

**Circuit of Wales  
Redaction Document**

**New Email:**

**From:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions)

**Sent:** 08 August 2016 12:14

**To:** [REDACTED]

**Cc:** 'Michael Carrick'; [REDACTED]; [REDACTED]; [REDACTED]; McGuire, Mick (ESNR-Sectors & Business)

**Subject:** Circuit of Wales Job numbers - Overview and Spread Sheet

[REDACTED],

When we met last week I asked if you could help me interpret the jobs data that you previously supplied. In particular I understood that you were going to look again at the information to clarify two key questions:

1. Are you able to clearly identify which of the jobs are created within the Circuit of Wales company. It would also help if, in line with the previous jobs data supplied as part of the grant application, you could estimate the annual gross salary for the different jobs. This data helps the economists to build a good quality forecast of the number and monetary value of direct jobs
2. I also asked if you could provide any further estimates in relation to the part time posts. In particular data that would help me calculate the "Full Time Equivalent" of those posts. The average anticipated time worked, either as hours per week or days per month, or days per year would be particularly helpful. As with 1 above any indication of wage levels would also help.

As you will know I have asked our economists to look again at the value for money appraisal and any data that you can supply will clearly help in building detail and confidence in the accuracy of the analysis.

Regards

Chris

**Chris Munday** FRICS

**From:** [REDACTED] [mailto:[REDACTED]]

**Sent:** 19 July 2016 10:58

**To:** McGuire, Mick (ESNR-Sectors & Business); [REDACTED]

**Cc:** Michael Carrick; [REDACTED]; [REDACTED]

**Subject:** Circuit of Wales Job numbers - Overview and Spread Sheet

Mick and [REDACTED]

Attached are the overview and spread sheet relating to our discussion around job numbers last night.

I will call you in the next 30 mins to make sure you have received and that they are what you are looking for.

Kind regards,

[REDACTED]

**New Email:**

**From:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions)

**Sent:** 08 August 2016 10:25

**To:** 'Michael Carrick'; McGuire, Mick (ESNR-Sectors & Business); [REDACTED]; [REDACTED]

**Cc:** [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]

**Subject:** RE: Meeting with councils this week

Michael,

I made contact with both [REDACTED] and [REDACTED] on Friday and I am just waiting for the Councils to get back to me with a day and time that works for them both. Hopefully we can sort something today and as soon as I hear either myself, or my pa, will get in touch to confirm.

In the meantime the economists here have started their analysis and I will be meeting them this morning to progress.

Regards

Chris

**Chris Munday** FRICS

**From:** Michael Carrick]

**Sent:** 08 August 2016 10:09

**To:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions); McGuire, Mick (ESNR-Sectors & Business); [REDACTED]; [REDACTED]

**Cc:** [REDACTED]; [REDACTED]; [REDACTED]

**Subject:** Meeting with councils this week

Chris

We are trying to plan our week.

I understand you were looking to set a meeting up this week with the councils to understand their position. Is there a time that has been suggested or confirmed ?

Thanks

M

**New Email:**

**From:** Michael Carrick

**Sent:** 04 August 2016 09:53

**To:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions)

**Cc:** [REDACTED]; [REDACTED]; [REDACTED]; McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources); [REDACTED]

**Subject:** Re: clarification meeting outcomes

Chris

It has to be the position that we get the proposition supported before we can move forward with confidence. At the moment it appears there is inconsistency over the strength of the local authority support, the presentation over the jobs and economic impact, the acknowledgement and recognition of some of the economic benefits and risk transfer that drives value for money.

The banks, consultants, delivery team and management would prefer to advance with an increased level of certainty and a clear and agreed target to jointly achieve.

I think we will have to spend sufficient time required to make sure the Minister makes an informed, as he can, decision. We believe it is important that we are engaged directly with him in his process and if this has to wait until he returns then I think we should do this.

Best  
M

On 3 Aug 2016, at 17:53, Munday, Christopher (ESNR-Sectors & Business-Business Solutions) wrote:

Michael,

Thanks for this extra detail which I have passed to our economists. My concern is one of time.

As we mentioned on Monday the Cabinet Secretary is away from Friday and it will be challenging to get all of this additional information properly analysed and in front of him before the weekend. I also think it is important, as you have highlighted, that there is a clear understanding between all parties on the Councils position. One option could be that between us we take a few extra days to clarify all of these points. What is your view?

I will be in the office most of the day tomorrow if you wish to discuss.

Regards

Chris

**Chris Munday** FRICS

**From:** Michael Carrick

**Sent:** 03 August 2016 16:15

**To:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions); McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources); [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]

**Subject:** Re: clarification meeting outcomes

Chris

forgot the attachment

M

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**From:** Christopher.Munday@wales.gsi.gov.uk <Christopher.Munday@wales.gsi.gov.uk>

**Sent:** Wednesday, August 3, 2016 3:42:34 PM

**To:** Michael Carrick; Mick.McGuire@wales.gsi.gov.uk; James.Price@wales.gsi.gov.uk; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]

**Subject:** RE: clarification meeting outcomes

Michael,

Thanks very much for your paper, which provides a very useful summary and confirmation of the many issues we discussed on Monday.

As advised at our meeting I did provide advice to the Cabinet Secretary yesterday and this has covered all your points, including the request to meet. The one element however that we have not previously discussed and which was not therefore able to be included in the advice is your analysis of value for money and economic benefit. I have passed this on to our economists to urgently review and to give their expert view, following which I will provide an update to the Cabinet Secretary.

I will keep in touch in the coming days.

Regards

Chris

**Chris Munday** FRICS

**From:** Michael Carrick

**Sent:** 02 August 2016 20:29

**To:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions); McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources); [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]

**Subject:** clarification meeting outcomes

Chris

Good to see both you and Mick yesterday

I undertook to set out our view and interpretation of the Cabinet Secretaries statement and our subsequent emails.

I have set out an updated sources and uses which should aid clarification. It does have templates for the [REDACTED] funding which we have not discussed (and i have not included) but this relates to their funding of the [REDACTED] [REDACTED] of [REDACTED] over the next period of the Dorna agreement and is in negotiation with both parties now. We need to ensure this stays allocated to COW and i am seeking your guidance on how we recognise this for the benefit of the assessment, risk and balance sheet. It clearly is a totally private investment and is facilitated as a result of COW.

I have set out our views on the structure, the value for money assessment and in particular the recognition of the VAT payments, corporation tax, reduced dependency benefits, incremental income tax, direct and indirect business rates etc that are not part of the socio-economic study undertaken but do accrue directly to UK plc. We do want to ensure these benefits are acknowledged as even on a discounted and adjusted basis they are material.

I have also set out our view on the project risks and the assessment of the exposure of WG and PSW to the limited financial risk to [REDACTED] how this is substantially lower than 50% at all times.

We have also reverted back to the local authority CEO's to try and reconcile the difference in views between the expressions of support and undertakings made to us and the perceptions by WG in the meeting. There is definately a difference of views here.

I also believe it is important that we get to re-engage with the Minister directly and present the approach and the wider activities that we all are engaged on and hopefully reach a solution and programme that we can progress with confidence and certainty towards.

any queries then please do give me a call

best

Michael

**New Email:**

**From:** McGuire, Mick (ESNR-Sectors & Business)

**Sent:** 04 August 2016 08:52

**To:** 'Michael Carrick'; '[REDACTED]'; Munday, Christopher (ESNR-Sectors & Business-Business Solutions)

**Subject:** RE: [REDACTED]

Michael,

Many thanks for this and while respecting your wish for confidentiality, I have also advised the Cabinet secretary. I know Chris is in touch on timings.

Mick

**From:** Michael Carrick [mailto:michaelcarrick@[REDACTED]]

**Sent:** 03 August 2016 16:46

**To:** McGuire, Mick (ESNR-Sectors & Business); [REDACTED]; Munday, Christopher (ESNR-Sectors & Business-Business Solutions)

**Subject:** [REDACTED]

Mick / James

please see two emails from [REDACTED] regarding our discussions.

They are characteristically brief but be assured if there was no interest we would have no dialogue.

M



**New Email:**

**From:** Michael Carrick [mailto:michaelcarrick

**Sent:** 03 August 2016 16:59

**To:** McGuire, Mick (ESNR-Sectors & Business); [REDACTED]; Munday, Christopher (ESNR-Sectors & Business-Business Solutions)

**Subject:** Re: [REDACTED]

Mick / Chris

I know you fully appreciate this but I do need to emphasise the confidentiality of these emails. We have arranged to meet with [REDACTED] later this month.

regards

Michael

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**From:** Michael Carrick

**Sent:** Wednesday, August 3, 2016 4:46 PM

**To:** Mick.McGuire@wales.gsi.gov.uk; [REDACTED]; Christopher Munday

**Subject:** [REDACTED]

Mick / James

please see two emails from [REDACTED] regarding our discussions.

They are characteristically brief but be assured if there was no interest we would have no dialogue.

