#### **APPENDIX 12**

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本署檔號 Our Ref: ( ) in LDC 1/4/5060/16 Pt. 3

來函檔號 Your Ref: CB4/PAC/R68

來函請註明本署檔號

Please quote our reference in your reply



# 地 政 總 署 LANDS DEPARTMENT

我們矢志努力不懈,提供盡善盡美的土地行政服務。 We strive to achieve excellence in land administration.

香港北角渣華道三三三號北角政府合署二十樓 20/F, NORTH POINT GOVERNMENT OFFICES 333 JAVA ROAD, NORTH POINT, HONG KONG

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By Fax & Email (Fax No. 2543 9197)

5 May 2017

Clerk, Public Acocunts Committee Legislative Council Secretariat Legislative Council Complex 1 Legislative Council Road Central Hong Kong (Attn: Mr. Anthony CHU)

Dear Mr. CHU,

# **Public Accounts Committee**

# Consideration of Chapter 1 of the Director of Audit's Report No. 68

# Government's support and monitoring of charities

I refer to your letter of 28 April 2017 and enclose the following memoranda for and decisions of Executive Council (in English) (in portable document format) for reference:

- (i) Land Administration Policy (XCR 343/59)
- (ii) Redevelopment of Sites Granted at Nil or Concessionary Premium for Social Services Purposes (XCR(81)95)

Please note that the above documents are only available in English. Besides, soft copy of the documents (in Microsoft Word format) is not available.

Yours sincerely,

(Ms Sophia CHIANG) for Director of Lands

c.c.	Secretary for Financial Services and the Treasury	(fax no. 2537 3210)
	Commissioner of Inland Revenue	(fax no. 2877 1082)
	Secretary for Home Affairs	(fax no. 2591 5536)
	Director of Social Welfare	(fax no. 2891 7219)
	Registrar of Companies	(fax no. 2868 5384)
	Commissioner of Police	(fax no. 2866 2579)
	Secretary for Education	(fax no. 2810 7235)
	Secretary for Development	(fax no. 2147 3691)
	Director of Audit	(fax no. 2583 9063)

Council considered a memorandum No. L.C.R. 343/59, and noted the statement of policy contained in the enclosure.

Council advised and the Officer Administering the Government ordered that:

(a) a further paper be prepared reviewing the current arrangements for granting sites for workers' housing schemes;

8gi, W.V.Dkokinson - Clerk of Comoile-----29th October, 1959

For discussion on 27th October, 1959.

#### MEMORANDUM FOR EXECUTIVE COUNCIL.

#### Land Administration Policy.

As a result of recent discussions in Council on aspects of certain private treaty grants, His Excellency the Officer Administering the Government directed that a comprehensive paper should be prepared setting out the present policy and practice in relation to land administration. This would have the advantage of serving as a guide to which Hon. Members could refer from time to time, and might also have the effect of reducing the number of individual cases to be considered by Council once certain general principles had been established. A paper on these lines is now attached.

- As regards paragraph 1 (c) of this paper, Hon. Members may wish to consider the advantages of departing from the present practice whereby all private treaty grants and sales (other than of sites for local officers' housing co-operatives) are invariably referred to Council; the terms on which such lots are granted have been clearly defined over the past few years, and Hon. Members may feel that it is no longer necessary for individual cases to come to Council unless they are of an unusual nature. Routine cases could in future be left to the Colonial Secretary to approve by Command.
  - 3. The Director of Public Works, the Superintendent of Crown Lands, the Registrar General and the Assistant Colonial Secretary (Lands) will attend for discussion of this item.
  - 4. Hon. Mombers will be asked to endorse the statement of policy set out in the attached enclosure, and to advise on the proposal in paragraph 2 above.

COLONIAL SECRETARIAT.

15th October, 1959.

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#### LAND POLICY.

#### DISPOSAL OF CROWN LAND.

By Letters Patent, the power to dispose of Crown land is vested in the Governor, who has also been authorised by the Secretary of State to make private treaty grants or sales in his discretion. The present errangements for disposing of land are as follows:

# (a) Sales by Auction.

Detailed terms, including building covenant, upset price and user restrictions, are prepared in the Public Works Department or New Territories Administration for approval by the Secretariat. The normal urban lease term is 75 years, renewable for a further 75 years, while that for the New Territories (in accordance with a recent decision by Council) is 99 years from 1898.

