

ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 62 – HOUSING DEPARTMENT Subhead 003 Recoverable salaries and allowances

Members are invited to recommend to Finance Committee the creation of the following supernumerary post for three years in the Housing Department –

1 Assistant Director of Housing
(D2) (\$116,650 - \$123,850)

PROBLEM

The Housing Department (HD) needs additional temporary directorate input to develop and put into place a third-party building control system that is compatible with the Buildings Ordinance (BO) (Note¹).

PROPOSAL

2. The Director of Housing proposes to create one supernumerary Assistant Director of Housing (AD of H) post for three years to head the effort to establish the third-party building control system for the Housing Authority's (HA) projects.

JUSTIFICATION

3. While HA's construction projects are exempted from the BO, through HA's own building control system, HA's buildings are built to standards

/consistent

Note ¹ : BO s.41(1)(aa) states that "subject to section 18(2) and (3) of the Housing Ordinance, buildings upon any land vested in the Housing Authority or over which the Housing Authority has control and management shall be exempt from the provisions of the Ordinance."

consistent with those set under the BO for private developments. HA's building control system deviates from the requirements of the BO notably in the absence of Buildings Department's (BD) statutory checking of building proposals and the exemption from statutory sanctions against those responsible for the design, supervision and construction of building works.

4. The longer term prospect of placing HA projects under the full control of the BO is being examined. It will take some time to resolve the complex legal and administrative issues involved. In the meantime, we have decided to introduce an additional third-party checking of HA projects, over and above the HA's current building control system, so as to give further assurance of the quality of public housing and to strengthen public confidence in it. This initiative to strengthen third-party checking has been included as one of the 50 recommendations to enhance housing quality in the "Quality Housing - Partnering for Change" consultative document, which was endorsed by the HA on 13 April 2000.

Independent Checking of HA Projects

5. Third-party checking is the essence of the BO. It requires building control checks through a process for seeking approval of building design and construction proposals, and subsequent site inspections and monitoring of the works against the formally approved plans as the works proceed to various stages. Under the BO, such third-party checking is done by the BD. In the case of HA's projects, such checks are mainly done by project teams in HD and in general there is very limited independent checking.

6. To establish comprehensive independent checking of HA's projects, we set up in November 2000 an Independent Checking Unit (ICU) directly under the Director of Housing. The ICU has two vetting teams which comprise a total of 18 professional and technical staff (Note²) -

- (a) a Structural Vetting Team responsible for conducting checks on existing piling and foundation works as well as new piling and foundation proposals, for issuing approval and consent for the works, for conducting site checks on piling, and for carrying out desk-top vetting of testing results; and

/(b)

Note ²: Including one Senior Building Surveyor and one Senior Structural Engineer seconded from BD to the Housing Department to provide expert advice on the application and interpretation of the BO.

- (b) a Building Vetting Team responsible for performing checks on general building plans including drainage plans on new projects, and for conducting site inspections at various stages of the construction works.

Encl. 1 7. In the Department, two existing teams, namely, the Lift Ordinance Enforcement Unit (LOEU) (Note³) and the Building Control Unit (BCU) (Note⁴), have been performing independent checking functions in their respective areas. To rationalise the organisation structure, the LOEU has been put under the ICU since April 2001, and the BCU will be transferred to the unit in the coming year. The existing and proposed organisation chart of the ICU is at Enclosure 1.

8. Since its establishment, the ICU has introduced a formal mechanism for submission of plans leading to approval and building consent, which all new HA's projects have to go through before they can be started. There will also be new formal site auditing and inspection procedures based on those required under the BO.

Encl. 2 9. Enclosure 2 summarises the ICU's expansion plan. As can be seen from the plan, the work done outlined in paragraph 8 above is part of the ICU's plan for its first year. We envisage that under the plan, the ICU's work will pick up in the next few years, as it continues to develop new checking system and practices as well as to operate the systems and practices as and when they are established. These new system and practices will be consistent with the BO, and will apply not only to all new building projects but also existing buildings.

The Proposal for an Assistant Director of Housing (D2) Post

10. For the further work of the ICU, it is essential that it is headed by an officer of a suitable level. At present, the ICU is headed by a supernumerary AD of H (D2), departmentally known as AD/Independent Checking Unit (AD/ICU).

/under

Note ³: The LOEU was established in 1989 to examine, control and certify new and existing lifts and escalators installations after the Lifts and Escalators (Safety) Ordinance [Cap.327] was amended to exempt from compliance with certain provisions of this Ordinance those lifts and escalators installed in any building built on any land vested in the HA or in any building over which the HA has control and management. The role of the LOEU mirrors that of the Electrical and Mechanical Services Department in respect of procedural practices.

Note ⁴: The BCU under the Management Branch of the Housing Department is responsible for the building control of Home Ownership and Tenants Purchase Schemes and advises on alternations and additions works to other HA buildings under the management of the other business branches in the Department.

