

立法會
Legislative Council

LC Paper No. CB(1) 2123/99-00
(These minutes have been seen
by the Administration and cleared
by the Chairman)

Ref: CB1/HS/1/99/2

**Subcommittee to study
the Urban Renewal Authority White Bill**

**Minutes of meeting held on
Tuesday, 14 December 1999, at 4:30 pm
in Conference Room A of the Legislative Council Building**

- Members present** : Hon Edward HO Sing-tin, SBS, JP (Chairman)
Hon Gary CHENG Kai-nam, JP (Deputy Chairman)
Hon HO Sai-chu, SBS, JP
Ir Dr Hon Raymond HO Chung-tai, JP
Hon NG Leung-sing
Hon Ronald ARCULLI, JP
Hon James TO Kun-sun
Hon WONG Yung-kan
Hon Jasper TSANG Yok-sing, JP
- Members absent** : Hon LEE Wing-tat
Hon Christine LOH
Hon CHAN Yuen-han
Dr Hon LEONG Che-hung, JP
Hon Andrew WONG Wang-fat, JP
Hon TAM Yiu-chung, GBS, JP
Dr Hon TANG Siu-tong, JP
- Public officers attending** : Mr Stephen FISHER
Deputy Secretary for Planning, Environment
and Lands (Urban Renewal and Buildings)
- Ms Olivia NIP
Principal Assistant Secretary for Planning,
Environment and Lands (Urban Renewal)

Mr T K LEE
Assistant Director/Urban Renewal (Ag)
Planning Department

Clerk in attendance : Miss Odelia LEUNG
Chief Assistant Secretary (1)1

Staff in attendance : Ms Bernice WONG
Assistant Legal Adviser 1

Miss Becky YU
Senior Assistant Secretary (1)3

I Meeting with the Administration

Discussion on the Administration's response to the views expressed by deputations
(LC Paper Nos. CB(1) 496/99-00(01), (02), (03) and 527/99-00(01))

Structure of the Urban Renewal Authority (URA)

Mr James TO asked if the appointment of the executive Chairman and the two executive directors of URA by the Chief Executive (CE) was a political appointment. The Deputy Secretary for Planning, Environment and Lands (DS/PEL) answered in the negative. He stressed that as these posts would be subject to open recruitment, appointment would be made on the basis of the ability of candidates rather than political considerations. As regards the decision to adopt an executive-chairman model for URA, DS/PEL advised that this was made with reference to other public bodies such as the Mass Transit Railway Corporation (MTRC). Since the executive Chairman and the two executive directors would be appointed by CE on a contract basis, they would be directly responsible to CE. Moreover, their remuneration packages and the renewal or otherwise of their employment contracts would be performance-based.

2. Members were generally dissatisfied with the proposed structure of URA. The Chairman considered that a direct comparison between URA and MTRC was not appropriate since the latter operated according to commercial principles. Unlike the executive Chairman of MTRC, the executive Chairman of URA might be involved in making policy decisions. Mr Ronald ARCULLI also questioned the role of the URA Board if it could not decide on the appointment and remuneration packages of the executive Chairman and the two executive directors. He added that the executive Chairman might not have proper control over the two executive directors if they were all appointed by CE.

3. DS/PEL advised that the proposed structure of URA aimed to ensure that the URA Board, under the leadership of an executive Chairman, could be more efficient and effective in implementing the urban renewal programme on the one hand while the Government could have proper control over the work of URA on the other. He assured members that although the executive Chairman would be appointed by CE, he would have full autonomy in the day-to-day management and administration of the affairs of URA. As regards the two executive directors, DS/PEL advised that they would be accountable to the executive Chairman who would be heavily involved in the appointment of the two executive directors.

4. As to how the Administration would assess the performance of the executive Chairman of URA, DS/PEL explained that in accordance with the Government urban renewal strategy, URA would prepare a draft corporate plan setting out its proposed programme of projects for the next five years and a draft annual business plan setting out the projects to be implemented in the next financial year. The progress of these plans would form the basis upon which the performance of the executive Chairman would be assessed.