# (b) Private Treaty Sales of extension areas to existing lots.

Public Works Department or New Territories Administration recommends detailed terms for approval by the Secretariat. The extension area must not be capable of development by any other lessee (in which event the area would be auctioned) or large enough to be developed as a separate lot. Building extensions (sold at the full estimated market value) are normally restricted to about 25% of the existing lot area, but no such restriction is applied to extension areas restricted to garden purposes. For garden extension areas a flat rate of 50 cents is usually charged in the urban areas. In all cases the lease term runs concurrently with that of the parent lot.

# (c) Private Treaty grants or sales of new lots.

These (except for sites for local officers' housing cooperatives) are referred to Executive Council to advise whether or not the Governor should dispose of the lot on the terms proposed. Except for recreation club grants (for which a nominal Crown rent of \$10 an acre per annum is charged), the zone Crown rent (which varies between districts) is payable and the premium charged ranges from nil to full market value, in accordance with the following principles:-

# (i) Nil Premium: Non-profit-making schools, hospitals, clinics, nurseries, recreation clubs, and other welfare purposes.

In general, exceptionally valuable sites are never disposed of by free grant; they are put to auction with no restriction on user. For profit-making groups wishing to run hospitals or schools on a purely commercial basis the land in question, if not exceptionally valuable, is sold at auction with user restricted to a hospital, clinic or school as the case may be. In all free grants, staff quarters may be built into the premises provided no additional and is required for them. Very stringent powers

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of control are included in the conditions under which land is granted for welfare purposes, and in each case the institution must be run to the satisfaction of the appropriate Head of Department. No distribution of profits is allowed; they must be applied to improving the welfare service provided by the grantee. The lease period is 75 years (with no right of renewal) for urban lots, and the normal New Territories lease term for New Territories lots; but for recreation clubs the term is either 10 years, or in cases where substantial buildings or development is to be undertaken, 21 years.

# (ii) Half Upsut (i.e., one-third of market value): Workers Housing Schemes.

Sites are granted at half upset price to reliable firms wishing to build comprehensive staff housing schemes; the total rental that may be charged in any one year may not exceed of the total capital cost of the scheme, including land costs.

# Low-cost Housing Schemos.

Sites are granted to the Housing Authority, the Housing Society and other approved low-cost housing agencies.

# Local Government Officers Housing Co-operatives.

These are granted without reference to Council, detailed terms in each case being approved in the Secretariat.

# (iii) Upset Price (i.e., two-thirds of market value): Churches.

Land is granted at full upset price (i.e., twothirds of estimated market value); but if a school is incorporated in the same building as a church the premium is reduced by the percentage of total floor area occupied by the school (for which a free grant site might otherwise have been sought).

# (iv) Full Market Value: Public Utilities.

Land for electric sub-stations, telephone exchanges and similar utility uses is made available by private treaty sale at the full estimated market value.

In all private treaty grants or sales the policy is to ensure that the site development proposed is reasonably intensive. Where necessary, small welfare bodies are urged to combine in seeking such grants. Should any grantee fail to meet any of his obligations under the Conditions of Grant, the Crown is free to re-enter. This is, of course, an extreme sanction and would be adopted only when all other methods had failed.

#### 2. CALCULATION OF LAND VALUES.

This is done in one of two ways :-

- (a) by comparative values, whereby the basis is the level at which land in the vicinity has changed hands; due allowance is made for factors that might have affected these prices, e.g., whether or not the lot was sold with vacant possession, lease restrictions, value of buildings. The value to be determined is fixed accordingly, allowance being made for user restrictions, site formation costs, etc.,;
- (b) by estimating the return from the land; by this method, the estimated return in rents is capitalised and development costs are deducted to give the land value.

In a minority of cases neither of these two methods is practicable and it is then necessary to rely on the valuer's experience and knowledge.

#### 3. BUILDING COVENANTS.

Unless a lot is to be used for recreational or similar purposes, a building covenant (expressed in terms of \$X of building work to be completed within a stated number of months) is imposed to ensure adequate development; the higher the land value the greater the Building Covenant.

# 4. EXCHANGES.

#### (a) Urban Arcas.

Council has agreed (Memorandum X.C.C. 99, in December, 1957) that exchanges should be allowed on a value-for-value basis in north Kowloon and in other creas ripe for development; that is, a large area of agricultural land may be given up for a small area of building land of equivalent value. Exchanges are not normally allowed in the urban areas proper, except for minor adjustments to lot boundaries to meet street widening and similar public needs.

