

Paper for Legco Panel on Housing

Re-organisation of the Housing Department and creation of one supernumerary Assistant Director of Housing post

PURPOSE

The Housing Department (HD) will seek the Establishment Sub-Committee's endorsement of the proposal of departmental re-organisation and creation of one supernumerary Assistant Director of Housing (AD of H) post for three years at its meeting of 23.5.2001. The purpose of the paper is to brief Members of the proposal.

PROPOSAL

2. The Director of Housing (D of H) proposes -
 - (a) to formalise the re-organisation of the HD by -
 - (i) re-distributing and updating the responsibilities of one Deputy Director of Housing (D4) following the lapse of the DD/W post (paragraphs 3 - 5);
 - (ii) re-structuring the Allocation and Marketing Branch (AMB) following the lapse of the AD/TPS post, and re-distributing and updating the responsibilities of the following 6 directorate posts in the AMB (paragraphs 6 -13) -
 - 2 Assistant Director of Housing (D2)
 - 2 Chief Housing Managers (D1)
 - 2 Chief Estate Surveyors (D1)
 - (b) to create a supernumerary Assistant Director of Housing (AD of H) post for a period of three years to oversee and develop the work of the Independent Checking Unit (ICU) in building regulatory functions (paragraphs 14 - 25).

JUSTIFICATION

Re-organisation of the Housing Department

Senior Directorate Re-structuring

3. In February 1997, the Finance Committee (FC) approved the creation of the supernumerary DD/W post vide EC(96-97)51 up to 31 March 2000 to share out the responsibilities of the then Deputy Director/Housing Management and Works (DD/HMW). Upon the split of the post of DD/HMW to Deputy Director/Management (DD/M) and Deputy Director/Works (DD/W), the former was mainly responsible for estate and commercial properties management, while the latter provided strategic input to the works side and oversaw the operation of the Development and Construction Branch and the Allocation and Marketing Branch. In addition to steering corporate reforms and cross-branch initiatives collectively with DD/M and D of H, DD/W was specifically responsible for driving a number of major initiatives including elderly housing, environment, urban restructuring, departmental streamlining and enhancing quality of housing. To oversee these important initiatives which were at the critical stage, the FC approved in February 2000 vide EC(1999-2000)31 the extension of the DD/W post up to 31 March 2001.

4. Given that a number of crucial initiatives will reach maturity this year, the Department considered it unnecessary to seek the extension of the DD/W post and that residual duties could be absorbed by the DD/M and other Business Directors with effect from 1 April 2001. On the same day, the DD/M post has been retitled as Deputy Director of Housing (DDH).

Encl. 1 5. The job description of the DDH post is at Enclosure 1. An updated
Encl. 2 organization chart showing the Department's senior directorate structure is at
Enclosure 2.

Re-organisation of Allocation and Marketing Branch

6. To facilitate wider home ownership as pledged by the Chief Executive in his Maiden Policy Address, the HA rolled out the Tenants Purchase Scheme (TPS) in early 1998. The supernumerary AD/TPS post was created on 20 March 1998 for two years vide EC (97-98) 76 to head the TPS Section in AMB for spearheading the 10-year TPS programme. In addition to the TPS, AD/TPS took on the policy responsibility for the Buy or Rent Option (BRO) Scheme in June 1999. Apart from the TPS Section, the AMB previously comprised two other operational divisions, namely, the Allocation and Home Ownership (AHO) Division and the Operations and Redevelopment (OR) Division, each headed by an Assistant Director (AD). The former AHO Division was responsible for allocation of public rental housing, management of the Waiting List (WL), sale of

Encl. 3

Home Ownership Scheme (HOS) and Private Sector Participation Scheme (PSPS) flats, implementation of the Home Purchase Loan Scheme (HPLS) and Secondary Market Scheme (SMS). The defunct OR Division was responsible for squatter control, clearance and redevelopment activities, and policies and procedures relating to the eligibility for rehousing. The organization chart of AMB before re-organization is at Enclosure 3.

7. Since both the TPS and BRO Schemes were at their infancy stage and continued directorate inputs were required, the FC approved in February 2000 vide EC(1999-2000) 31 the extension of the AD/TPS post for one year up to 19 March 2001.

