sustainable, inclusive economic growth.

3.1.2 *Infrastructure: A Region Built for Connectivity and Growth*

The region's geography positions South West Wales as a critical east-west gateway between the UK, Ireland and continental Europe. The M4 corridor, Great Western Main Line and strategic ports together form a connected Euro-Atlantic route, strengthening the region's role in logistics, energy, manufacturing and export-oriented activity.

South West Wales benefits from a strong and well-integrated infrastructure platform that supports both regional prosperity and international opportunity. The Swansea Bay City Region is served by an extensive rail network with more than 12 stations, connecting key centres such as Swansea, Neath, Port Talbot Parkway, Llanelli, Carmarthen, Milford Haven and Fishguard. South West Wales is the start of the Great Western Main Line. This link provides regular services to

major UK cities including Cardiff, Bristol and London, strengthening the region's accessibility for both commuters and business travel.

The region also has a powerful maritime advantage through five strategic ports, including Swansea, Milford Haven, Port Talbot, Fishguard and Pembroke Dock. These ports provide direct access to international shipping routes, can accommodate cruise ships (supporting the regional tourism industry), underpin logistics activity and support major growth sectors such as offshore renewables, advanced manufacturing and energy transition. Milford Haven in particular is one of the UK's busiest energy ports, while Port Talbot's deep-water capacity supports large-scale industrial operations.

In addition, South West Wales benefits from Swansea Airport and proximity to major airports, with Cardiff Airport around an hour away and Bristol Airport within two hours, enhancing global connectivity. Combined with ongoing investment in high-speed broadband and digital infrastructure, the region offers the physical and digital connectivity required for modern enterprise and future growth.

Like many UK regions, South West Wales faces a commercial viability gap in certain sectors and locations, particularly for capital-intensive regeneration, clean energy infrastructure and brownfield development. Addressing abnormal costs, land remediation and early-stage risk is therefore critical to unlocking private sector investment and accelerating delivery.

3.1.3 Demography: A Growing Region with Scale and Long-Term Potential

South West Wales is home to a population of 711,114 people (2024), providing a substantial labour market and consumer base. The region has recorded population growth of 3.4% over the past five years, outperforming North Wales and demonstrating its attractiveness as a place to live and work.

Swansea acts as the economic anchor, accounting for approximately 40% of regional employment and output, and offering a major workforce catchment with over 600,000 people living within a 30-minute drive.

Looking ahead, population growth is forecast to continue through to 2035, providing a stable long-term foundation for investment. While demographic trends such as an ageing population create labour market pressures, they also reinforce opportunities in health, innovation, automation, and workforce development.

For investors, a diverse, affordable and high quality housing supply is an important component of the wider economic infrastructure, influencing labour market participation, talent attraction and long-term productivity. The availability of appropriate housing in South West Wales represents a structural factor alongside transport, utilities and digital connectivity in shaping the region's capacity to accommodate growth.

3.1.4 Economy: Strong Foundations and High-Growth Momentum

South West Wales has a diverse and resilient economy, underpinned by a vibrant SME base. The region hosts 28,080 businesses, with 83.2% classified as micro-enterprises, creating a strong

culture of entrepreneurship and local enterprise. Business dynamism is also clear, with 2,215 new enterprise births in 2023, representing over one-fifth of all new Welsh businesses.

The region demonstrates above-average growth potential, with 4.5% of firms classified as high-growth, exceeding Welsh comparator areas. South West Wales is also well aligned with the UK's Modern Industrial Strategy, with established strengths in clean energy, advanced manufacturing, life sciences and the experience economy.

Swansea acts as the economic anchor for South West Wales, accounting for around 40% of the region's GVA and employment and providing critical mass in jobs, skills, infrastructure and innovation that supports growth across the wider region. This role is complemented by the distinct and interdependent strengths of Carmarthenshire, Neath Port Talbot and Pembrokeshire, which together contribute major industrial assets, energy infrastructure, ports, rural enterprise and nationally significant natural environments.

Major investment programmes are accelerating regional momentum and a tight commercial property market further reflects business confidence, with an occupancy rate of 96.6% and very low industrial vacancy, highlighting strong demand for high-quality premises and future development opportunities.

3.1.5 People and Talent: Skills, Innovation and Future Opportunity¹

People and talent are at the heart of South West Wales' growth story. Total employment across the region exceeds 285,000 jobs, with key employment concentrations in health, retail, education, manufacturing and public administration.

South West Wales' investment offer is underpinned by a large, diverse labour market and a clear ambition to grow higher-skilled, higher-value employment. There is an evolving skills base across South West Wales, with Swansea in particular demonstrating a higher-skilled workforce profile, supported by its universities, innovation assets and graduate pipeline. This provides a competitive advantage for sectors such as advanced manufacturing, digital, health and life sciences, and clean energy, while ongoing collaboration between employers, education providers and public partners is helping to align future skills provision with emerging investment opportunities.

The region benefits from a strong education and innovation base, with almost 37,000 university enrolments recorded in 2023/24. Swansea University is a recognised leader in enterprise creation, generating 58 spinout companies since 2011, ranking among the top UK institutions for commercialising research. The University of Wales Trinity Saint David has also been ranked 1st in the UK for supporting graduate start-ups that remain active after three years.

South West Wales produces over 10,000 graduates annually, feeding talent into priority sectors such as engineering, life sciences, digital technology, creative industries and renewable energy. Through the Regional Learning and Skills Partnership, the region is strengthening collaboration between employers, education providers and public agencies to ensure skills provision aligns with future workforce demand in clean energy, construction, manufacturing, health and digital.

¹ <https://www.rlp.org.uk/SharedFiles/Download.aspx?pageid=2&mid=13&fileid=50>

Encouragingly, employer demand is strong: evidence from the South West Wales Regional Learning and Skills Partnership shows that 75% of surveyed employers planned to recruit in the following 12 months, yet 55% reported skills challenges and 73% struggled to recruit for specific roles, pointing to a clear alignment gap between vacancies and available skills. An employers skill survey highlighted that around one in seven employers in Mid and South Wales had apprentices or offer apprenticeships.²

The Regional Learning and Skills Partnership (RLSP) provides a critical enabling role for the Investment Strategy, bringing together employers, education and training providers to align skills provision with current and future labour market demand. Through its evidence-led Employment and Skills Plan, the RLSP supports priority sectors including clean energy, advanced manufacturing, digital and health, ensuring that investment in projects and infrastructure is matched by a pipeline of skills, apprenticeships and progression pathways aligned to regional economic ambitions.