# (b) New Territories.

This process in the New Territories is sometimes called "conversion" though this term does not accurately describe the process. Owners of Old Schedule lots, title for which was confirmed free of payment after the New Territories were leased in 1893, are generally not prepared to give up in a value-for-value transaction and claim the right to convert their entire lot to building status on paying a second convert the lot to building status on paying a second convert the second convert the lot to be second convert the lot to be second convert the lot to building status on paying a second conve

premium equal to the difference in value. This method is seldom practicable in layout areas, but even there the intention is that owners should not be required to surrender more land than is needed for public purposes. The present practice, based on policy approved by Council in April 1957, is as follows:

- (i) Conversion to building status must be in accordance with general development policy in the area and with the current layout plan, if any.
- (ii) Consideration is first given to the advisability of requiring the applicant to surrender land equal or approximately equal to the difference in value between the land in agricultural and building status. Owners of Old Schedule lots outside layout areas will not be required to surrender land but may do so if they wish.
- (iii) If for any reason the applicant is permitted to pay for the increase in value partly or wholly in cash, the premium paid is the full difference between the estimated agricultural and building value of the land, taking into account the value of any land surrendered.
- (iv) In any areas where the need to encourage rapid development justifies it, the District Commissioner may recommend conversion on payment of a premium less than the full difference between the estimated agricultural and building values, provided that it is not less than:
  - (1) half such difference, nor less than
  - (2) a proprotionate share of the estimated cost of development works in the layout area divided equally by area between the lots benefited by such works.
- (v) Single storeyed domestic houses up to a maximum height of 15 ft. and occupying not more than 700 sq. ft. are permitted by building licence without premium on Old Schedule lots subject to planning and "fung shui" considerations.

# MODIFICATION OF LEASE TERMS.

Existing lease terms can be modified at the lessee's bt to allow of more intensive development. Pre-war lessees equired to pay a modification premium equal to half the increment resulting from the modification; development is encouraged. Post-war lessees would be required to pay the value difference. Council approved this arrangement in 1953 and such modifications are approved in the Secretariat;

however, stipulate that the terms may not be modified except with the Governor in Council's approval, and such cases are always referred to Council. The Attorney General has advised that the only certain way to obviate such reference would be by legislation; and it might be held to be wrong for Government to change the terms of such agreements in this way. There are only about half a dozen such cases each year, and there are therefore no strong grounds for seeking to change this practice.

### BUILDING HEIGHTS AND SITE COVERAGE.

(a) Since 1956 the Public Works Department has sought to encourage lessoes in better-class residential areas to creet high buildings over a smaller portion of the site rather than to build over the two-thirds area allowed under the Buildings Ordinance. These areas are generally as follows:

#### Hong Kong Island.

- Happy Valley, So Kwun Po and Tai Hang areas up to Eastern Filter Beds and Stubbs Road;
- (ii) Mid-levels area from Pok Fu Lam Road on the west to Tai Hang Road on the east with Bonham, Park, Conduit and Kennedy Roads as northern boundary and the City Boundary (i.e., 700-foot contour) as the southern boundary;
- (iii) the rest of the Island, excluding villages, south of the City Boundary in the west, and south of a line through Mount Parker, Tytan Gap,
  Pottinger Gap and Little Sai Tan in the east;
  but buildings directly behind Repulse Bay Beach are restricted by a 1955 Executive Council decision to 2 or 3 storoys.

#### Kowloon

- (iv) Prince Edward Road, Materleo Road, Argyle Street, Boundary Street, Grampian Road area, northwerds to the Foothills Road.
- This control can only be exercised fully when . new lots ere sold or when the lessee is obliged to sock a modification of his lease terms before redevelopment can take place, or when (as frequently happens) the lease contains a "design" and disposition" olcuse or (to a lesser extent) a "rate and range" clause. Under this policy lessees can achieve a greater usable floor area by building higher (and so leaving a larger percentage of the lot open). The percentage relationship between height and built-over area varies as between districts, and the building height permitted would take into account the need wherever possible not to blook sca-views from main roads, or in rural areas, views from nearby proporties. For urban area (i) above, the formula would range from 66% site coverage for a 3-storey building to 32.5% for a 12-storey building; while for the rural areas of Hong Kong Island, i.e., eren (iii), the formula ranges from 30% site coverage for a 2-storey building to For sub-urban areas (ii) and (iv) 17.5% for 12-storeys.

