

Grwp yr Economi, Sgiliau a Chyfoeth Naturiol  
Economy, Skills and Natural Resources Group

Dirprwy Ysgrifennydd Parhaol • Deputy Permanent Secretary

Nick Ramsay AM  
Chair, Public Accounts Committee  
National Assembly for Wales

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Llywodraeth Cymru  
Welsh Government

16 June 2017

Dear Mr Ramsay

I have been invited to attend the Public Accounts Committee meeting at 2pm on 26 June, at which time the Committee's focus will be the Auditor General for Wales' report on the Welsh Government's initial funding of the Circuit of Wales project. I have been asked to provide a paper outlining the latest position regarding the project in advance of the Committee evidence session.

The Circuit of Wales has been a complex and fast moving project, and the First Minister recently confirmed that Cabinet would be taking a decision on the project by the end of the month.

The Cabinet Secretary for Economy and Infrastructure issued a Written Statement on 17 May confirming that the Welsh Government had received all outstanding information from the Heads of the Valleys Development Company (HOVDC). Since then, officials have been considering in detail the project submission from HOVDC, and have been undertaking a rigorous process of due diligence on the proposal itself, as well as the directors behind the project.

As you know, due diligence is an important part of consideration in financing any project. Members of the Committee will be assured to know that we are taking this opportunity to ensure there is a sustainable and robust business plan in place, to safeguard the interests of the taxpayer and ensure there is an equitable sharing of the risk between the private and the public sectors.

It would be inappropriate to provide more information on the project for the Committee to consider in advance of the due diligence process being satisfactorily completed, and in advance of Cabinet's consideration of the project.

Yours sincerely

A handwritten signature in black ink that reads "James Price". The signature is written in a cursive style.

**James Price**