

立法會
Legislative Council

LC Paper No.CB(1)893/19-20
(These minutes have been
seen by the Administration)

Ref : CB1/PL/DEV

Panel on Development

Minutes of meeting
held on Tuesday, 23 June 2020, at 2:30 pm
in Conference Room 1 of the Legislative Council Complex

Members present : Hon Tony TSE Wai-chuen, BBS (Chairman)
Hon LUK Chung-hung, JP (Deputy Chairman)
Hon Abraham SHEK Lai-him, GBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon Paul TSE Wai-chun, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon Frankie YICK Chi-ming, SBS, JP
Hon CHAN Chi-chuen
Hon CHAN Han-pan, BBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Dr Hon Junius HO Kwan-yiu, JP
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon Wilson OR Chong-shing, MH
Hon Tanya CHAN
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung

Hon LAU Kwok-fan, MH
Hon Kenneth LAU Ip-keung, BBS, MH, JP
Dr Hon CHENG Chung-tai
Hon Jeremy TAM Man-ho
Hon Vincent CHENG Wing-shun, MH, JP
Hon CHAN Hoi-yan

Member attending : Hon KWONG Chun-yu

Members absent : Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon Mrs Regina IP LAU Suk-yea, GBS, JP

Public officers attending : **Agenda item II**

Mr Michael WONG Wai-lun, JP
Secretary for Development

Mr Maurice LOO Kam-wah, JP
Deputy Secretary (Planning and Lands)²
Development Bureau

Ms Jenny CHOI Mui-fun
Principal Assistant Secretary (Planning and Lands)⁴
Development Bureau

Agenda item III

Ms Bernadette LINN, JP
Permanent Secretary (Planning & Lands)
Development Bureau

Mr Jackie LIU
Principal Assistant Secretary (Planning & Lands)⁷
Development Bureau

Ms German CHEUNG
Assistant Secretary (Planning)⁸
Development Bureau

Ms Angela CHAN
Assistant Director (Specialist 2)
Lands Department

Agenda item IV

Mr Tony HO Ying-kit
Principal Assistant Secretary (Works)4
Development Bureau

Mr PANG Yiu-hung, JP
Acting Director of Electrical & Mechanical Services
Department

Mr Richard CHAN Chi-wai, JP
Assistant Director/3
Electrical and Mechanical Services Department

**Attendance by
Invitation**

: Agenda item II

Mr CHOW Chung-kong, GBS, JP
Chairman
Urban Renewal Authority

Ir WAI Chi-sing, GBS, JP, FHKEng
Managing Director
Urban Renewal Authority

Mr Ben LUI Sau-shun
Executive Director (Operations)
Urban Renewal Authority

Mr Eric POON Shun-wing
Director (Works & Contracts)
Urban Renewal Authority

Mr Daniel HO Chi-wai
Director (Building Rehabilitation)
Urban Renewal Authority

Mr Wilfred AU Chun-ho
Director (Planning & Design)
Urban Renewal Authority

Mr Ian WONG Wai-kuen
Director (Acquisition & Clearance)
Urban Renewal Authority

Clerk in attendance : Ms Doris LO
Chief Council Secretary (1)2

Staff in attendance : Miss Rita YUNG
Senior Council Secretary (1)2

Mr Raymond CHOW
Senior Council Secretary (1)10

Mr Keith WONG
Council Secretary (1)2

Ms Christina SHIU
Legislative Assistant (1)2

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I Information paper(s) issued since the last meeting

Members noted that no information paper had been issued since the meeting on 26 May 2020.

II Work of the Urban Renewal Authority

(LC Paper No. CB(1)762/19-20(01) — Administration's paper on work of the Urban Renewal Authority

LC Paper No. CB(1)762/19-20(02) — Paper on the Urban Renewal Strategy and the work of the Urban Renewal Authority prepared by the Legislative Council Secretariat (Updated background brief))

