

**Senedd Cymru**  
**Pwyllgor yr Economi, Masnach a Materion Gwledig**  
**Ymchwiliad i Fanc Datblygu Cymru**  
**DBW06**  
**Ymateb gan: Yr Athro Dylan Jones-Evans**

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**Welsh Parliament**  
**Economy, Trade, and Rural Affairs Committee**  
**Development Bank of Wales inquiry**  
**DBW06**  
**Evidence from: Professor Dylan Jones-Evans**



# **Inquiry into the Development Bank of Wales**

Economy, Trade and Rural Affairs Committee

Professor Dylan Jones-Evans

January 31<sup>st</sup> 2024 (updated 15<sup>th</sup> March 2024)

## **1. Creation of the Development Bank**

**Set out the nature of your relationship or degree of interaction you've had with the Development Bank (DBOW).**

- In 2013, I was tasked by then-Economy Minister Edwina Hart to undertake a review of access to finance for SMEs in Wales. This review resulted in two reports that highlighted the weaknesses of the private and public sector funding regimes in Wales and recommended the formation of a new Development Bank for Wales.
- Subsequently, I was asked to chair a Task and Finish Group (T&F Group) to outline the terms for this new development bank. Since then, my interactions have been limited to receiving support from the bank for awards I have been involved with and debt funding for a business where I am a director and shareholder.

**Could you briefly set out the work of the Welsh Government's T&F Group, which considered the feasibility of establishing a Development Bank for Wales, as a replacement for its predecessor, Finance Wales.**

- As noted, the access to finance reports had recommended the creation of a new Development Bank for Wales. The role of the T&F Group was to bring together experts from all aspects of SME finance to explore the form, function, and feasibility of a DBOW. This included an examination of closer ties between the Welsh Government's financial support offer and the business support regime, as well as securing greater levels of private sector funding, potentially both debt and equity, to support businesses in Wales including attracting new investment into Wales.

## **2. General opinion on the Development Bank**

**Overall, what are your views on the DBOW?**

- Given that the access to finance review and the work of the T&F Group took two years, I am unable to provide a more comprehensive response to these questions in the current timeframe. I also only received data from the DBOW in the last few days and therefore have not had the opportunity to discuss the veracity of my conclusions with the DBOW (all the data used in this response has been supplied by DBOW and is shown in the appendices).

- First, let me state that Wales is fortunate to have the Development Bank of Wales, the first of its type in the UK. It is an important asset for the economy and has the potential to make a difference to the business community.
- Given this, it is also important to examine the performance of DBOW as set out in their strategic plan where there were five targets set by the bank for the period 2017-2022:
  - *Target 1 was generating more than one billion pounds of investment support for Wales over the next five years (£860m without Help to Buy).* Yes, that has been achieved with £1.1 billion of both DBOW and private sector funding which is 29% higher than target.
  - *Target 2 was investing over £80m per annum in SMEs within five years.* Yes, it invested £110m in 2022.
  - *Target 3 - Increasing micro finance support from £6m to over £40m.* If this is in relation to specific microfinance focused funds (as defined by DBOW) then no, it has only increased to £8 million per year and only £27m of support has been provided in five years.
  - *Target 4 - Helping businesses to create and safeguard more than 5,550 jobs per annum.* No - only 18,365 jobs created and safeguarded, 67% of the target.
  - *Target 5 - Attracting over £460m Private finance.* No - £396m of private sector leveraged which is 86% of the target.
- The evidence shows that whilst DBOW has succeeded in investing the funds received from Welsh Government, it has not met its own key targets regarding employment, attracting private sector funding and in supporting microbusinesses.
- Like its predecessor Finance Wales, there is a perception amongst some in the marketplace that DBOW is the ‘lender of last resort” rather than a proactive player in supporting Welsh businesses that can grow, which was the aim of the T&F Group regarding the DBOW. It is especially worrying that, according to the data from DBOW, over one in four of its assets are at risk of failing (i.e. investments are classed as D or E under its risk register). That perception needs addressing if the right type of business is to be attracted as potential clients in the future.
- Finally, and it may be a minor issue, but the T&F Group were surprised why the name of the bank was changed from the Development Bank FOR Wales to the Development Bank OF Wales. It may be only semantics, but the former does give a clear message as to the purpose of the institution whereas the latter suggest that it is only based here.

