



Professor Steven Broomhead  
Chief Executive

Lynton Green  
Director of Finance & Information Services

New Town House  
Buttermarket Street  
Warrington  
WA1 2NH

Our ref: FOI RASC 1871

14 February 2017

Dear Mr Sullivan

**Freedom of Information Act Request: Redwood Bank**

I am writing in response to your email of the 22 January 2017 requesting copies of all due diligence documentation held by the Council relating to the decision to invest in Redwood Bank ("the Bank").

I must unfortunately advise that on this occasion I am not disclosing the information you have requested, as this information is exempt from the request under s.43(2) of the Freedom of Information (2000) Act ("the Act"). Section 43(2) explains that information will be exempt if its disclosure would, or would be likely to, prejudice the commercial interest of any person.

The information which you have requested relates to the proposed investment in the Bank which may lead to the Council investing up to £30m in the Bank. To be clear, there is no obligation upon the Council to invest the full £30m, merely the option, at the Council's discretion to do so.

I can however inform you of the nature of the due diligence that was carried out by the Council:-

The Council have been working on the Bank project since 2013 and the proposed investment in the Bank is very much seen as a way of helping to increase economic growth and therefore help increase both business rates generated in the town and the levels of employment and economic prosperity of our citizens. The need for the Bank was identified following an independent survey of the Warrington Business Community in 2013.

The Business Case for the Bank is an extensive document that was prepared by a team of experienced senior bankers and has been subject to extensive scrutiny by the Prudential Regulatory Authority (PRA) and the Financial Conduct Authority (FCA) before the award of the banking licence. The latest banking industry risk stress testing has been applied to the business case and the PRA & FCA view the business case as being prudent.

The Council have also had the Business Case independently verified by the banking division of KPMG, who support the PRA & FCA view of the prudence of the Business Case.

With regards to the legal structuring of the deal, the Council have used a leading firm of solicitors and have also taken specialist Queens Counsel's advice, all of which has confirmed that the Council has the power to invest in the way proposed. To clarify, all legal advice received on this matter is subject to the Legal professional privilege exemption laid down under s.42 of the Act.

All the due diligence advice taken was shared with the Council's External Auditors prior to the decision being made by the Executive Board of 16 January 2017.

Furthermore, it is also worth confirming that all the lending carried out by Redwood Bank will also be fully secured lending and the internal governance of the project is in line with the Council's Financial Regulations and Treasury Management Governance processes.

In receiving the Business Case in particular, the Council provided assurances that subject to the law such information, owing to an acceptance that it was commercially sensitive, would be treated in the strictest of confidence and withheld from public view. On this occasion I can confirm that the information was deemed to be commercially sensitive because it was accepted that if it was to be acquired by market competitors, it would commercially disadvantage the Bank.

In addition s. 41 of the FOI (2000) Act. identifies that information is exempt if it was obtained by the Council from any other person (on this occasion the Bank) and if the disclosure of the information to the public by the Council would constitute a breach of confidence actionable by that or any other person, as it would on this occasion.

In resolving not to disclose the information you have requested I have considered carefully the public interest and therefore the need for transparency and accountability, alongside the need to promote public understanding and to safeguard democratic processes. I have also been mindful that here is a public interest in good decision-making by public bodies, in upholding standards of integrity, in ensuring justice and fair treatment for all, in securing the best use of public resources and in ensuring fair commercial competition in a mixed economy. However outweighing these considerations on this occasion would be the prejudice which is likely to arise from disclosing the requested information, for the aforementioned reasons. Accordingly it is determined that there is not an overriding public interest in disclosure in these circumstances.

If you are not satisfied with my response to your request for information, you may ask the Council for an internal review of this decision. You should write to Paul Clisby, Legal Services Manager Warrington Borough Council, Quattro, Buttermarket Street, Warrington, WA1 1NH, giving details of your complaint. You should do this as soon as possible, or, in any case, within two months of your request being refused.

If, following the outcome of the internal review, you remain dissatisfied with the Council's response to your information request, you have the right under section 50 of the Freedom of Information Act 2000 to appeal to the Information Commissioner at:

Information Commissioner's Office  
Wycliffe House  
Water Lane  
Wilmslow  
Cheshire  
SK9 5AF

Telephone: 01625 545745 or 0303 123 1113

Fax: 01625 524 510

Email: [enquiries@ico.gsi.gov.uk](mailto:enquiries@ico.gsi.gov.uk) <<mailto:enquiries@ico.gsi.gov.uk>>

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lynton Green'. The signature is fluid and cursive, with the first name 'Lynton' and the last name 'Green' clearly distinguishable.

Lynton Green  
Director of Finance & Information Services