5. Noting that under the proposed composition of the URA Board, the number of executive directors appointed by CE together with the number of non-executive directors who were public officers would be equal to that of non-executive directors who were not being public officers, Mr James TO and Ms CHAN Yuen-han expressed grave concern that such a composition would enable the Government to have a dominating role in the Board. DS/PEL advised that this would not be the case having regard to the experience of the Securities and Futures Commission (SFC) where all the directors were appointed by CE. Mr Ronald ARCULLI however pointed out that unlike URA, SFC was a regulatory body. To enhance the credibility of URA, Mr TO urged the Administration to consider reducing the number of officials in the URA Board.

(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(1) 675/99-00.)

Public accountability of URA

6. Mr TSANG Yok-sing held the view that the requirement for members of the URA Board to declare interests was insufficient to ensure the public accountability of URA. DS/PEL advised that apart from declaration of interest, the executive Chairman and the two executive directors of URA would be required to be answerable to the Legislative Council. URA would also come under the jurisdiction of the Ombudsman. These arrangements would enhance the public accountability and transparency of URA as a public body. Mr TSANG however considered it not appropriate to hold the executive Chairman accountable for the work of URA if he was not given the authority to make any policy decisions. DS/PEL clarified that major policy decisions in respect of land resumption, compensation and rehousing were to be made by the Administration, the responsibility of the executive Chairman would be to implement the Government urban renewal strategy effectively and efficiently.

7. Referring to clause 4(5) of the Urban Renewal Authority White Bill (the White Bill), Mr NG Leung-sing noted with concern that apart from being held responsible to the URA Board for the day-to-day management and administration of URA, an executive director would also be responsible for all matters relating to that responsibility determined by CE. Expressing similar view, Mr Ronald ARCULLI asked how the second half of the clause could be put into operation. DS/PEL explained that the intention of clause 4(5) was to allow CE to determine the responsibility of an executive director in case of doubt. Mr ARCULLI did not accept the Administration's response since according to clause 28, CE could only give directions to URA if public interest so required. DS/PEL clarified that the scopes of clauses 4(5) and 28 were different. The former was confined to responsibility of executive directors while the latter dealt with the general performance of URA. He nevertheless undertook to reconsider clause 4(5) and revert back to the Subcommittee in due course.

(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(1) 675/99-00.)

8. On clause 9 of the White Bill, the Assistant Legal Adviser 1 opined that the Administration should make it clear that the Chairman and the executive directors of URA would not be required to attend meetings of the Legislative Council. DS/PEL advised that as only public officers were designated by the Government to attend meetings of the Legislative Council and to speak on behalf of the Government, the Chairman and executive directors of URA, who were not public officers, would not be so designated. He nevertheless undertook to amend clause 9 to the effect that the committees and subcommittees of the Legislative Council would have the power to request the Chairman and the executive directors of URA to attend their meetings.

(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. LC Paper No. CB(1) 675/99-00.)

Financial arrangements

9. The Chairman asked how URA could achieve a balanced account for the 20-year urban renewal programme. DS/PEL assured members that although it was the Administration's intention that the urban renewal programme should be self-financing in the long term, sufficient resources and support services would be provided to URA to implement redevelopment projects. An estimate on the resources required however had yet to be worked out since the Administration had to ascertain the assets and properties owned by the Land Development Corporation which would be transferred to URA after its establishment. If such assets and properties were insufficient to support URA to implement the proposals in its corporate plans, the Government might borrow such money to URA by virtue of clause 11 of the White Bill. In reply to Mr James TO's question, DS/PEL confirmed that money given to URA by the Government might be in the form of capital injection.

