

Finance Committee
Y Pwyllgor Cyllid

Cynulliad
Cenedlaethol
Cymru
National
Assembly for
Wales



Cardiff Bay
Cardiff
CF99 1NA

November 2013

Invitation to provide evidence – Finance Wales

The Finance Wales Group is a wholly-owned subsidiary of the Welsh Government and is one of the UK's largest SME investment companies. The Group has funds approaching £400 million under management and comprises the fund managers Finance Wales and FW Capital. Xénos, the Wales business angel network, is also part of the Group.

Finance Wales can make debt, mezzanine and equity investments of up to £2 million at all stages (early stage, development capital, as well as succession and acquisition). FW Capital manages funds in the Tees Valley, and the North East and North West of England with a total value of £75 million.

The Committee has agreed to conduct a short inquiry to consider the current operation and future role of Finance Wales and would welcome evidence on this topic.

The inquiry's Terms of Reference

To consider:

- the outcomes that Finance Wales is achieving and whether this constitutes value for money;
- whether the current corporate structure of Finance Wales is fit for purpose and to objectively consider the impact of pursuing any potential alternative models of operation;

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- how the activities of Finance Wales contribute to the Welsh Government's overall approach to economic development in Wales.

Your View

The Committee would like your view on the following areas:

- **The role and strategic purpose of Finance Wales** – should it be self-financing by operating on commercial investor principles, or should it primarily support the economic development priorities of the Welsh Government? How do banks operate alongside public bodies such as Finance Wales, and how could this be improved?
- **Current performance** – has Finance Wales achieved appropriate outcomes in areas such as jobs created/safeguarded, business support, return on investment, economic impact, associated private sector investment etc?
- **Interest rates charged** – are these appropriate relative to those charged in the private sector or other sources, and given State Aid requirements? Should interest rates charged by Finance Wales be commensurate with risk?
- **Value for money** – does Finance Wales provide value for money to the Welsh Government, and how does it compare relative to other forms of public intervention and support?
- **Arrangements for future sources of finance** – what potential forms of finance should be considered by Welsh Government for Finance Wales (including sources such as European funds and the European Investment Bank)?
- The stage 2 report proposes that it would be less confusing for Welsh SMEs if all sources of finance, including UK programmes, were combined. Would it be beneficial to devolve a proportion of UK public support programmes to be administered in Wales?
- **Corporate structure of Finance Wales** - is the current structure fit for purpose and what potential alternative models could be considered?
- **Activities of the Finance Wales Group in the north of England** – is this of benefit to the economy and SME businesses of Wales?

Providing information to the Committee

You are invited to submit written evidence to the Clerk of the Finance Committee at the above address, to arrive by **Friday 10 January 2014**.

If possible, please send your response by e mail to FinanceCommittee@wales.gov.uk by **Friday 10 January 2014**.

Disclosure of Information

Witnesses should be aware that once written evidence has been submitted to the Committee it is treated as the property of the Committee.

The Committee welcomes contributions in English or Welsh, and we ask organisations with Welsh Language policies/schemes to provide bilingual submissions, in line with their public information policies.

It is the Committee's intention to place written evidence on its website, and it may subsequently be printed with the report. The National Assembly will not publish information which it considers to be personal data with the exception of personal opinion and personal data relating to your identity as author of the evidence and the capacity, if any, in which you provide the evidence (for example, a job title).

However, in the event of a request for information (which includes personal data) being submitted under the Freedom of Information Act 2000, it may be necessary to disclose, in whole or in part, personal data that you provide. This may include personal data which has previously been removed by the National Assembly for publication purposes (as described in the paragraph above).

If you are providing any information, other than personal data, which you feel is not suitable for public disclosure, or if you do not wish your identity, as author of the evidence, to be disclosed, this must be clearly identified and it is up to you to stipulate which parts should not be published, and to provide a reasoned argument to support this. The National Assembly will take this into account when publishing information or responding to requests for information.

Further information about the Finance Committee can be found at [here](#).

Yours sincerely



Jocelyn Davies
Chair
Finance Committee