

*Corporate plan -
Executive summary*

2019-2022



Strategic aims

Mission

To unlock potential in the economy of Wales by increasing the provision of sustainable, effective finance in the market.

Vision

To be a unique resource for Wales, creating long-term value and enhancing a dynamic, competitive Welsh economy.

Values

- Open
- Responsible
- Partnership

Goals

Promote

Promote economic development through an adaptable delivery model that is responsive to market needs whilst providing value for money for public funds.

Cornerstone organisation

Become the cornerstone organisation for delivery of public sector financial instruments, supporting micro to medium businesses in Wales and increasing the supply of finance.

Deliver

Deliver key policy objectives by achieving performance targets and providing investment management and support services across the whole of Welsh Government.

Growth areas



Products

DBW will maintain and grow a breadth of products to support market needs.



Impact

Embedding a wider impact culture throughout our operations and delivery.



Services

Supporting government departments in delivering financial administration services.



Operations

Ensure added value through enhanced customer functionality with a digital focus.



Partnerships

Showcasing and enhancing the investment environment in Wales to attract private investors.



People

Promote our employer brand and develop creative approaches to attract and retain the best talent.



Research

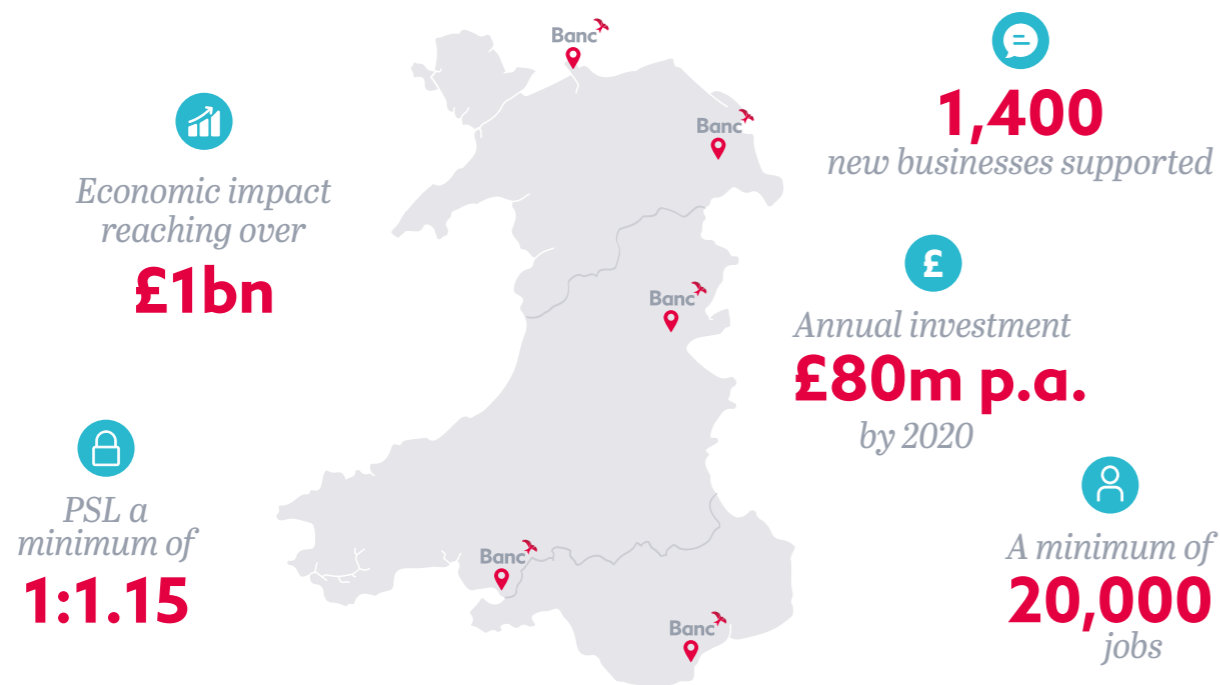
Develop a deeper understanding of the unique issues facing the Welsh market.



