



[REDACTED]

12 September 2024

Dear [REDACTED],

**Freedom of Information request: FOI2024/00528**

Thank you for your Freedom of Information requests received, on the 11 June and 4 July, in which you requested the following:

**Your request:**

1. *Copies of all correspondence relating to IUK case [REDACTED], including minutes of any meetings where all parties to the project were present.*
2. *What IUK paid [REDACTED] as part of their claims for payment against the work package(s) which included [REDACTED].*
3. *A full copy of IUK's internal reports relating to project controls for project [REDACTED].*
4. *What mechanisms IUK employs to ensure that those involved in a failure to meet obligations on past projects cannot access future funds.*

**Our response:**

I can confirm that UK Research and Innovation (UKRI) holds some information relevant to your request. Please see the information below.

1. *Copies of all correspondence relating to IUK case [REDACTED], including minutes of any meetings where all parties to the project were present.*

Innovate UK (IUK) case [REDACTED] relates to an ongoing and unresolved dispute between a participant of a funded IUK project and a third-party subcontractor.

The issue was raised by and involves discussions with various third parties, therefore we have determined that this information falls under Section 41 of the FOIA, information provided in confidence. To explain further, the information contained in these correspondences has been shared with UKRI by third parties with the expectation of confidentiality. If the requested information was released, we believe it would result in an actionable breach of that confidentiality.

Section 41 is an absolute exemption and does not require a public interest test.

Furthermore, we believe that details of the issue raised, and that it currently remains unresolved, also falls under the scope of Section 43(2) of the FOIA. This exemption is used where disclosure would likely result in a person's (an individual, a company, the public authority itself or any other legal entities) commercial interests being prejudiced.

Further information on the application of Section 43(2) is included below.

2. *What IUK paid [REDACTED] as part of their claims for payment against the work package(s) which included [REDACTED].*

This information is not held. Payments made to project participants are made for costs incurred and defrayed within claim periods, which are evidenced by supporting documents, such as invoices. Payments are not made specific to individual work packages; it is not possible to determine whether any payments made relate to one work package or another.

In addition, no invoices were submitted by [REDACTED] for work carried out by [REDACTED].

Q3. A full copy of IUK's internal reports relating to project controls for project [REDACTED].

We believe that this information also falls under the scope of Section 43(2), further details of which are given below.

Q4. What mechanisms IUK employs to ensure that those involved in a failure to meet obligations on past projects cannot access future funds.

Determination on whether an organisation is eligible for funding is taken on a case-by-case basis and considers a wide range of factors. If an organisation has been flagged as not to be funded, they would be informed, along with notification of an associated timeframe.

Once a grant application has been submitted, there are several layers of eligibility checks, both before and after the assessment stage. Details of the checks completed once an application has been successful can be found [here](#)<sup>1</sup>.

The terms and conditions of the Innovate UK Grant Offer Letter also states:

*"Innovate UK has the right not to consider new grant applications from organisations who have failed to return required financial reports on any previous projects funded by Innovate UK."*

## **Section 43 – Commercial interests**

As noted above, we have determined that elements of the information requested fall under the scope of Section 43(2) of the FOIA, where disclosure would likely result in a person's (an individual, a company, the public authority itself or any other legal entities) commercial interests being prejudiced. This is a qualified exemption, and a test was carried out to determine whether the public interest in maintaining the exemption outweighs public interest in disclosure.

### **Public interest in favour of disclosure**

- There is a general public interest in the disclosure of this information to ensure transparency and openness of a public organisation.
- There is also a public interest in transparency in order to ensure the accountability of public organisations and how they spend public funding.

### **Public interest in favour of withholding the information**

- Releasing details of disputes or accusations that have yet to be resolved can be damaging to the commercial interests of all parties involved, negatively affecting their ability to conduct and carry out current and future business, secure work, investment or funding opportunities.
- Disclosure may also expose one or both parties to unwarranted reputational damage, potentially affecting their market position, customer trust and investor confidence.
- Publicly releasing information about an ongoing dispute could undermine negotiations, making it harder for the companies to reach a fair settlement or resolution. Both parties could also be exposed to additional legal risks or liabilities.

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<sup>1</sup> <https://www.ukri.org/councils/innovate-uk/guidance-for-applicants/general-guidance/what-happens-if-you-are-successful/#contents-list>

- Disclosing information about an organisation's funding status could influence investor and customer perceptions. It may also have a negative effect on negotiations with suppliers, clients or partners who would be able to leverage this information to their advantage.
- Releasing information provided in confidence to UKRI is likely to damage the possibility of ongoing relationships with other organisations. Relationships may become untenable if third parties cannot be certain that their commercial information will remain confidential when held by UKRI.
- Breaching the commercial interest may also adversely affect future negotiation opportunities for UKRI. UKRI may be seen as a 'confidentiality' risk if it routinely releases information relating to business arrangements into the public domain, particularly where this is third party information.
- We follow the government guidance on [managing public money](#)<sup>2</sup>. Standards expected of all public services include integrity, reliability, spending money in the public interest and achieving value for money. Our current thorough process ensures that only the best projects receive public monies. Releasing this information could jeopardize the fair and transparent competition process and undermine our function to fund the best projects. In turn, undermining this process would go against our responsibilities to manage our use of public funds.
- We also considered the impact on UKRI if commercially sensitive information of companies we engage and work closely with were disclosed. We believe it would damage the trust in UKRI and likely impact our ability to carry out our role and manage our current and future investments.

Taking the above arguments into consideration, we reached the decision that the need for commercial confidentiality outweighs the public interest in disclosure; therefore the information is exempt from disclosure.

If you have any queries regarding our response or you are unhappy with the outcome of your request and wish to seek an internal review of the decision, please contact within the next 40 working days:

Head of Information Governance

Email: [foi@ukri.org](mailto:foi@ukri.org)

Please quote the reference number above in any future communications.

If you are still not content with the outcome of the internal review, you may apply to refer the matter to the Information Commissioner for a decision. Generally, the ICO cannot make a decision unless you have exhausted the review procedure provided by UKRI. The Information Commissioner can be contacted at: [www.ico.org.uk](http://www.ico.org.uk).

If you wish to raise a complaint regarding the service you have received or the conduct of any UKRI staff in relation to your request, please see [UKRI's complaints policy](#)<sup>3</sup>.

Yours sincerely,

  
 Information Governance  
 Information Rights Team  
 UK Research and Innovation  
[foi@ukri.org](mailto:foi@ukri.org) | [dataprotection@ukri.org](mailto:dataprotection@ukri.org)

<sup>2</sup> [https://assets.publishing.service.gov.uk/media/65c4a3773f634b001242c6b7/Managing\\_Public\\_Money\\_-\\_May\\_2023\\_2.pdf](https://assets.publishing.service.gov.uk/media/65c4a3773f634b001242c6b7/Managing_Public_Money_-_May_2023_2.pdf)

<sup>3</sup> <https://www.ukri.org/who-we-are/contact-us/make-a-complaint/#skipnav-target>