

Bills Committee on Urban Renewal Authority Bill

Concerns raised at the meeting on 14 March 2000

Members requested the Administration -

- (a) to provide detailed explanations as to why the non-executive chairman model adopted by the Airport Authority and the Mandatory Provident Fund Schemes Authority is considered not viable or desirable for the Urban Renewal Authority (URA), and how the proposed executive-chairman model would enhance the efficiency and accountability of URA, preferably with reference to the operational experience of the Land Development Corporation;
- (b) to review the need and the merits of empowering the Financial Secretary (FS) to approve corporate plans and business plans with amendments under clauses 18 and 19 respectively. Some members are of the view that theoretically these plans should be well-conceived and should have been thoroughly discussed by the URA Board before submission to FS. If FS considers it inappropriate to give approval for whatever reasons, he should return them to the URA for amendment instead of amending them by himself. Some members would like to know the possible reasons for amending or refusing to approve these plans;
- (c) to consider providing a period of two months for raising objection to a development project under clause 21(1); and
- (d) to review the proposed period of 14 days to affected owners for raising objection to a development project amended by Secretary for Planning and Lands under clause 21(7). Members consider this period acceptable if owners have already been given a month to raise objection to a development project in the first place. However, for those owners who are affected by the development project only after it has been amended by the Secretary, a longer period for raising objection should be given.

Tel. No.: 2848 2598

Fax No.: 2905 1002

PLB(UR) 25/00/04(00)

CB1/BC/9/99

21 March 2000

Miss Odelia Leung
Clerk to Bills Committee
Bills Committee on the
Urban Renewal Authority Bill
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road, Central
Hong Kong

Dear Miss Leung,

**Bills Committee on the
Urban Renewal Authority Bill**

Thank you for your letter of 15 March 2000.

My response to the queries raised by Members at the Bills Committee meeting held on 14 March 2000 (as summarized in the second paragraph of your letter) is as follows:

(a) Clause 4

A note on the Chairmanship of the Board of the Urban Renewal Authority is at Annex A.

(b) Clauses 18 and 19

A note on the Financial Secretary's power to approve a draft Corporate Plan and a draft Business Plan with or without amendments is at Annex B.

(c) Clause 21(1)

Under clause 21(1) of the Urban Renewal Authority Bill, any person may object to the implementation of a proposed project within a period of one month after the first publication of a Gazette notice on that proposed project. However, in view of Members' concern, we are prepared to consider extending the objection period to 2 months.

(d) Clause 21(7)

Under clause 21(7), the owners of land affected by an amendment to a proposed project have 14 days to object. In view of Members' concern, we are prepared to consider amending the objection period to:

- (i) 14 days for owners of land included in the original proposed project; and
- (ii) one month for owners of land not included in the original proposed project.

Please let me know if you have any further queries.

Yours sincerely,

(Stephen Fisher)
for Secretary for Planning and Lands

c.c. Department of Justice (Attn: Mr J D Scott and
Ms R Chai)

Director of Planning (Attn: Mr T K Lee)

Urban Renewal Authority Bill
- Clause 4

**Chairmanship of the Board
of the Urban Renewal Authority**

Members' query

At the Bills Committee meeting held on 14 March 2000, Members asked the Administration why an executive Chairman had been proposed for the Urban Renewal Authority (URA).

Background

2. There are basically two forms of chairmanship for public corporations and public bodies in Hong Kong:

- (a) executive Chairman; or
- (b) non-executive Chairman.

3. Examples of public corporations/public bodies with an executive Chairman (ie, the executive Chairman model) include:

- (a) the Mass Transit Railway Corporation (see sections 4 and 7 of the Mass Transit Railway Corporation (Cap. 270));

- (b) the Kowloon-Canton Railway Corporation (see section 3 of the Kowloon-Canton Railway Corporation Ordinance (Cap. 372)); and
- (c) the Securities and Futures Commission (section 5 of the Securities and Futures Commission Ordinance (Cap. 24)).

4. Examples of the public corporations/public bodies with a non-executive Chairman (ie, the non-executive Chairman model) include:

- (a) the Airport Authority (see section 3 of the Airport Authority Ordinance (Cap. 483));
- (b) the Housing Authority (see section 3 of the Housing Ordinance (Cap. 283)); and
- (c) the Mandatory Provident Fund Schemes Authority (see sections 6A, 6B and 6C of the Mandatory Provident Fund Schemes Ordinance (Cap. 485)).