Another positive for South West Wales is that its comparatively lower cost of living strengthens talent attraction and supports greater workforce stability, enabling organisations to recruit and retain skilled people more effectively while offering a high quality of life.

3.1.6 Digital, Innovation and the IoT Opportunity

South West Wales is increasingly well positioned to capture the benefits of digital transformation, with growing opportunities linked to the Internet of Things (IoT), automation, and smart infrastructure. The region's blend of advanced manufacturing capabilities, energy assets, rural industries and university-led innovation creates an ideal environment for IoT adoption across multiple sectors.

In agri-tech and food production, digital tools such as remote monitoring, sensor technologies and data-driven farming are beginning to support productivity and sustainability. In energy and net zero industries, IoT-enabled systems will play a critical role in smart grids, renewable integration, predictive maintenance and industrial decarbonisation. The Swansea Bay City Deal's Digital Infrastructure Programme is expected to increase regional GVA by almost £350 million over 15 years, unlocking wider benefits and strengthening the region's digital competitiveness.

With continued rollout of broadband, 5G investment, and innovation hubs such as the Innovation Matrix, South West Wales is building the foundations to become a leading region for smart industry, connected technologies and digitally enabled growth.

3.1.7 Investment Landscape

South West Wales benefits from a strong and growing investment landscape, underpinned by world-class research capability, major industrial anchors, and long-term public sector regeneration programmes. Significant levels of R&D activity are led by Swansea University and its industry partners, supporting innovation in areas such as clean energy, industrial decarbonisation and advanced materials. National initiatives, including Innovate UK programmes and regional

² <https://www.gov.wales/sites/default/files/statistics-and-research/2025-06/employer-skills-survey-2022-mid-and-south-west-wales-report.pdf>

launchpads, further strengthen the region's position as a testbed for net zero technologies and future-facing industry.

Alongside this innovation base, South West Wales has secured major public and private investment that is helping to reshape the regional economy. Industrial transformation remains a key driver, exemplified by Tata Steel's £1.25 billion transition towards electric arc furnace technology, supporting the decarbonisation of heavy industry and reinforcing the region's role in the UK's green industrial future.

Large-scale place-based investment, such as the £1bn Swansea city centre regeneration programme, is also accelerating delivery across the region. The Swansea Bay City Deal, representing up to £1.3 billion across a portfolio of programmes, is supporting major projects such as Pentre Awel, Pembroke Dock Marine and digital infrastructure investment, helping to unlock regeneration, innovation and skills development. Complementary initiatives, including Enterprise Zones, town centre regeneration activity and the emerging Celtic Freeport proposition, provide further momentum and create a platform for future inward investment and job creation.

3.2 Regional Strengths and Assets

3.2.1 *Energy, Net Zero and Green Economy*

Consistent with local, regional and national strategies, South West Wales is uniquely positioned to establish itself as a leading region for the exploration and integration of renewable energy technologies and the wider pursuit of a green economy.

Whilst difficult to define through the conventional SIC-based sectoral definitions, a prudent energy-related sectoral definition is shown by the Business Register and Employment Survey to account for almost 8,000 jobs already across the region³. This can be modelled to contribute over £2.7 billion to the regional economy in terms of GVA⁴, though the overall contribution is likely more than this, particularly as Data City shows over 70,000 employment activities to directly or indirectly feed into Net Zero related activities. This includes pockets of employment across low carbon and renewable energy generation, recycling and infrastructure delivery. There has also been a notable decrease in employment across less sustainable, fossil fuel oriented activities.

3.2.2 *Manufacturing, Technology and Materials*

South West Wales possesses clear areas of specialism within advanced materials, emerging green steel, industrial decarbonisation and marine-linked manufacturing, closely aligned to the energy transition and the needs of future low-carbon supply chains. These specialisms are supported by key regional assets such as Tata Steel, the Celtic Freeport, Enterprise Zones and leading higher education institutions.

³ Employee counts have been sourced from the ONS' Business Register and Employment Survey. Where required, sectors have been broadly defined using SIC-based definitions.

⁴ Sectoral GVA has been calculated using GVA per FTE estimates sourced from Experian. The estimates reflect the proportions of full-time and part-time employees within a sector as identified within the BRES data, with part-time staff assumed to represent 1/2 of an FTE.

Currently combining traditional manufacturing practices with advanced manufacturing and Industry 4.0 technologies, the wider manufacturing sector and its business base of over 1,000 continues to employ over 23,000 workers in South West Wales. Data City also shows the RTIC sector of advanced materials to have a location quotient of 2.5, which denotes a high degree of specialisation relative to the national economy. Particular sub-sectoral strengths remain linked to manufacturing of metals in Neath Port Talbot, where over 3,000 people work within the sub-sector. These existing strengths contribute to the sector's total regional GVA of £1.59 billion, calculated using a blend of ONS BRES and Experian data.

3.2.3 *Health and Life Sciences*

Health and life sciences is a key established sector within South West Wales, and combines high levels of employment, regional specialisation, sectoral growth and a selection of nationally-leading assets.

With approximately 30,000 workers in human health activities and a Location Quotient above 1, South West Wales is clearly emerging as a key destination for cutting-edge healthcare innovation and research excellence. The sector is anchored by Swansea University's Institute of Life Sciences and National Institute for Sport and Health and Carmarthen's flagship Pentre Awel campus. The sector more broadly is underpinned by strong partnerships between academia, 695 regional businesses, and the NHS. Together, this combination of strengths contributes over £1.2 billion in GVA, and allows the region to drive advances in medical technology and to offer scalable opportunities for investors in health, digital health, and well-being.

Health partners, including regional committees, universities and life sciences networks, represent key anchor institutions within South West Wales. Beyond service delivery, the sector has a growing role in shaping innovation ecosystems, supporting clinical research, enabling digital and data-driven transformation, and acting as a catalyst for investment in life sciences, medtech and preventative health solutions.

3.2.4 *The 'Experience' Economy*

South West Wales' unique blend of the thriving waterfront city of Swansea with the natural beauty of areas such as Pembrokeshire has enabled the region to develop particular strengths in terms of what can broadly be defined as the 'experience' economy. This mix supports different visitor experiences, from city based culture and events to rural, coastal and nature led tourism. Investment in connecting these different aspects of the 'experience economy' could help to increase dwell time, repeat visits and year round economic activity across the region.

