

Edwina Hart MB CStJ AM
Minister for Economy, Science and Transport
Welsh Government
Cardiff Bay
CF99 1NA

15 July 2015

Dear Edwina,

Development Bank for Wales

Thank you for your letter of 8 July.

I am responding on behalf of the Committee. We support, in principle, the establishment of a Development Bank for Wales (DBW) and we are reassured by the confident and positive way in which Finance Wales has responded to the proposals. We would expect the Development Bank, in whatever form it takes, to build on rather than replace the expertise, reputation and experience of Finance Wales.

In our discussions with you, Dylan Jones Evans, Robert Lloyd Griffiths and Finance Wales officials a number of issues arose that we expect you will be considering in the next stage of developing your proposals. At your earliest convenience we would be grateful for further detail regarding the following:

- The precise remit of the DBW.
- Clarification as to how the proposed 'hybrid model' will differ from, and offer an improvement on, the mode of operation currently adopted by Finance Wales.
- The timescale for establishment and operation of the DBW.
- The ability of DBW to borrow.
- Whether the DBW will be self-financing and, if so, whether this includes the sourcing of capital funds.
- How you intend to make use of the existing skills of Finance Wales staff and seek to provide certainty for all affected by these proposals.
- The need to secure State Aid approval.
- The steps involved in securing the necessary regulatory approvals, dependent on the precise remit and name of the DBW.



We suggest that all of the above should be addressed in detail as part of a fully costed business plan, developed by your officials in conjunction with Finance Wales, which we look forward to considering in the near future.

Kind regards,
Yours sincerely,

William

William Graham

Chair, Enterprise and Business Committee