- (c) There are in addition three residential areas in Kowloon where the leases restrict building height to either two or four storeys. These are as follows:-
  - (v) Kowloon Tong area, bounded by Cornwall Street, Waterloo Ruad, Boundary Street and the railway (2-storey limit);
  - (vi) Kadoorie Avenue area, bounded by Prince Edward Road, Waterloo Road, Argyle Street and the Diocesan Boys' School (2-storoy limit);
  - (vii) Homantin Hill area, east of the railway (4-storey limit).

These restrictions are strictly enforced, to preserve the "garden-suburb" character of these areas.

- F. Certain other matters relating to land have by law to be referred to Council for consideration. These are:-
  - (a) Foreshore and Sea Bod Ordinance, Cap. 127: approval for sales of waterfront areas for particular purposes;
  - (b) Public Reclamations and Works Ordinance, No. 27 of 1956: approval of schemes for the creation of new land by reclamation. These are usually large-scale schemes which produce a considerable number of objections from affected lessees, and all objections are required to be considered by Couroil;
    - (c) Grown Lands Resumption Ordinance, Cap. 124: approval of the resumption of leased lots for specified public purposes;
  - (d) Crown Rights Re-Entry Ordinance, Cap. 126: consideration of petitions from lessees for the cancellation of re-entry for breach of lesse terms; except in cases of gross breach of lesse terms, relief is normally granted by the Governor in Council, with or without a penalty depending on the circumstances of the case;
  - (e). Town Planning Ordinance, Cap. 131: consideration of draft Town Plans propared by the Town Planning Board after they have been published and objections received.

COLONIAL SECRETARIAT.

15th October, 1959.



1: 10 (14)

#### MEMO

From: Secretary for the Environment To: Distribution as below.

Ref: (147) in ENV 76/47/07 II

Tel: 5-95269

Date: 18 Hay 1981.

Redevelopment of Sites Granted at Hil or Concessionary Premium for Social Services Purposes

On 12 May 1981 having considered memorandum XCR(81)95 (copy attached), the Executive Council advised and the Governor ordered: -

- (a) that in principle lessees holding sites granted for social service purposes at nil or concessionary premia should, as an alternative to surrendering the sites to Government for redevelopment, be allowed to redevelop those sites or exchange sites to include a "commercial" element, provided the criteria set out in paragraph 10 of the memorandum are met;
- (b) that the principles set out in para. 11 of the memorandum should be used in assessing individual cases; and
- (c) that similar principles governing "commercial" development in support of the lessee's activities should be applied in cases where the redevelopment is undertaken by the methods set out in paragraphs 5 and 7 of the memorandum.

The Council noted that each individual proposal would be submitted to the Council for consideration, with an indication in each case as to how the proposal complied with paragraphs 10 and 11 of the memorandum, and that the Director of Locial Velfare would explain, when the first proposal was put forward, how he intended to implement monitoring arrangements for it.

- 260 -

18 MA 1981

(D.K. Dowding)

for Secretary for the Environment

/Distribution .....

# MEMORANDUM FOR EXECUTIVE COUNCIL

REDEVELOPMENT OF SITES GRANTED AT NIL OR CONCESSIONARY PREMIUM FOR SOCIAL SERVICES PURPOSES

#### Introduction

This paper seeks to establish the principles which should be applied when considering applications for the redevelopment of sites granted for social service purposes at nil or concessionary premia.

# Background

- With appropriate branch and departmental support, Crown land may be granted by private treaty for approved community, educational, medical, recreational or welfare purposes. In pursuance of this policy, a number of sites have been granted at various times at nil or concessionary premia to allow voluntary organisations including churches to establish a variety of social service facilities. The buildings erected on the sites are often now old-fashioned and inadequate to meet present needs and in many cases seriously underutilise the site. The organisations holding the grants frequently wish to redevelop but are unable to do so due to lack of funds.
- One of the initial steps in determining the feasibility or otherwise of a redevelopment proposal must be to ascertain whether there are any town planning objections to redevelopment. Social service grant sites are zoned for Government, institutional or community (GIC) purposes on town plans. In the case of older sites, this zoning reflects existing uses which may no longer be essential or suitably located. The planning of an area cannot be based on the assumption that all GIC sites will be developed to the maximum permitted density with GIC facilities. A town plan is drawn up on the basis that the planning area as a whole should be provided with such facilities in accordance with approved planning standards which take account of the fact that many of the facilities require sites to be developed with buildings to a lower density e.g. auditoria, indoor stadia. It follows therefore that use of part of a GIC site for non-GIC purposes does not necessarily mean that there will be local or district deficiencies. The Town Planning Board, in exercising its discretion under section 16 of the Town Planning Ordinance, to permit other than specified GIC uses, ensures that adequate reservations have been made for the needs of the district.

