

Giles Thorley  
Chief Executive, Development Bank of Wales

21 October 2019

Dear Giles,

### **Annual report scrutiny with the Development Bank of Wales**

The Committee would like to thank you and your colleagues for your time and answers during our annual scrutiny session on 3 October. There were some questions the Committee wanted to ask however we did not have time for in the session, and some members have raised follow-up questions to lines of enquiry they were pursuing in the session.

Please can you provide answers to the following supplementary questions:


- The annual report discusses your loan book and touches on provisions for losses. Can you give us an indication of what your expectations are around repayment for your loan book? Specifically what your estimates are for repayment and what you are doing to ensure you are not negatively affected by bad debt?
- The Committee was interested to hear about the investment by Clwyd Pension Fund and the Bank's aim to recruit 'impact investors'. Can you elaborate on this work? Do you have any aims or targets around increasing private sector investment into the Bank and your funds?
- In the session you said that you collect data on the gender split of jobs created by your investments and the pay bands of those jobs. Is this data collected by industry sector as well? Could you provide the Committee a breakdown of jobs created by gender and the gender pay gap of jobs created? If you do not have these details now, when do you anticipate being able to provide them?
- The committee is interested in the sectoral data to see how well the investments are helping people into roles where their gender is under-represented. If possible could you provide the Committee with a breakdown of jobs created by gender of new recruit and sector they were recruited into? If not, would you consider recording and publishing disaggregated data on jobs created by gender and sector in the future?



- Earlier this month Triumph Furniture Company was sadly declared bankrupt. In response to a topical question in plenary that week the Minister for the Economy and Transport stated that Brexit had played a part in their collapse. He also stated that the Development Bank was ready to be deployed to support companies in the event of a no deal Brexit. What is the development bank currently doing to support established businesses who need to re-focus or re-tool, either to reach new markets or to adapt to a changing market, especially in face of an impending EU exit?
- In your annual report you state "Brexit continues to fuel uncertainty as businesses decide where and when to invest. Recent experience has seen some deals stall or fall away completely and we expect this pattern to continue into 2020". Could you expand on this, and the actions you are taking to mitigate the risk created this uncertainty?
- The committee is pleased to hear you are in discussions with the Welsh Government on planning to anticipate and mitigate the immediate effects of Brexit. What longer term preparations are you making and what longer term discussions have you had with the Welsh Government? Particularly what discussions have you had and what is your plan for when the Welsh Government and the Development Bank can no longer access European Funds?

You also promised to send the Committee details of your new self-build fund when you launch it, and the Committee looks forward to receiving this information as soon as it is available.

Yours Sincerely,

A handwritten signature in black ink that reads "Russell George". The signature is written in a cursive style with a long horizontal flourish underneath.

Russell George AM  
Chair  
Economy, Infrastructure and Skills Committee