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Other relevant papers

- (LC Paper No. CB(1)796/19-20(01) — Submission from a deputation (關注基層房屋編配問題小組) dated 19 June 2020 (Chinese version only) (Restricted to Members)
- LC Paper No. CB(1)807/19-20(01) — Submission from a member of the public (一名土瓜灣受重建影響的居民黃女士) (Chinese version only)
- LC Paper No. CB(1)807/19-20(02) — Submission from a deputation (九龍城重建關注組) dated 22 June 2020 (Chinese version only)
- LC Paper No. CB(1)807/19-20(03) — Submission from a deputation (土瓜灣重建項目KC09-KC13受影響非住宅租戶關注組) dated 22 June 2020 (Chinese version only) (Restricted to Members)
- LC Paper No. CB(1)807/19-20(04) — Submission from a deputation (舊區街坊自主促進組) dated 23 June 2020 (Chinese version only)
- LC Paper No. CB(1)807/19-20(05) — Submission from a deputation (土瓜灣重建區住戶、商舖關注組) dated 23 June 2020 (Chinese version only))

2. At the invitation of the Chairman, Secretary for Development ("SDEV") gave an introductory remark on the progress of work of the Urban Renewal Authority ("URA") in 2019-2020. He said that URA carried on with its work in two core businesses, namely redevelopment

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and rehabilitation. Among the various initiatives, he highlighted that URA commenced two pilot Civil Servants' Co-operative Building Society ("CBS") Scheme projects in May 2020. URA also continued to partner with the Government in implementing various building rehabilitation assistance schemes, including Operation Building Bright 2.0 ("OBB 2.0"), the Fire Safety Improvement Works Subsidy Scheme, and the Lift Modernisation Subsidy Scheme ("LIMSS"). URA also pressed ahead with three strategic studies with a view to establishing new integrated business strategies to commence renewal projects embracing redevelopment, rehabilitation and retrofitting, preservation and revitalization at a district level. Chairman, URA ("C, URA") then briefed members on the progress of work of URA in 2019-2020 and its Business Plan for 2020-2021.

3. Mr Vincent CHENG and Ms Alice MAK declared respectively that they were non-executive directors of URA.

Redevelopment

4. Dr Helena WONG and Dr Fernando CHEUNG expressed concern that the redevelopment projects undertaken by URA in collaboration with private developers provided mostly expensive luxury residential units, hence limiting the chance for the affected grass-roots residents to be rehoused within the same locality. Dr Helena WONG and Ms Alice MAK called on the Administration and URA to consider reviewing URA's role to shoulder greater social responsibility to develop public housing including public rental housing and subsidized sale flats ("SSFs") on the land resumed, with appropriate resources provided by the Administration for URA to fulfill this new mandate.

5. SDEV explained that there was an appropriate division of work between URA and the Hong Kong Housing Authority/Hong Kong Housing Society ("HKHS") in that the latter was responsible for providing public rental housing and SSFs. The modus operandi of URA had all along been generating revenue through the sale of units constructed after redevelopment, so as to achieve the long-term objective of a self-financing urban renewal programme. If the redevelopment sites of URA were used to develop public housing, the Administration and URA had to carefully consider the impact of this fundamental change on the self-financing mode of the operation of URA. The above said, URA might consider incorporating public housing elements in its redevelopment projects on a case by case basis having regard to, for

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example, the scale of the development and financial implications. For illustration, for the two pilot CBS Scheme projects recently commenced by URA, part of the project area was planned to be carved out upon land resumption to the relevant agency for public housing development. SDEV added that the Government had all along provided financial support to URA, including a capital injection of \$10 billion when URA was established and the grant of the resumed sites to URA for redevelopment at nil land premium. The total land premium foregone since the establishment of URA was about \$19 billion. SDEV indicated that the financial position of URA had so far been sound. The Administration would consider providing appropriate financial support to enable URA to continue carrying out its urban renewal mission if such needs arose.

6. Dr Fernando CHEUNG and Mr CHU Hoi-dick noted that quite a number of vehicle repair workshops and shops providing other car care services in To Kwa Wan were displaced by the redevelopment projects in the district, and enquired about the assistance provided by URA to the operators concerned. Managing Director, URA ("MD, URA") advised that about 60 vehicle repair workshops were affected by the existing six redevelopment projects in To Kwa Wan. 27 of these workshops had already been vacated, and another 28 operators had agreed to vacate. About 60% of the workshops vacated had been relocated to other parts of Kowloon City to continue their business. URA had been providing assistance to these affected operators in finding suitable places to relocate their business, and would continue to do so.

