For discussion on 15 July 2024

LEGISLATIVE COUNCIL PANEL ON DEVELOPMENT

Streamlining of development-related procedures within the Government

PURPOSE

This paper briefs Members on recent efforts made by the Government in streamlining development-related procedures.

BACKGROUND

- 2. The development process of every development project, from turning "primitive land" into "spade-ready sites" (i.e. site with formation works completed and ready for construction therein) to completion, is subject to different regulations and requirements. To expedite land and housing development process, the Steering Group on Streamlining Development Control (the Steering Group) was set up under the Development Bureau (DEVB) in 2018 to review and streamline the development controls exercised by the three departments, namely the Buildings Department (BD), Lands Department (LandsD) and Planning Department (PlanD), to reduce overlaps.
- 3. Pursuant to the 2020 Policy Address, the scope of streamlining exercise was expanded to cover non-DEVB departments with a view to reviewing more comprehensively the developmental approval process in every aspect and rationalising development-related requirements imposed by bureaux/departments (B/Ds) on both Government and private development projects. The Steering Group was correspondingly expanded to also comprise representatives from other non-DEVB departments.

4. In order to better engage relevant stakeholders in the streamlining exercise and to tap the expertise of practitioners, a joint subcommittee comprising representatives from professional bodies and the industry¹ was set up in 2018 under the Land and Development Advisory Committee (LDAC) to consider the streamlining proposals put forward by the Steering Group and to initiate specific topics for streamlining review by relevant departments. Apart from the set-up of the joint subcommittee, the Government holds meetings with different stakeholders from time to time, including the Construction Industry Council, professional bodies and relevant representatives. Through these channels, the Government could ensure the views of stakeholders are duly taken care of in the formulation of streamlining measures.

MEASURES IMPLEMENTED IN RECENT YEARS

5. The overarching principle of streamlining is premised on the Government having the dual roles of "regulator" and "facilitator". Without compromising the regulatory functions of vetting departments as set out in the relevant legislative regimes, we should critically review whether and how the vetting and approval process should be streamlined and expedited in order to speed up land and housing supply; rationalise acceptance standards, harmonise discrepancies in requirements between departments; remove obsolete standards or redundant approvals; and embrace innovations for smart regulation. In short, our goal is to establish a significantly simpler, faster and more predictable process for developments.

They include representatives from the Hong Kong Institute of Architects, the Hong Kong Institution of Engineers, Hong Kong Institute of Urban Design, the Hong Kong Institute of Landscape Architects, the Hong Kong Institute of Surveyors, the Hong Kong Institute of Planners, Association of Landscape Consultants, the Real Estate Developers Association of Hong Kong, the Association of Architectural Practices and Hong Kong Construction Association.

Rationalising administrative control requirements under DEVB

6. In the initial years since its establishment in 2018, the Steering Group focused on examining the approval process of the three departments (i.e. BD, LandsD and PlanD) under DEVB in taking forward development projects. Various streamlined measures covering 11 control parameters² were implemented between 2019 and 2021 in administrative manner through joint practice notes, departmental practices note and documents in order to minimise double handling between departments and rationalise the definitions and requirements of the control parameters adopted by departments.

Streamlining development-related statutory processes

- 7. To further respond to the expectations from society on expedition of the supply of developable land with a view to addressing the persistent demand for housing and other uses, the Government, upon an extensive review, introduced the Development (Town Planning, Lands and Works) (Miscellaneous Amendments) Bill 2022 (The Bill) for streamlining the more critical processes in our statutory development regimes, covering six pieces of primary legislation³ involving statutory procedures relating to town planning, land resumption, reclamation, roads and railway works, etc..
- 8. With the support from the Legislative Council, the Bill was passed in July 2023 and took effect on 1 September 2023. It is expected that the procedures of turning a piece of "primitive land" into "spade-ready sites" for relatively small scale projects outside New Development Areas

The control parameters covered (i) building height restriction, (ii) landscape requirements, (iii) non-building area restrictions, (iv) – (vi) three requirements relating to Sustainable Building Design Guidelines (namely site coverage of greenery, building separation and building setback), (vii) design disposition and height clause under lease, (viii) site coverage restriction, (ix) parallel processing of lease modifications, (x) gross floor area restriction, and (xi) whether premium would be charged for granting approval or consent under lease.

