



Nick Gregg  
Chair  
Transport for Wales  
QED Centre, Main Avenue  
Treforest Industrial Estate  
Rhondda Cynon Taf  
CF37 5YR

21 May 2018

Dear Nick

### INTERIM REMIT LETTER 1 APRIL 2018 TO 30 JUNE 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 Remit Letter sets out the operational remit for the Company for the period from 1 April to 30 June 2018 (the "Period"), and the level of funding available for the Period 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 April to 30 June 2018, Transport for Wales will:

- Finalise the procurement of the ODP;
- Manage the existing Wales and Borders franchise and prepare for demobilisation;
- Establish the Sustainable Transport Infrastructure Delivery (STRIDE) framework alliance and engagement events with SMEs;
- Establish an Analytical Unit within the Company, based on South East Wales Transport Model;
- Establish a North Wales Business Unit;
- 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 rail network through 'Programme Strategic Outline Cases' including individual business cases and feasibility studies where required;
- Provide project management services in connection with transport projects; and
- Agree an outcome/output based performance reporting regime to Welsh Government for all service areas.

## Financial Allocation

The maximum funds available to the Company for the Period are set out below and are based on the forecasts and revenue and capital expenditure categories in TfW's draft 2018/19 business plan:

	Limit
Revenue Expenditure	£4,032,000
Capital Expenditure	£6,624,000

The funding will be paid to TfW as a grant quarterly in advance. Payments made to the Company against the Revenue Expenditure Limit and Capital Expenditure Limit will be 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 Revenue Expenditure Limit and the Capital Expenditure Limit without prior consent from the Welsh Government. I expect the Company to adhere to these expenditure limits figures and to report any projected changes as soon as possible through the monthly monitoring reports.

## Transport for Wales Business Plan

I will issue a final remit letter covering the period from 1 July 2018 to 31 March 2019 before 1 June. In response, the Company should finalise the 2018/19 Business Plan by 30 June

### Performance Monitoring

The arrangements for monitoring the Company's progress against the Remit Letter and the Business Plan will, in addition to the arrangements set out in the Management Agreement, be 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.

*Very best wishes,  
Ken*

**Ken Skates AC/AM**

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

