

FIN(4)FW020
Finance Wales Inquiry
Response from Grant Thornton UK LLP

Sir

I write following the recent criticism of Finance Wales and its characterisation as “unfit for purpose” in the local media following the publication of stage two of the Access to Finance Review. I am concerned by the criticism of Finance Wales’s interest rate pricing policy and its strategy to become more commercially focussed and self-sustaining as I believe, at a time when public funds are under extreme duress, this strategy should be encouraged.

That said, what the report does well is to highlight an area where more funding may be beneficial and gives some suggestions about how this might be addressed. However, the report’s comments about Finance Wales are based around the author’s interpretation of the stated goals of the organisation. This interpretation, which is given little in the way of further explanation, is fundamental in its influence on the direction and emphasis of the entire report. It is also interesting to note that the goals themselves were laid down in 2001, a very different time in terms of the political and economic landscape. The report fairly states that other jurisdictions have provided lower cost funding to local companies without falling foul of State Aid provisions, and that this funding has benefitted the companies in question and therefore the wider national economy. In light of this, rather than questioning whether Finance Wales is fit for purpose, it would be better if Finance Wales’s role was clarified, whether this entails it being a self-supporting entity and therefore necessarily more commercial, or a soft lender charged with supporting businesses with the expectation that it will require on-going State financial support.

From my viewpoint, it is clear that Finance Wales is currently providing a useful function as there is demand for its products at the prices it is charging and without them this funding would, in my opinion, not be available.

If you would like to discuss this further I would be more than happy to do so.

Kind regards

Alistair Wardell

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For Grant Thornton UK LLP