M

**New Email:**

**From:** Michael Carrick

**Sent:** 03 August 2016 16:46

**To:** McGuire, Mick (ESNR-Sectors & Business); [REDACTED]; Munday, Christopher (ESNR-Sectors & Business-Business Solutions)

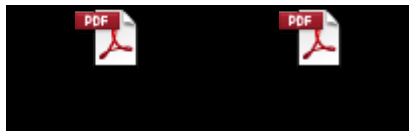
**Subject:** [REDACTED]

Mick / James

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**New Email:**

**From:** Michael Carrick

**Sent:** 03 August 2016 16:15

**To:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions); McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources); [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]

**Subject:** Re: clarification meeting outcomes

Chris

forgot the attachment



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**Sent:** Wednesday, August 3, 2016 3:42:34 PM

**To:** Michael Carrick; Mick.McGuire@wales.gsi.gov.uk; James.Price@wales.gsi.gov.uk; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]

**Subject:** RE: clarification meeting outcomes

Michael,

Thanks very much for your paper, which provides a very useful summary and confirmation of the many issues we discussed on Monday.

As advised at our meeting I did provide advice to the Cabinet Secretary yesterday and this has covered all your points, including the request to meet. The one element however that we have not previously discussed and which was not therefore able to be included in the advice is your analysis of value for money and economic benefit. I have passed this on to our economists to urgently review and to give their expert view, following which I will provide an update to the Cabinet Secretary.

I will keep in touch in the coming days.

Regards

Chris

**Chris Munday** FRICS

**From:** Michael Carrick

**Sent:** 02 August 2016 20:29

**To:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions); McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources); [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]

**Subject:** clarification meeting outcomes

Chris

Good to see both you and Mick yesterday

I undertook to set out our view and interpretation of the Cabinet Secretaries statement and our subsequent emails.

I have set out an updated sources and uses which should aid clarification. It does have templates for the [REDACTED] funding which we have not discussed (and i have not included) but this relates to their funding of the [REDACTED] [REDACTED] of [REDACTED] over the next period of the Dorna agreement and is in negotiation with both parties now. We need to ensure this stays allocated to COW and i am seeking your guidance on how we recognise this for the benefit of the assessment, risk and balance sheet. It clearly is a totally private investment and is facilitated as a result of COW.

I have set out our views on the structure, the value for money assessment and in particular the recognition of the VAT payments, corporation tax, reduced dependency benefits, incremental income tax, direct and indirect business rates etc that are not part of the socio-economic study undertaken but do accrue directly to UK plc. We do want to ensure these benefits are acknowledged as even on a discounted and adjusted basis they are material.

I have also set out our view on the project risks and the assessment of the exposure of WG and PSW to the limited financial risk to [REDACTED] how this is substantially lower than 50% at all times.

We have also reverted back to the local authority CEO's to try and reconcile the difference in views between the expressions of support and undertakings made to us and the perceptions by WG in the meeting. There is definately a difference of views here.

I also believe it is important that we get to re-engage with the Minister directly and present the approach and the wider activities that we all are engaged on and hopefully reach a solution and programme that we can progress with confidence and certainty towards.

any queries then please do give me a call

best

Michael

**New Email:**

**From:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions)

**Sent:** 03 August 2016 15:43

**To:** 'Michael Carrick'; McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources); [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]

**Subject:** RE: clarification meeting outcomes

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As advised at our meeting I did provide advice to the Cabinet Secretary yesterday and this has covered all your points, including the request to meet. The one element however that we have not previously discussed and which was not therefore able to be included in the advice is your analysis of value for money and economic benefit. I have passed this on to our economists to urgently review and to give their expert view, following which I will provide an update to the Cabinet Secretary.

I will keep in touch in the coming days.

Regards

Chris

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**From:** Michael Carrick

**Sent:** 02 August 2016 20:29

**To:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions); McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources); [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]

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We have also reverted back to the local authority CEO's to try and reconcile the difference in views between the expressions of support and undertakings made to us and the perceptions by WG in the meeting. There is definitely a difference of views here.

I also believe it is important that we get to re-engage with the Minister directly and present the approach and the wider activities that we all are engaged on and hopefully reach a solution and programme that we can progress with confidence and certainty towards.

any queries then please do give me a call

best

Michael

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**Sent:** 02 August 2016 20:29

**To:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions); McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources); [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]

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any queries then please do give me a call

best

Michael



Michael Carrick | Chief Executive Officer | Aventa Capital Partners | [REDACTED] | [REDACTED] | [REDACTED]



**New Email:**

**From:** Michael Carrick

**Sent:** 02 August 2016 10:23

**To:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions); Price, James (ESNR-Economy Skills and Natural Resources); McGuire, Mick (ESNR-Sectors & Business); [REDACTED]; [REDACTED]; [REDACTED]

**Subject:** [REDACTED]

Mick / Chris

How would you like us to present the relationship with [REDACTED] ?

As you know [REDACTED] are in the process of renegotiating the dorna coverage and want to increase the penetration and profiling in the uk.

We are engaged now with them on [REDACTED]  
[REDACTED]

They are, as part of their contract renegotiations, committing to dorna and us to spend [REDACTED] years to build and fund the [REDACTED] buildings and infrastructure and underwrite the operating development and costs of the [REDACTED]. This is income and capital during construction and rampup as well as a significant corporate partner.

This is scheduled to come onsite to COw in 2017/18 but we are now also being asked to develop alternative plans for this at both donnington and Silverstone in the event we don't get there with cow. Clearly we don't want this to be lost or relocated.

I would like to include this in the calculations, or at least make the minister aware of this current dialogue, as it shows another faculty expressing support and preference for cow and we are under real pressure to give them assurances to stop others from accessing this.

Can we talk this over

M

**New Email:**

**From:** Michael Carrick

**Sent:** 01 August 2016 14:44

**To:** Price, James (ESNR-Economy Skills and Natural Resources); McGuire, Mick (ESNR-Sectors & Business)

**Subject:** Fwd: Circuit for Wales

James / Mick

Something for you to be aware of. [REDACTED] is highly respected, [REDACTED]  
[REDACTED]

He also introduces significant international capital to the UK.

Shame he feels his way.

Michael

Begin forwarded message:

**From:** [REDACTED]

**Date:** 29 July 2016 at 15:06:26 BST

**To:** <michaelcarrick@[REDACTED]>

**Cc:** [REDACTED]

**Subject:** Circuit for Wales

Dear Michael

Further to your last email I'm afraid we are taking a rain check on all our investment intentions in Wales due to the attached situation.

We may still be interested in discussing the above project further but until this current matter is resolved everything in Wales has been put on hold.

[http://www.southwalesargus.co.uk/news/14648606.Developers\\_pull\\_out\\_of\\_\\_60m\\_Newport\\_ex\\_Sainsbury\\_s\\_site\\_after\\_feeling\\_exasperated\\_with\\_van\\_dals\\_and\\_thieves/](http://www.southwalesargus.co.uk/news/14648606.Developers_pull_out_of__60m_Newport_ex_Sainsbury_s_site_after_feeling_exasperated_with_van_dals_and_thieves/)

Kind regards

**New Email:**

**From:** Michael Carrick

**Sent:** 22 July 2016 15:58

**To:** McGuire, Mick (ESNR-Sectors & Business)

**Cc:** [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; Kilpatrick, Reg (EPS - LG Director); Munday, Christopher (ESNR-Sectors & Business-Business Solutions); Jeffreys, Andrew (OFMCO - Welsh Treasury)

**Subject:** Re: structure

Mick

In terms of your points raised

1) [REDACTED]

2) on the RBF facility we appreciate that this will need to be reassessed however the thresholds for block exemption have been met. This facility was available to us when the guarantee was at 100% and now we have significantly over 30% of the total funding (above the thresholds for maximum state aid in this region) provided by private capital not supported by guarantee.

3). The additional [REDACTED] debt profile has been discussed with institutional investors such as [REDACTED] and [REDACTED]. The terms and profile are outline but reflect their current requirements in terms of yield, term, pricing and coverage ratios as advised.

Look forward to meeting up next week when Chris is back.

Regards

Michael

On 22 Jul 2016, at 15:03, "Mick.McGuire@wales.gsi.gov.uk"  
<Mick.McGuire@wales.gsi.gov.uk> wrote:

Michael

Many thanks for the revised overview structure and it will be helpful to meet early next week to better understand the changes to risk profiles.

I would like to involve my colleague Reg Kilpatrick, Director for Local Government in the discussions for the reprofiling of local authority support. I

would like to better understand the [REDACTED] contingent construction facility, the additional [REDACTED] [REDACTED] and it will be helpful for Andrew Jeffreys to join this discussion so he can also understand and liaise with Treasury on balance sheet treatments.

Finally we will need to discuss the RBF funding awarded back in 2012 as it is our understanding that this was conditional on CoW raising the necessary private investment which has not been possible without a substantial Welsh Government guarantee.

