

Impact metrics data disclosure

The Development Bank of Wales invests for impact. Historically, we have measured the impact of our investments through volumes of direct investment, private sector leverage and job creation and safeguarding. In 2019 we developed and implemented a revised impact framework, broadening our mechanisms for evaluating and measuring impact, aligned to the UN Sustainable Development Goals, Well-being of Future Generations (Wales) Act 2015 and the Calls to Action in the Welsh Government's Economic Action Plan.

Our first impact report was published within our Annual Report for the 2019/20 year but developing our model to measure and manage impact is a long-term project which we are committed to further develop and refine in future years. For transparency of our impact, the following publishes an overview of the sample used and methodology for collating and reporting each metric.

Data collation methodology

To enable an initial understanding and benchmarking of the impact delivered by businesses receiving funding from the Development Bank, customers were asked to complete an impact questionnaire requesting information on a broad range of topics related to our four themes of impact. Each customer outside our property development portfolio receiving a new investment must complete this impact questionnaire. Impact questionnaires are then sent to customers every 12 months at the anniversary of their investment from the Development Bank of Wales.

Data for each metric is collated and stored against information on the investment. This allows us to analyse the data and each metric by date, location, sector, investment type and amount. Diversity and equality data, due to its nature, is collated and reported separately to ensure compliance with General Data Protection Regulation and following guidance from the Welsh European Funding Office. For more information about how Development Bank of Wales uses personal information please see our privacy notice or contact our Data Protection Officer at dpo@developmentbank.wales.

Data in our latest Impact Report is derived from the period starting 7 July 2019 to 31 March 2020 where 728 businesses returned impact of investment questionnaires. A number of these were removed from the sample due to poor quality data. The end result is a sample of 705 businesses which reported data to us. As we rely on self-reporting for a number of measures, this means some of our datasets are incomplete or may have errors.



Prosperity and Global Opportunity metric methodologies

Impact metric summary	Metric calculation
<p>Number of full time equivalent (FTE) employees in median to high pay brackets.</p>	<p>Our customers report the number of FTEs based on a 30 hour week. For example, if a post involves working 30 hours or more per week then it is full time and therefore 1 FTE. If a job is not full-time, then the hours worked each week will need be divided by 30 to give the proportion of FTE represented. For example, 18 hours per week divided by 30 = 0.6 FTEs.</p> <p>FTEs are reported by customer in pay bands of below £14,999; £15,000-£19,999; £20,000-£24,999; £25,000-£34,999; £35,000+. These pay bands are determined as part of our reporting requirements to the Welsh European Funding Office in delivery of the Wales Business Fund.</p> <p>Median to high pay is calculated by using latest ONS median weekly earnings for full-time employees in Wales. Low pay is determined as one third the median wage. For comparison with StatsWales statistics the proportion of FTEs in median to high pay brackets is reported as the proportion of FTEs earning more than two thirds the median wage.</p>
<p>Proportion of respondents that export and total value of exports.</p>	<p>Exporters are identified by the customer reporting the proportion of the turnover reported that is attributable to export sales. This gives us the proportion that export and the total value of exports.</p>



Environment & Decarbonisation metric methodologies

Impact metric summary	Metric calculation
Proportion of customers with the ability to choose their energy provider.	The proportion of customer that completed the environment and decarbonisation section of the questionnaire that have agency in choosing their energy supplier.
Proportion of energy sourced from renewables.	The proportion of energy from renewable sources is determined by the customer reporting an energy provider as their main supplier. Each energy provider has a standard fuel mix disclosure that details the amount of renewables in their supply, including the UK average for renewables in the supply of electric to the national grid. This is used to assign a percentage of renewables used by each customer in their main energy source.



Innovation and Digital Inclusion metric methodologies

Impact metric summary	Metric calculation
<p>Proportion of customer actively innovating in their business.</p>	<p>Customers report the number of innovation activities undertaken in the previous 12 months. Innovation activity is defined as Collaborative Research and Development projects; Patents registered; Number of products introduced that are new to the firm; Number of products introduced that are new to their market; and Significant improvements to products and services which is defined as improvements to technical specifications, components and materials, incorporated software and user friendliness of existing products or services.</p> <p>These innovation activities are value added indicators defined by and reported to the Welsh European Funding Office in delivery of the Wales Business Fund.</p> <p>The proportion of activity is derived from the sum levels of activity undertaken.</p>
<p>Proportion of customer actively digitising their business.</p>	<p>Customers report if they have used the defined technologies to digitise their businesses in the previous 12 months. The technologies defined are taken from the State of Small Business Britain Report and include Smart Meter installed; CRM systems; E-commerce; Web-based accounting software; Computer aided design software; process automation; Cloud Computing; Machine learning; and Artificial intelligence.</p> <p>The proportion of activity is derived from the sum levels of activity undertaken.</p>



Communities, Health and Social Inclusion metric methodologies

Impact metric summary	Metric calculation
<p>Proportion of owners/directors/shareholders in the businesses we supported that identified as Female</p>	<p>At the point of initial investment, and only at point of investment, customer complete the Diversity and Equality section of the impact questionnaire. This section asks customers to report the number of owners/directors/shareholders that identify as male or female. The options included in this section follow the guidelines given as part of reporting requirements on the Wales Business Fund.</p>
<p>Proportion of owners/directors/shareholders in the businesses we supported that identified as BAME.</p>	<p>At the point of initial investment, and only at point of investment, customer complete the Diversity and Equality section of the impact questionnaire. This section asks customers to report the number of owners/directors/shareholders that identify as being Black or of a Minority Ethnicity. Black and Minority Ethnic groups include people who may face barriers because of their ethnic origin, in accessing opportunities in Wales. Ethnic origin questions are not about nationality, place of birth or citizenship. They are about broad ethnic groups.</p>
<p>Proportion of owners/directors/shareholders in the businesses we supported that identified as having a long-term disability.</p>	<p>At the point of initial investment, and only at point of investment, customer complete the Diversity and Equality section of the impact questionnaire. This section asks customers to report the number of owners/directors/shareholders that consider themselves disabled. The Social Model of Disability recognises that disabled people are people with impairments who are disabled by barriers (attitudinal, environmental and organisational) which prevent them from participating fully in all areas of life. In simple terms, it is not the inability to walk that prevents a person entering a building unaided but the existence of stairs that are inaccessible to a wheelchair-user. In other words, 'disability' is social impairment. The Social Model of Disability requires society to remove the barriers in order that all people have equality.</p>

This Model is recognised by disabled people and was formally adopted by the Welsh Government in 2002. Further information can be found at <http://www.disabilitywales.org>

Proportion of property development loans used to support the build of affordable housing units.

Number of units reported by customers that will meet the criteria for affordable housing.