



Llywodraeth Cymru
Welsh Government

14 November 2016

Dear ,

ATISN 10866 – Link Holdings (Gibraltar) Ltd

I wrote to you on 18 October 2016 regarding your request for information ATISN 10866. I undertook to provide a response by 17 November 2016.

You asked:

1. Does your administration have a policy, or guidance, for dealing with companies of indeterminate probity based in tax havens?
2. If so, has this policy, or guidance, been communicated to your civil servants and bodies in receipt of public funding?
3. Following on from the previous question will you tell me how many properties are involved, and how much our housing associations are paying to offshore companies?
4. If dealings with companies based in tax havens are not restricted to housing associations can you tell me which other departments and agencies deal with such companies and the sums involved?

The remaining queries are not valid questions under the Freedom of Information Act , as you are not asking for recorded information.

In answer to your valid questions:

1. Does your administration have a policy, or guidance, for dealing with companies of indeterminate probity based in tax havens?

Welsh Government conducts due diligence on companies it contracts with, to ensure that they are legally able to enter into a contract and fulfil it to completion. The fact that a

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company may be based abroad would not necessarily disqualify it from doing business within the United Kingdom.

2. If so, has this policy, or guidance, been communicated to your civil servants and bodies in receipt of public funding

All officials who are involved with procurement are in receipt of appropriate training, guidance and support. Bodies in receipt of public funding are told what they can use the funds for.

3. Following on from the previous question will you tell me how many properties are involved, and how much our housing associations are paying to offshore companies?

We do not hold the information requested. This information would be held by the Land Registry. It should be noted that the Housing Associations themselves would not necessarily be aware who owns the freehold of a property in which they own the leasehold.

4. If dealings with companies based in tax havens are not restricted to housing associations can you tell me which other departments and agencies deal with such companies and the sums involved?

From my preliminary assessment I estimate that it will cost more than the appropriate limit set out in the Freedom of Information and Data Protection (Appropriate Limit and Fees) Regulations 2004 to answer your request. The appropriate limit specified for central government is £600. This represents the estimated cost of it taking over 24 hours of time to determine whether we hold the information and to thereafter locate, retrieve and extract it. To provide you with an answer to this question, officials would have to review every single contract, purchase order, grant award, letter, email and file created by Welsh Government, to see if there is a connection to an overseas company.

I have however searched the available records for any dealings with Link Holdings (Gibraltar) Limited, which was the subject of your original request. There is no record of any money being paid by Welsh Government to Link Holdings (Gibraltar) Limited- either in the form of grant money or as the supplier of goods or services.

Further, contextual information

This further information is provided in an attempt to help you better understand the situation that you appear to be concerned about.

For the Social Housing Grant and Housing Finance Grant program Welsh Government require RSLs, wherever possible, to purchase the freehold interest in land or property. Where a leasehold interest is to be acquired it must be for a term of not less than 95 years for all newbuild schemes and for a minimum of 60 years for rehabilitated and existing dwellings. Once a leasehold interest is acquired, the Housing Association has the right to occupy the property until the end of the lease. The leaseholder may pay a small annual amount to the owner of the head lease in the form of ground rent, but this sum is often in the region of £10 per year.

The case you referred to in your previous letter involves Coastal Housing which purchased a leasehold property in 1983. The Land Registry Document you provided showed that they purchased the **leasehold** of the property from a private individual. They did not purchase

the leasehold from Link Holdings (Gibraltar) Limited. Coastal Housing had no dealing with Link Holdings over this property.

The document you provided also shows that Link Holdings purchased the **freehold** to this property in 2003. Link Holdings did not purchase the freehold from Coastal Housing. The ownership of the freehold does not affect Coastal's leasehold ownership. As Coastal Housing owns the leasehold, they are able to remain in the property until the expiry of the lease, which according to the documents you supplied is 99 years from the 29 September 1974.

Commercial Leases are completely separate to owning the leasehold of a property. A commercial lease would involve the payment of rent to the landlord. Housing Associations are not allowed to use Social Housing Grant money to acquire social housing via a commercial lease.

If you are dissatisfied with the Welsh Government's handling of your request, you can ask for an internal review within 40 working days of the date of this response. Requests for an internal review should be addressed to the Welsh Government's Freedom of Information Officer at:

Information Rights Unit,
Welsh Government,
Cathays Park,
Cardiff,
CF10 3NQ

or Email: FreedomOfInformationOfficer@wales.gsi.gov.uk

Please remember to quote the ATISN reference number above.

You also have the right to complain to the Information Commissioner. The Information Commissioner can be contacted at:

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

However, please note that the Commissioner will not normally investigate a complaint until it has been through our own internal review process.

Yours sincerely