

Christopher Pepper

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Ref: R55/17

Dear Mr Pepper

Freedom of Information Act 2000 Internal Review: Coins

Thank you for your letter of **18 September 2017**, requesting an internal review of our response to your Freedom of Information request of **22 August 2017**, our reference: **FOi2017/14280**.

We have now completed our internal review and I am writing to inform you of its conclusions. The review was conducted by officials not involved with your original request.

Background

Your original request 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.

Reason For Request

The Canadian Penny was withdrawn in 2013 due to it costing more to mint than it was worth. There is public information to show that the US has the same problem of the penny costing more to produce than it is worth.

Therefore I feel it is of great public interest on whether it costs more than 1p to produce a 1p coin? Obviously, exact values can fluctuate and it may be troublesome to release exact figures, hence my specific request above.

We confirmed that HM Treasury held information within the scope of your request. This information engaged the exemption at section 43(2) commercial prejudice. We recognised the public interest in disclosure of information related to public expenditure, supported by routine disclosures of information under the Government's transparency agenda. Weighed against this was the potential harm of disclosure to the commercial interests of the Royal Mint and the Treasury. Disclosure of the exact prices set out in the UK coin contract between HM Treasury and the Royal Mint would be likely to be of commercial advantage

to the Royal Mint's competitors or customers which would not be in the public interest. We explained that information related to coinage expenditure was published online in aggregate and we provided a link to the Treasury's annual report and accounts for 2016/17 which indicated that the total amount paid for UK coinage was £54 million. We concluded that the balance lay in withholding the information in scope.

You requested an internal review as follows:

I am writing to request an internal review of Her Majesty's Treasury's handling of my FOI request 'Are 1p coins produced at a net loss.'

*The request was effectively refused on the basis of section 43, prejudice of commercial interest. This seems to be very much the standard response to any information regarding the cost to produce the 1p coin. Example of the exact same response:
https://www.whatdotheyknow.com/request/cost_to_produce_one_penny*

I was very careful with my request to try and ensure that the information given could not be used for commercial interest. Hence why I asked whether for a certain time period simply "was it produced at a net loss".

I do not care for the exact value as the response seems to assume, I care only for the basic information of whether it is/was produced at a net loss. This is clearly in the public interest and you would have to better explain to me how a simple yes / no answer on the subject could be exploitable from a commercial interest to such an extent that it outweighs the public interest.

*I would be perfectly happy to receive information on whether it (and preferably other coins) were *ever* produced at a net loss in the last 10 years, perhaps simply adding the longest period it was a net loss. in the case where it was produced at a loss *last year* is somehow commercially sensitive.*

In any sense, I would appreciate more than what feels like a canned response to any attempt to discover whether the 1p is of detriment to this countries economy.

The Review

The review has carefully considered your request and has found that the exemption at section 43(2) commercial prejudice was correctly engaged for the information requested.

Section 43(2) is a qualified exemption and we are required to balance the public interest between disclosure and non-disclosure. We recognise that there is a public interest in transparency in the accountability of public funds. There is also an interest in knowing that the Government is achieving value for money and that commercial activities are conducted in an open and honest way.

However, we consider that it is in the public interest for the Treasury not to weaken the position of the Royal Mint in a competitive environment by disclosing information of potential usefulness to competitors. Information on whether coins are produced at a net loss would be likely to undermine the negotiating position of the Royal Mint when securing contracts. Release of the information could adversely impact the Royal Mints' ability to achieve competitive pricing and value for money as it would lead to inferences about its pricing structures which would be likely to give competitors an unfair advantage

when bidding for future work. This could result in less effective use of public money in the future.

We consider that, on balance, it is not in the public interest to disclose the information.

To be helpful, the business for low denomination coins such as the 1p coin are very price sensitive. As well as price, quality and security features that can be manufactured into the coin are factors that differentiate coins used for higher denominations. For low denomination coins price is the dominant factor.

Conclusion

Whilst I am aware you may find these conclusions disappointing I hope that by setting out the basis of the review, its findings and conclusions above, you will be assured that the Treasury has, on your behalf, carried out a thorough and considered review of the request you made and the responses that the Treasury gave under the FOI Act.

If you are not content with the outcome of this internal review you have the right to apply directly to the Information Commissioner for a decision. The Commissioner can be contacted at: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow SK9 5AF or email: casework@ico.org.uk

Yours Sincerely

Correspondence and Information Rights Team Leader

