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Paper for the House Committee meeting on 25 January 2002

Report of the Panel on Planning, Lands and Works

Delay in the implementation of 25 uncompleted projects of the former Land Development Corporation

Purpose

This paper reports on the concern of the Panel on Planning, Lands and Works (the Panel) about the delay in the implementation by the Urban Renewal Authority (URA) of the 25 uncompleted redevelopment projects of the former Land Development Corporation (LDC).

Background

- 2. During the deliberation of the Bills Committee on the Urban Renewal Authority Bill in 2000, the Administration undertook to accord priority in the future urban renewal programme to the 25 projects announced by the former LDC in 1998 but had not yet started. Following the meetings of the Panel held in late February and early March 2001 to consider the Administration's proposal for the revised bases for calculating the Home Purchase Allowance and Ex gratia Allowance for owners and tenants affected by land resumption, the Secretary for Planning and Lands (SPL) wrote to the Panel on **8 March 2001**, setting out six recommendations it would make to the URA. These recommendations include giving priority to the 25 uncompleted projects of the former LDC and determining the acquisition offers in respect of these projects with regard to the fact that the residents concerned had waited for redevelopment for quite some time.
- 3. The URA was established on 1 May 2001. On 9 January 2002, in response to a Member's oral question at the Council meeting, SPL advised that URA planned to include all 25 uncompleted projects of the former LDC in its first draft five-year corporate plan.

Present position

- 4. During the discussion of the Panel on the work plans of URA on 22 January 2002, members noted URA had not yet submitted its first five-year corporate plan, which should contain the implementation programme of URA's redevelopment projects for the next five years, to the Financial Secretary for approval. Section 21(2) of the Urban Renewal Authority Ordinance (Cap. 563) stipulates that the URA shall submit its first five-year corporate plan to the Financial Secretary for approval as soon as practicable after the Authority is established. Nevertheless, members noted that URA had announced on 11 January 2002 the implementation of three redevelopment projects, which according to the Managing Director of URA were among the 25 uncompleted LDC projects.
- 5. Members of the Panel are concerned about the timetable for the implementation of the remaining 22 uncompleted LDC projects. Residents in these project areas have waited for redevelopment for a long time since the announcement of these projects by the former LDC in 1998. While the Managing Director of URA has assured the Panel that URA would include all the 25 uncompleted projects of the former LDC in its draft first five-year corporate plan, there is no clear indication from the Administration or URA whether the 25 projects would be implemented ahead of other redevelopment projects. Notwithstanding the repeated requests from members of the Panel for an indication on the timing of the finalization of the first five-year corporate plan, both the Managing Director of URA and the Deputy Secretary for Planning and Lands have refused to provide an undertaking in this regard, emphasizing that decisions regarding the corporate plan vested with the Board of the URA and the Financial Secretary. Considering that it has been more than seven months since the establishment of URA on 1 May 2001, the Panel is disappointed with the lack of progress of URA's work.

Recommendation

6. In the absence of a clear indication from the Administration and the URA as to when the first five-year corporate plan of URA will be finalized, members are gravely concerned that there will be further delay of the implementation of the 25 uncompleted LDC projects, not to say the redevelopment schedule for other dilapidated urban areas. In view of wide public concern about the progress of the work on urban renewal, in particular the implementation of the 25 uncompleted LDC projects, members agreed that the Panel's concern about the need to expedite the implementation of the 25 uncompleted LDC projects should be brought to the attention of the House Committee to seek its support for the matter to be raised with the Chief Secretary for Administration.

Advice sought

7. Members are invited to support the recommendation in paragraph 6 above.

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