### **Has the DBOW become the organisation that you envisaged in the 2015 report from the T&F Group you led on for Welsh Government?**

- Yes and no. The T&F Group always wanted the DBOW to be “bigger and better” than Finance Wales with a far wider remit to deal with the funding gap that we had identified through the different reviews. As the data shows, a larger amount

of funding has been invested in Welsh businesses by DBOW and there are businesses that could not have developed without that funding although the economic development remit in terms of creating jobs has not been met as expected. However, there are still a number of issues that still need addressing.

### **Interest rates**

- One of the biggest issues highlighted during the access to finance reviews and the T&F Group report was the level of interest rates charged on debt funding by public funds in Wales.
- Data shows that interest rates for loans has declined from an average of 10.4% under Finance Wales to an average of 8% for the DBOW. One potential explanation for this could be that finance is now 'borrowed' from the UK Government via Financial Transaction Capital at 0% which means effectively there is no cost for borrowing funding to support businesses (although this has to conform to State Aid rules).
- Given that Finance Wales was borrowing money at a far higher rate than DBOW (for example, it was charged 3.5% in interest on funds from the European Investment Bank), it could be argued that whilst the average interest rate is now lower for DBOW than Finance Wales, there could have been further reductions if that saving from essentially borrowing funds for nothing had been passed onto businesses. It is worth noting that the interest from the loan book generated £14.3 million of income in 2022-23.
- As the appendix shows, DBOW data shows that only 9% of businesses have been loaned funds at less than 6% interest rate and 39% have been loaned funding at more than 9%. Such levels have always been justified by the argument that is the market rate and comparable to other providers. However, the counter to that is that the whole point about having your own Development Bank is to give the Welsh economy a competitive advantage. Lower interest rates could help to achieve this, and the Minister (Mrs Hart) was informed that we had received expert advice that under state aid rules, most loans could be offered at a lower interest rate as in other countries. However, whether that was the right thing to do politically or economically or in terms of the overall financial management of the DBOW was another matter.
- This may be something which the Committee may wish to discuss with DBOW and how it sets interest rates, especially given the recent controversy over the levels being charged to the Welsh Rugby Union, which was set, according to reports, as a result of advice from DBOW.

### **Affordability**

- Another important issue in the access to finance reviews was the affordability of finance, which was cited by banks, intermediaries, and small businesses as being one of the main obstacles to accessing bank finance. Under Finance Wales, the period for loans to be repaid were similar to high street banks (i.e. five years)

which meant that some businesses with initial cashflow challenges could find it difficult to afford to repay over that period. The T&F Group recommended that this should change and that the time to repay loans should be extended to improve affordability for Welsh firms.

- Under DBOW, the length of most loans are still five years or less. However, 39% of loans have a repayment period longer than five years although it could be improved given the new emphasis on patient finance. As a result, the committee should discuss why ten-year loans for business should not become the norm for DBOW debt funding to give Welsh businesses better affordability.
- The T&F Group also proposed a more active equity finance element for DBOW funds, particularly for technology firms, but that just hasn't materialised in the way expected. This will be discussed later.

### **Business complaints**

- The T&F Group wanted DBOW to be different to what had been the norm under Finance Wales, to be bolder in what it could achieve, and most importantly of all, to put Welsh businesses at the heart of everything it does. We had been given the opportunity to make a massive difference to the Welsh economy by creating the first development bank in the UK and it should be there to support the Welsh business community.
- That also meant that businesses needed to have confidence in the DBOW, that it would treat them fairly and support them when they have been funded. I would hope that has been the case for the vast majority of the two thousand plus businesses that have been helped by the Development Bank. Unfortunately, I have been approached by a range of businesses prior to this review who feel that they have not been treated fairly with valuations being too low, where decisions have taken far too long, and where terms are unacceptable with a 'take it or leave it' attitude.
- Worst still, there have been instances where some have been bullied by the directors imposed on them, where they have been forced out by dubious means and where founders feel they have not been supported by the Bank. This has happened to several young inexperienced founders who should have been given far greater support at the time by the Development Bank as their business' main funder.
- Now this is a commercial world, and these things happen. But the worst thing is that some founders are afraid of coming forward to complain about their treatment just in case they are blacklisted for future funding and when they do, it is often brushed under the carpet. Of course, there are always two sides to every story, but I really do believe that there are too many examples of this for it to be ignored.
- Given this, I believe it is important for the Development Bank to set up an independent panel where such issues can be discussed confidentially and

without fear or favour for either side rather than left to account managers to deal with. Given how more professional and accountable the Development Bank has become as compared to its predecessor, it's the right thing to do.