Under AD/ICU, the three units in the ICU and the fourth unit that will join the ICU in the coming year are each headed by a senior professional officer. Experience has shown that it is important that the units are led by a common directorate head, so as to maximise co-ordination and synergy among the units. Also, the ICU's work involves independent vetting of submissions from project managers in the Department who are D1 officers. Heading the ICU by an AD enhances the status and independence of the approval process. Furthermore, the ICU's tasks in respect of developing the new independent checking system involve wide consultation within the Department, and with the Government and the industry. The ICU also has to advise the Director of Housing and the senior directorate of HD on the feasibility of new regulatory practices to be introduced in various stages. For these work, the ICU will be more effective with a head at a suitably senior level.

Encl. 2 11. We therefore propose to extend the existing supernumerary AD of H post, from the current six months duration ending in July 2001, for a further three years . This six-month post was created under delegated authority on 15 January 2001 to enable the Department to work on the setting up of the ICU and drawing up of its expansion plan, before deciding on whether to propose a supernumerary post of a longer duration and, if so, what should be the duration of the post. We now propose a supernumerary post for three years because as can be seen from Enclosure 2, the bulk of the developmental work of the ICU is planned to be completed within three years.

Encl. 3 12. We have considered the alternative of putting the ICU under one of the Department's other ADs. For the ICU to fulfil its intended role as an independent third-party checking authority, its impartiality and independence is critical. It is therefore inappropriate for the ICU to come under other directorate officers who are themselves directly handling building projects. The other directorate officers of the Department are also fully engaged in their existing work schedules, and in particular those with knowledge in building works have to cope with the workload arising from the bunching of the public housing production and the implementation of various other new initiatives and reforms, and thus could not be re-deployed to take up the new ICU assignments. We therefore propose to create one supernumerary AD of H post (D2) for three years to meet the service need. The job description of the post is at Enclosure 3.

FINANCIAL IMPLICATIONS

13. The additional notional annual salary cost at mid point of the supernumerary AD of H post is \$1,443,000. The full annual average staff cost,

/including

including salaries and staff on-costs, is \$2,368,000. The amount will be fully recovered from the HA.

CONSULTATION WITH LEGISLATIVE COUNCIL PANEL

14. We consulted the Legislative Council Housing Panel on 7 May 2001. Members generally supported the proposal except one Member who expressed reservations on the creation of an additional temporary directorate post and requested additional information about the regulatory practices used for public housing projects and those used by the BD. In response, an information paper was circulated to the Panel on 17 May 2001.

CIVIL SERVICE BUREAU COMMENTS

15. The Administration has considered carefully alternative means to provide the required directorate support to meet the service need bearing in mind the need to ensure efficiency and effectiveness. The Administration considers this proposal the most appropriate way to proceed. Having regard to the justifications put forward, the Civil Service Bureau supports the creation of the proposed supernumerary directorate post for 3 years and considers the grading and ranking of the post to be appropriate. The total number of established directorate posts in the Housing Department as at 1 May 2001 is 61.

ADVICE OF THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE

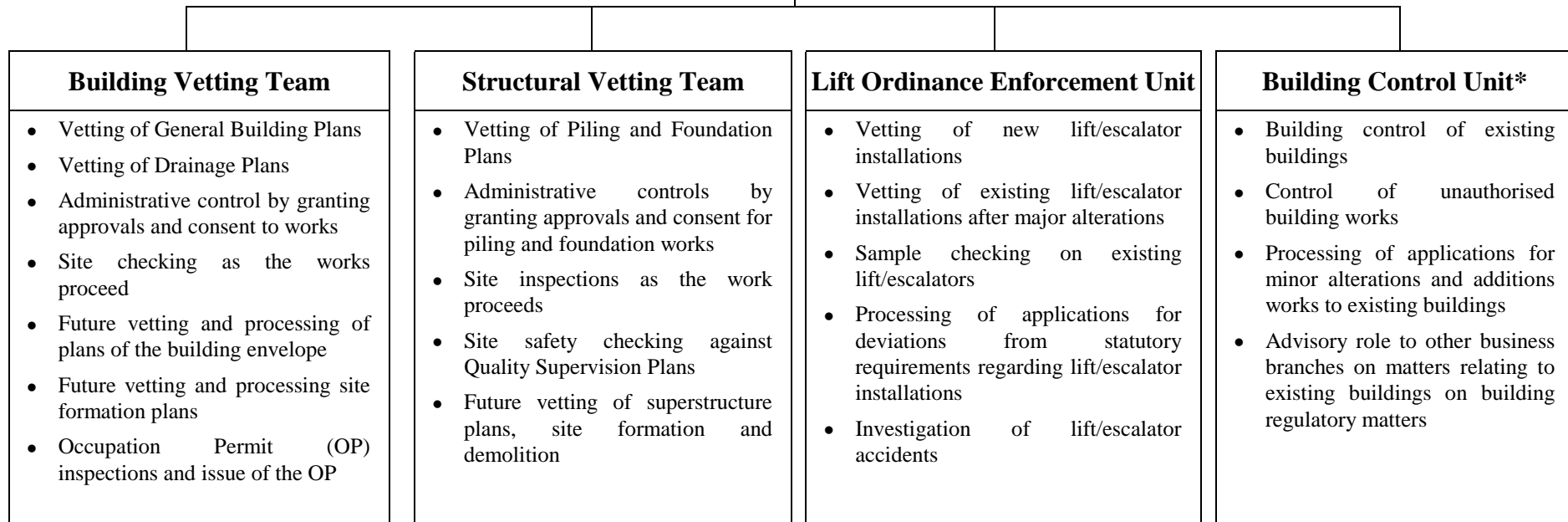
16. As the post is proposed on a supernumerary basis, the Department will report the creation, if approved, to the Standing Committee on Directorate Salaries and Conditions of Service in accordance with the agreed procedures.