Scale

Supporting long-term sustainability for future businesses.

Five year targets 2017-2022



We are positioned to address the **market failure gap** outside of the private sector risk appetite where viable business investment opportunities still exist.

To achieve we must be **flexible and responsive** to the changing market needs in Wales. The organisation must be demand-driven, creating solutions to address the needs of the market pan-Wales.

Public funding is a **scarce resource** and therefore its efficient use is of critical importance. The Development Bank offers a repayable model that through scale offers exceptional value for money.

We believe that for Wales to prosper, **our businesses need to prosper**. When our businesses thrive, they create a higher number of better quality jobs. When Welsh businesses are strong, Wales is strong.

We are here to make it easier for businesses to get the **finance they need to start up, strengthen and grow**. We will deliver social as well as economic impact.

For future generations we have the potential to create a **long-term sustainable method** of supporting Welsh businesses for many generations to come.

We operate a continual schedule of new product development with a growing stakeholder base. New products form an element of replacement for fully invested funds, such as the Wales Micro Loan Fund, but also address new market gaps and deliver against the policy objectives of the Welsh Government.

Market need

As new market needs are presented, the structure of the Development Bank products will evolve. Moving from the traditional fully repayable structure, we now offer products that align with Welsh Government grant availability to help unlock viable investments that need initial support.

Flexible funding

The Development Bank has the flexibility to tailor its support, recognising that each business is unique.

We offer a variety of measures to our customers including equity finance, patient capital of ten years+ and products containing a mix of grant and loan.

Appetite for risk

The Development Bank operates where there is market failure, supporting businesses which fall outside of the risk tolerance of the market, yet where viable investments can be made through the structuring of tailored financial packages. As such, we undertake an inherently higher risk approach in our investment decision making.

Current funds	Deal range	Business lifecycle			
		Early stage	Growth	Succession	Turn-around
Wales Micro Loan Fund	£1k-£50k	✓	✓	✓	
Wales Flexible Investment Fund	£25k-£5m	✓	✓	✓	
Wales Business Fund	£50k-£2m	✓	✓	✓	
Wales Capital Growth Fund	£50k-£2m	✓	✓		
Wales Management Succession Fund	£500k-£3m			✓	
Wales Property Fund	£250k-£4m	✓	✓		
Wales Technology Seed Fund	£50k-£250k	✓			
Wales Stalled Sites Fund	£250k-£4m	✓	✓		
Wales TVI Interim Fund	£50k-£1m	✓	✓		
Wales Angel Co-investment Fund	£25k-£250k	✓	✓		
Wales Rescue and Restructuring Fund	£25k-£2m				✓
Wales Commercial Property Fund	£250k-£5m	✓	✓		
Wales Tourism Fund	£100k - £5m	✓	✓		
Local Energy Fund	£50k to £2m		✓		

The success of HTBW provides the precedent for developing the services provision within the organisation. Alongside our fund products, the Development Bank has the capacity and expertise to support government departments by delivering investment services and financial administration.

Cross Government support

The Development Bank currently delivers policy objectives on behalf of three Welsh Government departments, Economy and Transport, Housing and Local Government and Environment, Energy and Rural Affairs. Over the next five years we will continue to widen our reach through a programme of stakeholder engagement to ensure the expertise we are able to provide through our scale, can assist in the efficient delivery of further Welsh Government funding schemes.

Value for money

As an organisation for the whole of Welsh Government, our long-term vision is to create sustainable funding models which will work collaboratively across Welsh Government departments to deliver policy objectives. Our scale and established systems enable us to do this through a value for money service.



Help to Buy-Wales

Launched in 2014 by the Welsh Government, the Help to Buy- Wales scheme supports the purchase of new build homes across Wales.

Sub-brands

The Development Bank operates three additional sub-brands across Wales and the North of England which widen its impact and expertise.



