

FIN(4)FW002
Finance Wales Inquiry
Response from Impact Innovation

1. Finance Wales cannot and should not be a provider of mainstream business finance. Its role should be provide forms of funding which are otherwise difficult to source in Wales. There is no sense or value in Finance Wales competing head on with private sector provision.
2. Finance Wales must operate on a broadly commercial footing. Otherwise the tax payer will end up subsidising it (and possibly heavily).
3. Placing the Finance Wales role directly in the control of the Civil Service has the potential to be disastrous.
4. Finance Wales needs to raise its profile amongst SMEs in Wales and explain clearly what it is for (and what it is not).
5. SMEs in Wales generally have a poor understanding of financing options and the profile of Finance Wales is weak. More needs to be done to raise awareness and understanding of different funding options and to help the high growth businesses become investor ready.
6. Finance Wales used to run two programmes related to point 5 above. Accessing Business Finance – a series of workshops to educate SMEs on the sources of funding in Wales. They ditched this and it is now successfully managed by the Welsh Government. They also ditched their Access to Capital Programme which was a structured investment readiness programme. Both of these were ditched because they were seen as non core activities. They should be core activities and Finance Wales could play an important role in helping Welsh businesses become investment ready.
7. Finance Wales and the Welsh Government could do more to coordinate the funding that each provides to business. At present if a business applies to either for funding they will not automatically be signposted, or more particularly, assisted to raise funding from the other.
8. Finance Wales should focus all its efforts on Wales and not distract itself with other Fund Management activities.

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