

EXECUTIVE COUNCIL

CONFIDENTIAL

Title of Report: Non-refundable deposits for FIG building plots where successful tenderers return their plots

Paper No: 200/11

Date: 25 August 2011

Report of: Attorney General/Crown Counsel

1.0 Purpose

To consider whether non-refundable deposits (reservation fees) should be introduced where Falkland Island Government (“FIG”) building plots are offered to successful tenderers in order to discourage ‘time-wasters’. Such deposits to be paid in full prior to the preparation of Building Licences. These deposits would be deducted from the 10% payment on receipt of the Building Licence of those who pursue their projects.

2.0 Recommendations

It is recommended that Executive Council agrees the introduction of non-refundable reservation fees for building plots, on the advice of the Lands Committee.

3.0 Summary of Financial Implications

None.

4.0 Background

4.1 Historically, building plots such as those at Mink Park have been put up for tender to the highest bidder. Such plots can attract a government subsidy dependent on the tenderers’ circumstances. In certain cases tenderers have been offered the plots and accepted them and Building Licences together with invoices from Treasury have been prepared accordingly.

4.2 It has, however, been brought to the Attorney General’s Chambers’ attention that certain tenderers, after having accepted their plots, subsequently return them to FIG without having paid the Treasury invoice for the 10% of the plot price as required by the Building Licence. This causes the Attorney General’s Chambers and the Treasury to draft documents that then become obsolete.

4.3 It would appear that tenderers are tendering for FIG plots without having first secured finance in principle, therefore wasting time and money to both the Attorney General’s Chambers and the Treasury. In addition to the aforesaid reasons, further

time and money is spent on releasing the plots to a further tender. This has happened on a number of occasions to date.

4.4 In order to avoid any repeats of these scenarios it is suggested that a non-refundable deposit, which would be subtracted from the 10% price of the plot required by the Building Licence for those who pursue their projects, should be obtained on the granting of the plot prior to the preparation of the Building Licence. The Lands Committee recommend a fee of £200.

5.0 Financial Implications

There are no financial implications as to cost to FIG arising from the recommendation of this paper.

The successful tenderers that subsequently hand back their plots will be contributing £200 per household to the Falkland Island Government.

6.0 Legal Implications

There are no Legal implications.

7.0 Human Resources Implications

There are no Human Resources implications.