10. On the proposed relaxation of plot ratio controls, the Chairman remarked that the proposal might not be able to enhance the financial viability of URA projects as applications for relaxation of plot ratio controls would be subject to the approval of the

Town Planning Board (TPB). In reply, DS/PEL emphasized that the objective of URA was to improve the built environment of Hong Kong rather than making a profit from redevelopment. Besides, the relatively large scale of URA projects would provide greater flexibility for the planning of infrastructure to meet the requirements identified in traffic and environmental impact assessments. The Administration was therefore optimistic that TPB would approve applications by URA for relaxation of plot ratio controls. At members' request, the Administration undertook to illustrate with examples as to how the proposed relaxation of plot ratio controls could enhance the financial viability of URA project.

(Post-meeting note: The Administration's response was circulated vide LC Paper No. CB(1) 675/99-00.)

11. Mr Ronald ARCULLI asked if a private developer who owned a site of a size comparable to a nearby URA project and undertook to use the URA planning approach in developing the site could similarly apply for relaxation of the plot ratio controls. The Assistant Director/Urban Renewal, Planning Department (Acting) (AD of P (Ag)) advised that under the existing legislation, any person could submit an application to TPB for approval for amendment to a draft or approved plan. TPB would take into account merits of the individual project in considering the application. As regards transfer of plot ratio, AD of P (Ag) advised that this was a complicated issue which was not permitted under the existing Buildings Ordinance (Cap. 123) (BO).

Rehabilitation of buildings

12. On the proposed preventive maintenance of buildings scheme, the Chairman asked if this would be implemented in parallel with the enactment of the URA Bill. DS/PEL advised that the Administration would announce the proposed scheme in early 2000 for public consultation. If the proposal was supported, amendments to BO would be required to implement the scheme. It was therefore anticipated that the scheme would come into operation after the enactment of the URA Bill. As regards the impact of the scheme on the financial situation of URA, DS/PEL advised that this would not become an onerous financial burden on URA as owners concerned would be responsible for the maintenance of their buildings. Nevertheless, financial assistance would be provided to owners who had difficulties paying for the maintenance and repair costs.

13. On preservation of historical buildings within the nine urban renewal target areas, AD of P (Ag) advised that in the urban renewal strategy study by the Planning Department, a number of historical buildings and buildings of cultural or architectural interest, such as the "blue house" at Stone Nullah Lane of Wanchai, had been identified for preservation. The preservation of these buildings would be included in the corporate plan of URA as conservation projects if such buildings were located within proposed project area of the URA.

14. Noting that preservation of historical buildings would be done on a "locality basis", Mr CHENG Kai-nam enquired about the rehousing arrangements for the residents concerned. AD of P (Ag) advised that as most of the preserved sites would be relatively small in size, the number of affected residents would not be significant. They would be

rehoused to public housing flats in the normal course of resumption of the land for redevelopment.

15. Mr Ronald ARCULLI asked how compensation would be calculated for the resumption of historical buildings for preservation, particularly if the owners were able to prove that they could jointly redevelop the site by themselves. DS/PEL explained that where resumption under the Lands Resumption Ordinance (Cap. 124) (LRO) was ordered, a notice of resumption would be served on the owners. If the owners concerned could, before the actual reversion of ownership to the Government, demonstrate that they owned all the undivided shares in the lot and that the lot was in single ownership, compensation would be calculated taking into account both the existing use value and the development value of the lot. The higher value of the two would be offered as statutory compensation to the owners. He however remarked that such a scenario would unlikely happen as bad title cases were not uncommon, particularly in buildings involving a large number of owners.

II Any other business

16. Members agreed to hold three additional meetings as follows:

- Monday, 3 January 2000, at 8:30 am;
- Tuesday, 11 January 2000, at 4:30 pm; and
- Tuesday, 18 January 2000, at 10:45 am.

(Post-meeting note: The meeting on 3 January 2000 was cancelled and the meeting one on 18 January 2000 was rescheduled for Thursday, 20 January 2000, at 2:30 pm.)

17. There being no other business, the meeting ended at 6:30 pm.

Legislative Council Secretariat

30 October 2000