Capturing a number of sectors relating to tourism, leisure, heritage and culture, almost 40,000 work in the 'experience' economy across South West Wales, which contributes almost £1.3 billion of GVA to the regional economy. Further evidence of the sector's growth and diversification potential is in terms of the region's clear specialisation across relevant sub-sectors including accommodation and food services, recreation and retail. Employment across the 'experience' economy sectors has also increased by almost 1,500 since the pandemic, as there is recorded to be over 6,000 businesses supporting persistently high levels of tourism and visitor activity.

3.2.5 *Emergent sectors*

In addition to the priority sectors, several emerging industries show strong future growth potential.

Creative and Digital Sector

The £55 million Digital Infrastructure Programme within the Swansea Bay City Deal is expected to drive major expansion of the creative and digital sector, with projected GVA gains of £350 million over 15 years and more than £100 million in wider benefits. Growth will be supported by university-led innovation, an active regional creative ecosystem (including Creative Swansea and 4theRegion), and sustained demand from film, TV and media companies such as Tinopolis, alongside S4C, the national Welsh-language broadcaster headquartered in Carmarthenshire, which provides a strong anchor institution for the regional screen and digital economy. The region also offers significant production assets, notably Bay Studios in Neath Port Talbot; one of Europe's largest indoor film studios with 265,000 sq ft of studio space and 30,000 sq ft of production offices.

Agri-tech and high-value food production

The region's strong rural base, coupled with rapid adoption of digital and precision technologies, is positioning South West Wales as a growing agri-tech cluster. New opportunities are emerging through IoT-enabled and data-driven farming, particularly in rural and hard-to-reach areas. Initiatives such as the Farming Connect "Our Farms" network in Pembrokeshire and Carmarthenshire are accelerating technology uptake and improving sustainability and efficiency. The Natural Products Biohub at Swansea University strengthens the agritech sector in South West Wales by supporting research-led discovery and development of natural products from agricultural and biological resources, linking primary production with applied research, innovation and commercialisation. Meanwhile, the opening of Pembrokeshire Creamery - Wales' first "grass-to-bottle" milk production facility - demonstrates clear progress in high-value, innovation-led food production.

Supporting sector assets such as Gelli Aur Agri College providing a strong foundation for land-based skills, agri-tech and food innovation. There are also other education and training providers which are supporting this sector's emerging role whilst also creating pathways into future-facing rural and environmental careers.

4 Investment Opportunities

4.1 Summary of the Project Pipeline

A call for projects in November 2025 across the region received over 45 responses. Projects submitted were either updating existing projects within the REDP pipeline (such as Pentre Awel), or completely new. All together these submissions begin the formation of a refreshed project pipeline for the region that will continue to stay live and be updated.

The project submissions came from a range of organisations including local authorities (across multiple departments), universities, colleges, property developers, charity and voluntary sector organisations and a range of private companies. Most organisations were based locally within the region, with a handful from external organisations.

Project submissions spanned sectors including energy, circular economy, health and life science, tourism and culture, construction and housing, transport, agriculture and food, and manufacturing. Many projects crossed-multiple sectors. The most common project sectors were those related to net-zero and the experience economy.

The investment pipeline contains a breadth of project types.

- Large capital projects – Spanning;
 - major urban developments such as Porth Copr in Swansea City Centre;
 - industrial flagship projects in advanced manufacturing and clean energy, such as Port Talbot’s electric arc furnace;
 - energy such as the Milford Haven CO2 Project; and,
 - high quality hospitality and tourism developments, such as Wildfox Resorts Afan Valley proposals and Oriel y Parc in Pembrokeshire Coast National Park Authority.
- Research and innovation – Developments of innovation hubs in a range of sectors including;
 - health and life science (Pentre Awel phase 2);
 - food and agriculture (Bremenda Isaf);
 - transport (Global Centre of Rail Excellence);
 - circular economy (Cwm Gyrdd Nantycaws);
 - and clean energy (Marine Energy Test Area).
- Cross-regional infrastructure – Projects to upgrade the cross-regional connectivity including the West Wales Metro, electric bus fleet, new railways stations and platforms, and electric vehicle charging networks.
- Education and skills – Proposals for fosters workforce development, supporting the region to have the skills needed for the future. This includes clean energy jobs awareness

building campaigns, training centres of excellence in a range of sectors including hospitality and construction, and support for SMEs and Entrepreneurs in new foundational skills such as digital marketing and Artificial Intelligence use.

- Business support – A series of proposals to support business within the region to grow. Proposals included a mix of;
 - financial support programmes to support the viability of property development, investment in clean energy and energy efficiency, and patient finance for social enterprises
 - Technical advice and skills development for decarbonisation, accessing public procurement contracts, digital skills and artificial intelligence use;
 - Sectoral network building, such as supporting and promoting the Creative Swansea Cluster to expand regionally.

In total, all projects constituted over £6 billion in investment opportunity.

Submitted projects were at a range of development stages spanning from concept and early proposal, to business case, pre-delivery, and already in delivery and looking for additional investment.

Given the range of project stage, types and scales, the support that proposing organisations required from supportive institutions (e.g. local authorities, the CJC) varied. It included:

- Public or grant funding to bridge initial capital gaps, de-risk investments or remediate land.
- Public or grant revenue funding to continue successful programmes or projects.
- Public or grant funding to support feasibility research, scoping or plan development.
- Incentives to stimulate market demand and skills development.
- Promotion support to attract private investment.
- Advocacy support to attract national government investment or approval for use of non-devolved powers.
- Coordination support.

It is important to note that the project pipeline reflects a mix of funding requirements and does not represent a uniform call for grant support. While a number of Expressions of Interest identified the need for public funding, this often relates to early-stage enabling activity such as feasibility work, land remediation, infrastructure requirements or bridging viability gaps, rather than an expectation of full grant financing. The pipeline also includes a range of commercially investable opportunities with clear potential to attract private sector and institutional capital, particularly where targeted public investment can help de-risk delivery and crowd-in co-investment. As the pipeline is developed further, projects will be increasingly categorised according to their most appropriate funding route, distinguishing between grant-supported

interventions, blended finance propositions and those that are investment-ready for private delivery.

4.2 Types of Investment

Investment opportunities across South West Wales span the full investment cycle, from early-stage innovation and concept development through to large-scale infrastructure and commercially investable assets. The region will therefore adopt a staged financing approach, aligning the right forms of capital to the right point of project maturity, and ensuring that projects can progress from pre-seed support through to growth, scaling and long-term institutional investment.

