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Robert Chote
Chairman
Office for Budget Responsibility
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VIA EMAIL

23 November 2012

Dear Robert,

I am writing regarding the Chancellor's announcement that the excess cash held at the Bank of England's Asset Purchase Facility (APF) will be transferred to the Exchequer.

As the press notice you published following the Chancellor's announcement pointed out, this will have a positive impact on the public finances in the short-term, but net borrowing is then likely to be higher in future years. As your press notice also says, higher borrowing costs in the future may outweigh the lower costs in preceding years.

Your commitment to quantify the impact of the changes on the public finances in your *Economic & Fiscal Outlook* on 5 December is welcome. Transparency will also be important for assessing the underlying impact of fiscal decisions on the public finances when one-off factors have been taken into account.

In the interests of transparency and accountability you publish public sector finance figures excluding the Royal Mail pension assets. Can you confirm that you will similarly do so with the transfer of the APF and that you will publish your assessment of the two fiscal targets both including and excluding the impact of the APF transfer?

I look forward to hearing from you.

Yours sincerely,

Rachel Reeves MP
Shadow Chief Secretary to the Treasury