

Tel No : 3919 3401
Fax No: 2543 9197

MEMO

To : CCS(1)2
From : CCS(4)1
Ref : CB4/PAC/R67
Date : 16 February 2017

Public Accounts Committee

Small house grants in the New Territories

The Public Accounts Committee ("PAC") Report No. 67 was tabled in the Council on 15 February 2017. In Part 4 of the Report on the "Report of the Public Accounts Committee on the Reports of the Director of Audit on the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2015 and the Results of Value for Money Audits", the latest progress of implementing the Director of Audit's recommendations in relation to small house grants in the New Territories was reported (see the **Appendix** attached).

2. Noting that the Small House Policy has remained on the "List of outstanding items for discussion" of the Panel on Development ("the Panel"), PAC expresses concern about the lack of progress by the Administration in reviewing the Small House Policy and recommends that the issue be continued to be followed up by the Panel. PAC will also keep in view of further development on the subject.

(Anthony CHU)
CCS(4)1

Encl

7. ~~The Committee wrote to Secretary for Security on 10 January 2017 to enquire whether the Administration had considered taking other more effective actions to recover the outstanding advances or writing off the outstanding advances. The replies from **Secretary for Security** are in *Appendix 5*.~~

8. The Committee wishes to be kept informed of the development on the Administration's recovery of the outstanding advances to UNHCR.

Footbridge connections between five commercial buildings in the Central District

(Paragraphs 7 to 9 of Part 4 of P.A.C. Report No. 65)

9. The Committee was informed that the general building plans in respect of the proposed Footbridge A submitted by the owner of Building II in late July 2015 was disapproved by the Building Authority on 29 September 2015 mainly because of insufficient information provided. As at mid-March 2016, the building plan was being revised by the owner of Building II for further submission of the Buildings Department ("BD"). The owner of Building II indicated that he would resubmit the general building plan to BD after obtaining permission from the owner(s) of Building I for the connection works relating to the construction of Footbridge A. The Lands Department ("LandsD"), BD and the concerned departments would continue to follow up with the owners of Building I and Building II on the matter.

10. The location of the proposed Footbridge A is shown in *Appendix 6*.

11. The Committee wishes to be kept informed of further development on the subject.

Small house grants in the New Territories

(Paragraphs 10 to 12 of Part 4 of P.A.C. Report No. 65)

12. Hon Paul TSE Wai-chun declared that he was an indigenous villager of the New Territories.

13. The Committee was informed in the Government Minute which was laid before LegCo in May 2016 that:

- the existing small house policy had been in operation for a long period of time. A review of this policy would inevitably bring into play many controversial and complex issues, involving, among others, legal, environmental, economic and land use planning considerations;
- having regard to the complexities of the issues involved and the fact that the Administration's work priority in the short to medium term was to increase land and housing supply, the review of the small house policy was not a matter of high priority for the time being, and there was no timetable for the task; and
- the Administration would continue to handle the review of the small house policy carefully and judiciously and engage stakeholders as well as the wider community in a constructive dialogue over the relevant issues as and when necessary.

14. The Committee wrote to Secretary for Development on 10 January 2017 to enquire about the Administration's position in resolving problems arising from the small house policy, and the reasons for the little progress made in taking forward the review. The replies from **Secretary for Development** are in *Appendix 7*.

15. The Committee wishes to be kept informed of further development on the subject.

16. The Committee recommends that the issue be continued to be followed up by LegCo Panel on Development.

~~Direct land grants to private sports clubs at nil or nominal premium~~
(Paragraphs 13 to 15 of Part 4 of P.A.C. Report No. 65)

17. ~~Hon Abraham SHEK Lai-him declared that he was a member of Hong Kong Country Club, Hong Kong Football Club, Hong Kong Golf Club, Hong Kong Jockey Club and Royal Hong Kong Yacht Club; Hon Paul TSE Wai-chun declared that he was a member of Hong Kong Jockey Club, Scout Association of Hong Kong and~~

政府總部
發展局
規劃地政科



香港添馬添美道二號
政府總部西翼十七樓

**Planning and Lands Branch
Development Bureau
Government Secretariat**

17/F, West Wing,
Central Government Offices,
2 Tim Mei Avenue, Tamar, Hong Kong

本局檔號 Our Ref. DEVB(PL-L)35/05/206 Pt.5

來函檔號 Your Ref. CB4/PAC/CS(64&65)

電話 Tel.: 3509 8831

傳真 Fax : 2845 3489

24 January 2017

By fax and by email

Mr. Anthony CHU
Clerk, Public Accounts Committee
Legislative Council Secretariat
Legislative Council Complex,
1 Legislative Council Road,
Central, Hong Kong

Dear Mr. CHU,

Follow-up to Public Accounts Committee Report No. 39

Small house grants in the New Territories

Thank you for your letter dated 10 January 2017 to the Secretary for Development.

We note the concern of Public Accounts Committee (PAC) about the Small House Policy (the Policy) and thank the PAC for its appreciation of the complexity of the issues involved in the review of the Policy. Any review inevitably involves complicated issues in various aspects such as legal, environment, land use planning and demand on land, all of which would require careful examination.

Given the complicated issues involved and the fact that the work priorities of the Development Bureau are to increase land supply in the short to medium term and to implement and control costs of various public works projects, any review or consideration of suggestions to amend the Policy is not

a priority task in the current term of the Government. It is neither realistic nor practicable to complete the review within this term of Government as far as time is concerned. We will continue to handle the review carefully and judiciously, engaging stakeholders as well as the wider community in dialogue over relevant issues as and when necessary.

Moreover, you may wish to note that the Policy is currently under legal challenge by way of a judicial review, and the Government is thus not in a position to make public comments on issues that may prejudice the Government's handling of related legal proceedings.

Yours sincerely,



(Joey TANG)
for Secretary for Development

c.c.	Secretary for Financial Services and the Treasury	Fax No.: 2147 5239
	Director of Audit	Fax No.: 2583 9063
	Director of Lands	Fax No.: 2868 4707