Given diaries at this time of year, it may require a couple of different meetings. Could you suggest a few times next week and [REDACTED] will facilitate around this. Happily, Chris Munday will be back next week although I will continue to be involved.

Kind regards.

Mick

**From:** Michael Carrick

**Sent:** 21 July 2016 18:47

**To:** McGuire, Mick (ESNR-Sectors & Business); [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]

**Subject:** structure

Mick

As per our telephone discussion please find attached a revised overview that we believe addresses the stated objective of achieving 50% of the total project costs that are not supported by way of WG guarantee and provides the guidance on the balance sheet.

We will await feedback and clarity before we engage any of our investors and or lenders to advancing this forward.

I appreciate you considering this.

regards

Michael.

**New Email:**

**From:** [REDACTED] **On Behalf Of** McGuire, Mick (ESNR-Sectors & Business)  
**Sent:** 22 July 2016 15:03  
**To:** 'Michael Carrick'; McGuire, Mick (ESNR-Sectors & Business); [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; Kilpatrick, Reg (EPS - LG Director); Munday, Christopher (ESNR-Sectors & Business-Business Solutions); Jeffreys, Andrew (OFMCO - Welsh Treasury)  
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**Sent:** 21 July 2016 18:47  
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Michael.

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**Sent:** 21 July 2016 18:47

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I appreciate you considering this.

regards

Michael.



**New Email:**

**From:** [REDACTED] **On Behalf Of** McGuire, Mick (ESNR-Sectors & Business)

**Sent:** 21 July 2016 16:04

**To:** 'Michael Carrick'; McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources); Munday, Christopher (ESNR-Sectors & Business-Business Solutions); [REDACTED]; [REDACTED]; [REDACTED];

**Subject:** RE: Aventa

Michael

Many thanks for the heads up and I hope you are able to manage it successfully. I will make sure the Minister is aware of the background.

Mick

**From:** Michael Carrick

**Sent:** 21 July 2016 13:39

**To:** McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources); Munday, Christopher (ESNR-Sectors & Business-Business Solutions);

**Subject:** Aventa

All

We have been made aware that [REDACTED] [REDACTED] will be writing an article today about Aventa where he is again trying to undermine my personal credibility and that of our team.

He cites one of our other projects which is a [REDACTED] that we have had to stop work on due to :

- 1). The delay in closing the circuit of Wales and the reprofiled release of development capital that means we cannot progress is line with our expectations;
- 2) the uncertainty attached to tidal schemes such as this and the Swansea lagoon which are now in review
- 3) refocusing our development capital into work required for the circuit of Wales and suspending all other activity

There are other issues over his behaviour and approach to the project that we have disagreed on and advised him we will not be going forward.

You should know as [REDACTED] is again trying to run stories about me and Aventa to undermine our credibility as partners.

It's also clear that these stories keep coming up at sensitive times when we are seeking support from Welsh government.



M

**New Email:**

**From:** Michael Carrick

**Sent:** 21 July 2016 13:39

**To:** McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources); Munday, Christopher (ESNR-Sectors & Business-Business Solutions); [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]

**Subject:** Aventa

All

We have been made aware that [REDACTED] will be writing an article today about Aventa where he is again trying to undermine my personal credibility and that of our team.

He cites one of our other projects which is a [REDACTED] project in [REDACTED] that we have had to stop work on due to :

- 1). The delay in closing the circuit of Wales and the reprofiled release of development capital that means we cannot progress is line with our expectations;
- 2) the uncertainty attached to tidal schemes such as this and the Swansea lagoon which are now in review
- 3) refocusing our development capital into work required for the circuit of Wales and suspending all other activity

There are other issues over his behaviour and approach to the project that we have disagreed on and advised him we will not be going forward.

You should know as [REDACTED] is again trying to run stories about me and Aventa to undermine our credibility as partners.

It's also clear that these stories keep coming up at sensitive times when we are seeking support from Welsh government.

M

**New Email:**

**From:** [REDACTED] **On Behalf Of** McGuire, Mick (ESNR-Sectors & Business)

**Sent:** 21 July 2016 11:28

**To:** 'Michael Carrick'; [REDACTED]; McGuire, Mick (ESNR-Sectors & Business); [REDACTED]; Price, James (ESNR-Economy Skills and Natural Resources)

**Cc:** [REDACTED]

**Subject:** RE: Follow up to this afternoon's call

Michael

I have shared your note with the Cabinet Secretary and can respond on the individual points as follows:-

1. We recognise that it is possible to create structures where there is the perception of a risk sharing whereas the reality can be different. The Minister is not looking for a clever structure (form over substance) but rather a real sharing of the financial risk associated with the project. If you have a new deal structure which you believe meets his requirement for at least 50% of the financial risk to be undertaken by the private sector we can look at it for you urgently to assess whether it meets the Minister's requirements.
2. We understand your points concerning the local authorities and if the risk can be shared across more local authorities with them taking more risk overall that would clearly help. [REDACTED]

3. As previously advised, WG will not provide additional working capital over and above the generous support already provided. You will need to seek the extra [REDACTED] from private investors.
4. Officials will be happy to speak to key stakeholders to help position this for you if appropriate, and the Minister will be happy to engage if and when a funding structure has been agreed and is in place.

I'll be happy to discuss this with you at your convenience.

Kind regards.

Mick

**New Email:**

**From:** [REDACTED] **On Behalf Of** McGuire, Mick (ESNR-Sectors & Business)  
**Sent:** 20 July 2016 09:20  
**To:** 'Michael Carrick'; [REDACTED]; [REDACTED]; McGuire, Mick (ESNR-Sectors & Business)  
**Cc:** [REDACTED]; Price, James (ESNR-Economy Skills and Natural Resources); Jeffreys, Andrew (OFMCO - Welsh Treasury)  
**Subject:** RE: Circuit of Wales - CONFIDENTIAL

Michael

Treasury is not my area of expertise and that is why I sked Andrew who is Director Treasury to join our earlier discussion. Andrew is best placed to help with any Treasury issues.

Mick

**From:** Michael Carrick  
**Sent:** 19 July 2016 22:44  
**To:** [REDACTED]  
**Cc:** [REDACTED]; McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources); Jeffreys, Andrew (OFMCO - Welsh Treasury)  
**Subject:** Re: Circuit of Wales - CONFIDENTIAL

Mick

Can you pls advise me who you wrote to in HM Treasury and if possible can I have a copy of the letter.

Thanks  
M

On 19 Jul 2016, at 16:44, "[REDACTED]" <[REDACTED]> wrote:

Michael, [REDACTED]

Thank you for the additional information provided yesterday and today which officials shared with James Price and the Cabinet Secretary.

Having noted the options to defray financial risks over time, they have concluded to remain consistent with our previously advised position at Financial Close. Therefore continued WG support in dependant upon :

1. WG guarantee will need to be less than 50% of the financial risks at Financial Close for VFM purposes.
2. CoW developing a financial structure that does not require the funding to be on balance sheet for WG. Andrew Jeffreys, our Director Treasury, believes that 1 above should be helpful in this respect and once your financial structure is clear, he will

submit it to ONS for clarification. WG will only confirm support once we have a positive outcome from ONS.

We discussed your request for interim finance and WG will not provide further interim finance until CoW have a way forward on 1 and 2 above. That will mean that CoW will have to fund the deposit to [REDACTED], environmental works and working capital from private sources.

I appreciate that this may be less than you were hoping for and I would be happy to help position this with [REDACTED] and your other stakeholders if you feel appropriate.

I understand that you are meeting with the Local Authorities shortly and clearly it would be helpful if they are prepared to waive the need for a WG guarantee. The question you raised about the [REDACTED] of associated property spend will depend on the ONS classification and the new structure remaining off balance sheet.

[REDACTED]

Kind regards,

Mick

**New Email:**

**From:** Michael Carrick

**Sent:** 19 July 2016 22:44

**To:** [REDACTED]

**Cc:** [REDACTED]; McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources); Jeffreys, Andrew (OFMCO - Welsh Treasury)

**Subject:** Re: Circuit of Wales - CONFIDENTIAL

Mick

Can you pls advise me who you wrote to in HM Treasury and if possible can I have a copy of the letter.

Thanks

M

On 19 Jul 2016, at 16:44, "[REDACTED]" <[REDACTED]> wrote:

Michael, [REDACTED]

Thank you for the additional information provided yesterday and today which officials shared with James Price and the Cabinet Secretary.

Having noted the options to defray financial risks over time, they have concluded to remain consistent with our previously advised position at Financial Close. Therefore continued WG support in dependant upon :

1. WG guarantee will need to be less than 50% of the financial risks at Financial Close for VFM purposes.
2. CoW developing a financial structure that does not require the funding to be on balance sheet for WG. Andrew Jeffreys, our Director Treasury, believes that 1 above should be helpful in this respect and once your financial structure is clear, he will submit it to ONS for clarification. WG will only confirm support once we have a positive outcome from ONS.

We discussed your request for interim finance and WG will not provide further interim finance until CoW have a way forward on 1 and 2 above. That will mean that CoW will have to fund the deposit to [REDACTED], environmental works and working capital from private sources.

