In establishing a new Welsh Innovation & Development Agency government needs to bring co-operative representatives into its design and set out how it will work.

When the next Welsh budget takes effect in April, where will workers go for advice on buying the business that employs them? Who will help residents set up a co-operative to save a local shop or develop a community energy project? These are practical tests of the Welsh Government's plans to reorganise business support. The draft budget gives the new Welsh Innovation and Development Agency a dedicated allocation, but it leaves the future of specialist co-operative support unclear.

The analysis shared by Professor Dylan Jones-Evans asks a question ministers need to answer: how will Welsh businesses be better served by a new development agency while funding for existing support is being reduced? He makes an important distinction between reductions in budget lines and what businesses will actually experience, since some programmes and funding may transfer to the new agency. Co-operatives Wales would add a further test. Will the new arrangements make it easier for workers and communities to start, own and grow businesses in Wales, and will the specialist advice they already rely on be there during the transition?

The analysis of the 2027 - 28 draft budget raises a fair question about the timing of this change. The Business Wales resource allocation falls from £22.5 million in the restated 2026 - 27 budget to £11.2 million, a reduction of around 50%. The wider entrepreneurship and regional economy resource budget falls by £16 million, while the new agency receives £22 million in resource funding. Some services and funding may transfer. Ministers should spell out which services will continue, who will deliver them and what businesses can expect during the transition.

For Co-operatives Wales, the Government's own Programme for Government sets a clear test. It promises more specialist support to start, grow and sustain co-operative, employee-owned and social businesses, and better access to finance through the Development Bank of Wales. Yet the draft budget report gives no explicit account of how that commitment will be funded, and the detailed spending workbook contains no separately named allocation for Social Business Wales or specialist co-operative development. The final budget should make that commitment visible and measurable.

Wales already has specialist expertise to build on. Through Social Business Wales, Cwmpas and its partners help people choose an ownership structure, establish democratic governance, plan for growth and manage a transition to employee ownership. That advice matters when a retiring owner wants to sell and workers need to assess whether they can buy the firm. It matters when independent producers want to pool resources to reach new markets, or when residents need to raise finance and agree how a community asset will be run. These are business development opportunities that a national agency should be equipped to support.

Before the final budget, we want ministers to publish a funded transition plan for specialist support from April 2027. It should explain what happens to existing delivery contracts, advisers and businesses already receiving support. The Government should bring co-operative and social enterprise representatives into the design of the agency and set out how it will work with the Development Bank of Wales to make finance accessible to businesses with shared ownership.

The agency’s success should be judged by the businesses it helps to start and grow, the good jobs it helps create or retain, and the economic value that stays in Wales. Ownership matters to all three. If the Government wants more businesses rooted in Wales, its final budget should show how workers and communities will get the advice and finance they need to own and grow them.