### **The T&F Group suggested that the creation of DB would 'enhance the capability of the Welsh Gov to support SMEs in Wales'. Has the DB achieved this?**

- The T&F Group believed that six principles should form the core for any changes to the current way in which Welsh Government supports access to finance for the SME community.
  - The public sector should not displace the private sector but address a market failure in the provision of finance to SMEs.
  - Businesses in Wales should have access to appropriate and affordable funding.
  - The primary role of government-backed funding for SMEs is to drive forward economic development.
  - Business support is offered alongside financial support to businesses rather than as separate elements.
  - Funding solutions should be customer oriented.
  - There should be stimulation of demand for business finance within the SME community.
- If we examine these six principles, DBOW could make the case that the first two have been met but for the last four, much more needs to be done. Economic development targets have not been met in terms of jobs created and safeguarded and therefore is one must start to question whether DBOW believes that is part of its primary role as a financial institution. There is little evidence of business and financial support being offered together, there needs to be greater consideration of the customer (i.e. the business), and DBOW needs to be out there stimulating business demand.

### **Do you agree with the suggestion from the FSB that the Welsh Government should put the DB on a legislative footing?**

- I'm not too sure how putting the DBOW on a legislative footing would help given that it doesn't get any grant-in-kind from the public purse. Instead, it currently receives £41m annually for managing funds so it doesn't need to have direct grant support from the Welsh Government. However, the T&F Group did put the case forward for Business Wales and DBOW to be part of the same organisation. If that was to happen, there would need to be a review of the funding available from WG for part of that function and whether it should be placed on a statutory footing.

### 3. Role and Remit

**Your views on the types of support the DBOW currently provides. Is there anything it doesn't currently do that it should? Is there any activity the Bank currently does that it should cease?**

- The DBOW should focus more of its funding to support new and microbusinesses given that the T&F Group report showed that these firms are the least likely to get access to finance because of the liability of newness and smallness which makes them less attractive to funders.

#### New firms

- Research from the UK StartUp Awards showed that whilst 89% of founders initially self-fund their businesses, 62% state that access to finance is their biggest barrier. Whilst over 20,000 businesses are created in Wales annually, DBOW supported 96 new firms in 2022-23, investing only £3 million. Therefore, increasing support to start-ups - which create jobs, develop innovation, disrupt markets, and support communities - should be a key objective for the DBOW.

#### Microbusinesses

- The priority in the T&F Group report for the Development Bank was that there should be a focus on the provision of finance to microbusinesses with less than ten employees in Wales given the growing importance of this sector for employment in Wales. More relevantly, microbusinesses make up most firms in the foundation economy which is seen as a key part of the Welsh Government's economic strategy.
- The main financial instruments to support microbusinesses are the different DBOW microloans programmes which is for funding of £50,000 or less and therefore is targeted at the smallest businesses. As noted earlier, whilst there was a strategic target to increase microfinance support from £6m to over £40m, it has only increased to £8m per year (and only £27m of support has been provided in five years).
- However, DBOW also provides other funding to microbusinesses in other funds under its control. According to data provided by the bank, £329 million has been provided to firms with less than ten employees between 2017-2023. This includes four specialist property funds which has provided £164m of short-term residential, mixed-use and property development finance to 125 microbusinesses (an average of £1.32m per business). In contrast, 93% of all microbusinesses supported have been financed outside the property funds at an average of around £100,000 each.
- If we discount the specialist property funding element, non-property funds for microbusinesses make up 27% of all DBW funding and account for 51% of all jobs created.

- Regardless of the support for microbusinesses in other funds across the DBOW portfolio, if we examine the jobs created and maintained by the specialist micro finance funds supported by DBOW, we find that whilst they have received only 4% of the funds under management, they have created 20% of all new jobs within the DBOW portfolio. This suggests that if the mission of the DBOW is to create more jobs in the Welsh economy, then providing more resources to the microloans programme is critical.
- In terms of effectiveness of the use of the different funds, the cost/job for the funds invested into microfinance funds is £9300/job as compared to an average of £48,300/job for the whole of DBOW (although that includes private sector funding). The cost/job for technology ventures is £187,000 per job although the investment criteria may be different to other type of firms.
- Given these disparities, it may be useful if the Committee examined how this compares to other funding provided through Welsh Government to support business e.g. grants.