I appreciate that this may be less than you were hoping for and I would be happy to help position this with [REDACTED] and your other stakeholders if you feel appropriate.

I understand that you are meeting with the Local Authorities shortly and clearly it would helpful if they are prepared to waive the need for a WG guarantee. The question you raised about the [REDACTED] of associated property spend will depend on the ONS classification and the new structure remaining off balance sheet.

It would also be helpful if you were able to share any background commitment from [REDACTED] [REDACTED] [REDACTED] regarding the future of [REDACTED] and the likely [REDACTED] fees to acquire this and or any other [REDACTED].

Kind regards,

Mick

**New Email:**

**From:** [REDACTED]

**Sent:** 19 July 2016 16:44

**To:** 'michaelcarrick [REDACTED]'; [REDACTED]; McGuire, Mick (ESNR-Sectors & Business)

**Cc:** Price, James (ESNR-Economy Skills and Natural Resources); Jeffreys, Andrew (OFMCO - Welsh Treasury); [REDACTED]

**Subject:** Circuit of Wales - CONFIDENTIAL

Michael, [REDACTED]

Thank you for the additional information provided yesterday and today which officials shared with James Price and the Cabinet Secretary.

Having noted the options to defray financial risks over time, they have concluded to remain consistent with our previously advised position at Financial Close. Therefore continued WG support in dependant upon :

1. WG guarantee will need to be less than 50% of the financial risks at Financial Close for VFM purposes.
2. CoW developing a financial structure that does not require the funding to be on balance sheet for WG. Andrew Jeffreys, our Director Treasury, believes that 1 above should be helpful in this respect and once your financial structure is clear, he will submit it to ONS for clarification. WG will only confirm support once we have a positive outcome from ONS.

We discussed your request for interim finance and WG will not provide further interim finance until CoW have a way forward on 1 and 2 above. That will mean that CoW will have to fund the deposit to Dorna, environmental works and working capital from private sources.

I appreciate that this may be less than you were hoping for and I would be happy to help position this with [REDACTED] and your other stakeholders if you feel appropriate.

I understand that you are meeting with the Local Authorities shortly and clearly it would helpful if they are prepared to waive the need for a WG guarantee. The question you raised about the £66m of associated property spend will depend on the ONS classification and the new structure remaining off balance sheet.

[REDACTED]

Kind regards,

Mick



**New Email:**

**From:** Michael Carrick ]

**Sent:** 19 July 2016 13:24

**To:** McGuire, Mick (ESNR-Sectors & Business); [REDACTED]

**Subject:** interest rate margin

[REDACTED]

The interest rate margin on the local authority debt is [REDACTED] per [REDACTED].

The interest rate on the WG guarantee is [REDACTED] in line with the [REDACTED].

The WG is set with reference to the State Aid challenge in the high court on local authority debt premium on the Ricoh arena (we sent you this in April) and our shadow credit rating

The cashflows show that we benefit from State Aid RBF funding to offset the loan interest premium in the first years necessary to service yield on the external equity.

regards

Michael.

**New Email:**

**From:** Michael Carrick

**Sent:** 19 July 2016 11:48

**To:** McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources); [REDACTED]

**Subject:** Re: Balance Sheet extract

Mick / James

It will also be possible for the Minister and [REDACTED] to go see the CEO of [REDACTED]. Given we are only talking [REDACTED] I am confident we will be able to position [REDACTED] to take a modest increase in risk.

We cannot do it today when they are feeling frustrated but once we get into construction I am relatively relaxed that they will be open to the discussion. It needs to be principle to principle though as the [REDACTED] and executives will not have the direction.

It simply another potential option to increase the confidence that we will address the risk.

Best  
M

On 19 Jul 2016, at 10:48, Michael Carrick wrote:

Mick

I have extracted the balance sheet section to provide to [REDACTED] and any external consultants.

The base position that we expect and are working towards is that we are below 50% with a range of strong supporting arguments and I'd like us to be comfortable that this scenario is highly likely to be off-balance sheet

Then the alternative scenario, where it takes longer but we still have some options, also has very strong arguments that we are not controlled nor influenced but given we are above the threshold initially then there is a risk to this being considered on balance sheet.

I think these are the two scenarios.

Neither are without risk nor can they be resolved with certainty before we require financial close and we are going to have to take a view. Our view is that we should be confident that we will get below the threshold in the next 2 & 1/2 years and that

even if we did not there are approaches to get closer to the threshold within our gift and there are strong arguments in any event.

I appreciate this is one where a judgement both economic and political is needed.

best

Michael.

<balance sheet extract.docx>

**New Email:**

**From:** Michael Carrick

**Sent:** 19 July 2016 07:45

**To:** McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources); [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]

**Subject:** Additional points

Mick

I did forget to put into the letter a few observations.

- 1) at the planning enquiry the Blaenau Gwent councillors gave a standing ovation to our submission and a 100% vote for approval. This has not happened before.
  - 2) at the public inquiry into deregistration we had public protests in support of the project both in the chamber and on the doorsteps.
  - 3) at the recent election this was the most significant issue in the region and the lack of progress was directly attributable to Alan DAVIES significant reduction in his majority. He was sufficiently worried that his campaign led locally with "a vote for labour is a vote for the circuit of Wales". Exact words
- Analysis my the brexit referendum ebbw vale was cited as the region with limited immigration issues and benefitting from one of the highest eu funding per population yet voted overwhelmingly to leave. The disenfranchisement and the lack of a conversion of funding into real sustainable jobs is the market commentators opinion. Cow is the natural follow on economic commercial programme to leverage the major eu investment on infrastructure.
- 4) there is cross party support from Plaid, conservatives and UKIP. There is no political opposition to this.
  - 5). It is a unionised site and [REDACTED], [REDACTED] and other affiliated unions are fully engaged in the training, apprentice programme that [REDACTED] have started. The unions are very supportive of both the project but the actions of he contractor to deliver local training and employment.

We are therefore in the position that the weight of public opinion and political opinion is that this is a project that is supported if we can get the risks to the public sector addressed.

We believe we have done so.

The last point I also wanted to make is the crystallisation of losses as a risk that we hadn't explicitly discussed.

[REDACTED]

[REDACTED]

[REDACTED]

On purely economic rationale terms it is logical and value for money to go ahead even at the higher guarantee level than the certainty of crystallising the loss.

I'm not sure you were aware of this point and I will write formally to outline this in more detail.

The private sector will also crystallise a [REDACTED] loss. Any private sector abortive costs make it more difficult to attract early stage support for projects in the future.

Losses of this scale inject real nervousness and enhanced caution in wg and also within [REDACTED], [REDACTED], [REDACTED] and Aventa management. It wouldn't be isolated but trickle into their peers and competitors whom they are close to.

given we would terminate the local supply chain this would also have quite a material adverse effect on selected local employers such as [REDACTED] and [REDACTED] both of whom have expressed this to you.

I suspect this reputational damage will be longer lasting and more impactful than the memory of the financial losses.

We can and should be do all we can to try and avoid this from happening but it is now directly in the hands of the Cabinet secretary. He can make it happen through a positive decision or he can choose not to take action and this will be the result.

Happy to chat this over if it isn't clear

Regards

Michael

**New Email:**

**From:** Michael Carrick

**Sent:** 18 July 2016 17:46

**To:** McGuire, Mick (ESNR-Sectors & Business); [REDACTED]; [REDACTED]; [REDACTED];

**Subject:** Fw: additional information

Apologies

this was too big to send so i have deleted the presentation on hotels and toybarns. You will see the smaller versions in the profile slide

best

michael.



---

**From:** Michael Carrick

**Sent:** Monday, July 18, 2016 5:41 PM

**To:** Mick.McGuire@wales.gsi.gov.uk; [REDACTED]

**Cc:** [REDACTED]; [REDACTED]; [REDACTED]

**Subject:** additional information

All

Thanks for the time today. I attach a revised letter with the page numbers and the additional mitigation over time graphics.

I also attach the [REDACTED] design and [REDACTED] outline designs. We are now in discussions with [REDACTED] over operating and funding and with [REDACTED] over the estate.

I also attach the profile slides which outline a building for [REDACTED] and the sectoral areas of focus. The important slide here is the profile of motorsports in global television audiences.

Michael

best regards

Michael.

**New Email:**

**From:** Michael Carrick

**Sent:** 18 July 2016 15:18

**To:** McGuire, Mick (ESNR-Sectors & Business); [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]

**Subject:** Graphs

Mick

It may be helpful to see the attached comparators of exposure at practical completion and over the life of the guarantee.

Additionally as :

- both [REDACTED] debt and Council debt are amortising in a straightline over time
- the capital investment is increaisng over time (against the phased masterplan for [REDACTED] years); and
- the WG are receiving a guarantee fee annually it may be helpful to look at the weighted average exposures and the breakeven points for WG.

