

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

**Proposed Composition of the Board
of the Urban Renewal Authority**

Issue

Members of the Bills Committee have asked the Administration to reconsider the proposed composition of the Board of the Urban Renewal Authority (URA), particularly the chairmanship of the Board.

Proposal

2. Having reconsidered the matter, we propose that:
 - (a) the Chairman of the URA Board should be a non-executive Chairman instead of an executive one; and
 - (b) there should be not less than 7 other non-executive directors instead of just 7 non-executive directors.

Background and Argument

3. Clause 4(1) of the Urban Renewal Authority Bill (the Bill) provides that there should be a Chairman of the URA Board who is at the same time an Executive Director (ie, an executive Chairman). The Bills Committee has expressed concern about the proposed executive chairmanship for the URA Board. Members are of the view that there should be a non-executive Chairman and a Chief Executive Officer for the URA to provide a system of checks and balances in the decision-

making process. Members have also suggested that there should be more than 7 non-executive directors to ensure a proper balance on the URA Board and to enhance its representativeness.

4. Having reconsidered the proposed structure of the URA Board, we propose to adopt the model of the Mandatory Provident Fund Schemes Authority for the URA, ie, there should be a non-executive Chairman and a Managing Director, both appointed by the Chief Executive. We also propose that there should be not less than 7 non-executive directors who are not public officers to provide flexibility.

Proposed Arrangements

5. Under the proposed amendment, the URA Board would include the following members -

- (a) a Chairman of the URA Board who is at the same time a non-executive director and is not a public officer;
- (b) a Managing Director who is at the same time an executive director and is not a public officer;
- (c) 2 other executive directors, not being public officers;
- (d) not less than 7 other non-executive directors, not being public officers; and
- (e) 4 non-executive directors who are public officers.

6. The Managing Director would be the Deputy Chairman of the URA Board and the administrative head of the URA. As in the case of the Mandatory Provident Fund Schemes Authority, the remuneration packages of the Managing Director and the two other Executive Directors would be determined by the Chief Executive.

7. Under the Bill, all members of the URA Board would be appointed by the Chief Executive for a term not exceeding 3 years.

8. Other consequential amendments would also have to be made to other clauses of the Bill.

The Way Forward

9. We intend to move the necessary amendments to the Bill at Committee Stage.

Planning and Lands Bureau
May 2000