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Our ref: FOI2016/16914

24 August 2016

Dear Mr Harrison

Thank you for your email of 13 July to the former Department for Business Innovation and Skills. Due to the recent Machinery of Government changes your request has been handled and responded to by the Department for Education.

"Please provide any analysis, submissions and recommendations made to ministers (the universities minister was David Lammy MP at the time) that was carried out in connection with the RPI inflation rate coming in as a negative figure of -0.4% in March 2009, with the following policy implications for income-contingent student loans:

(a) the decision not to set an interest rate for academic year 2009/10 (effectively making the rate 0%), rather than set a rate in accordance with the section 22(4)(a) of the Teaching and Higher Education Act 1998 and regulation 21(1) and (2) of the Education (Student Loans) (Repayment) Regulations 2009; and

(b) the decision not to increase the repayment threshold of £15,000 by RPI as intended in April 2010."

Under the Freedom of Information Act 2000 ('the Act'), you have the right to:

- know whether we hold the information you require
- be provided with that information (subject to any exemptions under the Act which may apply).

Further to my email of 10 August 2016, the Department has decided that the public interest lies in withholding the information. The Department holds limited information, but it is being withheld because the following exemption(s) apply to this information:

Section 35(1) (a) exempts information from being released if it relates to the formulation or development of government policy. The information you have requested relates to the formulation and development of repayment policy. The use of section 35(1) is subject to a public interest test.

We understand there is a general public interest in transparency and in having sight of the information you have asked for. Disclosure could provide better insight into the policy and the reasoning behind it. Decisions that Ministers make may have a significant impact on the lives of citizens and there is a public interest in deliberations on this topic being transparent.

However, against this there is a strong public interest in withholding information. There is a public interest in ensuring that Ministers and officials feel able to discuss policy options fully and frankly and for the space in which such discussions take place to be protected. Officials must be able to brief Ministers away from external interference and distraction. If this information were made public, we believe the nature of such frank discussion and debates on key public policy issues would be inhibited, and the Department would be prevented from taking decisions based on the fullest understanding of the issues involved. Release would lead to significantly less considered and effective policy in this important area.

We therefore take the view that there is a significant public interest in withholding the information requested. It is essential that a safe space to debate live policy issues away from external interference and distraction is preserved. We take the view that, on balance, the public interest is better served by withholding this information.

If you have any queries about this letter, please contact me via Email enquiry form: www.education.gov.uk/contactus/dfe. Please remember to quote the reference number above in any future communications.

If you are unhappy with the way your request has been handled, you should make a complaint to the Department by writing to me within two calendar months of the date of this letter. Your complaint will be considered by an independent review panel, who were not involved in the original consideration of your request.

If you are not content with the outcome of your complaint to the Department, you may then contact the Information Commissioner's Office

Yours sincerely

Higher Education Directorate