7. Mr CHU Hoi-dick referred to a submission from a deputation criticizing that the computation of compensation offers for non-domestic premises before and after the resumption of land pursuant to the Lands Resumption Ordinance (Cap. 124) ("LRO") lacked transparency. MD, URA responded that URA had all along explained in details the procedures and compensation offers in relation to non-domestic premises to the affected owners and tenants. At the request of Mr CHU Hoi-dick, SDEV undertook to provide a written response to the issues raised in the submission.

8. Mr LAU Kwok-fan enquired about URA's plans for redeveloping some older districts in the New Territories ("NT") where there were also many ageing buildings, whilst at present most of its redevelopment projects were in old districts in urban areas. Mr LAU also suggested

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the Administration and URA to consider redeveloping some rural villages in NT for better use of the land resources and the benefits of the residents.

9. MD, URA responded that the condition of the existing buildings was the prime consideration for URA in planning and implementing redevelopment projects. Given the resource constraints, URA had been focusing on the redevelopment projects in Yau Ma Tei, Mong Kok, Sham Shui Po, as well as the Western and Eastern Districts on Hong Kong Island, where there were more buildings in dilapidated conditions. With regard to the rural villages in NT, SDEV said that as there was a judicial review case against the Small House Policy pending appeals, the Administration had no intention for the time being to revise the Small House Policy, which involved complicated issues in aspects such as legal, environment, housing, land use planning and demand on land.

10. Mr LAU Kwok-fan expressed concern that some URA redevelopment projects in Sham Shui Po were said to compete with some potential private redevelopment projects. MD, URA responded that those redevelopment projects in Sham Shui Po were initiated earlier under the Demand-led Pilot Scheme, pursuant to which property owners could initiate redevelopment by submitting an application to URA to redevelop their buildings/lots. URA had been undertaking a holistic review of the Scheme. It had endeavoured to shift its focus from the traditional project-led approach to a more holistic planning-led approach to urban renewal, and to encourage more private investors/developers to participate in urban renewal projects.

Civil Servants' Co-operative Building Society Scheme

11. Mr Andrew WAN noted that for the two pilot CBS Scheme projects, apart from redevelopment by URA, part of the project area would be carved out to the relevant agency for public housing development after land resumption. He asked about the types and number of units of public housing to be provided. He also called on the Administration and URA to carefully consider the views of the local community on the projects, and ensure that sufficient community facilities would be provided after redevelopment.

12. SDEV responded that the provision of public housing was under the purview of the Transport and Housing Bureau ("THB"). The types

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and number of units of public housing to be provided at the pilot CBS Scheme project site would be determined by THB later.

13. Mr Andrew WAN asked about the average floor area of the units of the affected households under the pilot CBS Scheme projects, and the average amount of land premium to be repaid to the Government to remove the alienation restriction for each unit. He and Ms CHAN Hoi-yan expressed concern that the large amount of land premium required to be repaid to the Government by the CBS flat owners might become an obstacle inhibiting the release of those land lots for redevelopment.

14. MD, URA responded that the average floor area of the units of the two pilot CBS Scheme projects, namely Shing Tak Street/Ma Tau Chung Road project (CBS-1:KC) and Kau Pui Lung Road/Chi Kiang Street project (CBS-2:KC) was about 1 000 and 950 square feet respectively. SDEV said that under established policy, the repayment of land premium was required to remove the alienation restriction on the CBS flats. URA would approach the affected CBS flat owners regarding the acquisition offers, which would be based on the value of a seven-year-old replacement flat in the same locality according to the present policy. Noting that a portion of the compensation offered by URA to the affected CBS flat owners would be used for repaying the outstanding land premium, the Government had put in place a special arrangement on top of URA's usual compensation offer by offering eligible owner-occupiers an option to purchase SSFs of a dedicated rehousing estate ("DRE") in Kai Tak to be developed and managed by HKHS. According to the internal estimate, the residual amount of URA compensation after paying the outstanding land premium to the Government would be sufficient for buying SSFs of DRE.