These are shown in the attached and [REDACTED] can walk through them in person

regards

Michael

best

Michael



**New Email:**

**From:** Michael Carrick

**Sent:** 18 July 2016 10:47

**To:** McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources); [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]

**Subject:** briefing paer

Mick

further to our meeting on Friday please see attached the route map addressing the three criteria raised by the Cabinet Secretary.

In the Attachments we also have provided narrative over the history and philosophy of the project and a proposed statement that we believe is necessary to provide the assurance and confidence necessary. You have been provided with the [REDACTED] and the [REDACTED] positions post the Ministers statement in Wednesday and these need to be addressed.

We this there is a large discrepancy with the job numbers assessment and will provide you under separate cover the extracts from the independent reports that WG have reviewed and which we re the sole basis of us being able to secure both planning consent and de-registratin approval.

any queries please give me a call

regards  
Michael





**New Email:**

**From:** Michael Carrick

**Sent:** 15 July 2016 01:08

**To:** McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources)

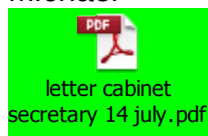
**Subject:** Letter to cabinet secretary

Mick

Pls see a copy of a letter send to the Cabinet Secretary this afternoon which you may have seen.

Regards

Michael



**[DOC 1]**

**New Email:**

**From:** McGuire, Mick (ESNR-Sectors & Business)

**Sent:** 14 July 2016 16:57

**To:** 'Michael Carrick'

**Cc:** [REDACTED]

**Subject:** RE: [REDACTED]

Michael,

Your call. I have arranged a 2.30pm meeting for us with [REDACTED] [REDACTED]  
[REDACTED] [REDACTED], based in our Cathay's Park Office tomorrow (Friday).

Mick

**From:** Michael Carrick [mailto:michaelcarrick@[REDACTED]]

**Sent:** 14 July 2016 16:04

**To:** McGuire, Mick (ESNR-Sectors & Business)

**Subject:** [REDACTED]

Mick

Would it make sense to have [REDACTED] in the meeting as well ?

M

**New Email:**

**From:** Michael Carrick

**Sent:** 14 July 2016 16:40

**To:** McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources)

**Subject:** [REDACTED] position

James / Mick

Further to the letter form [REDACTED] pls find an email from [REDACTED].

They too are spooked and their board [REDACTED] has run out of patience and is seeking positive assurance and action.

[REDACTED]

I know we are meeting to go through a route map and a programme but the pressure is now on to keep both a [REDACTED] and a [REDACTED].

Best

Michael

Begin forwarded message:

**From:** [REDACTED] [REDACTED] [REDACTED]

**Date:** 14 July 2016 at 16:33:50 BST

**To:** Michael Carrick <michaelcarrick@[REDACTED]>

**Subject:** Re: COW letter

Michael

Sorry I missed your call but I think it was noisy when you rang !

I have had a meeting with [REDACTED] Board member today and must prepare a report for the Main Board. This is to cover what has happened in past few days, what is the plan of action now, programme going forward and a brief synopsis of the required underwriting.

I have been instructed that if there is no change to the current position which would mean a positive move to FC with WG agreement by end of this month then I must [REDACTED]. When the project is back on track and proceeding to FC we will then resource as appropriate.

I would therefore like to meet with you on Monday or Tuesday in London with [REDACTED] and [REDACTED] if possible. Please let me know if this is possible

Best

**New Email:**

**From:** Michael Carrick

**Sent:** 14 July 2016 16:04

**To:** McGuire, Mick (ESNR-Sectors & Business)

**Subject:** [REDACTED]

Mick

Would it make sense to have [REDACTED] in the meeting as well ?

M

**New Email:**

**From:** Michael Carrick

**Sent:** 14 July 2016 15:59

**To:** McGuire, Mick (ESNR-Sectors & Business)

**Subject:** Tomorrow

Mick

Can we pls meet at 230pm tomorrow.

Thanks

Michael

**New Email:**

**From:** Michael Carrick

**Sent:** 14 July 2016 11:48

**To:** McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources)

**Cc:** [REDACTED]; [REDACTED]; [REDACTED]

**Subject:** Re: revised approach

Mick - apologies see the attached letter without typos and a couple of revisions -

I had sent an earlier draft

M



---

**From:** Michael Carrick

**Sent:** Thursday, July 14, 2016 11:36 AM

**To:** Mick.McGuire [REDACTED]; james.price [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]

**Subject:** revised approach

Mick

Further to our discussion yesterday I set out the route map that we discussed yesterday and the wider range of issues. I also attach, in your format, the numbers and profiles of a reduction in the guarantee.

We are available today and tomorrow afternoon to meet up as it would be of benefit to spend more substantive time explaining the positions to give you the confidence to revert to the Cabinet Secretary that this is deliverable.

regards

Michael.

**New Email:**

**From:** Michael Carrick

**Sent:** 14 July 2016 00:08

**To:** McGuire, Mick (ESNR-Sectors & Business)

**Cc:** Price, James (ESNR-Economy Skills and Natural Resources); [REDACTED]; [REDACTED]

**Subject:** Re: CoW

Thanks  
Much appreciated  
M

On 13 Jul 2016, at 18:54, Mick McGuire wrote:

Michael.

I had a good call with [REDACTED]. Positioned today's outcome. He was pleased that the Cabinet secretary had acknowledged a constructive way forward and that you had a high degree of confidence that the 50% challenge can be met.

He said he had been encouraged by conversations with [REDACTED] and [REDACTED] concerning the COW project in recent weeks [REDACTED]. He also said that the [REDACTED] had invested on the basis that your business plan was cautious and agreed with you and [REDACTED] that there is considerable upside based on your list of potential investors/ customers.

Hope that was helpful.

Mick

**From:** Michael Carrick

**Sent:** 13 July 2016 17:13

**To:** McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources)

**Cc:** [REDACTED]; [REDACTED]

**Subject:** Fwd: CoW

Mick

As discussed can you please call [REDACTED] [REDACTED] of [REDACTED] to give them confidence- they have a board meeting tomorrow where they may decide to pull up sticks.

His number is [REDACTED]

I have dealt with [REDACTED].



M

**New Email:**

**From:** McGuire, Mick (ESNR-Sectors & Business)

**Sent:** 13 July 2016 18:54

**To:** 'Michael Carrick'; Price, James (ESNR-Economy Skills and Natural Resources)

**Cc:** [REDACTED]; [REDACTED]

**Subject:** RE: CoW

Michael.

I had a good call with [REDACTED]. Positioned today's outcome. He was pleased that the Cabinet secretary had acknowledged a constructive way forward and that you had a high degree of confidence that the 50% challenge can be met.

He said he had been encouraged by conversations with [REDACTED] and [REDACTED] concerning the COW project in recent weeks ([REDACTED]). He also said that the [REDACTED] had invested on the basis that your business plan was cautious and agreed with you and [REDACTED] that there is considerable upside based on your list of potential investors/customers.

Hope that was helpful.

Mick

**From:** Michael Carrick ]

**Sent:** 13 July 2016 17:13

**To:** McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources)

**Cc:** [REDACTED]; [REDACTED]

**Subject:** Fwd: CoW

Mick

As discussed can you please call [REDACTED] [REDACTED] of [REDACTED] to give them confidence- they have a board meeting tomorrow where they may decide to pull up sticks.

His number is [REDACTED]

I have dealt with [REDACTED].

M

Begin forwarded message:

**New Email:**

**From:** Michael Carrick

**Sent:** 13 July 2016 18:05

**To:** McGuire, Mick (ESNR-Sectors & Business)

**Subject:** Dorna

Mick

I will need the minister to ring the Ceo of Dorna - will talk this with you tomorrow.

Best

M

**New Email:**

**From:** Michael Carrick

**Sent:** 13 July 2016 17:13

**To:** McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources)

**Cc:** [REDACTED]; [REDACTED]

**Subject:** Fwd: CoW

Mick

As discussed can you please call [REDACTED] of [REDACTED] to give them confidence- they have a board meeting tomorrow where they may decide to pull up sticks.

His number is [REDACTED]

I have dealt with [REDACTED].

M

**New Email:**

**From:** McGuire, Mick (ESNR-Sectors & Business)

**Sent:** 12 July 2016 13:03

**To:** 'Michael Carrick'; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]

**Cc:** [REDACTED]

**Subject:** RE: Wednesday

Michael,

Very helpful and this will ensure we are all on the same hymn sheet when we meet.

[REDACTED], can you print 5 copies of each flow chart and bring to the meeting.

Thanks

Mick

**From:** Michael Carrick]

**Sent:** 12 July 2016 12:11

**To:** [REDACTED]; McGuire, Mick (ESNR-Sectors & Business); [REDACTED]; [REDACTED]; [REDACTED]

**Cc:** [REDACTED]

**Subject:** Re: Wednesday

[REDACTED]  
thanks for this. I have updated the charts on where we believe we are.

Your scenario is the worse case where we do not raise further equity and rely on the [REDACTED] underwrite.

