

Freedom of Information request 4210/2012

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Information request

- i) “Full details of the sale of the Chesterfield and Springburn Rempoy factories.
- ii) Full details of business trips and meetings between Mr Steve Jones, Senior Rempoy Manager and Mr Simon Webster, the prospective new owner of the Chesterfield and Springburn Rempoy factories.
- iii) A full list of all direct email contact between Mr Steve Jones, Senior Rempoy Manager, and Mr Simon Webster, the prospective owner of the Chesterfield and Springburn Rempoy factories on the subject of the takeover.
- iv) Full details of any interest and/or offers from a second bidder, Green Tyre, in the takeover process.”

DWP response

Requests related to the current divestment process

In respect of points i) and iv) above, you have requested information in connection with the prospective sale of the Chesterfield and Springburn Rempoy factories.

As you will be aware, Rempoy is a publicly owned company whose purpose is to engage in commercial activities. At present, Rempoy are part-way through a programme of divestment of some of these commercial operations. This includes delicate negotiations to divest the Rempoy healthcare business, including the Chesterfield and Springburn Rempoy factories.

With the exception of published information about the healthcare businesses in connection with the invitation to submit expressions of interest and the public announcement of a preferred bidder, we consider that the information requested in respect of these points are exempt under the Freedom of Information Act 2000, (the “Act”). In particular we consider that the information is commercially sensitive and the release of such information could prejudice the commercial interests of both Rempoy and the preferred bidder R-Link Limited as provided for under section 43(2) of the Act.

In reaching this view, we have considered the following:

- a) Nature of the commercial interest

The request relates to information about the trading activities of, and ongoing negotiations to divest, factories operated by the healthcare business division of Remploy. The request also extends to commercial information of bidders within the process.

b) The competitive environment

Both the Chesterfield and Springburn factories are operating businesses that continue to trade while negotiations are ongoing. Both sites are subject to commercial concerns equivalent to those applicable to its private sector competitors.

Remploy operates in a competitive environment. In particular, there are a number of other businesses also providing goods and services in competition with the Remploy Healthcare business and who can be said to have a commercial interest in outcome of the bidding process. Indeed some of these competitors participated in the late stages of the process.

c) Damage to commercial interests

Negotiations in relation to the future of the Chesterfield and Springburn sites have now reached a delicate stage although no sale has yet been completed. To release the requested information would, in the context of the present negotiations:

- adversely impact on the ability of both parties to negotiate individually;
- undermine confidence of the preferred bidder in the proposed transaction and the sustainability of the ongoing business;
- discourage those parties interested in other Remploy businesses which are or may be in the future, subject to this process; and
- prejudice the wider process of bidder selection and Remploy's ability to negotiate with such bidders either now or in the future.

We would emphasise that as both factories are still operating, the disclosure of the requested information would also have a detrimental impact on the ability of each factory to continue to trade. In particular, the requested information would reveal, both directly and indirectly, details about trading relationships with key suppliers and the customers of the business which would damage the reputation of the business in the eyes of both its suppliers and customers.

We would also make clear that Remploy is in the midst of a sensitive consultation with employees of both factories regarding the potential prospect of a TUPE transfer in the event of a successful outcome to the current negotiations. Disclosure of information relating to the divestment process ahead of any firm decisions may undermine confidence in this process,

damage workforce relations and disrupt the ability of both sites to continue to operate effectively while negotiations are ongoing.

To release the information at point iv) of your request could serve to confound the negotiations Remploy is undertaking with the preferred bidder and weaken Remploy's negotiating position, both in respect of this negotiation but with prospective bidders interested in other Remploy businesses.

In the context of the wider divestment programme within Remploy, the release of information relating to this negotiation and the preferred bidder would be likely to discourage prospective bidders interested in other Remploy businesses. This in turn would prejudice the ability of Remploy to realise the optimum commercial value from the divestment programme.

We believe that under these circumstances, the above considerations of prejudice, outweigh the general countervailing public interest arguments for transparency and accountability relating to delivery of public services.

We would add that in the context of this divestment process, we would also consider the exemption at section 36 of the Act to be relevant. This is for the reason that a disclosure of the requested information would be likely to inhibit the free and frank provision of advice or the free and frank exchange of views arising between bidders and Remploy for the purpose of deliberating and negotiating the provisions of a deal to secure the future of both these factories.

Request relating to full details of business trips and meetings

Since 25 May 2010 Mr Jones role within Remploy has been to act as the operations liaison between Remploy and Mr Webster at R-Link Limited in connection with those services currently provided under contract by R-Link Limited to Remploy. In the course of this role Mr Jones has routinely been in contact with Mr Webster and other R-Link employees and has met him frequently on matters concerning the services. This has also included trips to see customers and suppliers.

As such we do not hold records consisting of full details of all such trips and meetings. However, we are able instead to provide a list of meeting dates and overseas trips from electronic calendar appointments for the past 12 months which we have provided below in Appendix 1.

To release full details would also require the release of commercially sensitive information in connection with such meetings. This would include, information revealing customers and suppliers of Remploy and R-Link, matters concerning service delivery and details of commercial partner relationships of the business which would damage the reputation of the business in the eyes of both its suppliers and customers and hinder R-Link's ability to compete for services with its competitors.

We would add that information relating to the operation of the current services are also subject to service agreements with R-Link including confidentiality provisions. To disclose the full details of trips and meetings in the context of the services would include revealing information provided by R-Link concerning its services, suppliers and customers that would be integral to the purpose of the meeting and, which if disclosed, would be likely to give rise to a breach of confidence contrary to section 41 of the Act.

Request for a list of all direct email contact between Mr Jones and Mr Webster, on the subject of the takeover

We do not retain all email records indefinitely and do not therefore hold a full list of all direct email contacts between Mr Jones of Remploy and Mr Webster. Mr Jones role as described above requires him to be in regular contact with Mr Webster and other R-Link employees. This includes email contact on operational matters relating to the delivery of the current services and may include contact about current operational matters that are or may be affected by the divestment process, such as workforce relations and resourcing.

We have not identified records of emails between Mr Jones to Webster on the specific subject of the takeover.

Appendix 1

List of Appointments between Steve Jones and Simon Webster from Outlook Calendar in last 12 months

09.12.11	Remploy Chesterfield
30.04.12	Egon Zehnder, London

List of overseas trips made by Steve Jones from Outlook Calendar in last 12 months. NB: no details in Calendar as to who, if anyone, accompanied Mr Jones

27.11.11 – 03.12.11	China
18.04.12 – 25.04.12	China
18.09.12 – 23.09.12	China