8. With the smooth implementation of the TPS and BRO Schemes, the Department considered that there was no longer a need to have a dedicated AD to oversee the schemes, and do not intend to seek the extension of the AD/TPS post beyond 20 March 2001.

9. Following the lapse of the AD/TPS post, it was necessary to re-assign the policy responsibility and supervision of the TPS and BRO work within AMB. The opportunity was also taken to re-align the responsibility areas of the Chief Professionals (CPs) (D1) to achieve an even distribution of workload and facilitate more flexible staff deployment, and to regroup the functions of the ADs along business lines. These culminated in the re-organization of the AMB into two new operational divisions, viz. the Sales Division and the Allocation and Operations Division with effect from 27 March 2001.

10. The Sales Division mainly takes up the functions and activities contributing to the Home Ownership Business. With the exception of the WL management and allocation of public rental housing, the Division has assumed the functions of the former AHO Division. In addition, it has taken on the work relating to TPS and BRO. The head of the Division is designated as AD/Sales (AD/S), and is underpinned by Chief Housing Manager/Sales (CHM/S), Chief Estate Surveyor/Home Ownership Scheme and Rental Housing (CES/HR) and Chief Estate Surveyor/Private Sector Participation Scheme & Tenants Purchase Scheme Section (CES/PT). CHM/S heads the Sales Section for the formulation and implementation of policies, strategies and action plans for the marketing and sale of HOS/PSPS/TPS/BRO/MSS flats and operations of the HPLS and SMS, and the agency management for HOS/PSPS estates; CES/HR is responsible for the overall administration of HOS, MSS, BRO and rental projects as well as the cross-scheme functions and CES/PT assumes responsibility for the implementation of PSPS and mixed development projects as well as land administration work for the TPS.

11. The Allocation and Operations (AO) Division mainly undertakes functions and activities contributing to the Rental Housing Business. Apart from assuming the functions of allocation of public rental housing units and management of the WL which were previously undertaken by the AHO Division,

it has also taken on the entire span of functions of the former OR Division. The head of the Division is designated as AD/Allocation and Operations (AD/AO), and is underpinned by two CHMs. While CHM/Operations (CHM/OP) continues to take charge of the Operations Section for planning, co-ordinating and executing programmes relating to the control and clearance of squatter structures, the other CHM, titled as CHM/Applications (CHM/Appns), supervises the work of the new Allocation Section for developing and implementing policies relating to the management of the WL, allocation of rental housing and implementation of the Comprehensive Redevelopment Programme and Temporary Housing and Cottage Areas clearances.

Encl. 4-9 12. The revised job descriptions for AD/S, CHM/S, CES/HR, CES/PT, AD/AO and CHM/Appns are at Enclosures 4 to 9.

Encl. 10 13. The organization chart of AMB after re-organization is at Enclosure 10.

Creation of a supernumerary Assistant Director of Housing post (D2) for three years

14. Despite the exemption of Housing Authority (HA)'s construction projects and other government buildings under Section 41 of the Buildings Ordinance (BO) (Note¹), HA's buildings are built to standards consistent with those set under the BO for private developments. There is, however, a need to move further towards an objective third party scrutiny of HA projects, to both improve the quality of public housing and to strengthen public confidence in it. This has been included as one of the 50 recommendations to enhance housing quality in the "Quality Housing – Partnering for Change" consultative document, where the longer-term issue of placing HA buildings under the BO has been discussed.

Enhancement Measures for New Projects

15. Although the building control requirements in HD projects are generally incorporated within existing practices and procedures, there are certain deviations from those required under the BO. The most significant are the absence of BD's statutory third party scrutiny of building proposals and the exemption from statutory sanctions against those responsible for the design, supervision and construction of building works.

16. Whilst the complex matters related to the longer term issue of the application of the BO are being examined, there is scope to strengthen the scrutiny

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."

of building proposals and the execution of the works in the short term. In November 2000, an Independent Checking Unit (ICU) was established under the Director of Housing (D of H) to exercise an objective third party scrutiny of HA projects through a formal Building Plan checking process and the issue of a consent for the commencement of the works. The ICU discharges these functions through two vetting teams which comprise a total of 18 professional and technical staff (Note²) -

- (a) a Structural Vetting Team (SVT) to conduct checks on existing piling and foundation works as well as new piling and foundation proposals, issue an approval and consent for the works, and conduct site checks on piling and desk-top vetting on testing results; and
- (b) a Building Vetting Team (BVT) to perform checks on general building plans including drainage plans on new projects, and conduct site inspections at various stages of the work.