I think this is right for you to assume a worse case scenario (given the programme challenges and the confidences around Brexit etc) but we are in term sheet and advanced discussions but this does take time which we don't have. I attach though the positions we

- expect to be at close
- expect to be at practical completion when the guarantee comes into effect.

In both cases it shows substantive private funding and substantive private funding that does not benefit from government support and the profile of the WG exposure form [REDACTED] to [REDACTED] including the revenue support for the Councils.

I also attached a summary capital chart as we have a different way we account for capitalised costs during construction (as a basis for the asset base) and capitalised operating costs.

regards

Michael

---

**From:** [REDACTED] >  
**Sent:** Tuesday, July 12, 2016 10:58 AM  
**To:** Mick.McGuire@wales.gsi.gov.uk; Michael Carrick  
**Cc:** [REDACTED]  
**Subject:** RE: Wednesday

Michael

Please find attached a flow chart summarising the funding structure / figures.

For clarity purposes I have not included the £16m RBF or [REDACTED] private equity as you have explained that, at this stage:

- You are considering not using the £16m of RBF funding. However it could be used to replace part of the guaranteed loan.
- Similarly, you are considering the use of the [REDACTED] of private sector equity, which could be used to replace part of the guaranteed debt as profit is released.

Kind regards,

[REDACTED]

**From:** McGuire, Mick (ESNR-Sectors & Business)  
**Sent:** 12 July 2016 10:43  
**To:** 'Michael Carrick'  
**Cc:** [REDACTED] [REDACTED]  
**Subject:** RE: Wednesday

Michael,

Officials share your wish that there should be no surprises and that the meeting should be constructive.

Accordingly, I have asked [REDACTED] to put the figures on a simple spreadsheet to facilitate understanding at the meeting. [REDACTED] will share this with you for confirmation of factual accuracy shortly.

Mick

**From:** Michael Carrick [REDACTED]  
**Sent:** 11 July 2016 19:56  
**To:** McGuire, Mick (ESNR-Sectors & Business)  
**Subject:** Wednesday

Mick

In advance of Wednesday meeting i would like to ensure that it is both constructive and productive

I am aware that you have raised the principles of vfm and private sector risk balance in the revised proposal.

We have had no dialogue or commentary on these points and if they are material I would rather be aware of them before we meet with the Minister.

The proposed capital structure, debt pricing, guarantee pricing, leverage and return profiles were explained in our meetings with Chris and the councils and we thought had been fully understood and they had addressed the points of :

- compliance with state aid thresholds for notification of guarantee
- commercial risk sharing and increased levels of non supported private finance
- reduced private finance guarantee quantum and and reprofiled guarantee fee
- reintroduction of councils in a material position

We have also repeatedly requested that if there are any outstanding issues then we would like to be engaged on finding solutions.

If there are material concerns outstanding then I am happy to chat in the morning if you are free

Best

Michael

**New Email:**

**From:** Michael Carrick

**Sent:** 12 July 2016 12:11

**To:** [REDACTED]; McGuire, Mick (ESNR-Sectors & Business); [REDACTED]; [REDACTED];

[REDACTED]

**Cc:** [REDACTED]

**Subject:** Re: Wednesday

[REDACTED]

thanks for this. I have updated the charts on where we believe we are.

Your scenario is the worse case where we do not raise further equity and rely on the [REDACTED] underwrite.

I think this is right for you to assume a worse case scenario (given the programme challenges and the confidences around Brexit etc) but we are in term sheet and advanced discussions but this does take time which we don't have. I attach though the positions we

- expect to be at close
- expect to be at practical completion when the guarantee comes into effect.

In both cases it shows substantive private funding and substantive private funding that does not benefit from government support and the profile of the WG exposure form [REDACTED] to [REDACTED] including the revenue support for the Councils.

I also attached a summary capital chart as we have a different way we account for capitalised costs during construction (as a basis for the asset base) and capitalised operating costs.

regards

Michael



---

**From:** [REDACTED] <[REDACTED]>

**Sent:** Tuesday, July 12, 2016 10:58 AM

**To:** Mick.McGuire@wales.gsi.gov.uk; Michael Carrick

**Cc:** [REDACTED]

**Subject:** RE: Wednesday

[REDACTED]

[REDACTED]



[REDACTED]

- 
- 
- 

[REDACTED]

[REDACTED]

Kind regards,

[REDACTED]

**From:** McGuire, Mick (ESNR-Sectors & Business)  
**Sent:** 12 July 2016 10:43  
**To:** 'Michael Carrick'  
**Cc:** [REDACTED]  
**Subject:** RE: Wednesday

Michael,

Officials share your wish that there should be no surprises and that the meeting should be constructive.

Accordingly, I have asked [REDACTED] to put the figures on a simple spreadsheet to facilitate understanding at the meeting. [REDACTED] will share this with you for confirmation of factual accuracy shortly.

Mick

**From:** Michael Carrick [REDACTED]  
**Sent:** 11 July 2016 19:56  
**To:** McGuire, Mick (ESNR-Sectors & Business)  
**Subject:** Wednesday

Mick

In advance of Wednesday meeting i would like to ensure that it is both constructive and productive

I am aware that you have raised the principles of vfm and private sector risk balance in the revised proposal.

We have had no dialogue or commentary on these points and if they are material I would rather be aware of them before we meet with the Minister.

The proposed capital structure, debt pricing, guarantee pricing, leverage and return profiles were explained in our meetings with Chris and the councils and we thought had been fully understood and they had addressed the points of :

- compliance with state aid thresholds for notification of guarantee
- commercial risk sharing and increased levels of non supported private finance
- reduced private finance guarantee quantum and and reprofiled guarantee fee
- reintroduction of councils in a material position

We have also repeatedly requested that if there are any outstanding issues then we would like to be engaged on finding solutions.

If there are material concerns outstanding then I am happy to chat in the morning if you are free

Best

Michael

**New Email:**

**From:** Michael]  
**Sent:** 12 July 2016 12:07  
**To:** McGuire, Mick (ESNR-Sectors & Business)  
**Cc:** [REDACTED]; [REDACTED]  
**Subject:** Re: Wednesday

Mick

That's on the interpretation of regional block funding which you haven't reverted to us yet on the qualifying expenditure.

The advice we have and numbers we shared with you shows that we qualify in any event, assuming it's still there.

It's one of the issues outstanding as it does make a material difference to commercial risk and equity profiling in the first few Years.

M

On 12 Jul 2016, at 11:44, "Mick.McGuire@wales.gsi.gov.uk"  
<Mick.McGuire@wales.gsi.gov.uk> wrote:

Michael,

I think it may be helpful if I add some clarity here. The £16m RBF is conditional on COW raising the balance of funding for the project by way of private finance.

However, if you now need Public finance to support the project as outlined, then COW will not meet the RBF conditions and this offer cannot be drawn down.

If there is any element of [REDACTED]'s flow chart that is wrong or not agreed, it will be helpful to know in advance. I understand that you are also planning to raise some private equity but that that has not yet been finalised.

Mick

**From:** [REDACTED]  
**Sent:** 12 July 2016 10:58  
**To:** McGuire, Mick (ESNR-Sectors & Business); 'Michael Carrick'  
**Cc:** [REDACTED]  
**Subject:** RE: Wednesday

Michael

Please find attached a flow chart summarising the funding structure / figures.

For clarity purposes I have not included the £16m RBF or [REDACTED] private equity as you have explained that, at this stage:

- You are considering not using the £16m of RBF funding. However it could be used to replace part of the guaranteed loan.
- Similarly, you are considering the use of the [REDACTED] of private sector equity, which could be used to replace part of the guaranteed debt as profit is released.

Kind regards,

[REDACTED]

**From:** McGuire, Mick (ESNR-Sectors & Business)  
**Sent:** 12 July 2016 10:43  
**To:** 'Michael Carrick'  
**Cc:** [REDACTED]; [REDACTED]  
**Subject:** RE: Wednesday

Michael,

Officials share your wish that there should be no surprises and that the meeting should be constructive.

Accordingly, I have asked [REDACTED] to put the figures on a simple spreadsheet to facilitate understanding at the meeting. [REDACTED] will share this with you for confirmation of factual accuracy shortly.

Mick

**From:** Michael Carrick [REDACTED]  
**Sent:** 11 July 2016 19:56  
**To:** McGuire, Mick (ESNR-Sectors & Business)  
**Subject:** Wednesday

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- reintroduction of councils in a material position

We have also repeatedly requested that if there are any outstanding issues then we would like to be engaged on finding solutions.

If there are material concerns outstanding then I am happy to chat in the morning if you are free

Best

Michael

**New Email:**

**From:** McGuire, Mick (ESNR-Sectors & Business)  
**Sent:** 12 July 2016 10:43  
**To:** 'Michael Carrick'  
**Cc:** [REDACTED]  
**Subject:** RE: Wednesday

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**New Email:**

**From:** McGuire, Mick (ESNR-Sectors & Business)

**Sent:** 12 July 2016 11:44

**To:** [REDACTED]; 'Michael Carrick'

**Cc:** [REDACTED]

**Subject:** RE: Wednesday

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However, if you now need Public finance to support the project as outlined, then COW will not meet the RBF conditions and this offer cannot be drawn down.