### **Venture capital**

- As recommended by the T&F Group, the DBOW should have set up a venture capital arm with experienced staff to drive forward investments into those businesses that have the potential to make the largest impact.
- To date, only 12% of the total invested has gone into tech businesses and the number of jobs created per firm is 40% below the average for the overall job performance of DBOW.
- Whilst DBOW does have an equity function, questions must be asked why in South East Wales, there are two other publicly funded funds directly competing with DBOW for the market. Personally, I believe DBOW should be managing these funds from both the British Business Bank and the Cardiff Capital Region but there must be good reasons why it is not involved.
- This may be something which the Committee may wish to take up directly with DBOW.

### **Business support**

- Finally, we must ask why Business Wales and DBOW are two separate organisations especially when finance and business support go hand in hand together. One option the T&F Group proposed for the Development Bank ten years ago was a fully integrated financial organisation with in-house provision of financing and business support. This would be like development bank models elsewhere such as Canada and the USA where financial and business support are provided by the same organisation. It was felt at the time that would be difficult to achieve politically although this may have changed subsequently.



- The disconnect between Welsh Government and DBOW in terms of economic development strategy is best demonstrated by the fact that most of the business support via Business Wales is offered to microbusinesses whereas the opposite is true of finance provided by DBOW. There also seems to be few links between the key sectors highlighted by Welsh Government (Cyber Security, Fintech, High Value Manufacturing, Life Sciences, Renewables, Creative Industries, Food and Drink) and the funds available for businesses within DBOW which seem to be available for all firms.
- It would also be useful to understand whether the DBOW works with SMART Cymru Innovate UK to attract innovation grants to businesses before they are funded by the DBOW

**Cwmpas suggested that the language in the DB's remit letter could arguably be strengthened with greater compulsion to act, especially in relation to worker buy-outs at the point of business failure. Do the witnesses support this suggestion?**

- All three Access to Finance/DBOW reports pointed out the importance of providing funding for social enterprises. If Cwmpas could make a case for such a fund to exist and Welsh Government provides the funding for such a fund, then I see no reason why DBOW shouldn't manage it given that 16% of its funding in 2022-23 facilitated management buy-outs.

**Welsh Government's remit letter requires the DB to 'actively work to identify solutions which create the potential to increase the flow of funds into Wales'. Do you hold any views on the Bank's activities in this area?**

### **Equity funding**

- One of the challenges is increasing the flow of additional funds into Wales is in relation to equity funds. Only 10% of the firms supported by DBOW in the last six years have received equity investments. Yet those that do get equity investments attract more co-financing than those receiving debt funding which suggests that a greater focus on equity could attract more additional funding i.e. for every £1 of DBOW equity funding into a Welsh business, it attracted a further £3.40 from other funders. In contrast, for every £1 of debt funding, only 30p of external funding was provided.
- However, to create demand for such funds, there must greater equity education by DBOW to encourage more businesses to take on this type of funding, something the T&F Group recommended and which, as far as I am aware, has not been taken forward by DBOW.

## **Signposting funding**

- For the last two months, I have been undertaking research into venture capital funds and angel networks and what strikes me more than anything else is the amount of funding that is available from the private sector to support businesses but how little of that goes to Welsh businesses.
- The T&F Group suggested that as well as providing funding to businesses, DBOW should also act as a signpost to get specialist funds to come here to Wales. Again, I haven't seen that happen especially, as the T&F Group suggested, for the DBOW to act as a signpost and potential broker for other investors especially where they specialise in certain sectors and technologies.

## **Do you have an opinion on the DB's activities in relation to support Welsh Government's drive towards net zero carbon Wales?**

- I wrote about this back in 2021 and stated that if Wales is to become a leading nation in this sector and we are serious about being the best in the world at supporting such firms, then why not offer loans at 0% interest for all firms that want finance to support their drive towards sustainable growth or those that are setting up in green sectors. It would ensure that we not only get cheap finance to help indigenous Welsh firms in this sector to grow, give Wales a competitive advantage in a fast-growing industry, and attract other green companies to relocate here to Wales.
- Unless there is a compelling reason not to do that, then we are seriously missing a trick especially as both candidates for the Labour leadership have emphasised the importance of green jobs in their manifestos. Again, the Committee may want to ask questions as to why this wasn't considered by DBOW and whether there are any obstacles to implementing this.

## **4. Scale of the Development Bank**

### **Is there enough resourcing for the DB to meet the needs of Welsh businesses?**

- There can always be more money but what is more important is choosing where that money goes and how it is used. I would certainly undertake a full review of the performance of its funds and where necessary look at changing the balance e.g. more focus on microbusinesses will create more jobs; more focus into equity funds will bring in more external investment.

