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Llywodraeth Cymru
Welsh Government

Darren Millar AM
Chair
Public Accounts Committee

7 March 2016

Dear Darren

I am writing to you as Chair of the Public Accounts Committee to update you on a number of issues relating to the Committee's review on the Wales Life Sciences Fund.

The Fund is currently three years into its 10 year operating period. Despite the adverse impact that a two and a half year review has had on the Fund Managers' fund raising efforts, the Fund has already made 11 investments in nine businesses, of which; six are new inward investors to Wales, two and indigenous businesses and one is a new co-established business in Wales.

To date the Fund has generated over £200million co-investment and it is anticipated these investments will contribute to the creation of almost 500 quality jobs in Wales over the lifetime of the Fund.

The Fund investments have also already helped to bolster Wales' international reputation in Life Sciences. It has generated significant positive industry and media attention, firmly placing Wales on the global Life Sciences map and making national and international headlines with such investments as the establishment of the UK's first Proton Beam Therapy Centre in Newport by Proton Partners International Ltd; and ReNeuron plc, the leading clinical stage stem cell business that has relocated its state-of-the-art Advanced Therapy Medical Productions manufacturing facility to Pencoed.

Only last week, we announced that ReNeuron, the AIM-listed company is taking over the entire 25,000 sq. ft. ground floor of Therapia at Pencoed Business Park. This will be a state-of-the-art facility equipped with research and development laboratories, clean rooms designed for automated cell culture, and office accommodation, just off the M4.

ReNeuron is relocating its existing staff and hopes to create up to a further 70 new highly skilled jobs in Wales over time. The new facility in Wales is three times the size of their existing base in Guildford.

With the conclusion of the review, it is now anticipated that fund raising can resume with vigour and that the early momentum of the Fund can be sustained so it can continued to attract world-class companies to Wales.

The innovative nature of the Fund entails a novel approach as part of the broader life sciences sector strategy for Wales.

Deloitte's have now rated Wales as the third best performing region in the UK for Life Sciences investment and last week we had more than 600 industry delegates registered for our largest Bio Wales event ever. Meanwhile, our Life Sciences Hub in Cardiff Bay continues to go from strength to strength and has become a physical focus for the sector in Wales and a cornerstone of the building blocks to further grow the sector, maximise all opportunities, attract investment, commercialise research, support businesses and grow jobs.

You should also be aware of a further senior leadership change at Finance Wales.

Finance Wales has announced the appointment of Giles Thorley as the new Chief Executive of the Finance Wales Group. In a twenty-year business career, Mr Thorley has gained significant senior management and private-equity investment experience is also a successful business angel. He will be taking up his new post on 4th April.

Mr Thorley's appointment follows that of Gareth Bullock, who took up the role as new Chairman of Finance Wales Group on 1 October 2015. Mr Bullock also has a strong track record and a wealth of experience gained from a distinguished 30-year international banking career.

Edwina Hart