If there is any element of [REDACTED] flow chart that is wrong or not agreed, it will be helpful to know in advance. I understand that you are also planning to raise some private equity but that that has not yet been finalised.

Mick

**From:** [REDACTED]

**Sent:** 12 July 2016 10:58

**To:** McGuire, Mick (ESNR-Sectors & Business); 'Michael Carrick'

**Cc:** [REDACTED]

**Subject:** RE: Wednesday

[REDACTED]

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

Kind regards,

[REDACTED]



**From:** McGuire, Mick (ESNR-Sectors & Business)  
**Sent:** 12 July 2016 10:43  
**To:** 'Michael Carrick'  
**Cc:** [REDACTED]  
**Subject:** RE: Wednesday

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**Sent:** 11 July 2016 19:56  
**To:** McGuire, Mick (ESNR-Sectors & Business)  
**Subject:** Wednesday

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Best

Michael

**New Email:**

**From:** [REDACTED]  
**Sent:** 12 July 2016 10:58  
**To:** McGuire, Mick (ESNR-Sectors & Business); 'Michael Carrick'  
**Cc:** [REDACTED]  
**Subject:** RE: Wednesday

[REDACTED]

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

[REDACTED]

**From:** McGuire, Mick (ESNR-Sectors & Business)  
**Sent:** 12 July 2016 10:43  
**To:** 'Michael Carrick'  
**Cc:** [REDACTED]  
**Subject:** RE: Wednesday

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**Subject:** Wednesday

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Best

Michael

**New Email:**

**From:** Michael Carrick  
**Sent:** 12 July 2016 10:46  
**To:** McGuire, Mick (ESNR-Sectors & Business)  
**Cc:** [REDACTED]; [REDACTED]  
**Subject:** Re: Wednesday

Thanks - that would be helpful

We understand that there is going to be a statement today before we meet the cabinet Secretary - we may be misled in this but I thought I'd bring it to your attention

M

On 12 Jul 2016, at 10:42, "Mick.McGuire@wales.gsi.gov.uk"  
<Mick.McGuire@wales.gsi.gov.uk> wrote:

Michael,

Officials share your wish that there should be no surprises and that the meeting should be constructive.

Accordingly, I have asked [REDACTED] to put the figures on a simple spreadsheet to facilitate understanding at the meeting. [REDACTED] will share this with you for confirmation of factual accuracy shortly.

Mick

**From:** Michael Carrick  
**Sent:** 11 July 2016 19:56  
**To:** McGuire, Mick (ESNR-Sectors & Business)  
**Subject:** Wednesday

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If there are material concerns outstanding then I am happy to chat in the morning if you are free

Best

Michael

**New Email:**

**From:** McGuire, Mick (ESNR-Sectors & Business)

**Sent:** 12 July 2016 10:43

**To:** 'Michael Carrick'

**Cc:** [REDACTED] [REDACTED]

**Subject:** RE: Wednesday

Michael,

Officials share your wish that there should be no surprises and that the meeting should be constructive.

Accordingly, I have asked [REDACTED] to put the figures on a simple spreadsheet to facilitate understanding at the meeting. [REDACTED] will share this with you for confirmation of factual accuracy shortly.

Mick

**From:** Michael Carrick [mailto:michaelcarrick@REDACTED]

**Sent:** 11 July 2016 19:56

**To:** McGuire, Mick (ESNR-Sectors & Business)

**Subject:** Wednesday

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Michael



**New Email:**

**From:** Michael Carrick

**Sent:** 11 July 2016 19:56

**To:** McGuire, Mick (ESNR-Sectors & Business)

**Subject:** Wednesday

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We have also repeatedly requested that if there are any outstanding issues then we would like to be engaged on finding solutions.

If there are material concerns outstanding then I am happy to chat in the morning if you are free

Best

Michael

**New Email:**

**From:** Michael Carrick

**Sent:** 29 June 2016 07:30

**To:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions); McGuire, Mick (ESNR-Sectors & Business); Price, James (ESNR-Economy Skills and Natural Resources)

**Subject:** [REDACTED]

James/Mick/Chris

I thought it may be important for you to be aware that we are in final discussion/negotiations with [REDACTED] to be the new Chairman of the Circuit of Wales

I believe you know [REDACTED] and his background in governance and leadership roles [REDACTED]

[REDACTED] will be very additive to cow as we move through the construction and ramp-up.

As you know he is highly regarded in both industry and government and has previously worked with [REDACTED] in this sector.

It's another good example of the projects ability to attract credible partners and quality management and give confidence to our ability to deliver on our business plan.

Best

Michael

Michael Carrick | Chief Executive Officer | Aventa Capital Partners

| [REDACTED] | [REDACTED] | [REDACTED]

**New Email:**

**From:** Michael Carrick

**Sent:** 23 June 2016 15:29

**To:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions)

**Cc:** Price, James (ESNR-Economy Skills and Natural Resources); McGuire, Mick (ESNR-Sectors & Business)

**Subject:** Re: Timings

Chris

As per your note last week is there an update that you can share with us, our board and our delivery partners.

Best  
M

On 13 Jun 2016, at 15:38, "Christopher.Munday@wales.gsi.gov.uk"  
<Christopher.Munday@wales.gsi.gov.uk> wrote:

Michael,

I hope to be able to get back to you within the next few days.

Regards

Chris

**Chris Munday** FRICS

**From:** Michael Carrick

**Sent:** 13 June 2016 11:21

**To:** Price, James (ESNR-Economy Skills and Natural Resources); Munday, Christopher (ESNR-Sectors & Business-Business Solutions); McGuire, Mick (ESNR-Sectors & Business)

**Subject:** Timings

Chris

We are in urgent need of feedback and direction.

██████████ need clarity so that they can look to plan resources and availability which is becoming tight.

██████████ need to manage the expectations in ██████████ over when, or if, this project may go forward and potential start dates and slippage. They have advised that they will be withdrawing all resources and commitments at end June.

We need to manage the relationship with Dorna and ██████████ which is becoming more fractured as we aren't able to tell them anything and we have the 2016 event to host and negotiation over the potential slip beyond 2018.

Our delivery teams and management are now extremely challenged and we are losing people onto other projects and activities. The team at [REDACTED] have resigned, our construction director designate has now had to accept another job offer and we are facing redeployment of equipment that was committed to this project.

I am losing internal people and having to suspend others as we cannot continue to pay them or increase our liability to them without certainty this is moving ahead. This is impacting the confidence of the project, the capability of the wider team and the ability to advance some of the wider opportunities.

Financially we are also under increasing pressure and we cannot hope to keep creditors supportive if we cannot give them clarity on a process and demonstrable progress to a close. I would expect that statutory action is going to be taken within the next few days/week by a number of the outstanding creditors who have no further commercial tolerance and have lost patience and confidence with our progress. I am aware that they are also contacting wg and minister and press directly.

I appreciate you are awaiting ministerial action but a decision and process is urgently required and communicated.

Please let us know if you require anything further from us.

Regards

Michael

**New Email:**

**From:** Michael Carrick

**Sent:** 16 June 2016 15:00

**To:** Price, James (ESNR-Economy Skills and Natural Resources); McGuire, Mick (ESNR-Sectors & Business); Munday, Christopher (ESNR-Sectors & Business-Business Solutions);

[REDACTED]; [REDACTED]

**Subject:** [REDACTED]

Chris

I have had the CEO of [REDACTED] Europe call me today. He advised that he will be formally writing to the First Minister expressing his firms position.

[REDACTED] and have been engaged in this project for the past 5 years. They have spent in excess of [REDACTED] on design, engineering, procurement and staffing and have been heavily engaged with the unions and local supply chain preparing for activity. They are also reconsidering whether to continue to pursue bids on other Welsh projects.

While supportive of the project they advise they can no longer continue without clarity over the programme and process.

[REDACTED] have a large team, they have recruited additionally in anticipation of a start and they have significant equipment that is waiting to be deployed. Without progress they will be making these staff redundant and withdrawing support for the project at the end of this month.

All of the commercial partners are losing tolerance and they are no longer prepared to continue to incur cost, opportunity cost and individuals reputations and careers waiting. This is the same message I am receiving from [REDACTED], [REDACTED]. Aventa and the smaller delivery partners. Keeping this together, two months after the election, when it appeared there was strong support before and during the election is now proving extremely challenging.

I would stress that we need a decision and process communicated and project support (if secured) profiled to address the increasing restlessness.

Any update you are able to provide would be helpful.

Regards

Michael

**New Email:**

**From:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions)

**Sent:** 13 June 2016 15:39

**To:** 'Michael Carrick'

**Cc:** Price, James (ESNR-Economy Skills and Natural Resources); McGuire, Mick (ESNR-Sectors & Business)

**Subject:** RE: Timings

Michael,

I hope to be able to get back to you within the next few days.

