

Jane Hutt AM
Minister for Finance and Government Business
Welsh Government

13 October 2015

Dear Jane,

Report on Final Outturn 2014–15

Thank you for providing the Report to the Finance Committee.

Following consideration of the report in Committee on 1 October, Members wish to seek clarification on the following:

- To what extent do the underspends of £9.7 million in revenue non cash and £21.4 million Annually Managed Expenditure shown in the Outturn report reflect the inaccuracies in the Department for Business and Skills HERO model, which is used to model student loan repayments. Furthermore, have adjustments been made to the model to take account of Welsh Government student finance policies?
- Has the Welsh Government undertaken more detailed modelling on overall student debt and the student loan book to estimate the long term impact of student debt?
- Can you update the Committee as to whether there is evidence that increasing numbers of graduates either do not need to repay their student loans because they do not meet the minimum earnings threshold requirements to do so or are failing to repay the loans for other reasons?
- Can you update the Committee on whether drop-out rates of students before completing their courses are increasing or decreasing?



I am aware that these questions follow on from the recommendations made to the Welsh Government in the Committees report into [Higher Education Funding](#), as such I am copying the letter to Huw Lewis AM.

Also, could you provide clarification as to whether any of the revenue non fiscal reserves of £54.3 million and £20.3 million non fiscal DEL highlighted in table 1 will be lost and whether any representations were made to Treasury in relation to this?

We look forward to receiving this information.

Yours sincerely

A handwritten signature in black ink that reads "Jocelyn Davies". The signature is written in a cursive style with a large initial 'J'.

Jocelyn Davies AM
Chair