Economic Intelligence Wales (EIW)

EIW is a collaboration between the Development Bank of Wales, Cardiff Business School, and the Office for National Statistics providing specific research focus on the demand and supply of finance for Welsh SMEs.



Angels Invest Wales (AIW)

AIW is focused on enabling, co-ordinating and supporting angel investment activity across Wales.



FW Capital

FW Capital is the Development Bank of Wales Groups FCA authorised Fund Management arm and operates primarily in the North of England.



Partnerships

The Development Bank will not succeed in meeting its objectives alone. To influence long-term economic growth through a vibrant business environment in Wales, we must link public and private sector partners to provide a connected solution to support businesses. We have an important role to play in creating an open, co-working environment across initiatives emerging from local, Welsh and UK Government as well as partners in the private sector.

Our stakeholder

In 2017, the Welsh Government launched Prosperity for all: a national strategy. Within this, the Prosperity for all: economic action plan ("EAP") aims to ultimately grow the economy and reduce inequality. The Development Bank ensures continued alignment between its activities and the ambitions of the EAP including through a regional investment approach, supporting people and driving prosperity and a focus on long term sustainable growth. Embedded within the EAP are the objectives of the Well-being of Future Generations.

Developing the investment environment

Working in partnership will maximise the provision of long-term efficient support to the Welsh market. Whilst we provide an effective mechanism for deploying Welsh Government repayable capital, we also have a role to play in building, showcasing and enhancing the investment environment in Wales to attract new funders.

Key market influencers

Developing the Welsh economy into a first class place to do business and invest.

Social enterprise sector

Collaboration with sector specialists.

Universities

Support skills for the future.

Private sector

Crowding in the private sector - complementing rather than competing.

Business Wales

Working together to simplify the support and funding offer for businesses

City and growth deals

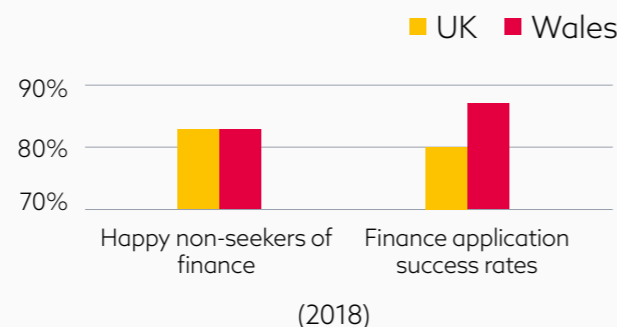
Collaborating to create added value funding solutions.

UK industrial strategy

Bringing productivity enhancements into Wales.

Demand generation

To fully impact economic development in Wales, businesses need to be supported to fully understand the opportunity in creating and implementing growth plans. The Development Bank has a role to play in generating demand through reinforcing and promoting the benefits for funding led growth.



Impact

Critical to achieving our ambitions, we must be flexible and responsive to the changing market needs in Wales. The organisation must be demand-driven, creating solutions to address the needs of the market. We will use ongoing, real time market analysis produced by Economic Intelligence Wales to inform these needs and combine expert delivery with a value for money service, ensuring efficient use of public funds.

Long-term

We will invest in line with the ethos of the Economic Action Plan which is based on public investment seeking a long-term impact that responds to the challenges of tomorrow. We will offer patient capital and therefore opening up growth opportunity to a broader range of businesses.

Investment breadth

We will ensure that we have the capacity to supply finance across business sectors, to all business sizes and in all regions of Wales. As an organisation for the whole of Wales it is a priority for funding to be accessible and attainable for all viable business needs.

Capturing wider impact

The Development Bank will broaden its mechanisms for capturing its impact, embedding an impact culture throughout our operations. Operational changes will enable us to benchmark our impact on the UN Sustainable Development Goals and Well-being of Future Generations (Wales) Act. Over the strategic period we will more formally manage our impact within the themes of Prosperity & Global Opportunity, Decarbonisation & Environment, Innovation and Digital Inclusion and Communities, Health & Social Inclusion.