The Development (Town Planning, Lands and Works) (Miscellaneous Amendments) Bill 2022 covered amendments to (a) Town Planning Ordinance (Cap. 131); (b) Lands Resumption Ordinance (Cap. 124); (c) Foreshore and Sea-bed (Reclamations) Ordinance (Cap. 127); (d) Land Acquisition (Possessory Title) Ordinance (Cap. 130); (e) Roads (Works, Use and Compensation) Ordinance (Cap. 370); and (f) Railways Ordinance (Cap. 519).

(NDAs) could be reduced from at least six years to four years; or more complex projects which are larger in scale (e.g. NDAs), such time could be compressed from around 13 years to around seven years.

Further streamlining efforts and facilitating role in administrative procedures

- 9. Separately, we have continued to explore and rolled out various measures to streamline the development-related administrative procedures in these two years, including –
- (a) Enhanced gross floor area (GFA) concession arrangement for aboveground carparks: where the underground carpark has already reached two or more levels below ground, 100% GFA concession would be granted to no more than one aboveground car parking floor (compared to only 50% concession before);
- (b) Staged approach for processing of general building plan (GBP) submissions: the essential information to be included in the first submission of GBP has been significantly reduced to streamline the process and avoid abortive work caused by subsequent amendments;
- (c) Streamlined title checking procedures in land exchange and land resumption cases: the first guideline on title checking in land exchange and land resumption cases was issued in November 2023 on the streamlined procedures, timeline and requirements for handling common title issues in title checking, thus enhancing certainty and transparency; and
- (d) *Widen adoption of self-certification by professionals:* allowing lot owners an option to appoint a registered landscape architect to self-certify a tree preservation and removal proposal for deemed approval under specified circumstances.

A summary of major administrative streamlining measures introduced in past two years are at **Annex**.

NEW CIRCULAR ON CULTURAL AND MINDSET CHANGE

10. How far the development process could be further expedited and the actual impact of streamlining measures rolled out or being planned very much hinge on the mindset of processing officers. We also acknowledge that cultural or mindset changes may be more effectively driven by individual B/Ds. To ensure that a "facilitator" mindset is adopted across over 30 B/Ds involved in processing development-related applications, DEVB, after consultation with relevant stakeholders, will promulgate a circular this month setting out the guiding principles and good practices to help B/Ds institutionalise facilitating measures thereby creating a more business-friendly environment. Salient ideas of the circular are set out in ensuing paragraphs.

I. <u>Think Twice: Why requiring Government's approval; and whether rationale for such still justified / valid</u>

11. B/Ds should constantly and critically review whether the prevailing statutory and administrative development-related requirements are fundamental, essential and relevant to the intended public purposes. Where B/Ds are satisfied that the requirements could meet these tests, they should examine whether the approval should be coming from the Government or whether a self-certification / independent checking mechanism may be adopted to share out Government's workload in the processing of cases.

II. Think from Applicants' Perspective

12. While safeguarding the standards underlying development control, B/Ds are requested to consider from applicants' perspective and put in place measures to facilitate the process so that development could be brought to early fruition. All relevant B/Ds are expected to take heed of and adopt the following good practices –

- promulgate and adhere to a timeframe / output-orientated **performance pledge** for processing applications / submissions and reverting specific response and comments to the applicants to enhance transparency and monitor performance. Such pledges may be stipulated in the law, in administrative instruments (e.g. Practice Notes and circular memorandum) or simply be stated on B/Ds' websites. Compliance with the pledge should not be affected by posting change or leave This allows applicants to factor in the time arrangement. required for processing and plan ahead in the overall development programme with more certainty. In handling applications / submissions referred by other B/Ds, the concerned B/Ds should also provide timely responses and adhere to the deadline set for replying unless with good reasons. processing B/D should ensure timely response from other B/Ds consulted and flag up to appropriate level once the deadline is missed;
- (b) **promulgate clear and user-friendly submission guidelines, frequently asked questions and checklists**, etc. to facilitate preparation of submissions with the required documents and also to ensure consistency within B/Ds. This should also minimise the need for submission of supplementary information, which may lead to unnecessary workload on B/Ds and applicants;
- (c) avoid repetitive procedures of same nature and actively explore parallel processing of different procedures to shorten time required to go through relevant statutory and administrative procedures for the same development proposal in sequence;
- (d) critically review the scope for deferring submission of certain assessments / information not crucial at the point of application. An example is to give green light to the application with condition(s) that advancement to the next or specified stage is subject to satisfactory results of certain assessments to be conducted, or whether a simplified survey /

assessment can be allowed for small-scale development;