- Ideally, whenever an urgent reed is shown for the whole of an existing grant site to be redeveloped to the optimum solely for GIC purposes then the administration should insist on this provided that funds can be found. Where it is apparent, however, that a grantee cannot itself fund the redevelopment and Government is not prepared to assist, then the question arises as to whether it is better to have less than the optimum GIC development in order that a lesser amount of improved facilities may be provided quickly.
- 5 Several different approaches have been tried in the past in an attempt to achieve optimum redevelopment of underdeveloped grant sites. One solution has been for Government to take a free surrender of the site and, in return, to make a grant of land elsewhere. Another has been to reprovision the facilities on another site belonging to the lessee, thus releasing the original site for disposal by Government. The former approach has been adopted in the case of the old Chinese YMCA Building at 51 Bridges Street, Hong Kong (IL No 2048) which was surrendered on 1st August 1980 in return for the grant of a site (IL No 8449) on the Wan Chai reclamation on which the YMCA is to erect a modern multi-storey social service building. The most recent example of the latter approach is the surrender, in February 1980, by the Salvation Army of its premises at 547-555 Nathan Road (KIL. No 6052) which is to be sold in due course to offset the cost of construction by Government of a new multi-storey social service centre and Salvation Army Headquarters building on the site of its property at Wing Sing Lane (KIL Nos 6370 and 6052).
- The administration has recognised that the 'traditional' approaches to the problems of redevelopment described in paragraph 5 have failed to provide sufficient encouragement to lessees to redevelop. On the one hand, if an exchange site is accepted, a lessee must undertake to develop it to the optimum within a set period which can present considerable difficulties in funding and supervision of construction of a large multi-storey building for a voluntary body which, even with professional advice, lacks the development expertise of a private sector developer or Government. On the other hand, if a lessee surrenders a site in return for reprovisioning by Government on another of its sites, this means displacing existing facilities and probably curtailment or extinguishment of some community services for several years.
- A modified approach has been proposed to certain lessees seeking to redevelop their underutilised sites. Basically this requires a lessee's surrender of the site to Government for redevelopment to the optimum to provide new accommodation to include improved facilities for the former lessee. Where the balance of the redevelopment potential is required to be used wholly for GIC facilities then the redevelopment would normally be carried out through the Public Works Programme in the usual manner. If public funds are not available to fund the redevelopment, the amount of GIC facilities would have to be reduced to the extent that redevelopment would be

economically viable if the site was put out to open tender with an obligation on the developer to build and hand back the accommodation for the former lessee and any Government or community facilities, free of cost, offsetting construction costs against premium for utilising the remainder of the site's development potential for profit-making "commercial" (i.e. commercial or residential or mixed commercial/residential) purposes. No development on this basis has been implemented so far, one of the problems being that Government has been unable to find acceptable alternative premises so that the lessee could continue to operate during the period of redevelopment. Consideration is being given to overcoming this problem by inviting a tenderer to provide suitable temporary accommodation for the former lessee pending completion of redevelopment though to do so would restrict eligibility to tender and further reduce the tendered premium.

There have recently been requests from lessees holding underdeveloped sites that they should be allowed to redevelop them so as to reprovide new and improved social service facilities and then to use up the remaining plot ratio for profit-making "commercial" development. The aim of maximising the commercial element would be to pay for the redevelopment, provide future income for the maintenance and running of the social service facilities and provide funds for the further expansion of the lessee's activities. Present policy on sites granted for social service purposes restricts any "commercial" non-industrial development to purposes ancillary to the main purposes of the building which, being limited in nature, would normally contribute only to the cost of running the social service facilities in the building e.g. the shops and restaurants in the Arts Centre, The new proposals would go beyond this and could provide a substantial capital sum and recurrent income. They would also mean the lessee entering into partnership with a private developer to redevelop the site. If such proposals were approved there would be a demand for an increased commercial element in other redevelopments which may be achieved through one of the methods outlined in paragraphs 5 and 7 above. It would be difficult to distinguish between these cases and whatever is considered appropriate for one would have to be accepted for all.