Regional delivery

Spatial variations in prosperity and the outcomes of increased prosperity have not always been shared proportionately across Wales. The Economic Action Plan sets out a regionally focused model of economic development to spread wealth and opportunity. We will work closely with the Welsh Government and other entities to drive forward the regional agenda where business support and services can be better aligned to deliver maximum benefits specifically tailored to the needs of the region.



Regions as defined by the Welsh Government's Economical action plan

Maintaining scale is fundamental to the longer term ability to impact on economic development. The Development Bank benefits from a strong foundation and the full support of the Welsh Government who have committed over £420m to new funds in our first two years of operation.

Maximising economic development requires a deeper understanding of the unique issues facing the Welsh economy. Economic Intelligence Wales (EIW) will provide accurate and timely assessments of the Welsh economy. Such insights will inform the new products and partnerships, providing the intelligence to enable agile decision making by the Development Bank.

Increasing scale

The Development Bank is building for the future. A continual schedule of new product development is managed, identifying and delivering solutions for a broad range of market needs.

Annual investment

Through early success in securing new capital based on the growing needs across the Welsh market we are already targeting above our original £80m per annum target. Allowing for responsible growth we forecast that this may exceed £100m by the end of this strategic period in 2022.

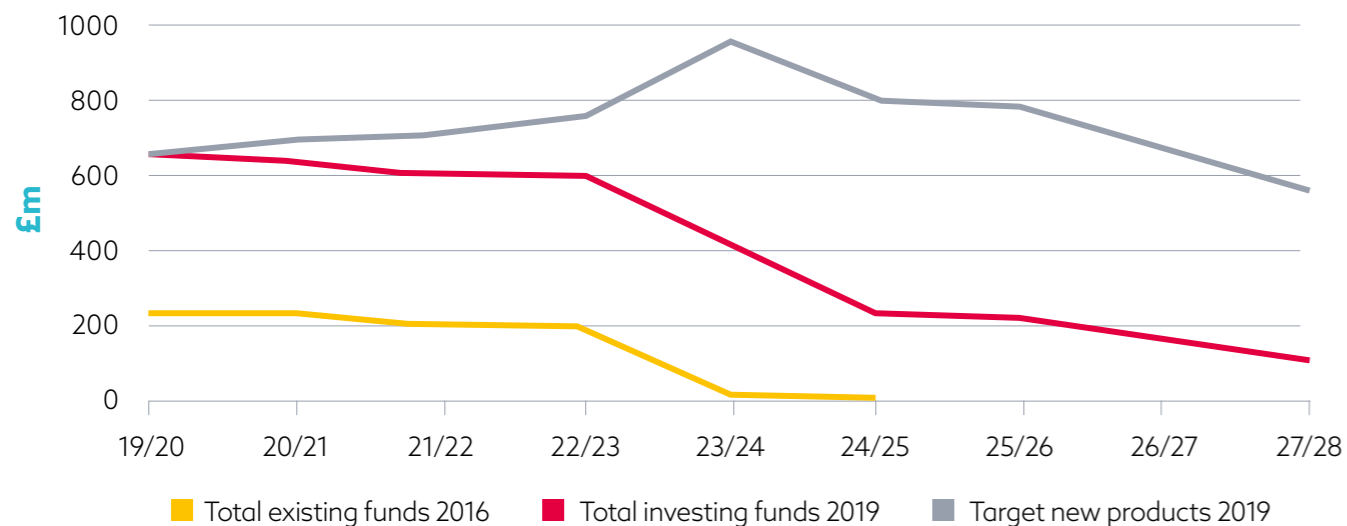
Centralised data

The rich sources of data collated by EIW and analysed in collaboration with other research organisations over the strategic period will establish it as an authority on the Welsh economy that informs decisions for the well-being of future generations.

Responsive strategy

The Development utilises research to not only inform new products but also to ensure existing products continue to maximise their impact. This is managed through regular review points throughout the life of each Fund.

