

Giles Thorley
Chief Executive
Development Bank of Wales

13 December 2024

Dear Giles,

Annual scrutiny – follow-up

Thank you for attending our scrutiny session on 20 November. Following the meeting, Members agreed that I would write to seek further information and clarification in relation to points raised or not reached during the session. I would therefore be grateful if you could respond to the following:

- The Development Bank of Wales' Annual Report shows that 76% of jobs created by the Bank in 2023-24 were in median to high pay jobs, and this proportion rises to 90% when just looking at equity investments. How do these figures compare to previous years and how are they used to guide investments in the current year?
- The annual remuneration of the highest paid director increased by 20% between 2023 and 2024, rising from £217,000 to £260,000. How was the scale of this increase determined, and to what extent is it directly related to the performance of the Bank?
- During the meeting, we briefly discussed the Bank's pay differential, and while you noted that the Bank's pay and benefits are externally benchmarked, a clear figure for the differential was not provided. Could you therefore please clarify what this is.¹
- Recommendation 11 of the Committee's report suggested that the Welsh Government and the Development Bank of Wales should both give consideration to how views of

¹ Economy, Trade and Rural Affairs Committee, 20 November 2024, Record of Proceedings, paragraphs 206-211



businesses can be collected in a confidential and/or anonymous way, including from those businesses that either haven't used the Bank before, or have applied for support and been unsuccessful. In response you noted that you have opened a route whereby people can e-mail your General Counsel directly. The Committee was aware of this route when drafting its report and, while welcome, would like to know whether any additional routes are being considered, as this was the intention of the recommendation.

- DBW's written evidence to the Committee's Green Economy inquiry stated that "Net Zero is the single largest economic mission in Wales". What percentage of the Bank's loans and investments in the last financial year directly supported this mission?
- You mentioned the maximum investment the Bank can make "in a management succession fund is £5 million".² Would you be able to give us more detail around how that limit was set including details of any planned review of the limit and, if it is regularly updated the method for this?
- Could you provide more detail about the Bank's relationship with FW Capital, specifically details around how the fund interacts with DBW and how much direct management is involved from DBW in FW Capital investments.

I look forward to receiving your response.

Kind regards,



Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English

² Economy, Trade and Rural Affairs Committee, 20 November 2024, Record of Proceedings, paragraph 163