



Ein cyf/Our ref:

Mike Hedges MS
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10 July 2023

Dear Mike,

During Senedd Questions in Plenary on 14th June, you asked me about the latest investments we have made from the Invest to Save fund.

Initiated in 2009, the Invest to Save (I2S) fund has supported a diverse portfolio of projects spanning Health, Education, Local Government, and the third sector. It has primarily functioned as a source of repayable, interest-free grants for projects that promise to generate either cash savings or additional income while also enhancing public services or operational efficiencies within organisations. I2S's sustainability was ensured by recycling repayments from earlier investments back into the fund for future investments.

In 2016 a specific segment of the I2S fund was supported by the then Environment portfolio. This was to facilitate investments in carbon reduction and energy efficiency initiatives and became known as the Green Growth fund. All income received from these investments is ringfenced to be re-invested in Green Growth projects. This supports Welsh Government in achieving our goals in respect of net zero emissions.

During the Covid-19 pandemic, the activity of the I2S fund was significantly reduced and in 2021 a decision was made to allocate funds from the I2S fund (excluding the portion ringfenced for Green Growth) to establish the Looked After Children fund. The Looked After Children (LAC) fund was created to advance Welsh Government's commitment towards the welfare of looked after children and young people as outlined in the Programme for Government. One significant difference between the LAC and the Green Growth fund, is that LAC monies are not repayable therefore there will not be the legacy of income to reinvest in future LAC schemes. This means that eventually the remaining I2S fund will reduce over time.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

The most recent investments have been £3.016m in green growth funding to Swansea Bay University Health Board – Brynwhilach Solar Farm; this investment will be repaid over the next 10 years.

A non-repayable £9.5m investment has also been made to support Looked After Children services. The National Adoption Service has received funding to implement their 'AdoptCymru 2025 and beyond' strategic plan. Several fostering organisations have received funding to improve outcomes for Fostered Children as well as funding to improve the ability of local authority fostering services to recruit and retain foster carers. Funding has also been provided for parental advocacy services with the aim to reduce the rate at which children need to enter care.

No further future commitments have yet been made in respect of the Invest to Save fund.

I hope you find the above helpful, but please let me know if you require any further information.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca". The script is cursive and fluid.

Rebecca Evans AS/MS

Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government