Regards

Chris

**Chris Munday** FRICS

**From:** Michael Carrick

**Sent:** 13 June 2016 11:21

**To:** Price, James (ESNR-Economy Skills and Natural Resources); Munday, Christopher (ESNR-Sectors & Business-Business Solutions); McGuire, Mick (ESNR-Sectors & Business)

**Subject:** Timings

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I appreciate you are awaiting ministerial action but a decision and process is urgently required and communicated.

Please let us know if you require anything further from us.

Regards

Michael

**New Email:**

**From:** Michael Carrick

**Sent:** 13 June 2016 11:21

**To:** Price, James (ESNR-Economy Skills and Natural Resources); Munday, Christopher (ESNR-Sectors & Business-Business Solutions); McGuire, Mick (ESNR-Sectors & Business)

**Subject:** Timings

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Regards

Michael



**New Emails:**

**From:** Michael Carrick

**Sent:** 10 June 2016 11:59

**To:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions); Price, James (ESNR-Economy Skills and Natural Resources); McGuire, Mick (ESNR-Sectors & Business)

**Subject:** Update

Chris

Are you able to provide any update from activity this week - it seems to have gone quiet which I'm sure isn't the case but I'd like to report back to

██████████/██████████ and the rest of the wider team

Thanks

Michael

**New Email:**

**From:** Michael Carrick

**Sent:** 27 May 2016 17:39

**To:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions)

**Cc:** [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]

**Subject:** Re: Two funding scenarios

Chris

On a worse case scenario the Guarantee element would be [REDACTED] of a [REDACTED] funding package.

The discrepancy is if we have to meet The block exemption 25% threshold in the first instance via the non supported debt then we would need [REDACTED] to have [REDACTED] and guaranteed [REDACTED]. We haven't had the detailed discussion on qualifying expenditure and aid profile so these are educated assumptions at this stage.

I would progress in the worse scenario of [REDACTED]

Best

M

On 27 May 2016, at 17:28, Munday, Christopher (ESNR-Sectors & Business-Business Solutions wrote:

Michael,

Whilst the non guaranteed element of [REDACTED] correlates between this new information and the [REDACTED] HoT, there is still a discrepancy in the amount of the WG guarantee. Given that I need to seek consent for the worst case scenario, whilst noting the targeted lower cost and lower WG liability, am I seeking consent to guarantee [REDACTED] as per HoT or [REDACTED] as per your new analysis? If it is the higher amount how is this reconciled to the funding profile?

Regards

Chris

**Chris Munday** FRICS

**From:** Michael Carrick

**Sent:** 27 May 2016 16:54

**To:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions); [REDACTED];

[REDACTED]; [REDACTED]; [REDACTED]

**Subject:** Two funding scenarios

Chris

See the attached note to [REDACTED] used to debt size their facility and their HOT's.

The total funding requirement is [REDACTED] (assuming the construction facility is not utilised then this comes down to [REDACTED]).

We have flexed the [REDACTED] facility up and down depending on where we land on the use of the RBF Grant and the contractual commitment of additional equity pre-financial close. We are assuming at this stage we do not access the RBF Grant.

I expect to be in the position where the [REDACTED] facility in total is [REDACTED] with [REDACTED] guarantee and the balance non guaranteed

best

Michael.

**New Email:**

**From:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions)

**Sent:** 27 May 2016 16:11

**To:** 'Michael Carrick'; [REDACTED]; [REDACTED]; [REDACTED]); '[REDACTED]'; [REDACTED];

**Subject:** URGENT - COW HoTs

Michael,

Having completed the draft paper for the Cabinet Secretary I have been checking it against the revised HOT from [REDACTED] and I am somewhat at a loss as this appears to be a significantly higher facility that previously advised. My analysis, based on these new HOT indicate the following funding structure:

[illegible]

\_\_\_\_\_

Can you call me to discuss please

Chris Munday FRICS

**From:** Michael Carrick

**Sent:** 26 May 2016 11:21

**To:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions); [REDACTED];

██████████); ██████████; ██████████

**Subject:** COW HoTs

Chris

In advance of your briefing to the new Cabinet Secretary please find attached the latest version of the Heads of Terms from [REDACTED] that I received last night.

This is a slightly higher facility (on the same [REDACTED] guarantee basis and proposed security) than the previously provided sources and uses as we want to ensure we have the standby facility in the event we are unable to close on the equity in the timescale. We also are keen to keep as close to the current approvals for [REDACTED] and the agreed approach to manage the construction risk. We have also

put back the standby facility as this is not able to be provided by local authorities who are proposed to come in during construction.

regards

Michael.

**New Email:**

**From:** Michael Carrick

**Sent:** 27 May 2016 10:03

**To:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions)

**Cc:** Price, James (ESNR-Economy Skills and Natural Resources); McGuire, Mick (ESNR-Sectors & Business)

**Subject:** Re: Funding

Many thanks

M

Michael Carrick | Chief Executive Officer | Aventa Capital Partners

| [REDACTED] | [REDACTED] | [REDACTED]

On 27 May 2016, at 10:00, "Christopher.Munday@wales.gsi.gov.uk"  
<Christopher.Munday@wales.gsi.gov.uk> wrote:

Michael,

I fully understand the pressures and you may be assured that I have included this aspect in my advice to The Cabinet Secretary.

Regards

Chris

**Chris Munday** FRICS

**From:** Michael Carrick

**Sent:** 27 May 2016 08:43

**To:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions); Price, James (ESNR-Economy Skills and Natural Resources); McGuire, Mick (ESNR-Sectors & Business)

**Subject:** Funding

Chris

As discussed when we met the company is now under significant financial pressure and the consultants necessary to reach close have advised they will not undertake further at risk work unless outstanding invoices are in part settled and a realistic programme to close provided. Negotiations around elements that are required such as collateral warranties and other conditions precedent will not be able to progress until payment is made.

The immediate and urgent pressure is from the smaller Welsh consultants focused on the environmental and archaeological activity which is currently suspended but needs to be progressed if we are to avoid abortive work and disproportionate programme delays. One consultant [REDACTED] is advising that they are likely to go into administration after 31 May as they are unable to pay their staff and subcontractors. [REDACTED] had agreed to pay some of this bill

and we are chasing them but there is limited traction on getting them to move.

I understand your brief to the new cabinet secretary will be issued shortly but I would encourage this to also include the decision on the support for additional loan funding from wg necessary to reach close, to maintain the environmental programme and to ensure we are not in continued breach of the Dorna agreement as per my correspondence in early May.

Best Regards

Michael

**New Email;**

**From:** Munday, Christopher (ESNR-Sectors & Business-Business Solutions)

**Sent:** 27 May 2016 10:00

**To:** 'Michael Carrick'; Price, James (ESNR-Economy Skills and Natural Resources); McGuire, Mick (ESNR-Sectors & Business)

**Subject:** RE: Funding

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Best Regards

Michael



Mr Ken Skates  
Cabinet Secretary  
Department for Economy and Infrastructure  
Welsh Government

By email

14 July 2016

Dear Minister

**Circuit of Wales**

Thank you for meeting with [REDACTED] and I yesterday. I thought our brief initial meeting was very positive and that there was a shared willingness to make this project happen and we clearly understood your requirements.

I also articulated that our teams had been working under guidance towards a different risk sharing target and that we saw a number of challenges to securing a 50% balance immediately but had confidence that we would be able to achieve this over a short time post construction starting. We undertook to write to your officials to outline how we would provide confidence that we would reduce the guarantee levels to those that you indicated you could support.

I attach a copy of this correspondence and confirm that the guarantee will be below 50% when our facilities are fully developed and an average of [REDACTED] over the life of the guarantee.

Unfortunately the positive messages shared in our meeting did not fully translate into your statement in the Assembly and it was disappointing that the media and other parties, including our own delivery partners viewed this as a rejection of our proposal rather than an invitation to deliver the project with a changed risk profile which we all have confidence can be achieved. It would have been helpful to have spent a little more time with you, a little earlier, and the opportunity to feed our comments into a joint statement that may have helped in providing the reassurance and confidence that our stakeholders are looking for.

I did have the fortune of being in the audience when you spoke at the FSB dinner the week before and took comfort from your words that the Labour Government in Wales fully recognised the challenges posed by the economic and political uncertainty and wanted to send a clear and positive message to investors, partners and employers that Wales is a dynamic, forward looking, open and innovative place to do business. We believe the Circuit project is the perfect opportunity to showcase the partnership between business and government in a significant way and we look forward to being able to announce the explicit support for the project in the very near future.

I do look forward to meeting again specifically around the strategy for developing the automotive cluster and to exploring in greater detail our partnering on securing [REDACTED] at the circuit. I appreciate this is a privately initiated project but we do see this very much as a long term partnership with WG and the local communities and we look forward to working closely together over the next years to deliver this programme of investment. I am confident that together our facilities will permanently transform the economic and social landscape of the valleys. I thank you for your historical support and assure you of our commitment to making this happen and quickly.

Yours sincerely,

Michael Carrick  
Chief Executive Officer