- (e) **set up pre-submission enquiry** / **workshop mechanism** (convened / coordinated by the approving B/Ds with the presence of concerned B/Ds) so that applicants could seek views from relevant B/Ds to understand in a more specific manner of their requirements, especially those involving large-scale or complex projects or cross-disciplinary issues. The invited B/Ds should attend such meetings for direct discussion with the applicants to advise how to resolve the surmountable issues and facilitate further processing of the projects;
- (f) establish communication channels between applicants and relevant processing officers (such as a designated contact point at appropriate level to facilitate effective communications). B/Ds should also devise a mechanism to ensure the communication channels will not be affected by posting or leave arrangement throughout the application process and at postapproval submission stage;
- on requirements / matters that are fundamental and essential and in one comprehensive and exhaustive response rather than engaging in back-and-forth exchanges with applicants to avoid the need of multiple revisions which may lead to delays in decision-making and inconsistency. Such initiative should also reduce administrative burden. As a general guideline, any comments / responses not covered in the first substantive reply but conveyed subsequently should be premised on new information / new developments not available at the time when the first reply was given. If B/Ds request for supplementary information, such request should be clearly stated in the first substantive reply and should not be made subsequently;

- (h) handle submissions and applications in consistent manners throughout the whole development process. B/Ds should make sure comments given at different development stages are consistent and not contradictory. Officers are acting on behalf of their departments and changes in office-bearers / processing offices should not result in inconsistency / change in the approach of handling the same submission / application within the same department. For example, checking of completed works should be based on the proposals approved but not adding new / revised requirements unless the change in stance is a conscious decision of B/Ds with justifications given to applicants;
- (i) ensure conditions attached to approval are squarely relevant to the policy intention / purview of the respective control regimes (e.g. land use in planning regime and building safety in building regime). Avoid imposing conditions that can be more effectively tackled under other regimes;
- applications or pre-submission enquiries) instead of simply saying that the respective legislative provisions or bureau / departmental requirements are yet to be fulfilled, with an aim to **providing guidance** to the applicants to formulate alternative solutions to address the concerns or submission deficiencies. Where the processing B/Ds actually have some pointers on how the proposal can be modified to obtain approval, they should communicate to the applicant for so long as interest of government is not compromised, especially those involving inter-departmental issues;
- (k) devise a mechanism to promote / facilitate the consideration of innovative ideas / processes / approaches in lieu of performance-based administrative requirements; and

(l) devise an internal mechanism to escalate unresolved issues to higher level for steer when needed to avoid the outstanding issues/matters drifting along indefinitely. B/Ds should put in place mechanism to trigger alert to senior officers on outstanding applications and cases with repeated rejections or resubmissions. When submitting the case to higher level, the processing officers should document considerations behind the repeated rejections and resubmissions for an informed decision.

III. Monitoring Mechanism

- B/Ds will be required to formulate specific measures along the 13. directions in paragraph 12 above and ensure their implementation to be Upon promulgating the circular, a regular monitoring effective. mechanism will be devised on the streamlining-related efforts made by relevant B/Ds. B/Ds involved in the development control process will be invited to designate officer(s) at directorate level to effectively steer and oversee measures put in place to drive in the change in mindset. Besides, Heads of Department will be encouraged to arrange more workshops and sharing sessions for frontline or processing staff. The Steering Group will invite B/Ds to report progress with implementation of policy directions in the circular on a half-yearly basis. The current stakeholder engagement mechanism (especially the joint sub-committee under LDAC) will continue to ensure views from practitioners are taken care of and duly followed up by B/Ds as appropriate.
- 14. The Government fully recognises that streamlining of development-related procedures is a continual process and requires the ongoing efforts of the Government in collaboration with different stakeholders. Looking ahead, we will continue to explore and formulate further streamlining proposals, including whether self-certification can be adopted for more approval process (e.g. the processing of submissions of secondary structural elements by the BD) and whether the processing time for different development-related applications (e.g. tree felling applications) can be reduced or standardised.

ADVICE SOUGHT

15. Members are invited to note the above progress. We also welcome views from Members on streamlining-related proposals.

Development Bureau July 2024

Major Streamlining Measures in Recent Years

Major administrative streamlining measures in recent years are set out below.