Investment appetite and appropriate funding models vary across South West Wales, reflecting differences in market maturity, scale and commercial conditions rather than strategic preference. Larger, more complex commercial and mixed use developments are more likely to attract institutional and long term investment where sufficient scale, density and income certainty can be achieved. In other parts of the region, smaller-scale commercial development, regeneration and sector-led projects are more typically aligned to regional private investors, developers, SMEs and blended finance approaches. Together, this diversity of investment models supports a resilient and balanced regional economy.

Different types of finance will be required at varying stages of the investment cycle:

- **Pre-seed and feasibility stage:** Welsh Government development funding, local authority enabling capital, UK Local Growth Fund, innovation grants (e.g. Innovate UK), and university-led translational investment will be critical to support concept development, business case preparation and early de-risking.
- **Seed and pilot stage:** Development Bank of Wales finance, social investment, early-stage venture funding, and blended public-private demonstrator programmes will help bring forward first-of-a-kind projects, particularly in clean energy, innovation and town centre regeneration.
- **Growth and scaling stage:** British Business Bank regional funds, private equity, sector-led co-investment, and corporate partnerships will support SME expansion, supply chain growth and productivity-enhancing investment.
- **Series A and beyond / long-term infrastructure stage:** Institutional investors, pension funds, the UK Infrastructure Bank, green finance providers and strategic developers will be well suited to mature projects offering stable returns, including renewable energy assets, major regeneration schemes and revenue-backed infrastructure.

Delivering the ambitions of this Strategy will require a blended approach to investment. No single funding source will be sufficient to support the scale, pace and diversity of opportunities across South West Wales. Instead, a range of public, private and alternative investment mechanisms will need to be aligned and deployed in a coordinated way.

Government Investment

Government funding, from both Welsh Government and the UK Government, will continue to play a critical role in supporting investment in South West Wales. This includes capital and revenue funding aligned to national and regional priorities, such as economic growth, net zero, skills and place-based regeneration.

Public funding will be particularly important in enabling early-stage project development, de-risking investment and supporting infrastructure and enabling works that unlock longer-term private sector involvement. The Strategy seeks to position the region to respond effectively to future government funding opportunities by maintaining a strong, investable pipeline of projects.

Public funding will also play a key role in leveraging wider national investment vehicles, including the UK Infrastructure Bank, the British Business Bank, Innovate UK and future net zero transition programmes, positioning South West Wales to secure both competitive and devolved funding streams.

Private Sector Investment

Private sector investment will be essential to achieving scale and sustainability. This includes domestic private capital across sectors such as energy, advanced manufacturing, life sciences, digital and the foundational economy.

The role of the Strategy is to create the conditions for private investment by providing clarity of vision, a credible project pipeline and supportive governance arrangements. Public investment will be used selectively to crowd in private capital, reduce risk and improve commercial viability where appropriate.

This includes investment from strategic developers, energy companies, corporate venture capital, and supply chain partners seeking long-term opportunities linked to floating offshore wind, grid infrastructure, advanced manufacturing and innovation districts. In some cases, investment may be led directly by developers, operators or anchor institutions, including universities, health bodies and major employers. These organisations can play a critical role in bringing forward projects, particularly where investment is linked to long-term operational needs or service delivery.

Supporting these models can accelerate delivery and strengthen local economic impact.

Foreign Direct Investment

Foreign Direct Investment (FDI) represents an important opportunity for South West Wales, particularly in growth sectors aligned with the region's strengths and assets. This includes opportunities linked to energy transition, innovation, and high-value manufacturing.

The Strategy supports proactive engagement with international investors, working closely with national agencies to promote the region's offer. Investment readiness, site availability and skills provision will be critical factors in attracting and retaining FDI.

Wider and Alternative Investment

In addition to traditional public and private funding, there is growing potential to draw on wider and alternative forms of investment. This includes impact investors, community finance, green bonds, mission-led investment vehicles and patient capital models aligned to inclusive growth and decarbonisation.

These mechanisms can support projects that deliver strong social, environmental and economic outcomes, including those with revenue-generating potential. Exploring innovative financing approaches will help diversify funding sources and maximise the overall impact of investment in South West Wales.

Institutional and Long-Term Capital

Institutional investors, including pension funds and insurance providers, represent a significant source of long-term capital. This type of investment is particularly well suited to large-scale infrastructure, energy and regeneration projects that offer stable, long-term returns.

Positioning projects to meet institutional investment requirements will require strong governance, clear revenue models and an appropriate risk profile. Where aligned, institutional capital can provide patient funding that supports long-term regional outcomes.

Blended Finance and Co-Investment Models

Blended finance approaches combine public, private and alternative funding sources within a single investment structure. This can help de-risk projects, improve commercial viability and unlock investment that may not otherwise be achievable.

Co-investment models allow public funding to act as a catalyst, crowding in private and social capital while retaining a focus on public value. These approaches are particularly relevant for complex, place-based or innovative projects.

Revenue-Based and Self-Financing Investment


Some projects may be capable of generating revenue over time, enabling reinvestment or recycling of capital. This includes assets linked to energy generation, digital infrastructure, property and services.

Revenue-based models can improve financial sustainability and reduce long-term reliance on grant funding. They also provide opportunities to reinvest returns into future regional priorities.

Further focus upon funding

A core ambition of the Strategy is to move beyond transactional funding bids towards the co-identification and co-creation of investable opportunities. This will involve early engagement with private, institutional and social investors to shape projects, strengthen delivery models and develop investment-ready propositions. By aligning public sector priorities with investor requirements, South West Wales can accelerate delivery, reduce fragmentation and crowd in long-term capital.

A proposed South West Wales Investment Fund (Section 6) will provide a central platform through which these diverse sources of finance can be blended, sequenced and deployed strategically,



supporting projects from early-stage development through to scalable delivery and long-term investment.