15. Mr Andrew WAN asked about the assistance to be provided to the flat owners under the two pilot CBS Scheme projects in relation to the dissolution of CBS, and how the projects would be implemented in case the dissolution of the CBS could not be proceeded with. MD, URA advised that a new facilitating service would be provided to members of the CBS affected by the two pilot projects to assist them to dissolve the CBS and obtain legal titles of their CBS flats. After dissolution, they would be entitled to sell their properties to URA and/or to receive resumption offers from the Government. If URA was unable to successfully acquire all the property titles in the two pilot projects, URA

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might make an application to the Administration for the resumption of land pursuant to LRO.

16. Ms CHAN Hoi-yan noted that HKHS had planned to redevelop Lok Man Sun Chuen in To Kwa Wan. She suggested the Administration to set aside the public rental housing units to be provided at the two pilot CBS Scheme project sites as rehousing units for the existing residents of Lok Man Sun Chuen, so that the affected tenants could be resettled in the current locality. SDEV responded that the redevelopment of Lok Man Sun Chuen fell within the ambit of THB. He would refer Ms CHAN Hoi-yan's suggestion to THB for consideration.

eResidence — Starter Homes Pilot Project

17. Mr Vincent CHENG noted that eResidence, a Starter Homes ("SH") Pilot Project of URA, had received enthusiastic response with an oversubscription of 46 times, and called on the Administration and URA to implement more SH projects to help higher-income families who were not eligible for the Home Ownership Scheme and yet could not afford private housing to meet their home ownership aspirations in the face of high property prices. He said that the price of SH units in future should be set at an affordable level to eligible applicants. SDEV advised that the SH Pilot Scheme was under the purview of THB. SH units would be sold at a discounted price of the assessed market value, and THB would determine the discount for future SH projects when appropriate.

18. Mr Vincent CHENG expressed concern about the complaints from some flat owners of eResidence about exorbitant management fees. Director (Works & Contracts), URA explained that the factors for setting the level of property management fees for SH projects were no different from that of private residential projects in general. The management fee level of housing projects was affected by a number of factors, including development scale of the housing estate, number of units, expenditure on daily maintenance and repair works, number of security guards and cleaning workers, as well as fees for hiring property management company, etc. If there were fewer building blocks and units in the housing estate, the management fees to be shared by each unit would be higher. In determining the management fee level of eResidence, URA adhered to the principle of cost-recovering and made reference to the management fees of residential projects in the market with comparable development scale and facilities, and the management fee level of

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eResidence at \$4.3 per square foot was compatible with the current market level. For reference, the management fee level of private residential projects completed in recent years was around \$4 to \$5 per square foot in general. Flat owners of eResidence might set up owners' corporation or owners' committee to consider matters concerning the determination of management fee level in accordance with the deed of mutual covenant.

19. Dr CHENG Chung-tai expressed concern about recent newspaper reports on the unsatisfactory building quality of some units of eResidence. In view that many buyers of the units of eResidence had applied for mortgage loans up to 90% loan-to-value ratio, and the coronavirus disease-2019 ("COVID-19") pandemic had given rise to severe economic repercussions recently, Dr CHENG was concerned that the negative equity asset problem might arise.

20. In response, MD, URA said that URA was aware of the building quality issues of some units of eResidence, and would follow up on the matter accordingly. MD, URA further said that according to URA's statistics, the maximum debt-to-income ratio for most of the mortgage loans of eResidence units were below 50%. C, URA supplemented that units of eResidence were sold at a discounted price of 62% of the assessed market value. These units would not turn into negative equity assets as it was unlikely that there would be a property market downturn of over 30%.

KC-015 (Kai Tak Road/Sa Po Road Project)

21. Mr CHAN Chi-chuen, Dr Fernando CHEUNG and Mr CHU Hoi-dick noted that there were many Thai residents living in Kowloon City, and many non-government organizations ("NGOs") were operating there to serve the Thai community. These members expressed concern that these Thai residents and NGOs would be forced to move out from Kowloon City, and the local character of Thai culture could not be preserved upon redevelopment. They urged the Administration and URA to adopt a people-based approach in implementing the Kai Tak Road/Sa Po Road Project, take heed to the need of the affected Thai community and preserve the Thai community network in the district.

22. MD, URA responded that URA would assist eligible non-domestic owner-operators and tenant-operators within the area of a redevelopment project to rent shop premises in the future redevelopment. URA would

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approach the relevant NGOs affected by the Kai Tak Road/Sa Po Road Project to provide assistance as appropriate. URA was conducting a study aiming to preserve the local character for the district.