Housing Department
May 2001

**Existing and Proposed Organisation Chart
Independent Checking Unit, Director's Office
Housing Department
(as at 1.5.2001)**

Director of Housing

Assistant Director/Independent Checking Unit #



A supernumerary Assistant Director of Housing Post proposed for creation for 3 years

* To be grouped under the Independent Checking Unit in 2002-03

The Expansion Plan for the ICU

It is proposed that the Building Vetting Team and Structural Vetting Team (SVT) on new projects will be expanded to cover the range of activities on all projects in keeping with a typical project cycle.

Building Vetting Team expansion plan

First year (2001-02)

- Curtailed checking of General Building Plans (GBP) and drainage plans.
- Processing and granting of consent for building works.
- Processing of applications for modifications.
- Advice on enquiries from project teams.
- Site checking to support the GBP application.

Second year (2002-03) in addition to that of the first year

- Processing of plans of part of the building envelopes such as curtain walls, windows, cantilever structure such as canopies, covered-walkways and etc.
- Site checking as work proceeds by the case officer.

Third year (2003-04) in addition to that of the second year

- Processing the remaining part of the building envelopes and external works such as footbridges etc.
- Processing site formation and demolition plans and liaising with SVT.
- Site checking as work proceeds by the case officer.
- Occupation Permit inspections.

Four year (2004-05) in addition to that of the third year

- Centralised plan processing system.

Structural Vetting Team expansion plan

First year (2001-02)

- Curtailed checking and approval of Foundation Plans.
- Processing and granting of consent for Foundation works.
- Completion Certification for Foundation works.
- Sample checking and test witnessing on site.
- Processing of applications for modifications.
- Advice on enquires from project teams.

/Second

Second year (2002-3) in addition to that of the first year

- Curtailed checking and approval of Superstructure plans.
- Processing and granting of consent for commencement of Superstructure works.
- Processing of plans of part of the building envelope such as curtain walls, cantilever structure and etc.
- Processing excavation and lateral support plans.
- Site checking as the work proceeds by the case officer.

Third year (2003-04) in addition to that of the second year

- Processing the plans of remaining parts of the building envelopes and external works such as footbridges.
- Processing site formation and demolition plans.
- Site checking as the work proceeds by the case officer.
- Set-up of Site Monitoring Team for Site safety and Site auditing.

Four year (2004-05) in addition to that of the third year

- Centralised plan processing system.

Existing Buildings

The Building Control Unit (BCU) under Management Branch

The BCU will undergo annual expansion to cater for the increase in number of buildings under Tenants Purchase Scheme (TPS) and Home Ownership Scheme (HOS) and the associated Alteration and Additions (A&A) Works and Control and Enforcement (C&E) works. It will also undergo expansion to handle the A&A works to the full range of existing Housing Authority (HA) buildings in Public Rental Housing (PRH) estates and HOS Courts.

Control and Enforcement Works

The formal C&E works in HA properties are likely to increase as more properties are placed under private ownership under the TPS programme. This would also ultimately have a staffing implication. It is handled satisfactorily at this time for HOS and TPS by the BCU and by the regular maintenance inspections by Management Branch.

The development of a sound third party checking system for new building and alteration works is considered to be the priority for the ICU. Since the C&E works are being handled satisfactorily at this time, this will be kept in view and reviewed annually before a formal C&E structure is proposed.

Job Description
Assistant Director/Independent Checking Unit

Rank : Assistant Director of Housing (D2)

Responsible to : Director of Housing

Major Duties and Responsibilities -

1. to head the Independent Checking Unit (ICU) to check if submissions from various Business Branches of the Housing Department (HD) comply with statutory requirements under the Buildings Ordinance (BO) and the Lifts and Escalators (Safety) Ordinance;
2. to study, formulate and develop policies, in relation to regulatory compliance of Housing Authority (HA) projects, consistent with those required by the BO, in consultation with the Buildings Department (BD);
3. to develop an appeal system in consultation with the BD in respect of disputes that may arise on HA projects;.
4. to review and develop independent checking system and practices for all building plan submissions and approvals, applications for a consent to the commencement of works, final inspections and the issue of an occupation permit and inspections, approvals and the issue of operation permits for lifts and escalators;
5. to liaise with the BD on the appropriate organisation structure and manpower requirements and practices of the ICU, at different stages of its development in the event that the duties may be transferred to the BD;
6. to liaise with government, and the Business Branches of the HD, external non-governmental bodies involved in the development process and consultants and contractors employed by the HD/HA on regulatory compliance of HA projects with the BO; and
7. to report and explain progress and policies to HA committees.