Development Bank investing funds (ex HTBW)



Legacy funding

We have the potential to create a long-term sustainable method of supporting Welsh businesses for many generations to come, delivering exceptional value for Wales. We will support people and businesses through funding

models to drive an increase in productivity and prosperity, facilitated by the ability to generate returns, creating legacy funding, which we will allocate to ongoing market needs.

Led by demand

The organisation must be demand-driven, creating solutions to address the needs of the market. We will use ongoing, real time market analysis produced by EIW to inform these needs and combine expert delivery with a value for money service, ensuring efficient use of public funds.

BREXIT

Whilst the UK transition from the EU may create opportunities as well as threats, there will undoubtedly be uncertainty. We will use ongoing market data to monitor the economic climate and create consistency where we can.

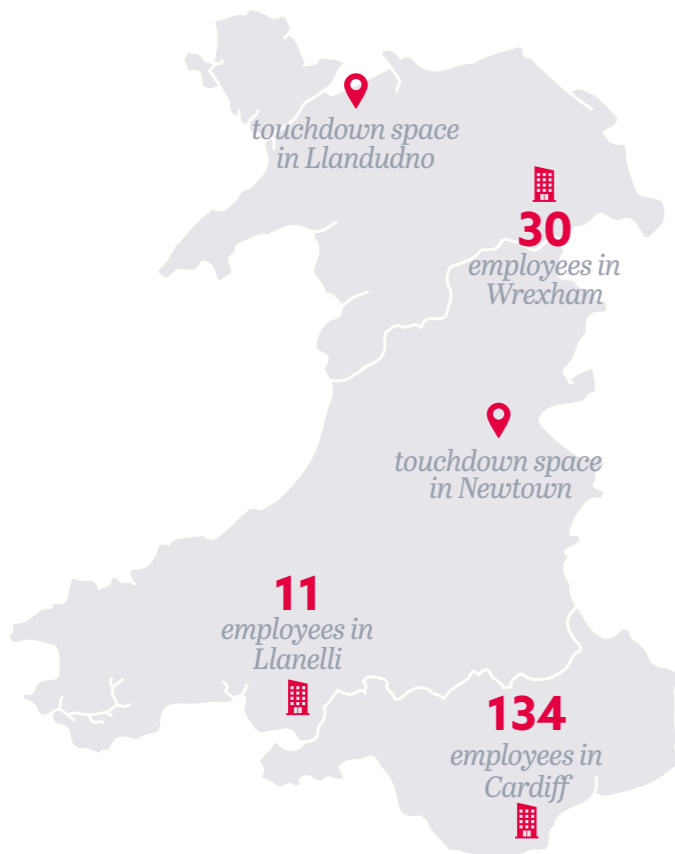
Ensuring the right expertise are in place is only the first stage of the Development Bank’s people focus. Through a dedicated People Strategy we will promote our employer brand, developing creative approaches to attract and retain the best talent, with a drive to achieve long-term impact for the region in which we live and work.

The Development Bank is here to provide more than just investment to maximise economic development. We will explore ways we can ensure added-value by increasing the breadth of our support during this strategic period including functionality for our customers through ongoing digital transformation, formalised support networks for our portfolio companies, as well as training, awareness and support for businesses.

Regional presence

We will maintain a regional presence through our office network aligning to the Economic Action Plan aims. As we develop our online services and the organisation continues to grow to deliver the products and services in support of a wide range of Government priorities, we will remain committed to retain one of our key differentiators in delivering a ‘human element’ to customers.

The Development Bank resource location Q1 2019



Collaboration

We have a forward thinking approach to the needs of our employees and their working environments and we will maintain close engagement with our growing work force to ensure a culture of collaboration and open working is maintained.

Employer Brand

The Development Bank strives to be an employer of choice. Our vision and mission are focused on delivering the Welsh Government objectives to help build an economy based on strong foundations, to supercharge our industries of the future and to empower all of our regions to become more productive. Our purpose is to help to make Wales a better place to work and live and do business.