5. The executive Chairman model and the non-executive Chairman model each has its own merits. Our only consideration is that which of the two is more suitable for the URA.

Chairmanship of the URA Board

6. Having regard to the functions of the URA and the nature of the urban renewal programme, we are of the view that the executive Chairman model is more appropriate for the URA.

7. The URA Board under the leadership of an executive Chairman should be more efficient and effective in implementing the urban renewal programme. As both the Chairman and an executive director of the URA, the executive Chairman should be able to steer URA's redevelopment, rehabilitation and conservation projects from conception to completion.

8. As the executive Chairman, the person so appointed will be accountable to the URA Board, the Chief Executive and the community for the progress and success (or otherwise) of the urban renewal programme.

9. Under clause 9 of the Urban Renewal Authority Bill, the executive Chairman and the two executive directors will have to attend the committee and subcommittee meetings of the Legislative Council to answer questions from Members. As executive directors, they are accountable for the work and performance of the URA at both the decision-making and operational levels.

10. The executive Chairman will be appointed by the Chief Executive on a 3-year contract and will be responsible directly to the Chief Executive. It is intended that the remuneration package of the Chairman will be performance-based.

Planning and Lands Bureau

March 2000

Urban Renewal Authority Bill
- Clauses 18 and 19

The Financial Secretary's power
to approve a draft Corporate Plan
and a draft Business Plan
with or without amendments

Members' query

At the Bills Committee meeting held on 14 March 2000, Members asked why the Financial Secretary was given the power to approve a Corporate Plan and a Business Plan with or without amendments under clauses 18(4) and 19(5) respectively.

Corporate Plan

2. Under clause 18, the URA has to submit a draft 5-year Corporate Plan to the Financial Secretary for approval by 31 December each year. The Financial Secretary has to vet and approve the draft plan within 3 months.

3. The draft Corporate Plan has to include inter alia:

- (a) a programme of proposed projects for the next 5 years;
- (b) commencement dates for the projects; and

- (c) a financial plan, covering:
 - (i) the projected income and expenditure for commenced and proposed projects;
 - (ii) the amount of Government loans required;
 - (iii) any other borrowings; and
 - (iv) staffing requirements.

4. The Financial Secretary needs to consider whether:

- (a) the programme of proposals is practicable;
- (b) the amount of Government loans requested is justified;
- (c) the other borrowings are necessary; and
- (d) the staffing requirements are appropriate.

5. The Financial Secretary may be unable to approve certain items of the draft Corporate Plan. For example, the Financial Secretary may not agree with the amount of Government loans required and an amendment to the draft may be necessary. If the Financial Secretary is not allowed to make amendments to the draft Corporate Plan, the only alternative is to refuse to approve the draft plan. In order to provide flexibility to the planning procedures and to avoid the need for re-submissions, the Financial Secretary's power to approve a draft

Corporate Plan with or without amendments is necessary and appropriate.

Business Plan

6. Under clause 19, the URA has to submit a draft annual Business Plan for the next financial year to the Financial Secretary for approval by 31 December each year. The Financial Secretary has to vet and approve the draft plan within 3 months.

7. The Business Plan has to include inter alia:

- (a) a programme of proposed projects for the next financial year;
- (b) commencement dates for the projects;
- (c) the resources required;
- (d) the estimated revenue and expenditure of the URA for next financial year; and
- (e) the estimated number of rehousing units required.

8. The Financial Secretary needs to consider whether:

- (a) the programme of projects is practicable;
- (b) the amount of Government loans requested is justified;
- (c) the other borrowings are necessary; and
- (d) the available rehousing resources are adequate.

9. The Financial Secretary may be unable to approve certain items of the draft Business Plan. For example, the Financial Secretary may not agree that the available rehousing resources are adequate and an amendment to the draft may be necessary. If the Financial Secretary is not allowed to make amendments to the draft Business Plan, the only alternative is to refuse to approve the draft plan. In order to provide flexibility to the planning procedures and to avoid the need for re-submissions, the Financial Secretary's power to approve a draft Business Plan with or without amendments is necessary and appropriate.

Liaison with the URA

10. The Planning and Lands Bureau will assume a coordinating role in the consideration of the draft Corporate Plan and draft Business Plan. The Bureau will work closely with the URA to expedite the approval process for the draft plans.

Planning and Lands Bureau

March 2000