Streamlined processing of General Building Plan (GBP) submissions in development approval process

- 2. A development project involves the submission of different types of prescribed plans under the Buildings Ordinance (Cap. 123) (BO). Among them, the GBP forms the basis for the development of the detailed design, and it is crucial for subsequent submission of other prescribed plans under the BO. However, it is not uncommon that the approved GBP will be subject to amendment, given the development progress and that many design details will only be finalised in the run-up to commencement of works¹.
- 3. We therefore suggested simplifying and reducing the amount of essential information to be included in the first submission of GBP, so as to streamline the process and avoid abortive work by both the applicant and the Buildings Department (BD) due to changes in building design. In May 2022, BD promulgated a streamlining measure, allowing the submission of essential information in GBP over three stages, namely:

Stage I: for seeking first approval of GBP

Stage II: prior to applying for consent for the commencement of

superstructure works

Stage III: prior to applying for occupation permit/temporary

occupation permit.

With the introduction of the streamlined measure, information such as detailed calculation breakdown and diagrams of usable floor area of typical floors and usable floor space need not be provided in the GBP in Stage I, and may be provided in later stages.

4. In view of the positive response, since April 2023, BD has further streamlined and reduced the amount of essential information required in the GBP for Stage I by significantly reducing the number of information items required by around 30 per cent (from some 140 items to

BD's experience shows that applicants on average submit GBP more than seven times before the first consent for commencement of superstructure works is issued, and even more than ten times for residential projects with more than 500 units.

By obtaining the first GBP approval more less than 100 items). expeditiously, applicants may further develop their design and commence works earlier, thereby speeding up the overall development process. tandem, as part of BD's ongoing efforts to streamline and facilitate the building approval process, it established the Dedicated Processing Units (DPU) in March 2023 to expedite the processing of GBPs for highyield private residential projects with 500 units or more, with the target of approving about 80% of the GBPs on their first or second submission, provided that the projects have no planning, major land or fire safety issues. As at end-May 2024, the DPU received applications for approval of GBP for 22 new high-yield residential projects and transitional housing projects. Among these projects, 16 projects that have finished processing obtained its approval on its first or second submission. GBP for remaining projects are under processing or pending second submission.

Streamlining the procedures concerning the felling and compensatory planting of trees

- 5. It is the Government's policy to preserve trees as far as practicable and no tree shall be unnecessarily removed or excessively pruned. Under this guiding principle, a project proponent (i.e. lot owners or developers of a private project) is required to submit to the Lands Department (LandsD) a tree preservation and removal proposal (TPRP) to justify the need for tree removal and propose compensatory planting.
- 6. To facilitate compliance by project proponents, LandsD promulgated the streamlined practice concerning the felling and compensatory planting of trees in June 2023. For private sites subject to lease control, provided that no removal of or interference with trees of particular value as designated and preserved under lease is involved, the lot owner may on a voluntary basis opt for appointing a Register Landscape Architect to self-certify a TPRP for deemed approval if the 1:1 tree compensation ratio is achieved. In case project proponents consider that the 1:1 compensatory planting ratio cannot be achieved at their sites, they can follow the current practice of seeking LandsD's approval with justifications to vet and approve the TPRP before felling trees.

Streamlining the title checking procedures in land exchange and land resumption cases

- 7. LandsD conducts title checking for land exchange cases and land resumption cases to confirm the ownership of the land concerned. For land exchange cases, a landowner needs to show and prove that he has good title to the property and can validly surrender the property to the Government free from encumbrances because defective title will affect the title and interest of future purchaser in the regranted land. For land resumption cases, the former owner needs to show and prove that he is entitled to receive compensation from the Government.
- 8. In November 2023, to enhance the certainty and transparency of the title-checking process and provide a simplified and consistent approach for handling common title issues, LandsD promulgated a Circular Memorandum on Title Checking in Land Exchange and Land Resumption Cases (CM). The CM is the first guideline issued by the Government which contains streamlined procedures, timeline and requirements for handling common title issues in title checking. It enables the public and relevant practitioners to better understand the procedures upfront and to prepare the required documents in advance, with a view to streamlining the procedures and expediting the processing time.
- 9. Among others, LandsD has promulgated improvement measures in the CM to streamline the title checking requirements in relation to payment of compensation in land resumption cases to expedite their processing. LandsD in general will adopt a more flexible approach in title checking for land resumption cases, as all rights in or over the resumed land will absolutely cease upon resumption and there is no issue of any encumbrances in the land being passed on to other parties. The aim is to complete title checking for straight-forward land resumption cases within Some examples of the improvement measures for land resumption cases include: LandsD generally will no longer request the exowners to produce title documents beyond those required to be produced under section 13 of the Conveyancing and Property Ordinance (Cap. 219) (i.e. generally documents within 15 years of the current transaction); and LandsD has provided simplified/standardised measures for handling of common title issues, such as accepting a statutory declaration and/or an indemnity for handling certain low-risk situations (e.g. existence of archaic mortgage of small amount) without requiring obtainment of court orders.

