



Ministry
of Defence

Michael Gwyther
DE&S Policy Secretariat Air

Defence Equipment and Support
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Your Reference:

Our Reference:
02-12-2013-114752-004
Date:
20 December 2013

Dear [REDACTED],

Thank you for your correspondence of 29 November 2013 requesting the following information:

- 1. a copy of the original FSTA PFI business case, including any references to LIBOR as a benchmark, for swaps and derivatives, or management fees.*
- 2. Details/ copies of any advice the MOD has sought, or received in relation to LIBOR and its impact on PFI contracts which reference the manipulated LIBOR rate, and from whom.*
- 3. Confirmation of any actions the MOD has, or intends to take in future to determine MOD exposure to the LIBOR scandal, and possible grounds to recoup taxpayer losses from LIBOR rigging banks.*

I am treating your correspondence as a request for information under the Freedom of Information (FOI) Act 2000.

A search for the information has now been completed within the Ministry of Defence (MOD), and I can confirm that some information in scope of your request is held.

In respect of part 1 of your request, a copy of the original FSTA business case has been examined for references to LIBOR as a benchmark for swaps, derivatives, or management fees. The business case contains no references to LIBOR in any context. In the absence of any reference to LIBOR, I would be grateful if you could advise whether you still wish to receive a copy of the original FSTA business case.

In respect of parts 2 and 3 of your request, DE&S holds no information and I am advised by the relevant policy area that the MOD has not commissioned any financial or legal advice in relation to LIBOR, nor are there any internally generated reports.

Under section 16 of the FOI Act (Advice and Assistance) you may wish to know that the Chancellor has decided to transfer £35 million from the fines levied on the banks for attempting to manipulate LIBOR to the MOD for use in supporting the Armed Forces community. Details of the Armed Forces covenant (LIBOR) fund may be found at <https://www.gov.uk/the-armed-forces-covenant-libor-fund>.

If you are not satisfied with this response or you wish to complain about any aspect of the handling of your request, then you should contact me in the first instance. If informal resolution is not possible and you are still dissatisfied then you may apply for an independent internal review by contacting the Deputy Chief Information Officer, 2nd Floor, MOD Main Building, Whitehall, SW1A 2HB (e-mail CIO-FOI-IR@mod.uk). Please note that any request for an internal review must be made within 40 working days of the date on which the attempt to reach informal resolution has come to an end.

If you remain dissatisfied following an internal review, you may take your complaint to the Information Commissioner under the provisions of section 50 of the FOI Act. Please note that the Information Commissioner will not investigate your case until the MOD internal review process has been completed. Further details of the role and powers of the Information Commissioner can be found on the Commissioners website, <http://www.ico.gov.uk>.

Yours Sincerely,

Mike Gwyther