23. Dr Helena WONG referred to the submissions from various deputations and a member of the public respectively expressing views on various issues relating to URA's redevelopment projects in To Kwa Wan and Kowloon City. At the request of the Chairman and Dr Helena WONG, SDEV undertook to provide written responses to the issues raised in the submissions.

Review of Demand-led Pilot Scheme

24. Dr Helena WONG noted with concern that URA had not selected any project from the applications for the fifth round of the Demand-led Pilot Scheme in 2016, and had not invited further applications since then. She asked whether URA had discontinued the Demand-led Pilot Scheme.

25. MD, URA responded that applications received in the fifth round of the Demand-led Pilot Scheme in 2016 were not conducive to the Scheme's objectives. URA thus conducted a holistic review of the Scheme and decided that a planning-led approach would create a greater planning impact whilst ensuring owners' demand could be properly addressed. URA was devising the preliminary framework for the new Demand-led approach comprising a registration system to register owner's aspiration for various urban renewal initiatives including redevelopment, rehabilitation and retrofitting. URA would further explore how best to refine the Demand-led approach within the context of the Yau Mong District Study ("YMDS").

26. Dr Helena WONG further enquired whether URA would accept registrations from owners' whose previous applications for the Demand-led Pilot Scheme were unsuccessful. MD, URA replied in the positive.

Rehabilitation

Operation Building Bright 2.0

27. Mr Vincent CHENG expressed concern about the severe economic repercussions brought about by the COVID-19 pandemic, and urged the Administration to consider further relaxing the eligibility criteria of

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OBB 2.0 to cover buildings aged 30 or above so as to provide more job opportunities in the building repair and maintenance works sector.

28. In response, SDEV advised that in December 2019, the Administration had proposed to inject an additional funding of \$3 billion to OBB 2.0, and relax the eligibility criteria in the second round of applications of OBB 2.0 to accept also applications from younger buildings, i.e. those residential and composite buildings aged between 40 and 49 with outstanding Mandatory Building Inspection Scheme notice(s) for the common parts of the buildings not yet complied with. The number of potential participating buildings would increase from 2 500 to 5 000. The Administration would consider the way forward (including whether further funding would be required and the scope of eligible buildings should be further extended) in due course when reviewing the implementation of OBB 2.0.

Lift Modernisation Subsidy Scheme

29. Mr LAM Cheuk-ting pointed out that in some cases, complete replacement of the aged lifts might be more cost-effective than retrofitting additional safety devices. He called on the Administration and URA to provide appropriate advice to the owners of the participating buildings of LIMSS on the modernization works required to be carried out.

30. MD, URA responded that URA would engage consultants to provide free services to the participating buildings for pursuing the lift modernization works. The services included scope assessment, cost estimation, etc.

Smart Tender Building Rehabilitation Facilitating Services Scheme

31. Mr LAM Cheuk-ting acknowledged that the Smart Tender Building Rehabilitation Facilitating Services Scheme had provided technical support to owners' corporations of private buildings to carry out building repair and maintenance works and reduced the risk of bid-rigging at the works procurement stage. He further called on URA to consider arranging an independent adviser to assist the owners in checking against the completed works, so as to ensure the works quality.

32. MD, URA responded that the best way to monitor and ensure the quality of building repair and maintenance works was to conduct on-site

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inspection during the works period, rather than performing acceptance checks. Mr LAM Cheuk-ting disagreed with the views of MD, URA.

Yau Mong District Study

33. Ms CHAN Hoi-yan enquired about the progress of YMDS, in particular, when URA would consult public views on the renewal approach for the Yau Ma Tei and Mong Kok districts. She noted that the Yau Ma Tei Car Park would be demolished for construction of the Central Kowloon Route, and asked about the planning for the provision of parking spaces for the renewal projects of the two districts.

34. MD, URA responded that development of draft Master Renewal Concept Plans ("MRCP") under YMDS with three different density and development intensity scenarios (i.e. "+", "0" and "-") as well as resource implications was underway. After the MRCP options had been formulated, URA aimed to carry out public engagement in the fourth quarter of 2020 to solicit views on the options. MD, URA added that YMDS had taken into consideration the provision of parking spaces subsequent to the demolition of the Yau Ma Tei Car Park.

