

Shan Morgan
Ysgrifennydd Parhaol
Permanent Secretary



Llywodraeth Cymru
Welsh Government

Mr N Ramsay
Chair, Public Accounts Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

Dear Mr Ramsay,

14 January 2019

During the meeting of the Public Accounts Committee on 18 October, I was asked to confirm whether the Welsh Government had offered any form of guarantee, headlease or other contingent liability in relation to any other company similar to that entered into with Aston Martin. I agreed to take advice on this point before responding to the Committee.

I can confirm that the Welsh Government has guarantee arrangements in place in relation to three projects, including Aston Martin, and these were all included as contingent liabilities in our April 2018 accounts. These guarantees are captured under the heading 'Other potential contractual obligations'. I can also confirm there are no headleases in the contingent liabilities section of the Welsh Government's accounts.

The arrangement with Aston Martin is the only guarantee that relates to rental payments and it is the only guarantee that extends over a 30-year term. The other two are loan guarantee arrangements over shorter terms, with both expected to come off our accounts as contingent liabilities by no later than July 2024.

We have consulted the companies with whom we have guarantee arrangements and they have requested that we do not publish full details of the arrangements as they consider them to be commercially sensitive. On that basis, I do not intend to provide any further information in this letter. However, I would be willing to explore the possibility of lead officials briefing members of the Committee on these arrangements in



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a private session, so that we are able to give the Public Accounts Committee greater clarity in confidence on the sums involved and how these guarantees are accounted for.

If this would be of help to the Committee, I will ask the appropriate officials to make themselves available to provide an oral briefing to you on that basis.

Ys,
 Shan Morgan

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Ysgrifennydd Parhaol/ Permanent Secretary
Llywodraeth Cymru/ Welsh Government



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