



Nick Gregg
Chair
Transport for Wales
QED Centre
Main Avenue
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Treforest
Rhondda Cynon Taf
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15 August 2018

Dear Nick

INTERIM REMIT LETTER 1 JULY 2018 TO 30 SEPTEMBER 2018

The contract between Transport for Wales (the “Company”) and the Welsh Government is composed of the agreed Articles of Association and the approved Management Agreement, together with this Remit Letter and the associated Business Plan prepared by the Company and approved by the Welsh Government.

This Interim Remit Letter sets out the operational remit for the Company for the period from 1 July 2018 to 30 September 2018 (the “Period”), and the cumulative funding available for from the Welsh Government to support the achievement of that remit. The letter also sets out the business planning and reporting requirements that the Company should fulfil.

Transport for Wales was created to support the Welsh Government’s vision for delivering a transformational integrated transport system for Wales, providing high-quality, safe, affordable, accessible and sustainable transport for all.

The Company’s core objectives for the Period should be aligned with the Welsh Government’s Programme for Government, Taking Wales Forward 2016-2021, to build a united, connected and sustainable Wales. As an organisation, the Company should be aligned with the Well-being Objectives, being ambitious, seeking to engage and connected in its delivery approach as well as the delivery outcomes it will support.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Core activities

For the period from 1 July to 30 September 2018, Transport for Wales will:

- Support the Welsh Government to demobilise the existing Wales and Borders Franchise;
- Mobilise the ODP for the Wales and Borders rail service and make any contractual payments due to the ODP;
- Further develop the Sustainable Transport Infrastructure Delivery (STRIDE) framework alliance and engagement events with SMEs;
- Further develop the Analytical Unit within the Company, based on South East Wales Transport Model to support local, regional and national transport planning;
- Deliver rail infrastructure projects, including, but not limited to;
 - projects to support the delivery of the South Wales and North East Wales metros,
 - Bow Street Station; and
 - Llanwern Station and Major Events Stabling Line;
- Provide professional advisory and consultancy capacity, and develop the case for investment in the transport network through 'Programme Strategic Outline Cases' including individual business cases and feasibility studies where required;
- Provide professional and advisory capacity in support of the bus services review; and
- Provide project management in connection with transport projects.
- Continue to establish its internal structures and capability to facilitate the delivery of this remit with consideration for any potential future remit;
- Continue to develop the Transport for Wales brand as a strong customer-focused brand that passengers and stakeholder across Wales recognise and understand its values.

Cumulative Financial Allocation

The cumulative funds available to the Company are set out below and are based on the forecasts and revenue and capital expenditure categories provided by TfW:

	Limit
Cumulative Revenue Funding	£7,922,000
Cumulative Capital Funding	£21,487,000

The funding will be paid to TfW as a grant quarterly in advance. Advance payments made to the Company to date will be off-set against the cumulative funding limits during the grant draw-down process. A reconciliation of the Company's defrayed expenditure as at the end of the previous Period will be undertaken before any additional funding is released.

The Cumulative Revenue Funding Limit and Cumulative Capital Funding Limit are inclusive of any VAT liability that TfW will incur but is unable to recover.

It is the Company's responsibility to ensure that expenditure is managed in line with the Articles of Association and the Management Agreement and relevant guidance. In particular, the Company can not vire between the Cumulative Revenue Funding Limit and the Cumulative Capital Funding Limit without prior consent from the Welsh Government.

TfW is also required to seek approval to vire between the cost heading breakdowns in TfW's draft Business Plan. I expect the Company to adhere to these expenditure limits and to report any projected changes to the profiles of each cost heading as soon as possible through the monthly monitoring reports.

Performance Monitoring

The arrangements for monitoring the Company's progress against the Interim Remit Letter and the draft Business Plan will, in addition to the arrangements set out in the Management Agreement, be via the fortnightly Operational Board and in the form of meetings between the Welsh Government and you as Company Chair.

I would be grateful if you could acknowledge receipt of this letter and confirm that you are content with the details provided.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ken', with a long, sweeping horizontal stroke above it.

Ken Skates AC/AM

Ysgrifennydd y Cabinet dros yr Economi a Thrafnidiaeth
Cabinet Secretary for Economy and Transport