



Rt. Hon. John Denham MP
Shadow Secretary of State for
Business, Innovation & Skills
House of Commons
London SW1A 0AA

Robert Chote
Director, Office for Budget Responsibility
20 Victoria Street
London SW1H 0NF

7th September 2011

Dear Robert

Re: Assumptions made in costing the new system of student fee loans

In your last correspondence of 26th April 2011 you stated the OBR would be reviewing assumptions made in costing the new system of student fee loans in the July report. With the final average fee amount only released by HEFCE the day before the July report, it is understandable this was not included. Your office then communicated to me that it would be included in the Autumn report, which the Chancellor yesterday announced would be on 29th November.

However, with the consultation on the Higher Education White Paper closing on 20th September, it is now vital that a review of the assumptions is undertaken and published as soon as possible. It is critical to have the OBR's view on the assumptions on which the Higher Education White Paper relies following the increased average fee level projection.

I am requesting that a review is immediately undertaken into the assumptions, and published as soon as possible in an effort to allow the full impact of the reforms to higher education finance to be considered as part of the Higher Education White Paper consultation.

Yours sincerely,

Rt. Hon. John Denham MP
Shadow Business, Innovation and Skills Secretary