10. For land exchange cases, although the room for adopting streamlined arrangement is more limited due to the need to ensure good title and protect future purchasers of the development, the CM has stated upfront the necessary steps for dealing with common title issues to provide clarity and certainty to help landowners and practitioners follow the relevant procedures in a timely manner. The time required for completing title checking in land exchange cases depends on the circumstances of each case, but the CM has made it clear that title checking will be conducted in parallel with other processing procedures for the land exchange so as to expedite the process.

Enhancing the gross floor area (GFA) concession arrangement for aboveground carparks

- In private development projects, the Government would in general require a project proponent to provide private car parking spaces according to the parking standards stipulated in the Hong Kong Planning Standards and Guidelines (HKPSG). Private car parks refer to those intended for use by the occupants of the parent building and their bona fide visitors. In addition, developers are sometimes required by the Government to provide public car parking spaces on top of the private ones, taking into account the demand for public car parking spaces in the district concerned and site circumstances.
- 12. For these private developments, GFA concession may be applicable to car parks, depending on whether they are underground or aboveground and whether they are private car parks or public car parks required by the Government. The HKPSG was revised in 2021 to require more private car parking spaces in developments to meet parking demands. At the same time, we got industry feedback that the private sector might sometimes have to devote disproportional capital and time cost in providing underground car parking spaces in order to be eligible to enjoy the corresponding GFA concession. Taking the above into account, we have reviewed the arrangement and promulgated an enhanced GFA confession arrangement for car parks in private developments in December 2023.
- 13. Before the streamlining measures were implemented, only private car parks and public car parks required by the Government provided underground may be granted 100% GFA concession, and for those covered private car parks provided aboveground, only 50% concession may be granted. For aboveground public car parks required by the Government,

no GFA concession would be granted. Under the enhanced arrangement, for cases where the underground car park has already reached two or more levels below ground, 100% GFA concession would be granted to no more than one aboveground car parking floor (applicable to both private car parks and public car parks required by the Government). The enhanced arrangement balances the need to meet the 2021-revised requirements in the HKPSG while forestalling the environmental, air ventilation and visual impacts that might be brought about by the building bulk of aboveground car parks.

Streamlining the mechanism on Class A and Class B amendments to approved development proposals

- 14. Under the current mechanism, where a planning permission is granted under section 16, 17 or 17B of the Town Planning Ordinance (Cap. 131) (TPO), amendments to the approved development proposals are provided for under section 16A. A set of guidelines setting out the types of amendments allowed under this route, the procedures for application and the assessment criteria has been promulgated by the Planning Department (PlanD). The amendments are classified as Class A or Class B amendments. Class A amendments do not require further application to the Town Planning Board (TPB) whereas Class B amendments are subject to the approval of TPB or the Director of Planning under the delegated authority by TPB. If the amendment concerned does not fall within Class A nor Class B amendments, a fresh planning application under section 16 of TPO is required.
- 15. Based on the past experience of PlanD, feedback from the stakeholders and the government-wide policy initiative to streamline the development process, PlanD has reviewed the relevant guidelines and promulgated a revised version in December 2023 to allow greater flexibility for amendments to approved development proposals at the detailed design stage.
- 16. In particular, some amendments which used to be classified as Class B amendments or used to require a fresh section 16 planning application (i.e. neither Class A nor B amendments) under previous guidelines were now re-designated as Class A amendments. Since these amendments do not carry substantial planning implications, we see no need for requiring fresh application to TPB. The changes introduced include (i) relaxing the thresholds/restrictions (i.e. allowable number/percentage of changes) for Class A and Class B amendments in respect of changes in total

GFA, number of units, building height, site coverage, types and mix of uses, and provision of private open space; (ii) expanding the scope of Class A amendments to allow greater flexibility; and (iii) allowing changes in various aspects of development proposal agreed by relevant government departments to be regarded as Class A amendments.

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