# Justification for a Change of Policy

So far as land use is concerned, it is desirable that underdeveloped GIC sites should be redeveloped to their optimum potential. From a social viewpoint, it is desirable that modern, well run social service facilities should be provided on GIC sites. Present policy can achieve these two aims only if the lessee is prepared to surrender its site and Government can find an acceptable alternative site or arrange for suitable in-situ redevelopment. It is becoming increasingly difficult to find new sites which would be acceptable to the organisations concerned and Government is normally unable to provide temporary accommodation to allow in-situ redevelopment except through private sector leasing. For these reasons, lessees are often unwilling to surrender their sites and Government cannot achieve the desired redevelopment. The alternative of resumption would be difficult to justify in most cases especially if a grant to some other organisation was to be made.

- A direct subsidy to assist redevelopment may be a suitable solution in some cases, particularly if it would result in provision of accommodation in addition to that required by the grantee for Government's own use or for allocation to other subvented voluntary agencies. Failing this, and if none of the alternative approaches described above is workable, a decision has to be made whether it is better to defer redevelopment and maintain the existing facilities and the existing redevelopment potential of the site for later redevelopment for GIC purposes or to aim for earlier redevelopment to produce an improvement of social service facilities, accepting that this will necessitate the inclusion of "commercial" development within the scheme. In most cases this decision will be made by the Town Planning Board in responding to applications under section 16 of the Town Planning Ordinance but prior to considering a modification, Government would also have to ascertain that:
  - (i) to carry out such a redevelopment is within the terms of its Memorandum and Articles of Association or in the case of organisations incorporated by statute within the terms of the incorporation ordinance;
  - (ii) that the organisation could be made accountable for income derived from its share in the development;
  - (iii) that this income was applied to purposes acceptable to Government; and
  - (iv) the project would benefit the public purse, e.g. by decreasing the need or potential need for direct subventions.
- Such applications would have to be assessed on their individual merits but the following general principles seem appropriate:
  - (a) the modification should aim to provide the maximum possible benefit in terms of provision of GIC facilities compatible with the overall commercial viability of the project and inclusion of a "commercial" element must not be detrimental to the GIC facilities to be provided;
  - (b) Government should be enabled to seek accommodation for itself for quarters or offices or other public purposes e.g. accommodation for other voluntary agencies, if appropriate in the new development;
  - (c) joint venture partners should be chosen on a competitive basis by a procedure acceptable to Government;

- (d) premium should be charged at full market value for the "commercial" element in the development;
- (e) all such modifications should be submitted to this Council for approval.
- Similar considerations would have to be applied mutatis mutandis to redevelopments carried out under any of the alternative approaches described in paragraphs 5 and 7 above. It is emphasised that the proposal to allow modifications for in-situ redevelopment through a private sector joint-venture is only one option and the existing approaches of surrender to Government to carry out the redevelopment or tender it out remain in each case to be considered on their merits.

### Financial Implications

The financial implications will vary in each case and will have to be considered on an individual basis when submissions are being prepared for this Council.

### Public Reaction

This is not presently a matter of public concern and the principles on which it is proposed to permit redevelopment are not in themselves expected to attract much interest. However, individual redevelopment schemes are likely to attract considerable public interest, as many of the buildings likely to be redeveloped are well-known land-marks, and the involvement (which is likely) of prominent developers is always widely reported.

#### Publicity

It is not thought that publicity need be given to any agreement in principle to the proposals in this paper but that this should be left until a specific case is approved. Organisations which have expressed an interest in such an approach to redevelopment would be informed of the decision.

#### Advice Sought

- 16 Members are asked to advise:
  - (a) whether in principle, lessees holding sites granted for social service purposes at nil or concessionary premia should, as an alternative to surrendering the sites to Government for redevelopment, be allowed

to redevelop those sites or exchange sites to include a "commercial" element provided the criteria set out in paragraph 10 of this memorandum are met;

- (b) whether the principles set out in paragraph 11 of this memorandum should be used in assessing individual cases; and
- (c) whether similar principles governing "commercial" development in support of the lessee's activities should be applied in cases where the redevelopment is undertaken by the methods set out in paragraphs 5 and 7 above.

(The Director of Social Welfare (Mr S.E. ALLEYNE) and the Deputy Secretary for the Environment (Mr J.R. TODD) will attend before the Council for the discussion of this item).

30th April 1981 (ENV 76/47/07 II)

COUNCIL CHAMBER