(Post-meeting note: Pursuant to the requests made by members during the discussion and at the instruction of the Chairman, URA provided written response to issues raised in the submissions received on this agenda item. The Chinese version of URA's written response was circulated to members vide LC Paper No. CB(1)892/19-20(01) on 10 September 2020.)

III Progress report on funding scheme to support the use of vacant government sites by non-government organizations for the financial year 2019-2020

(LC Paper No. CB(1)500/19-20(01) — Administration's paper on progress report on funding scheme to support the use of vacant government sites by non-government organizations for the financial year 2019-2020

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LC Paper No. CB(1)762/19-20(03) — Paper on the funding scheme to support the use of vacant government sites by non-government organizations prepared by the Legislative Council Secretariat (Updated background brief)

35. At the invitation of the Chairman, Permanent Secretary (Planning & Lands), Development Bureau ("PS(P&L)/DEVB") gave an introductory remark on the implementation progress of the funding scheme to support the use of vacant government sites by non-government organizations ("NGOs") ("the Funding Scheme") in the financial year 2019-2020. Since the launch of the Funding Scheme in February 2019, the Development Bureau ("DEVB") had so far received a total of 12 applications and approved the funding for the entire project or phased funding for 11 of them. With the aid of a powerpoint presentation, Principal Assistant Secretary (Planning & Lands)⁷, Development Bureau briefed members on further details.

(Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members vide LC Paper No. CB(1)812/19-20(01) by email on 24 June 2020.)

Progress of approved projects

36. Mr CHU Hoi-dick referred to the animal boarding establishment at Ko Po San Tsuen, Kam Tin, Yuen Long (i.e. item 2 on the list of the approved projects under the Funding Scheme in Annex A to the Administration's paper), the progress of which had been affected by the outbreak of coronavirus disease-2019. He was worried that as the commissioning of this animal boarding establishment was not possible before the third quarter of 2020, the need for receiving animals affected by the Kwu Tung North ("KTN")/Fanling North ("FLN") new development area ("NDA") project could not be met in a timely manner.

37. PS(P&L)/DEVB responded that, while the NGO in question (together with its consultant and works agents) would work hard to catch up the progress, there were some other local animal sheltering facilities

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that would help the affected animal owners in relation to the aforesaid development projects.

Assistance provided to the non-government organizations

38. Mr CHU Hoi-dick said that some NGOs faced opposition from the local community against the use of the vacant government sites in their villages to launch certain projects, such as those for religious uses or provision of services for ethnic minorities, and he asked whether the Administration would assist the NGOs concerned in conducting local consultation before the launch of the projects under the Funding Scheme and resolving any opposition from the local community. Mr CHU also asked whether the Funding Scheme could cover the operation cost of NGOs in running the community projects.

39. PS(P&L)/DEVB said that, with a view to assisting the NGOs concerned in taking forward worthy projects at the vacant government sites for community, institutional or non-profit making purposes, DEVB was willing to provide appropriate assistance, in addition to the financial and technical support under the Funding Scheme, for them as the case might require, including communicating with the local community to obtain support for the projects. As for the operation cost of the projects, PS(P&L)/DEVB advised that the subsidy under the Funding Scheme aimed for supporting one-off, basic, and essential restoration works required to make the sites/premises fit for use, whilst the operation cost should be borne by the NGOs concerned.

40. Mr Kenneth LAU expressed support to the Funding Scheme and was pleased to note that three of the approved projects involved making use of vacant government sites in some rural villages of the New Territories for meaningful community uses. Mr LAU learnt that some NGOs were interested in making use of vacant government sites located in the indigenous villages in the North District and the Islands District to set up elderly services and education facilities with the support from the Funding Scheme, but were constrained by the land use restrictions within these areas that were mostly zoned as "Village Type Development" ("V-zone"). He asked whether the Administration would relax the land use restrictions within the V-zone for setting up elderly services and education facilities by NGOs there.