People focused

People are our greatest asset. Retention and attraction of the right individuals is fundamental to the long-term success of the organisation. The organisation needs a knowledgeable, motivated and engaged team who can both deliver on our objectives and be brand ambassadors for the Development Bank. We encourage an equal and diverse workplace and implement strategies to ensure ongoing achievement of this aim.

Portfolio management

We will ensure we maximise business success through strong portfolio management, including building capacity in the management teams of the businesses we support. We have established a programme for our customers through our Portfolio Network which supports the concept of money with management. This includes working with third parties such as Business Wales to maximise the use of their support available to businesses.

Well-being of Future Generations Act

The Development Bank provides a practical means to deliver against the challenges set out in the Act, providing an ongoing agent for change. Embedded within our strategy and operations are the five ways of working of the Act.

- ▶ **Long-term**
Sustainable patient capital
- ▶ **Prevention**
Money with management
- ▶ **Integration**
Co-investment
- ▶ **Collaboration**
Cross departmental support
- ▶ **Involvement**
Support to full business lifecycle

Customer experience

We strive to deliver best in class operational efficiency with a human face. We make it our priority to deliver customer service excellence through effective and efficient processes managed through an ongoing programme of work focused on the customer experience. This includes streamlining the application process, utilising digital tools to reduce administrative tasks for customers and using ongoing feedback to refine our offer.

Digital focus

The Development Bank must be sustainable and ready to meet the evolving needs of the market. This requires a significant focus on our digital offer and capabilities to deliver efficiency internally and encourage and support productivity in the business we support.

Governance

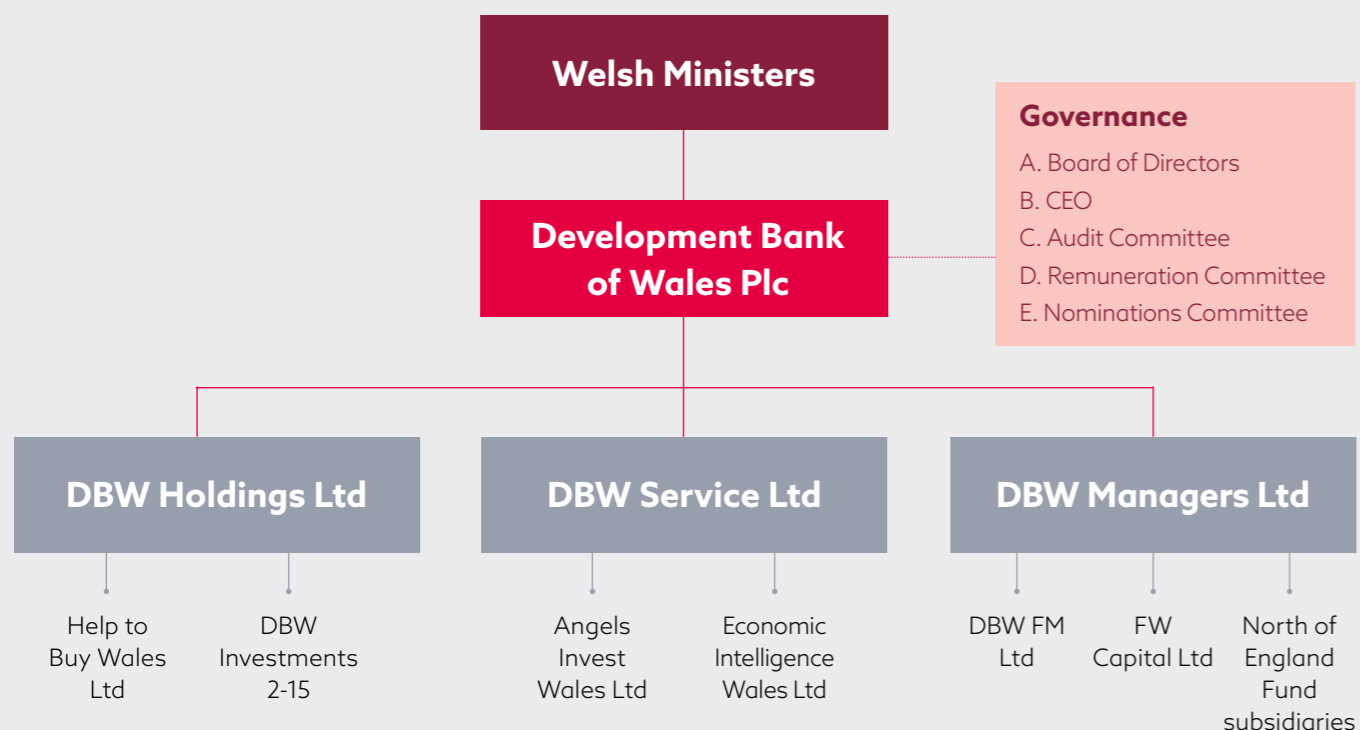
The Development Bank of Wales is committed to being an open and accountable organisation with the highest standards of governance. Our overriding financial objective is to provide an effective, value for money and sustainable service for our stakeholders whilst meeting the needs of our customers.