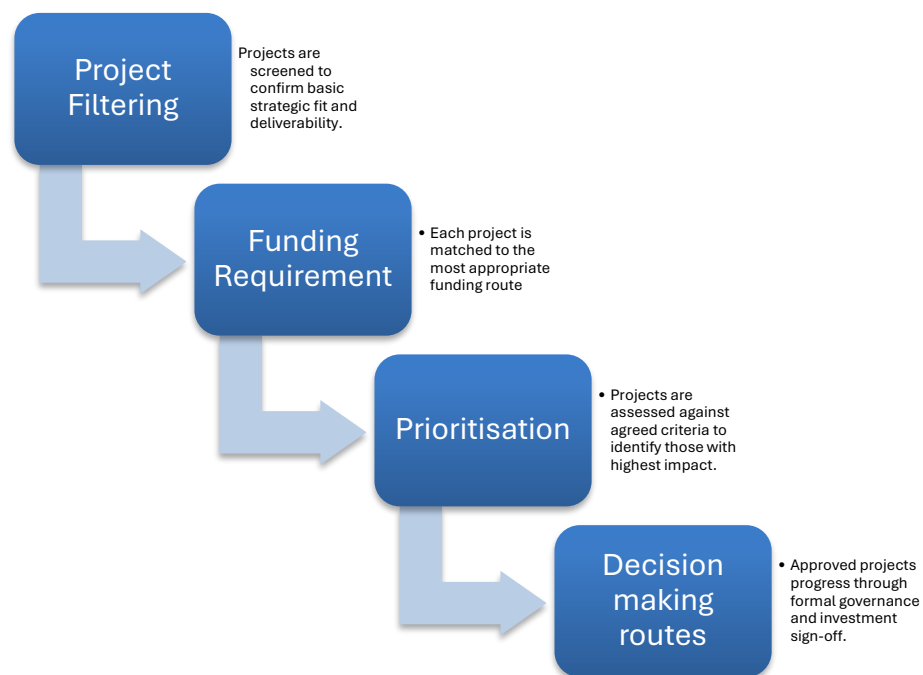
5 Taking Projects Forward

The South West Wales region has a substantial and growing pipeline of investable opportunities. Ensuring a clear and transparent framework is essential to help the region focus effort, direct resources and communicate an investor-ready portfolio.

5.1 Process summary

The process is summarised in Figure 2 below:

Figure 2: Process summary



The process begins with a call for projects or the gathering of proposals from across the region. An initial filtering stage is then undertaken to understand the nature of each project, including its strategic purpose, investment requirements and alignment with key priorities. At this point, projects can begin to be grouped according to their most suitable development pathway, whether as REDP-aligned interventions, wider pipeline opportunities or private-led propositions.

The next step involves assessing the most appropriate funding route, distinguishing between public, private or blended finance options. Following this, each project is evaluated against the agreed deliverability and prioritisation criteria, enabling the region to identify those with the strongest strategic fit, clearest pathway to delivery and greatest potential for impact. This structured approach ensures that South West Wales maintains a focused, coherent and investable regional pipeline.

Stage 1. Project filtering

Ahead of prioritisation, an initial filtering stage is required to ensure that projects meet baseline strategic, financial and deliverability criteria. This process helps to refine the longlist into a focused set of opportunities that are genuinely investment-ready or have a credible pathway to readiness. By applying this structured filter upfront, the region can concentrate effort on the most viable proposals while maintaining a dynamic pipeline that continues to evolve as new opportunities emerge.

Table 1: Overview for Project Filtering

Assessment Dimension	Purpose	Typical Outcomes
Source of Funding Sought	Determines whether public, private or blended finance is required.	Routes projects to appropriate funding mechanisms.
Project Outcomes & Impact	Tests alignment with REDP priorities and regional investment objectives.	Identifies projects with strongest strategic value.
Readiness & Deliverability	Assesses maturity, barriers, planning status and enabling needs such as infrastructure and skills.	Highlights where support or sequencing is required.
Investor Proposition Strength	Considers clarity of offer, commercial attractiveness and scalability.	Identifies high-potential projects for promotion.

Depending on the results of the filtering process, projects can follow several pathways. Projects can:

- Transition directly into the REDP delivery pipeline for coordinated regional implementation.
- Others may be explored with relevant regional partners, such as the Regional Learning and Skills Partnership, where the project aligns more closely with skills, R&D or education outcomes.
- Certain propositions may be better suited for escalation to the Welsh or UK Government to seek further investment, policy alignment or strategic support.
- In addition, projects that align with the objectives of the new Local Growth Fund (or future successor programmes) can be positioned for consideration within those funding frameworks.

Stage 2. Funding Requirement

The next stage involves assessing the most appropriate funding route for each project. This includes matching proposals to existing funding streams and ensuring that projects align with the criteria, priorities and timelines of current public, private or blended finance options.

However, the process also recognises that the funding landscape is evolving. Some projects may be better positioned to align with new or emerging Welsh or UK Government funding programmes, particularly where national policy priorities are shifting or where new investment vehicles are being developed. In these cases, the assessment helps to surface opportunities to position South West Wales as an early mover, shaping proposals in a way that strengthens their eligibility for future programmes.

By considering both the current funding environment and the potential for upcoming investment streams, this stage ensures the region remains agile, forward-looking and ready to capitalise on new funding opportunities as they arise.

Stage 3 Prioritisation

To translate the region's investment opportunities into deliverable interventions, a live project pipeline has been established (see Section 5). This pipeline captures each identified project (through existing pipelines and the call for projects), its proposed contribution to economic development and its anticipated pathway to readiness. The intention is to keep it under continuous review by regional partners, allowing new commercial ideas and emerging opportunities to be added, and enabling project information to be updated as schemes develop.

The pipeline includes projects at varying stages of maturity, from early concepts requiring development support to advanced proposals approaching delivery. This diversity reinforces the importance of a systematic and transparent prioritisation process, ensuring that projects are assessed consistently and routed to the most appropriate development pathway.

Prioritisation Criteria

The strategy development process identified over £6 billion of investable opportunities across South West Wales. These projects span critical infrastructure, innovation-led development, major regeneration schemes and resilience-focused programmes. The pipeline reflects the breadth and depth of the regional offer, showcasing projects with the potential to deliver significant economic, social and environmental returns over the short, medium and long term.

To ensure that investment decisions are transparent, consistent and aligned with regional priorities, the criteria provide a structured method for comparing projects that vary widely in scale, purpose and maturity, helping partners determine which opportunities should progress first and what level of support they may require.

Table 2: Prioritisation Criteria

Criteria	Justification
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Strategic Alignment	Fit with UK, Welsh and regional priorities, including CJC objectives.
Need & Demand	Clear evidence of market demand, stakeholder need or service gaps.
Deliverability & Readiness	Realistic pathway to delivery including planning, consents, partnerships and enabling infrastructure such as transport, grid connection and other utilities.
Economic Impact	Potential to create jobs and apprenticeships, grow GVA, raise productivity and strengthen supply chains.
Financial Viability	Credible costs, secured funding and manageable funding gap.
Social Value & Inclusion	Contribution to skills and apprenticeship opportunities, fair work, equality and community wellbeing.
Environmental Sustainability	Alignment with net zero, biodiversity, resilience and circular economy goals.
Risk & Mitigation	Clear understanding of risks and credible mitigation strategies.
Long-Term Legacy	Enduring social and economic benefits and long-term transformation potential through the project's ability improve overall regional attractiveness to further investment.