41. PS(P&L)/DEVB said that under the current mechanism, if the proposed use of a vacant government site was not always permitted under

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the relevant outline zoning plan, the applicant concerned was required to first obtain planning permission from the Town Planning Board ("TPB") before applying for use of the site under short-term tenancy ("STT") from the Lands Department ("LandsD"). She added that based on some past applications, TPB would usually consider planning applications by NGOs for community, institutional, or other non-profit-making uses on a short-term basis in a favourable light, as long as the proposed or temporary use of the land would be generally in line with the planning intention of the area and would not cause unacceptable traffic and environmental impact.

42. The Chairman further asked if the subsidy under the Funding Scheme could cover the cost for the NGOs concerned to engage planning consultants to assist them in their submissions of planning permission to TPB, so as not to discourage NGOs that were usually not experienced in such statutory process from taking forward worthy projects due to land use restrictions.

43. PS(P&L)/DEVB indicated that, for NGOs which had already obtained at least in-principle approval from a relevant government authority for renting vacant government sites under the existing mechanism, the Funding Scheme would help them by subsidizing the basic and essential restoration works required to make the sites/premises fit for use. As securing the planning permission from TPB, if necessary for the project, was a pre-requisite for obtaining the approval for renting the sites, the NGOs concerned had to cover relevant expenses for that, including consultancy fees to prepare the planning application.

44. Mr Frankie YICK declared that he was a member of the Council of the Hong Kong Repertory Theatre, which had submitted an application for the Funding Scheme to DEVB. He pointed out that some NGOs had successfully carried out community projects by using vacant government sites under STTs. However, as STTs were only granted for a term of not exceeding seven years, he was concerned that these NGOs, being less competitive financially, would not be able to continue using the sites if the sites were let out by means of open tenders after the end of the STT term.

45. PS(P&L)/DEVB said under the current policy, vacant government sites for commercial uses would be let out through the granting of STTs by means of open tenders. For vacant government sites which had been used by NGOs for community, institutional or non-profit-making uses,

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the STTs would be renewed directly on periodic terms after expiry of the original term without the need of going through open tenders procedure if the relevant policy bureaux would confirm that the continuous use of the sites was fulfilling the specific policy objectives.

Implementation of the Funding Scheme and monitoring of approved projects

46. Mr Michael TIEN mentioned that the Administration had planned to allocate \$20 billion for purchasing 60 properties for accommodating more than 130 welfare facilities. Yet, with a view to ensuring the prudent use of public funds, Mr TIEN considered that the Labour and Welfare Bureau ("LWB") should first examine the possibility of using existing vacant government sites for the welfare facilities. He asked whether DEVB had already affirmed whether the existing vacant government sites were of no use by other bureaux and departments, including LWB, before making them available for application by NGOs.

47. PS(P&L)/DEVB explained that for those vacant government sites/premises available for NGOs to apply for short-term uses, other government bureaux and departments were duly notified of the list of vacant government sites/premises already uploaded onto LandsD's website. She pointed out that some vacant government sites which were available for short-term uses were already reserved for some long-term uses, while some others were located at remote areas, making them not suitable for provision of welfare facilities in the short or long run.

48. Mr Frankie YICK said that many local theatre organizations or companies were not aware of the launch of the Funding Scheme. He urged the Administration to step up publicity for promoting the Funding Scheme. Mr KWONG Chun-yu shared similar views. He suggested DEVB to provide dedicated and simplified application procedures for cultural and arts organizations and tenants of industrial building units so as to encourage them to apply for the Funding Scheme. He also asked whether the Administration had any plans to launch a second round of the Funding Scheme if the \$1 billion fund was exhausted in the future.

49. PS(P&L)/DEVB said the Administration was willing to step up the publicity effort in promoting the Funding Scheme among the cultural and arts organizations. Given that only a small portion of the \$1 billion fund under the Funding Scheme had been allocated to applicants so far and that there was still room for receiving more applications, it was too

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early to say whether a second round of the Funding Scheme would be launched in the future. Having said that, the Administration was ready and willing to assist interested NGOs in applying for STT in relation to vacant government sites and for funding support in a user-friendly manner.

50. Mr LAU Kwok-fan noted that successful applicants under the Funding Scheme were required to submit regular progress reports and financial reports against the milestones agreed in the funding agreements to DEVB until completion of the works projects. He asked whether DEVB would continue monitoring the use of vacant government sites by the applicants upon completion of the advanced works projects to ensure that the community projects would not deviate from the short-term uses as stated in the applications.