Layered governance

Strong governance at all layers is engrained in the culture of the organisation. Close management of regulatory and legal obligations as well as efficient, cost effective and transparent delivery will ensure we offer value for money and purpose in the market place.

Responsible lender

We have a role to play as the leading authority in the business market in Wales and must ensure responsible conduct and integrity throughout our operational activity. As a publicly owned company, the Development Bank of Wales fully adheres to the seven Nolan principles of public life.



Supporting WG policy

The Welsh Government strategy, Prosperity for all: a national strategy takes the long term aims of the Programme for Government and sets out how they will be delivered by bringing together the efforts from across the Welsh public sector. This is consolidated within the Prosperity for all: economic action plan, with which the Development Bank operations and delivery align in the following ways.

Prosperity for all			
<p>Wealth and well-being</p> <p>Continued provision of affordable and flexible funding for businesses to start, sustain and grow creating opportunity for wealth and well-being for owners and employees.</p>	<p>Reducing inequality</p> <p>A focus on underrepresented groups through marketing and business development including female entrepreneurs and young people.</p>		
Economic action plan			
<p>Supporting people and driving prosperity</p> <p>Working with business owners to support their businesses.</p>	<p>Stronger regional voice</p> <p>Continued growth of personnel based at North Wales HQ.</p>	<p>Skills for a changing world</p> <p>Driving innovation through support to seed and growth technology companies.</p>	
<p>Ambition and life-long learning</p> <p>Coaching, mentoring and training support for our employees.</p>	<p>Focus on long-term sustainable growth</p> <p>Patient capital through loan and equity investment to support business with long-term sustainability.</p>	<p>Modern and connected infrastructure</p> <p>Developing potential support to MIM delivery.</p>	<p>Wales in the World</p> <p>Support in continual enhancement to the business ecosystem in Wales, attracting new business as a place to start and grow.</p>
Investment with a social purpose			
<p>We invest for impact. Our purpose is to drive economic development with sustainable investment which positively impacts through assisting in the creation and safeguarding of jobs, encouraging innovation and working alongside the social enterprise sector.</p>			

Organisation timeline





bancdatblygu.cymru
developmentbank.wales

Development Bank of Wales Plc (Banc Datblygu Cymru ccc) is the holding company of a Group that trades as Development Bank of Wales. The Group is made up of a number of subsidiaries which are registered with names including the initials DBW. Development Bank of Wales Plc is a development finance company wholly owned by the Welsh Ministers and it is neither authorised nor regulated by the Prudential Regulation Authority (PRA) or the Financial Conduct Authority (FCA). The Development Bank of Wales has three subsidiaries which are authorised and regulated by the FCA. Please note that neither the Development Bank of Wales Plc nor any of its subsidiaries are banking institutions or operate as such. This means that none of the group entities are able to accept deposits from the public. A complete legal structure chart for Development Bank of Wales Plc can be found at developmentbank.wales.