By applying the criteria collectively, decision-makers can:

- Identify high-potential, delivery-ready projects suitable for investment promotion.
- Highlight projects requiring development support, such as feasibility work, partnerships or planning alignment.
- Direct proposals to the most appropriate funding route, based on their characteristics, readiness and expected impact.
- Maintain a balanced portfolio, ensuring that economic, social and environmental outcomes are advanced in tandem.
- Identify which projects have the greatest potential to deliver long term transformational benefit to the region.

While the prioritisation criteria provide a consistent framework for assessment, they are intended to be applied flexibly rather than mechanistically. Projects will be considered in the context of their stage of maturity, strategic significance and potential to unlock wider regional value over time. This ensures that earlier-stage or transformational opportunities are not disadvantaged simply because they require enabling support or longer development horizons.

Prioritisation will therefore remain responsive to emerging policy priorities, funding opportunities and regional delivery capacity, allowing the pipeline to evolve while maintaining transparency and alignment with the region's long-term missions.

Stage 4. Decision-Making Routes

Projects progressing through the prioritisation framework will ultimately be subject to formal approval and governance processes to ensure they demonstrate strategic fit, value for money and deliverability. As projects move from early concept to more advanced stages, they will be expected to present proportionate evidence of costs, outcomes and funding requirements. This staged approach ensures that only well-developed and robust proposals proceed to investment, helping to safeguard public funds and maintain confidence among partners and investors.

The CJC will operate clear and transparent decision-making routes, working closely with constituent local authorities and regional partners. These arrangements will define responsibilities for project sign-off, financial oversight and compliance with the approved Assurance Framework. Depending on scale and complexity, projects may require approval at key gateways such as Outline Business Case or Full Business Case, while smaller schemes may progress through lighter-touch processes. Regular reporting and open communication will ensure alignment across partners, support effective oversight and maintain a coherent regional programme of investment.

6 Regional Investment Fund for South West Wales

The proposed £1.5 billion South West Wales Investment Fund is not currently secured funding. It represents the scale of long-term capital the region will seek to mobilise, working with Welsh Government and the UK Government to establish an appropriate devolved funding mechanism. The figure reflects the ambition and scale of the regional pipeline rather than a confirmed allocation.

South West Wales has a strong and diverse project pipeline of projects and proposals spanning regeneration, clean energy, innovation, skills and enterprise. However, many of these opportunities are constrained by capital development gaps, fragmented funding, and limited mechanisms to support cross-regional delivery.

A devolved South West Wales Investment Fund represents a critical mechanism to move from fragmented, short-term interventions toward a stable, mission-led investment platform capable of unlocking the region's next decade of growth. By combining public capital with institutional, private and impact investment, the fund would provide South West Wales with the tools to deliver regeneration, accelerate the clean energy transition, and build a more productive, inclusive and resilient regional economy.

The strategy has identified a need for a fund with two core roles:

1. Enabling capital for investment readiness: Provide targeted capital to:
 - a. Bridge early stage viability and development gaps
 - b. De-risk complex or first of a kind projects
 - c. Support land remediation, infrastructure enablement and business case development; and
 - d. Providing patient and blended finance to crowd-in private, institutional and social investment.
2. Cross-regional programmes: Supporting initiatives that deliver strategic impacts at a regional scale, including:
 - a. Skills and workforce development aligned to clean energy, construction, hospitality, manufacturing, and future digital skills.
 - b. Business support and SME growth to decarbonise, improve productivity, and effective use of digital technologies and AI, and access to public procurement.
 - c. Enterprise and sector development, strengthening clusters and supply chains across local authority boundaries.

6.1 Evidence and need

Consultees and delivery partners have consistently identified clear gaps in existing funding provision, including:

- The absence of a dedicated mechanism to address the region's capital development gap.

- A lack of stable, coordinated funding for skills and business support programmes delivered at a regional scale.
- Limited availability of patient, low interest finance for SMEs and social enterprises that are not well served by national or commercially driven banking models’
- The absence of a central, credible vehicle through which private and institutional investors, including pension funds, can invest in the South West Wales economy;
- A need for finance products that reflect regional characteristics, sector mix and long-term development outcomes, rather than short-term returns alone.

Without intervention, these gaps will continue to constrain delivery, limit private investment, and hinder the region from achieving its development missions.

6.2 Investment and finance approach:

The proposed investment fund for South West Wales will deploy capital in a targeted, flexible and proportionate manner, addressing identified market failures whilst complementing existing public and private finance provision. Reflecting the scale and scope of the Swansea City Bay Deal, SWW regional development fund is proposed to be up to £1.5billion over 10 years⁵.

The proposed £1.5bn South West Wales Investment Fund reflects both the scale of opportunity and the scale of constraint currently facing the region’s project pipeline. The figure is grounded in three considerations:

- Learning from prior devolved and regional funding models, including the Swansea Bay City Deal, Levelling Up funding rounds, and comparable UK regional investment vehicles.
- A horizon scan of the region’s forward project pipeline, which demonstrates a significant volume of strategically aligned projects requiring early-stage capital, blended finance, or enabling investment before they can reach full delivery readiness.
- Evidence of persistent development and viability gaps, particularly in regeneration, clean energy infrastructure, land remediation, SME growth and innovation-led enterprise.

The pipeline analysis indicates that while South West Wales has a strong base of investable opportunities, a proportion are constrained by a lack of structured development finance and patient capital. Many proposals sit in the “missing middle”: too advanced for grant-only support, but not yet sufficiently de-risked or packaged to attract institutional investment.

A £1.5bn fund deployed over ten years would therefore provide the scale required to:

- Unlock stalled schemes and accelerate delivery;
- Support first-of-a-kind and region-shaping projects;
- Crowd-in private investment through blended and patient finance; and

⁵ While £1.5 billion represents a significant and ambitious scale of investment, it is presented as an indicative long-term aspiration rather than a secured funding commitment. The figure reflects the scale of the regional opportunity and pipeline, and would be expected to be built progressively over time through a combination of Government anchor capital, recycled returns, and co-investment from private, institutional and impact finance partners, rather than as a single upfront allocation.

