

**LegCo Members' meeting with
Councillors of Heung Yee Kuk on 10 June 2003**

**Issues relating to the progress in
processing small house applications**

The Administration's response

(a) Village Expansion Area (VEA) Scheme

The VEA scheme, introduced in 1981, evolved from the Small House Policy. The purpose of the Scheme was to enable indigenous villagers, who do not have their own land, to apply for a private treaty grant of Government land for building small houses.

2. The development of VEAs often requires the assembly of Government and private land involving land resumption and clearances. It is therefore not uncommon to find objections by affected land owners and residents towards the land resumption and clearances for the development of VEAs. The construction of VEAs also requires Government departments to provide relevant resources, e.g. provision of roads and amenities in the VEA.

3. Given the ongoing review of the Small House Policy and the issues associated with the construction of VEAs outlined above, the VEA scheme has to be suspended pending the outcome of the Small House Policy review.

(b) Director of Audit's recommendations in his Report No. 39

4. The Lands Department (Lands D) has been following up on the Director of Audit's recommendations in Report No. 39 and has completed action on most of them. The revision of the Performance Pledge is underway. The other outstanding items, which include improvement to the checking of indigenous villagers status and the inclusion of a moratorium clause on the removal of the sale restriction of small house grants, are still under discussion with the Heung Yee Kuk.

(c) Performance Pledge

5. Lands D was unable to meet its performance pledge of executing 1,200 small house grants in 2001/02. This is mainly due to the fact that

with the straightforward cases gradually cleared, the remaining cases and many new cases are non-straightforward cases. Such cases involve a number of difficulties, including local objections, site constraints, etc. The time taken to process them depends very much on the effort of the applicants to resolve those problems.

6. It should also be noted that for reasons unknown to the Administration, a number of applicants have failed to proceed further after approval has been given. The number of such cases now stands at 1,477. Lands D's pledge refers to number of executed cases. Those approved but not yet executed cases are not counted towards the 1,200 cases pledged. The overall number of executed cases is thus affected.

(d) Processing of small house

7. As mentioned in paragraph 5 above, most of the outstanding cases and many new applications are non-straightforward cases. They need longer processing time. However, the processing of most applications (including non-straightforward ones) can be completed within eight years. Only in a few exceptional cases will a longer time frame be required.

8. It should be noted that the figures of 15,000 outstanding small house applications altogether and 6,000 outstanding cases in Yuen Long District quoted in paragraph 1(a) of the notes of meeting are incorrect. As at 31 July 2003, there were 12,545 outstanding small house applications in the whole of the New Territories and 4,200 outstanding applications in Yuen Long. These 12,545 outstanding applications includes the 1,477 cases mentioned in paragraph 6 above.

9. Regarding the outstanding applications in Tai Po, paragraph 1(a) of the notes of meeting mentioned that it will take more than 15 years to approve all outstanding applications. The calculation is based on the number of outstanding applications divided by cases approved each year. Such calculation is misleading. Not all applications can be approved. There are also many rejection cases. The proper calculation should therefore be dividing the number of outstanding applications by the number of cases handled each year. In the year 2002/03, District Lands Office (Tai Po)(DLO/TP) handled over 500 applications and granted approval to 208 cases. The current estimated time to clear the 3,240 outstanding applications in Tai Po is about seven to eight years (because the majority of the outstanding cases are non-straightforward cases).

10. In paragraph 1(b) of the notes of meeting, it is mentioned that it would take more than 12 years to clear all outstanding small house applications. This statement also needs some clarification. It should be noted that a male indigenous villager can apply for a small house grant once he reaches 18 years old provided, inter alia, that he owns a piece of suitable land. This means that new applications will continue to come in. Therefore there would not be a situation where all outstanding applications can be cleared.

(e) **Height restriction on small houses**

11. The height of a small house should not exceed 27 ft and the number of storeys should not exceed three. The original intention of the Small House Policy was to improve the standard of village housing. It was not envisaged that a village house should be a multi-storey development. Any relaxation of the height restriction of small house developments will, depending on the extent of relaxation, affect the development and thus population density of the area concerned. This will have implications on land use planning, infrastructure support and the environment which need very careful consideration. These issues will be considered in the context of the Small House Policy review.

(f) **Criteria for determining non-straightforward cases**

12. Straightforward cases are those which fulfil the following conditions:

- (i) the applicant's indigenous status has been confirmed;
- (ii) the applicant's eligibility for a small house grant has been confirmed;
- (iii) the proposed site is found suitable for small house development after consultation with relevant departments; and
- (iv) no objection to the application is received after posting of notice in the village.

13. All cases that cannot meet the criteria of straightforward cases will be treated as non-straightforward cases.

(g) **The “workshop” approach**

14. From the implementation of the “workshop” approach in October 1999 up to now, District Lands Office (North)(DLO/N) has processed 1,847 applications and executed 815 small house grants. The waiting time in DLO/N is now reduced to about 24 months. During the same period, DLO/TP has processed 2,100 applications and executed 1,102 small house grants. The “workshop” approach has been successful in both districts, resulting in shortening of the processing time for straightforward cases and increasing the overall output.

15. However, it should be noted that the “workshop” approach can only be adopted for straightforward cases, as non-straightforward cases have their individual difficult circumstances which render processing them in batches under the “workshop” approach impossible.

Housing, Planning and Lands Bureau
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