

香港特別行政區政府

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Housing, Planning and Lands
Bureau

Murray Building,
Garden Road, Hong Kong

URGENT BY FAX

11 January 2007

Ms Miranda Hon
Clerk, Public Accounts Committee
Legislative Council
Legislative Council Building
8 Jackson Road
Central

Dear Ms Hon,

**Follow-up to Public Accounts Committee Report No. 39
Small House Grants in the New Territories**

We refer to your letter of 15 December 2006 on the above subject.

Attached please find a paper setting out the progress in respect of the review being undertaken by our Bureau on the Small House Policy in the New Territories.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Diane W.', written over a horizontal line.

(Miss Diane Wong)
for Secretary for Housing, Planning and Lands

c.c. Director of Lands

Progress Report on the Review of the New Territories Small House Policy

Purpose

This paper sets out the progress in respect of the review of the Small House Policy.

Background

2. The Small House Policy was introduced in 1972. Under the Policy, an eligible male indigenous villager (IV) over the age of 18¹ may apply for permission to erect for himself once during his lifetime a Small House within his own village. He can either apply for a Building Licence to build a Small House on his own land, or a Private Treaty Grant on Government land, if available, at a concessionary premium.

3. The Small House Policy was introduced in 1972 with the main objectives to improve rural housing standard by encouraging the construction of better village houses, and to preserve the cohesion of the indigenous communities. At that time, about 60% of the buildings in the rural New Territories were temporary or unlawful houses.

The Review

4. Since the implementation of the Small House Policy, the community at large and the rural setting have changed significantly with new town developments. Urbanisation, development of infrastructures and road networks, and improvement in rural housing standards have narrowed the differences between the rural and urban areas and between the New Territories and other parts of Hong Kong. The application of the Policy in the context of the present-day land-use planning and against

¹ For the purpose of the Small House Policy, eligible indigenous villagers refer to those persons who are descended through the male line from a resident of a recognized village in 1898 in the New Territories.

the objective of optimisation of land resource has given rise to new issues.

5. In December 2002, the Secretary for Housing, Planning and Lands (SHPL) informed the Public Accounts Committee of his plan to review the Small House Policy in a comprehensive manner and identify suitable options for resolving those problems associated with the Policy. As part of the review process, the Heung Yee Kuk (HYK) would be consulted and hopefully some tentative conclusions could be reached with the Kuk for further consultation with the community at large. To take forward the review, an Inter-departmental Steering Committee has been set up under the Housing, Planning and Lands Bureau to look into the various issues relating to this Policy.

Progress made

6. A number of proposals have been formulated by the Administration and, after consultation with the HYK, been put into implementation. Some details are set out as follows –

(a) New procedures for processing Small House Applications

A set of new procedures, agreed to the HYK, to streamline the processing of Small House applications through early classification of straightforward and non-straightforward categories has been implemented by the Lands Department (LandsD) with effect from 1 July 2006. Under this new procedure, LandsD's target is to process not less than 2 300 applications each year. The waiting time for commencing the processing of all new applications will not exceed one year.

(b) Preventing prior arrangement for transfer or disposal of Small House applicant's interest

With the agreement of the HYK, the lease conditions of a Small House grant have stipulated the requirement made on

the part of the applicant that there is no prior arrangement for transfer or disposal of the applicant's beneficial interest in the land under application.

(c) New Fire Safety Requirements for Small Houses

We have reviewed the application of the requirement for Emergency Vehicular Access on Small House applications, taking into account the physical and geographical constraints of New Territories villages. A set of new fire safety requirements has been put in place since 1 July 2006, under which fire safety alternatives would be accepted for Small House applications with practical constraints meeting the original EVA requirements.

(d) Village Expansion Areas (VEAs)

The Village Expansion Area (VEA) scheme was introduced in 1981 to provide for better planning of village developments and to cater for the housing needs of the indigenous villagers who do not own land. So far, 36 VEAs providing a total of 1,962 Small House sites have been developed. In addition, the Wo Yi Hop VEA in Tsuen Wan is undergoing formation works for completion in around end 2007 while another 10 VEAs projects are at various planning stages. The VEA scheme has been put on hold pending the review on the Small House Policy.

7. There are other proposals which we have formulated and are under discussion with the HYK. Some details are as follows –

(a) New Procedures for Handling Objections

Taking into account HYK's views, LandsD has drawn up a set of procedures for resolving objections to Small House applications. Under the proposed procedures, LandsD would take the lead to handle all received objections. Consultation on the revised procedures is underway with the HYK.

(b) Rationalization scheme of Unauthorized Building Works (UBWs)

A working group has been set up to consider a rationalization scheme of UBWs in New Territories Exempted Houses which include, among them, Small Houses. The subject is now under discussion with the HYK.

8. Given that land is scarce and is in great demand for Small House development, we are exploring whether the development density of the VEAs could be increased by allowing for multi-storey development, thereby providing a greater number of residential units to meet demand. We are exploring internally within the Administration a pilot scheme for multi-storey development in two of the planned VEAs as referred to in paragraph 6(d) above. These two VEAs, which are in Pai Tau and Sheung Wo Che in Shatin and Ha Mei Sun Tsuen in Yuen Long, have already included in the Public Works Programme and land has been resumed. They are located at the fringe areas of new towns and are readily served with basic infrastructures.

9. We wish to emphasize that this is purely an internal desk-top exercise, the feasibility of which has yet to be ascertained. While the planning and land aspects have briefly been studied, the engineering and financial aspects are subject to fuller examination. Feasibility studies, assessment of capital costs and formulation of financing arrangements between the Government and the concerned villagers have to be conducted for further examination. If we are to take this proposal forward, we must consult the HYK and the concerned villagers on the operational and implementation aspects. Their views and acceptance are critical and essential before proceeding further.

10. There is a range of other issues which the Inter-departmental Steering Committee has identified, and considered, in conducting its review. These include the legal and human rights implications, the sustainability issue, the land-use problems, environmental impacts and other practical and resources considerations inherent in and associated

with the Small House Policy. These are complex issues with far-reaching implications requiring further and careful deliberations within the Administration.

Timetable

11. The wide range of considerations that we have to weigh up in the deliberation process and the complexity of the issues surrounding the comprehensive review are such that the exercise is necessarily time-consuming. Whilst resolute actions are being taken to pursue possible options for further discussion within the Administration, it remains premature at this juncture to forecast how soon we would be in a position to release more detailed proposals for consultation with the HYK and the community at large and to conclude the comprehensive review.

Housing, Planning and Lands Bureau
January 2007