### **Do you have any views on the structure of the DB's business funds?**

- Apart from what I have said already, perhaps the biggest challenge for DBOW is to have a real impact on the Welsh economy. Part of that remit must be to invest in those high-risk equity investments that have the potential to make a real impact on the economy going forward.

- However, there seems to be a very low appetite for risk, and this could be driven by the safety-first “banking approach” that some have suggested is the cultural norm within the DBOW and that much of what it does is in the ‘middle market’ where many banks currently operate e.g. the average loan provided by the bank has been £205,000 between 2017 and 2022.
- On the other hand, DBOW is owned by the Welsh Government and there may be a reluctance by Senedd members to invest in a venture fund that could lose public money. That acceptance of risk when investing in high growth firms that can impact on the economy goes with any type of venture funding.
- At a time when there is criticism of financial support for female entrepreneurs, it’s excellent news that between 2017 and 2023 and across all funds, 30% of those receiving funding from DBOW are women-owned businesses. Hopefully this will continue to improve through more targeted approaches to supporting female founders.

## **5. Relationship with the private sector**

### **In 2015, the T&F Group report suggested the DB would work more closely with the private sector to address supply and demand dynamics of the Welsh finance market? Has this happened?**

- The key part of the suggestion by the T&F Group was in relation to working with private sector to fill the funding gap. This would be done by providing the gap finance that will enable the banks to overcome collateral or affordability issues and lend to Welsh SMEs.
- For example, if a business required £300,000 and the bank was willing to lend only £200,000, DBOW could fill that gap of £100,000 which meant that the private sector, quite rightly, was taking much of the risk and that a smaller amount of public funding was being utilised thus making more available for investments elsewhere.
- The fact that £499 million of debt funding has been provided to Welsh firms by DBOW with only £267 million of co-financing from other sources suggests this has not happened and the reverse is true i.e. the DBOW provides the majority of funding for most loans.
- It may be worth exploring with the DBOW whether they are the largest funder on the loans they are co-funding with other banks and if so, why?

## **Do you have any views on the level of private sector investment the Development Bank has been able to secure alongside its investments?**

- As noted, £396m of private sector leveraged between 2017 and 2022 meant that DBOW hit 86% of the target although this could have been improved considerably if there had been a greater focus on equity funding or on getting firms to move from considering loan funding to equity funding, more private sector input could have been realised.

## **Suggestion from the T&F Group was that the Bank would develop its own 'innovative approach to provide solutions that directly address the needs of the SME sector'. How innovative has this approach been?**

- I know a great deal of businesses have argued that DBOW is essentially Finance Wales mark 2 and that whilst it is bigger, it is not necessarily better. That may be unfair as it has instigated several recommendations from the T&F Group although there is some evidence that the "banking-heavy" culture does need to be improved and there has been little innovation in terms of developing new funds that reflect the changing need of today's business environment.
- For example, we know that young people are becoming more interested in starting their own businesses here in Wales and yet only 4% of those receiving support from DBOW are under 25. That is a market failure and yet there seems to have been nothing done to address this.
- There is also little evidence of new funds that reflect the economic priorities of the Welsh Government or internal expertise in these areas.
- In terms of changing its approaches, there seems to be a rigidity in its response to any criticism and I have been quite surprised at the refusal to even consider its interest rate policies, its insistence at taking personal guarantees on Covid loans, and a policy on matched funding for tech start-ups when that is the time when they need the full support of the bank.
- Whilst this Committee's review is clearly important, perhaps the time has also come for an internal audit by DBOW of what it does, why it does it, and whether, as I noted, Welsh business is at the heart of every decision it makes.

## **6. Comparator organisations**

### **Are there examples of good practice from other comparator organisations that the Development Bank could learn from?**

- Yes there is and the DBOW should be continuously testing their programmes and funds against best practice to ensure that Welsh businesses get the best positive outcomes.