- Deliver sustained regional programmes beyond short-term funding cycles.

6.2.1 *Investment principles*

It is proposed that the fund will be guided by the following principles:

- **Additional:** Investment will only be made where there is clear evidence that outcomes would not be delivered at the same scale, pace or quality without intervention.
- **Place-base alignment:** Investment decision will be aligned with regional economic, skills and decarbonisation priorities.
- **Crowding in private finance:** Public capital will be used to strategically reduce risk and improve visibility, unlocking follow-on private and institutional investment.
- **Transition to market maturity:** Investment will support places and projects to move, where appropriate, from grant supported delivery towards commercially viable and investment led models over time.
- **Proportionality and flexibility:** Financial support will be tailored to project stage, scale and risk profile.
- **Recyclability:** Where appropriate, returns will be recycled to support long-term investment capacity in the region.

Over time, this approach will allow public funding to be focused increasingly on areas and projects where market led investment alone is insufficient, while supporting other locations to become more self-sustaining.

6.2.2 *Financial instruments*

Feedback from stakeholders suggests that the fund should deploy a range of development finance tools, including:

- Capital grant to address viability gaps, abnormal costs and market failures;
- Development funding for feasibility, scoping, business case development or pre-construction activity.
- Patient, low cost loans where commercial lending is unavailable or inappropriate;
- Blended finance and co-investment, combining public and private capital.
- Recoverable or recyclable funding, where appropriate to sustain funding over time.
- Procurement and commissioning of partners to deliver services where best placed and appropriate.

Where appropriate, services and programmes will be delivered through the procurement or commissioning of specialist partners, including third sector and social finance organisations with relevant delivery experience.

6.2.3 Relationships with existing finance providers

It is recognised that the fund should not seek to replace or compete with commercial lenders or national development finance institutions. Instead it will:

- address gaps between grant funding and commercial finance;
- improve the risk profile of projects and business;
- enable access to mainstream lending and investment at later stages; and
- support a transition away from long-term grant dependency, by enabling projects and places to progress towards commercially viable, investment led delivery models over time.

Proposed South West Wales Regional Development Fund Summary

Purpose: A devolved, enabling investment fund to unlock delivery of priority projects by addressing capital gaps, de-risking investment, and crowding-in private and institutional finance.

The need:

- Capital development gap,
- Fragmented short-term funding for skills and business support,
- Limited patient finance,
- No single regional vehicle for private/institutional investment, and,
- Tailoring to regional need and aims.

What it will do: Distribute up to £1.5 billion over 10 years to:

- **Enable projects to be investment ready** : viability gaps, de-risk, feasibility/BC development, patient/blended finance options.
- **Deliver cross-regional programs:** skills and workforce development, SME productivity, tech adoption, decarb, cluster development.

Investing principles: Additional, place-based, crowding-in, proportionate, recyclable where appropriate.

7 Governance and Programme Management

This section ensures that regional decision-making is coherent, transparent and aligned with shared priorities. The Investment Strategy sits within this structure, providing the delivery vehicle for regional economic ambitions and offering a coordinated approach to securing and deploying investment.

7.1 Governance Framework

This section sets out the governance, leadership and oversight arrangements that will underpin the delivery of the Investment Strategy, ensuring clear accountability, effective decision-making and strong alignment between strategic priorities and delivery activity across South West Wales.

- **Leadership:** The CJC provides strategic leadership for the Investment Strategy and is responsible for setting priorities, approving investment decisions and determining overall programme direction. This ensures a consistent, accountable and region-wide approach to investment. As one of the four statutory CJs established in Wales, it provides the formal mechanism through which the constituent local authorities exercise joint functions relating to strategic planning, regional transport and economic wellbeing.
- **Oversight:** Strategy oversight is supported by the Regional Directors, supported by Economic Development Officers group. This will help to monitor progress, maintain the live project pipeline and coordinate activity across partner organisations. This arrangement ensures strategic intent is translated into delivery on the ground.
- **Operational:** The Economic Development Officers Group will act as the operational lead, responsible for maintaining the Strategy, reviewing project proposals and recommending actions. The CJC has established mechanisms to ensure meaningful engagement with business and third-sector partners.
- **Joined-up working:** The governance framework promotes joined-up working across partner organisations and workstreams including the SWW Regional Learning and Skills Partnership and health bodies/organisational frameworks, ensuring alignment with wider economic development activity, adjacent agendas and other funding programmes so that investment decisions are coordinated, complementary and mutually reinforcing rather than fragmented.
- **External view:** The Private Sector Advisor Group will be consulted on the pipeline development and major propositions to ensure the Strategy reflects commercial realities and opportunities. Structured engagement through the Private Sector Advisor Group (and other advisory boards or externals) will provide independent insight on strategy delivery and strategy. This will help to test assumptions, challenge priorities where necessary and strengthen decision-making.

Given the scale and long-term nature of the investment programme, sufficient delivery capacity will be critical. This includes expertise within individual partner authorities, alongside shared regional capacity to develop projects, secure funding and manage delivery at pace.

7.1.1 Skills Alignment and Workforce Governance

Delivery of the Investment Strategy will be supported by close alignment with regional skills planning. The Regional Learning and Skills Partnership (RLSP) provides an evidence-led framework to align employer demand, labour market intelligence and education provision across South West Wales, particularly in priority sectors such as clean energy, manufacturing, digital and health. Integrating this skills intelligence into regional governance helps strengthen investment readiness, delivery confidence and long-term workforce resilience.

7.1.2 Pipeline Management and Updating

A live project pipeline underpins the Strategy and must remain flexible to respond to new opportunities. The pipeline will be maintained by the regional Economic Development Officers Group (overseen by Regional Directors), who will update project information, monitor progress and coordinate funding applications, advice and signposting.

Key elements of the pipeline management approach include:

- Regular (e.g bi-annual or other timeframe) calls for projects to ensure a steady flow of new ideas, including private-sector propositions and innovation-led schemes.
- Use of efficient digital tools, such as online submission forms, to streamline inputs and improve data quality.
- Ongoing support from the Private Sector Advisor Group, ensuring that emerging opportunities align with market trends and investor expectations.

This structured process ensures that South West Wales retains an agile, investable and evidence-led portfolio capable of responding to evolving economic conditions.

7.1.3 Decision Making

Formal investment decisions rest with the CJC, in line with its statutory responsibilities. Projects will progress through proportionate appraisal processes based on the HM Treasury and Welsh Government Green Book methodology, ensuring robust assessment of strategic fit, value for money, deliverability and risk.

