

CONTROLLING OFFICER'S REPLY

DEVB(PL)177

(Question Serial No. 2704)

Head: (91) Lands Department
Subhead (No. & title): (-) Not Specified
Programme: (3) Legal Advice
Controlling Officer: Director of Lands (Ms. Bernadette LINN)
Director of Bureau: Secretary for Development

Question (Member Question No. 35):

In 2013-14, the Lands Department contracted out to private firms the processing of applications for approval of Deeds of Mutual Covenant (DMCs), title checking and related legal work for payment of compensation for land resumption. Regarding these three outsourced jobs, what are the caseload, the average processing time, the expenditure required for outsourcing, and the additional resources and manpower required to take over uncompleted or default cases unacceptable to the Government respectively? What are the estimated changes in these figures in 2014-15? Has the department regularly reviewed the performance of the solicitor firms to which these jobs are outsourced, the outsourcing mechanism and the effectiveness of the mechanism? If yes, what are the findings and the corresponding measures? Is the department satisfied with the performance of the solicitor firms? If no review has been conducted, what are the reasons and will such reviews be conducted in future?

Asked by: Hon. TSE Wai-chuen, Tony

Reply:

The Legal Advisory and Conveyancing Office (LACO) of the Lands Department contracted out two categories of work in 2013-14, one for the processing of applications for approval of Deeds of Mutual Covenant (DMCs), and the other for conducting title checking and related legal work for payment of compensation in relation to land resumption.

In 2013-14, LACO contracted out to private solicitor firms the processing of 12 DMCs, representing 15% of 80 DMCs being considered by the Government for approval. A total of \$203,000 was earmarked for this contracting-out activity in that financial year. The average processing time for the DMCs approved in 2013-14 through contracting-out is 20.98 months per case. There was no uncompleted or default cases of contracted-out DMCs taken over by the Government. It is anticipated that there will be a slight increase in the number of cases to be contracted-out in 2014-15, involving an estimated provision of \$391,000.

Regarding title checking and related legal work for land resumption, in 2013-14 LACO contracted out to private solicitor firms 792 cases, representing 61.88% of 1 280 cases being

processed. A total of \$1,213,000 was earmarked for this contracting-out activity in 2013-14. The average time for completion of work by the contracted-out firms is three months per case. Two contracts had not been completed by the contracted-out firms upon expiry of contract in 2013-14. Follow-up action was absorbed internally by LACO with no additional resources incurred. In 2014-15, LACO intends to contract out a similar volume of title checking work and the provision earmarked for this contracting-out activity is similar to that in 2013-14.

All solicitor firms in Hong Kong will be invited, through the Law Society of Hong Kong, to express interest in providing services for the two areas of work. Solicitor firms having expressed an interest and fulfilled the prequalification criteria prescribing the minimum requirements for firm's setup and relevant experience will be retained for submission of quotation when the need to provide a service arises. Selection of successful firms for provision of service on individual cases is based primarily on the competitive price quoted. At present, nine solicitor firms are retained by LACO for contracting-out DMCs and 17 firms for title checking and related work for land resumption. The lists of firms retained are reviewed periodically.

LACO regularly reviews the performance of contracted-out firms in terms of the quality of their work, their efficiency in processing a case and their responsiveness to the Government's instructions and clients' needs. LACO is generally satisfied with the performance of the contracted-out firms. LACO also from time to time and whenever necessary reviews the mechanism in contracting-out, resulting in streamlining of procedures and the bringing in of more expertise from the private sector. Based on these reviews, LACO is satisfied that the contracting-out of DMCs and title checking and related legal work will continue to provide effective relief to LACO.