

香港特別行政區政府

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The Government of the Hong Kong Special Administrative Region

發展局(規劃地政科)

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20 August 2013

Clerk to the Panel on Development
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong
(Attn: Ms Sharon CHUNG)

Dear Ms CHUNG,

**Panel on Development
- List of Follow-up Actions**

At the meeting of the LegCo Panel on Development held on 15 July 2013, Members passed a motion on the "Redevelopment of Civil Servants' Co-operative Building Societies", urging the Government to launch re-development programmes for buildings developed under the Civil Servants' CBS Scheme immediately so as to increase land supply in urban areas; and to submit feasible proposals acceptable to both sides in six months.

I have pleasure in attaching the Administration's response to the motion for Members' reference.

Yours sincerely,

A handwritten signature in black ink, appearing to be "Winnie So".

(Winnie So)

for Secretary for Development

c.c.

Civil Service Bureau
Lands Department

(Attn.: Ms Winnie YEUNG)

(Attn.: Ms Karen CHAN)

Internal
SEO(A)

LEGISLATIVE COUNCIL PANEL ON DEVELOPMENT

Redevelopment of Civil Servants' Co-operative Building Societies

Purpose

At the meeting of the Panel on Development on 15 July 2013, Members passed a motion on the "Redevelopment of Civil Servants' Co-operative Building Societies" (Redevelopment of CBSs), urging the Government to launch re-development programmes for buildings developed under the Civil Servants' CBS Scheme immediately so as to increase land supply in urban areas; and to submit feasible proposals acceptable to both sides in six months. This paper seeks to respond to the motion.

The Administration's Response

CBS Scheme

2. The CBS Scheme was launched in 1952. Its main objective is to provide accommodation to CBS members and their families. CBSs are set up under the Co-operative Societies Ordinance and registered by the Registrar of Co-operative Societies. Under the CBS Scheme, eligible civil servants were granted land by the Government at concessionary premium, which was normally set at one-third of the full market value, to enable them to build residential buildings under co-operative societies. The legal title of the land and the buildings would be held by the CBS which were responsible for building management and maintenance. Pursuant to the respective underleases that the CBS signed with its members, the CBS members would have the right to the exclusive use of the respective units but they did not possess legal titles to these units.

3. In response to the requests of CBS members, in 1987, the Government promulgated the first guidelines on the transfer of titles of the flats and land from the CBSs to the individual members and underlessees upon obtaining the consent of all its members. In 1993, new guidelines were issued to facilitate the process. Under the new guidelines, a CBS may apply for dissolution upon obtaining the consent of 75% of its members.

4. Upon the dissolution of a CBS, the former members of the CBS will, upon acquisition of the legal titles of their units, execute a legal charge in favour of the Financial Secretary Incorporated such that the title deeds of the individual units will be retained by the Government and the flats will be subject to alienation restrictions, which prohibit the former CBS members to assign, mortgage, let, part with possession of, or otherwise dispose of their units, or to enter into any agreement for such purposes. To remove the alienation restrictions, the former CBS members may apply to the Lands Department (LandsD) and, upon payment of a premium as determined by LandsD in accordance with the terms of the lease, the alienation restrictions will be removed and the legal charge released. The title deeds of the units will be returned to the individual owners, who will be at liberty to dispose of the units as they wish.

Dissolution of CBSs

5. As at 15 July 2013, of the 238 CBSs, 180 (comprising 4680 units) have been dissolved. Of the 180 CBSs already dissolved, the members of 2153 units (46%) have applied to LandsD for removal of the alienation restriction in their underleases. Of these applicants, 66% (representing 1428 units) have already paid the assessed land premium to remove the restriction on alienation of their units.

Redevelopment of CBSs

6. As at 15 July 2013, members of 13 of the 238 CBSs had paid the outstanding premium for the removal of the restriction on alienation in all their underleases. Eleven of these 13 CBSs have already been redeveloped. Since July 2011, the Urban Renewal Authority (URA) has introduced a "Demand-led" Redevelopment Pilot Scheme under which the owners of private developments may apply to URA for redevelopment. Former CBS members may also apply to URA for redevelopment under the "Demand-led" Redevelopment Pilot Scheme after they have acquired the legal titles to their units.

Public Hearing on 15 July 2013

7. At the meeting of the Panel on Development on 15 July 2013, public deputations expressed their wish for early redevelopment of CBSs, in particular, those CBS buildings which are lacking in modern day building facility such as lift

service which are posing access problems to aged occupants who can no longer walk up and down the staircases. Many CBS members attending the public hearing were concerned that they could not afford to pay the outstanding premium for the removal of the alienation restriction in their underleases prior to redevelopment while the conditions of the buildings were deteriorating over time. It was stressed by the deputations that they were not seeking a fortune through redevelopment but were only looking for a decent shelter. One deputation expressed that it would be difficult to justify premium exemption or premium concession for CBSs on public policy ground but suggested that the special nature of the CBS Scheme might justify the introduction of special measures to help redevelop these CBSs to increase urban land supply. One deputation stressed that if redevelopment were contemplated by the Government, it must first ascertain the wish of the occupants of the affected CBSs. Members of the Panel on Development generally supported the deputations' wish for early redevelopment and the need for policy review to facilitate the redevelopment of these buildings. The Panel on Development thus passed a motion to urge the Government to launch re-development programmes for CBSs immediately so as to increase land supply in urban areas; and to submit feasible proposals acceptable to both sides in six months.

8. We reckon the Panel's general support for a policy review. The Development Bureau, in collaboration with the Civil Service Bureau, LandsD and the other relevant departments, are examining possible measures to facilitate the redevelopment of CBSs, having regard to the views and suggestions of the deputations and the Legislative Council and the need to justify them on public interest grounds. As conducting the various policy analyses takes time, we undertake to report our recommendations to the Panel on Development around the first quarter of 2014.

**Development Bureau
Civil Service Bureau
Lands Department**

August 2013