



HM Treasury

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Christopher Pepper

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18 September 2017

Dear Mr Pepper

Ref: FOI2017/14280

## Freedom of Information Act 2000: Coins

Thank you for your Freedom of Information enquiry of 22 August 2017.

You asked for the following information:

*"In the years between 2015 and 2017 (let's say April to April) did it cost more on average to produce the 1 penny coin than it was worth. i.e. for the last 2 years were 1 p coins produced at a net loss"*

I can confirm that HM Treasury does hold information within the scope of your request.

However, we believe that this information engages section 43(2) of the Freedom of Information (FOI) Act, which relates to the prejudice of commercial interests. Section 43(2) is a qualified exemption and public authorities are required to balance the public interest between disclosure and non-disclosure of the information in scope.

The department recognises that there is a public interest in disclosure of information related to public expenditure. It supports this with routine disclosures of information under the Government's transparency agenda. Disclosure of the exact prices paid for coins could support the public interest regarding transparency over public expenditure.

Weighed against this is the potential harm to the commercial interests of the Royal Mint and the Treasury itself by disclosure.

The exact cost to make 1p coins is subject to fluctuation in the metal prices of steel and copper. The manufacturing price, paid to the Royal Mint, is set out in the commercially sensitive UK Coin Contract between HM Treasury and the Royal Mint. Disclosure of the exact prices set out in the contract would be likely to be of commercial advantage to the Royal Mint's competitors or customers which would not be in the public interest.

Disclosure may allow competitors an unfair advantage in bidding for future work – both in the UK and overseas. This would not be in the commercial interests of the Royal Mint, a Government owned company. Parties may also be deterred from bidding to provide services to the Royal Mint in future if they felt that their prices may be disclosed. This could reduce competition for such work, which would not be in the commercial interests of the department. It would also compromise the department's ability to achieve value for money for the taxpayer. In addition, information relating to coinage expenditure is

already published online in aggregate. As set out in the Treasury's annual report and accounts in 2016/17 the total amount paid for UK coinage was £54 million:

<https://www.gov.uk/government/publications/hm-treasury-annual-report-and-accounts-2016-to-2017>

In view of the public interest balance considerations set out above, we conclude that section 43(2) of the FOI Act is engaged and the balance lies in withholding the information in scope.

You may be interested to know that since 1992, 1p and 2p coins in the UK have been manufactured in copper-plated steel, which is much cheaper than the previous bronze alloy.

If you have any queries about this letter, please contact us. Please quote the reference number above in any future communications.

*Yours sincerely*

Information Rights Unit

## **Your right to complain under the Freedom of Information Act 2000**

If you are not happy with this reply, you may request a review by writing to HM Treasury, Information Rights Unit, 3/Red, 1 Horse Guards Road, London SW1A 2HQ or by emailing us at the address below. Any review request must be made within 2 months of the date of this letter.

Email: [foirequests@hmtreasury.gsi.gov.uk](mailto:foirequests@hmtreasury.gsi.gov.uk)

It would assist our review if you set out which aspects of the reply concern you and why you are dissatisfied.

If you are not content with the outcome of the review, you may apply directly to the Information Commissioner for a decision. Generally, the Commissioner will not make a decision unless you have exhausted the complaints procedure provided by HM Treasury.

The Information Commissioner can be contacted at: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF.