



Ministry
of Defence

de&s

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16 November 2017 Our Reference: FOI2017/09330

Thank you for your email dated 29 September 2017. You asked:

Two years ago 6 C130K Hercules aircraft and all the associated support inventory, spare parts and components were sold. The aircraft and most of the inventory was stored at St Athan South Wales. Under the freedom of Information act I would like to know the sale price for all of the aircraft and stock please. I would also like full disclosure on who managed the sale of the stock and who purchased it.

Under Section 16 (Advice and Assistance) of the FOI Act (FOIA) it might be helpful if I first explained that the Defence Equipment Sales Authority (DESA), part of DE&S, disposes of defence equipment that is surplus to requirement. For functioning and viable large capital assets such as ships or aircraft, the first option that is usually considered is the possibility of selling to other governments for continued use in a military capacity.

When a Government-to-Government sale is not possible, the equipment is offered for commercial sale through specialist contractors, for continued use either in a non-military capacity or for recycling. The contractors take responsibility for collecting, storing, marketing and selling the equipment on DESA's behalf.

A total of eight C130K Hercules aircraft were available for sale:

Two were sold to a Canadian company, Cascade Aerospace, an operating unit of IMP Aerospace & Defence. One was sold to Austria via a Government-to-Government sale. Three incomplete aircraft were declared to the DESA marketing contractor, MSUK, and have been broken down for spares and onward sale. The two remaining airframes are currently at MOD St Athan awaiting disposal.

The 'associated support inventory, spare parts and components' at St Athan was not declared surplus to requirement to DESA and, hence, not sold with the aircraft.

In our letter to you dated 12 October 2017, I advised that we considered that some of the information fell within the scope of the following qualified exemptions: Section 27 (International Relations) and Section 43 (Commercial Interests). As such, it would be necessary for us to

decide whether, in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosure.

We have completed this work and concluded that the requested information does not fall within the scope of the qualified exemption provided for at Section 27. However, we did conclude that the sale price of these aircraft does fall within the scope of the qualified exemption provided for at Section 43 (2) of the FOIA and has been withheld.

Section 43(2) provides that information is exempt if its disclosure would, or would be likely to prejudice the commercial interests of any organisation or person holding it, including the MOD and its contractors.

The FOIA contains a presumption in favour of disclosure and there is a public interest in the release of information, which supports the accountability of the MOD for its use of public money; for example, to demonstrate that value for money is being obtained for taxpayers and that effective contractual processes are in place. Greater transparency of decision-making processes makes government more accountable and the release of information would allow an increased public understanding of how the procurement processes are undertaken in an open and honest way.

The Public Interest Test recognised that releasing information about sale prices could weaken the MOD's position in a competitive environment by revealing market sensitive information which would be of use to potential buyers in the future. This is particularly relevant given that further sales of Hercules C130 aircraft are expected to be concluded by DESA. More widely, companies could be deterred from sharing commercially sensitive information with the MOD if they are unsure about whether their information would be protected.

Accordingly, the Public Interest Test concluded that the release of this information would prejudice the commercial interests of the MOD and that the balance of the arguments lay in favour of withholding the information to protect the commercial interests of the MOD and its customers. I have considered it necessary to apply the higher level of prejudice against release of the exempted information at "would" rather than "would be likely to".

If you wish to complain about the handling of your request, or the content of this response, you can request an independent internal review by contacting the Information Rights Compliance team, Ground Floor, MOD Main Building, Whitehall, SW1A 2HB (e-mail CIO-FOI-IR@mod.uk). Please note that any request for an internal review should be made within 40 working days of the date of this response.

If you remain dissatisfied following an internal review, you may raise your complaint directly to the Information Commissioner under the provisions of Section 50 of the Freedom of Information Act. Please note that the Information Commissioner will not normally investigate your case until the MOD internal review process has been completed. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF. Further details of the role and powers of the Information Commissioner can be found on the Commissioner's website at <https://ico.org.uk/>.

Yours Sincerely,


DE&S Secretariat