

Name Welsh Government PPP (WMIM - Welsh Mutual Investment Model) - Roads and Accommodation

Case Number 2016-49

Case Owner [REDACTED]/NEWPORT/ONS

Subject Additional Email information re: WMIM

From: [REDACTED]@wales.gsi.gov.uk [mailto:[REDACTED]@wales.gsi.gov.uk]
Sent: 14 November 2016 16:43
To: [REDACTED]@ons.gov.uk>; [REDACTED]@Wales.GSI.Gov.UK;
[REDACTED]@wales.gsi.gov.uk
Cc: [REDACTED]@wales.gsi.gov.uk
Subject: RE: WMIM Diagram

Hi [REDACTED]

Thanks for sending the diagram through – as promised here are our comments:

From right to left

- 1) The equity providers may not be the sub debt providers. There may be a separate tier of sub debt. Sub debt and equity together to probably form 10% of funding
- 2) This assumes 2 senior funders – these would take c.90% of debt – they may be more, or less. Sometimes banks form a ‘club’ in order to lend.
- 3) Relationship between Hold Co and Project Co – not sure where the 80:20; 75:25 has come from as I would assume 90:10 as for Hold Co and this can flex up or down a little.
- 4) FM Co is hard FM (or O&M in case of Roads) only
- 5) Investments by WG and third party investors are options, rather than requirements.
- 6) This is the broad and most likely project structure but could vary slightly – depending on bids/market etc.

I hope these are helpful; happy to discuss if that would be useful.

[REDACTED]

[REDACTED]

[REDACTED] - Welsh Treasury

[REDACTED]