## Appendix

**Table 1 Development Bank performance 2017-2023**

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Direct investment into Welsh businesses (£'m)	68	80	103	113	110	128
Private sector investment leveraged (£'m)	70	126	76	60	64	114
Jobs created	1,615	1,740	1,695	2,031	2,046	2,552
Jobs safeguarded	2,294	1,920	2,269	1,261	1,494	2,117
Jobs created and safeguarded	3,909	3,659	3,964	3,293	3,540	4,669
Number of businesses supported	285	352	391	365	468	435
Average interest rate	8%	8%	8%	7%	7%	8%

**Table 2 Debt vs equity investments by DOBW, 2017-2023**

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
No of Welsh firms receiving debt finance	265	360	420	379	525	484
No of Welsh firms receiving equity finance	52	55	47	43	29	50
Value of debt finance to Welsh businesses	52	59	87	100	98	104
Value equity investments into Welsh businesses	16	21	16	14	12	24
Value of co-financing - debt	44	85	35	37	34	33
Vale of co-financing - equity	27	41	41	23	30	82
% of assets classed as D or E under risk register (most at risk of failing)	30%	31%	33%	31%	27%	26%

**Table 3 DBOW Support for Microbusinesses, 2017-2023**

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Investment value (£'m)	3	5	6	5	8	8
Number of investments	157	221	265	237	353	314
Number of jobs created	556	859	799	855	1,006	841
Number of jobs safeguarded	331	441	520	365	513	418
Jobs created and safeguarded	887	1,300	1,319	1,220	1,519	1,259

**Table 4 DBOW Support for Technology-based ventures, 2017-23**

TECH VENTURES	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
No of firms supported	47	47	38	30	21	31
Investment made (£'m)	13	17	12	10	8	11
Private sector leverage (£'m)	25	33	24	19	29	41
No of jobs created	331	229	156	248	78	245

**Table 5 Type of investments by DBOW, 2017-23**

<b>Investment value £m</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Early-stage technology	13	17	12	10	8	11
Starting a business	3	4	6	12	7	3
Growing a business	34	31	40	36	37	45
Business succession	6	7	11	9	18	21
Residential property	11	20	34	43	36	42
Commercial property			0	3	4	7
<b>TOTAL</b>	<b>68</b>	<b>80</b>	<b>103</b>	<b>113</b>	<b>110</b>	<b>128</b>
<b>Number of investments</b>						
Early-stage technology	47	47	38	30	21	31
Starting a business	30	44	66	104	131	96
Growing a business	191	252	289	198	301	317
Business succession	25	30	31	27	45	44
Residential property	24	42	43	59	50	41
Commercial property			1	4	6	6
<b>TOTAL</b>	<b>317</b>	<b>415</b>	<b>467</b>	<b>422</b>	<b>554</b>	<b>534</b>

**Table 6 Microbusiness funding by type of loan programme, 2017-23**

	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Microloan funds	£2,709,400	£2,824,470	£4,265,200	£4,812,242	£5,993,800	£5,118,100
Property funds	£6,504,853	£14,441,508	£25,036,920	£37,734,573	£35,519,389	£45,148,732
Other DBOW funds	£19,336,690	£22,672,913	£25,770,602	£23,169,422	£29,515,116	£18,539,030
<b>TOTAL</b>	<b>£28,550,943</b>	<b>£39,938,891</b>	<b>£55,072,723</b>	<b>£65,716,236</b>	<b>£71,028,306</b>	<b>£68,805,861</b>

**Table 7 Length of business loan; interest rate charge on business loan, 2017-2023**

<b>Length of loans</b>	<b>&lt;3 years</b>	<b>3 years</b>	<b>4 years</b>	<b>5 years</b>	<b>6 years</b>	<b>7 years</b>	<b>&gt;7 years</b>
No of firms	276	115	132	742	134	404	264
<b>Average Interest rates charged</b>	<b>&lt;5%</b>	<b>5% to 5.99%</b>	<b>6% to 6.99%</b>	<b>7% to 7.99%</b>	<b>8% to 8.99%</b>	<b>9% to 9.99%</b>	<b>&gt;10%</b>
No of firms	61	128	295	369	398	537	279

**Table 8 DBOW income, 2017-23**

	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Value funds under management (£'m)	1,347	1,547	1,722	2,001	2,293	2,245
No of staff	138	166	202	209	218	239
Staff costs (£'m)	8.8	10.0	12.5	13.8	16.5	18.1
Director costs (£'m)	0.4	0.6	0.5	0.6	0.6	0.7
Fund management fees from WG (£'m)	22.8	25.9	30.9	35.0	39.8	41.4
Equity realisations (£'m)						
Dividends from investments (£'m)	0.1	0.1	0.1	-	0.0	0.0
Interest received from loans (£'m)	7.9	6.8	8.4	17.8	16.6	14.3