51. PS(P&L)/DEVB responded that DEVB would be responsible for monitoring the progress of approved projects under the Funding Scheme until the completion of the funded works projects. As for the use of the vacant government sites by the applicants, under the current mechanism, LandsD was responsible for monitoring whether the tenants of the sites/premises had complied with the terms and conditions as stated in the STTs. When NGOs applied for vacant government sites for community, institutional, or other non-profit-making uses on a short-term basis, the supporting policy bureau might also include certain specific terms and conditions into the STTs to monitor the use of the site/premises.

IV E&M InnoPortal for wider application of innovation and technology in the Government

(LC Paper No. CB(1)762/19-20(04) — Administration's paper on E&M InnoPortal for wider application of innovation and technology in the Government)

52. At the invitation of the Chairman, Acting Director of Electrical & Mechanical Services Department ("DEMS(Atg)") and Assistant Director/3, Electrical and Mechanical Services Department, the latter with the aid of a powerpoint presentation, briefed members on the E&M InnoPortal that was established by the Electrical and Mechanical Services Department ("EMSD") to facilitate a wider application of

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Innovation and Technology ("I&T") in the Government in collaboration with the I&T sector.

(Post-meeting note: A soft copy of the powerpoint presentation materials (Chinese version only) was circulated to members vide LC Paper No. CB(1)812/19-20(02) by email on 24 June 2020.)

Operational details of the E&M InnoPortal and role of the Electrical and Mechanical Services Department

53. Mr LAU Kwok-fan noted that there were more than 260 I&T wishes collected through the E&M InnoPortal and more than 470 prospective I&T solutions accumulated as of May 2020, and asked about the operational details of the E&M InnoPortal, including whether EMSD elicited or simply collected I&T wishes from government departments, and the numbers of I&T wishes and solutions matched as well as matching I&T solutions procured so far.

54. DEMS(Atg) indicated that EMSD was responsible for providing professional electrical and mechanical ("E&M") services to government departments and public organizations, and had been receiving requests from government departments, the E&M trade and the public for innovative E&M solutions. The E&M InnoPortal was therefore launched with a view to helping government departments and public organizations identify appropriate innovative solutions from interested parties, including universities and start-ups, to enhance their services. For I&T wishes and solutions successfully matched under the platform so far, EMSD had carried out more than 60 field trials and completed about 20 trial projects. Upon completion of the tests, validated performance reports would be provided to the respective parties and uploaded onto the E&M InnoPortal for stakeholders to consider the suitability of the I&T solutions. If the I&T solutions were found suitable, the two-envelope tender assessment approach under the current pro-innovation marking scheme for works contracts could allow up to 15% of the total technical marks to be assessed based on innovation. EMSD would support the procurement process by helping include the relevant technical specifications in the tenders.

55. Dr Junius HO enquired about the relationship and collaboration between EMSD and the Innovation and Technology Bureau ("ITB") in respect of the promotion of I&T development, and whether there was an overlapping of work between them. He also asked about the time and

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resources spent by EMSD on the establishment and operation of the E&M InnoPortal.

56. DEMS(Atg) replied that while ITB was dedicated to pursuing the wider smart government and smart city initiatives, EMSD had been assisting government departments in identifying innovative E&M solutions through the E&M InnoPortal, the provision of a testing ground (e.g. in the EMSD Headquarters or other suitable government premises) to carry out field trials for the I&T solutions and coordination of various start-ups or research institutions to provide an integrated solution for client departments. The E&M services of EMSD were provided under the Electrical and Mechanical Services Trading Fund ("EMSTF"), which operated on a self-financing basis.

V Any other business

57. The Chairman said that this meeting was the last meeting of the Panel in this legislative session. He thanked members and the Administration for their participation in the work of the Panel, and informed members that the Secretariat would circulate for members' consideration the draft report of the Panel for the 2019-2020 session for submission to the Council on 8 July 2020.

(Post-meeting note: The draft report of the Panel was circulated to members vide LC Paper No. CB(1)782/19-20(01) by email on 23 June 2020, and tabled (LC Paper No. CB(1)815/19-20) at the Council meeting of 8 July 2020.)

58. There being no other business, the meeting ended at 5:00 pm.