The timely and predictable operation of the planning and consenting system, including environmental permitting, is critical to securing private investment. For investors, certainty over decision-making timescales is as important as access to sites, infrastructure and grid capacity, as delays or uncertainty can materially affect project viability and investment decisions.

To support this, decision-making will be underpinned by a proactive planning system that enables early identification of opportunities, constraints and dependencies across the project pipeline. This will allow local planning authorities to shape, sequence and align investment activity in advance, improving investment readiness, reducing delivery risk and supporting timely, well-informed decisions that respond to both strategic priorities and market conditions.

Investment decisions will be guided by strategic impact, deliverability and long-term value, rather than an assumption of equal geographic distribution. This approach ensures that investment supports projects that unlock the greatest collective benefit for the regional economy, while recognising that impacts will be felt across different places in different ways and over different timescales.

Decision-making will also be aligned with the Well-being of Future Generations (Wales) Act 2015, ensuring that all investments contribute to long-term economic, social, environmental and cultural well-being in line with the sustainable development principle.

7.1.4 Long-Term Approach

Although the Strategy sets out a five-year programme, effective regional investment requires a long-term perspective. New opportunities, funding streams and technologies will emerge, and the Strategy is designed to be adaptable, allowing priorities and actions to evolve over time while maintaining a clear direction and shared ambition.

7.2 Measuring and Monitoring our Success

Given that projects within the pipeline are at different stages of development, a robust approach to measuring progress is essential. Monitoring will focus both on overall programme performance, aligned with the REDP missions, and project-specific investment indicators that demonstrate the value and impact of individual interventions. Together, these metrics will allow the region to assess progress, refine priorities and demonstrate the strategic return on investment.

A suite of core performance indicators (from the REDP) will track progress against broader regional priorities, ensuring that investment activity contributes meaningfully to economic, social and environmental outcomes. These are complemented by investment-specific measures, enabling the CJC and partners to evaluate how effectively the Strategy is leveraging resources, strengthening the business base and supporting long-term economic transformation.

Table 3: REDP Indicators

Indicator	Description
Private investment	Additional private investment secured in the region as a result of public support through the REDP

Gross value added	Estimated additional GVA generated as a result of investment
Firm creation and survival	New business starts as a result of REDP-backed activity and survival rates over time
Jobs	Jobs created and safeguarded as a result of investment. The REDP emphasises the quality of jobs (in line with the Economic Contract) and this should be reflected in the performance measure (for example, employment at or above Real Living Wage and sustained over time).
Productivity	Improved productivity as a result of investment. (GVA per hour worked)
Access to employment	People entering employment (or increasing hours) as a result of intervention
Innovation	Research and development into new products, goods and services as a result of intervention. Adoption of 'new to the firm' products or processes as a result of intervention
Carbon reductions	CO2 savings as a result of investment
Modal shift	Increased journeys on public transport/ increased use of active travel as a result of investment.
Visitor spend	Increased visitor spend as a result of investment

7.2.1 *Investment-Specific Indicators*

Beyond the broad indicators (above), the Strategy will track direct performance related to investment mobilisation and project progress. Suggested measures include:

- Investment leveraged: Total public and private capital attracted through the pipeline.
- Project progression: Number of projects advancing through development stages (e.g. feasibility, OBC, FBC).
- Delivery speed: Time taken for prioritised projects to reach delivery milestones.
- Pipeline resilience: Proportion of projects maintained, added or retired during biannual reviews.

7.2.2 *Monitoring Approach*

The CJC, supported by regional partners, will maintain a structured performance monitoring cycle, reporting progress at regular intervals and aligning updates with the biannual pipeline review. This ensures transparency, enables early identification of challenges and allows partners to adapt delivery plans as new opportunities, funding streams or policy drivers emerge. Ultimately, this approach ensures the Strategy remains dynamic, accountable and focused on creating long-term value for South West Wales.

8 Next steps

The next phase of the South West Wales Investment Strategy will focus on strengthening the region's investment proposition, progressing priority opportunities, and putting in place the conditions required to support long-term delivery. The actions set out below provide a practical route map for how the Strategy can be taken forward over the period 2026–2031, recognising that sequencing and pace will continue to reflect partner capacity, funding availability and emerging opportunities.

Strengthening the Investment Offer

Early implementation activity will include further development of the region's outward-facing investment proposition. This will involve refinement of the Investment Prospectus and supporting collateral, informed by engagement at major events such as MIPIM and UKREiF, and in preparation for future Welsh investment summits. A clearer digital presence for the regional offer will also be progressed to improve accessibility for investors.

Alongside this, a communications approach will be developed to support consistent messaging across partners, ensuring South West Wales presents a coordinated and compelling narrative to the market.

Supporting Innovation and Funding Alignment

The Strategy will continue to support innovation funding bids and ensure alignment with emerging Welsh and UK programmes, including the Local Innovation Partnerships Fund (LIPF). This will help the region remain responsive in a changing funding environment, while strengthening readiness to secure future competitive investment opportunities.

Refreshing and Progressing the Project Pipeline

A core focus of delivery will be the continued development of the live regional project pipeline. Work will include a structured pipeline refresh and triage process, helping to remove duplication, standardise project information, confirm indicative costs and timelines, and identify key dependencies such as planning, grid capacity, land assembly or remediation requirements.

The pipeline will be progressed in collaboration with relevant public sector partners to ensure alignment with wider programmes and funding routes, while further work is undertaken to identify, filter, develop and prioritise projects with the clearest pathway to investment and delivery. Consideration will be given to the development of a longer-term local authority-led sites and premises programme, focused on enabling strategic employment land and workspace that can deliver sustained economic impact and long-term returns on investment.

Mobilising Investors and Delivery Partners

Targeted engagement with private sector partners will be undertaken to test investor appetite, shape propositions and support co-investment opportunities. This will be supported through an annual engagement calendar, including Welsh Investment Summit follow-ups, sector conferences and targeted investor roundtables.



Securing a South West Wales Investment Fund

Further work will be taken forward to explore the establishment of a devolved South West Wales Investment Fund. This will include communications with Government, developing an appropriate investment framework, identifying delivery and governance options, and securing initial anchor capital where possible. In parallel, co-investment partnerships will be pursued providing a pathway to scale investment over time. Together, these steps would create a stable, mission-led mechanism to unlock the regional pipeline, crowd-in private finance, and accelerate delivery across South West Wales.

