



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

TITLE **Update on Circuit of Wales**

DATE **8 February 2017**

BY **Cabinet Secretary for Economy and Infrastructure**

In July 2016 I updated members on developments relating to the Circuit of Wales project. I said that I had met with the Heads of the Valleys Development Company (HOVDC) and clarified that in order for the Welsh Government to consider any new proposal, they needed to ensure that at least 50 per cent of the finance and 50 per cent of the risk of the project was taken by the private sector.

Since that time my officials have been working closely with the project team and offered every assistance possible. I have been very clear with the Circuit of Wales team that the onus is on them to come to us with a new proposal which meets those gateway requirements.

On Wednesday 25 January, mindful of the time that had passed and the need to give clarity to the community of Blaenau Gwent, I challenged the Circuit of Wales team to make faster progress with the proposals and to provide me with the names of private sector investors to the project within two weeks.

The HOVDC has submitted a fresh proposal for the Circuit of Wales, that includes the names of the private investors and which they assert meets the criteria I set in July.

The Welsh Government will now consider the submission in detail, and commence a rigorous process of due diligence on the proposal itself, as well as the investors and the directors behind the project.

The due diligence exercise will include rigorous value for money testing and a Fit and Proper Person assessment of the directors. It will also assess deliverability and the long term sustainability of the proposal. We will seek clarity on the types and number of jobs directly and indirectly resulting from the project; how those job numbers compare to the initially reported figure of 6,000, as well as the likely number of jobs that would be filled by local people.

There will also be an assessment to ensure that the risks and rewards taken by all parties is proportionate and fair for a part-publicly underwritten project.

As we move to due diligence it is important that we remain focused on whether or not this is a project which can benefit the people of Blaenau Gwent and the wider economy of the South Wales Valleys for the long term.

We understand investors will carry out their own due diligence separately but in parallel with the Welsh Government. Upon completion of the above exercise the proposal will then be considered by Cabinet.