17. Two other teams, the Lift Ordinance Enhancement Unit (LOEU) (Note³) and Building Control Unit (BCU) (Note⁴), have also been performing independent checking functions in the HD. To rationalize the organizational structure within the Department, 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 organization chart of the ICU is at Enclosure 11. The major work of the ICU is summarised in paragraphs 18 and 19 below.

Encl. 11

Major Work of the Independent Checking Unit

Administrative practices equivalent to those of the BO for Authorized Persons (AP)/ Registered Structural Engineer (RSE)/ Authorized Signatories (AS)/ Technical Directors (TD)

18. The ICU has introduced a formal plans submission, approval and building consent mechanism prior to commencement of the works in all HD

Note ²: Including one Senior Building Surveyor (SBS) and one Senior Structural Engineer (SSE) seconded from BD to the HD to provide expert advice on the application and interpretation of the BO.

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 HD 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 HD.

projects. There are also formal site auditing and inspection procedures. These practices are consistent with those under the BO and ensure that formal and traceable records are available for each project.

Further enhancement of the existing parallel practices

19. There are existing practices consistent with the BO already established in HD projects. Some of these practices will be reviewed in consultation with the Business Branches to ensure that, where appropriate, they are to be independent. As the Department has adopted the practice of moving gradually towards more extensive use of non-standard designs in HA projects in the future, there will be a greater need for formal third-party checking to maintain a consistent level of quality and regulatory compliance. In this connection, the ICU will review the existing practices against the requirements of the BO and propose enhancements where appropriate.

The Responsibilities of the Assistant Director of Housing (D2) Post

20. To establish full and comprehensive, yet independent regulatory control systems which will apply to all new building projects as well as the stock of existing buildings, the HD will require a directorate officer with a good understanding of the construction and development processes to lead the multi-discipline ICU to vet submissions from various Branches within the Department.

21. Wide consultation with senior representatives of government bureaux and departments, and internal and external stakeholders will be required to fully develop Building Control mechanisms consistent with those of the BD for the large number of HA developments and to ultimately bring those developments under the full control of the BO in the longer term.

22. The incumbent will also have to advise the D of H and the senior directorate of the HD of the feasibility of new regulatory practices. In view of the above scope of responsibilities and anticipated level of decision-making, the Head of Unit should be ranked not lower than AD of H (D2) level.

23. We therefore propose to extend the existing supernumerary AD of H post, departmentally known as AD/Independent Checking Unit, from the current six months duration, for a further three years from its expiry in July 2001. This post was created initially under delegated authority on 15 January 2001 as a six-month supernumerary post so that the ICU activities could be examined in detail and a meaningful expansion plan developed before a more permanent position is proposed.

24. The incumbent will continue to report directly to the D of H and will be supported by four specialist teams, comprising of a total of 107 professional staff, with Chief Professionals, Senior Professionals and Professionals of the

appropriate disciplines, including some seconded officers from the BD. A job description of the proposed post is at Enclosure 12.

25. The ICU is an independent unit and its activities are new functions which have not previously been carried out by the Department. In order to maintain impartiality and independence, it is not appropriate to put building regulatory functions under directorate officers who are directly handling building projects in the existing business branches. Moreover, with the lapse of the other two supernumerary directorate posts, viz the AD/TPS and DD/W posts, it is not possible to absorb the additional regulatory responsibilities under the ICU within the existing directorate structure and resources. It is thus proposed to create one supernumerary AD of H post for three years to meet the service need.

FINANCIAL IMPLICATIONS

26. The reorganization of the directorate structure of the HD has not resulted in any additional costs. The additional notional annual salary cost at mid point of the supernumerary AD post is \$1,443,000. The full annual average staff cost, including salaries and staff on-costs, is \$2,453,100. The amount will be fully recovered from the HA.

HOUSING AUTHORITY'S ENDORSEMENT

27. The proposal has been endorsed by the Human Resources Committee of HA on 26 April 2001.

INFORMATION

28. The paper is presented for Members' discussion at the meeting to be held on 7 May 2001.

Housing Department
April 2001

Job Description

Deputy Director of Housing (DDH)

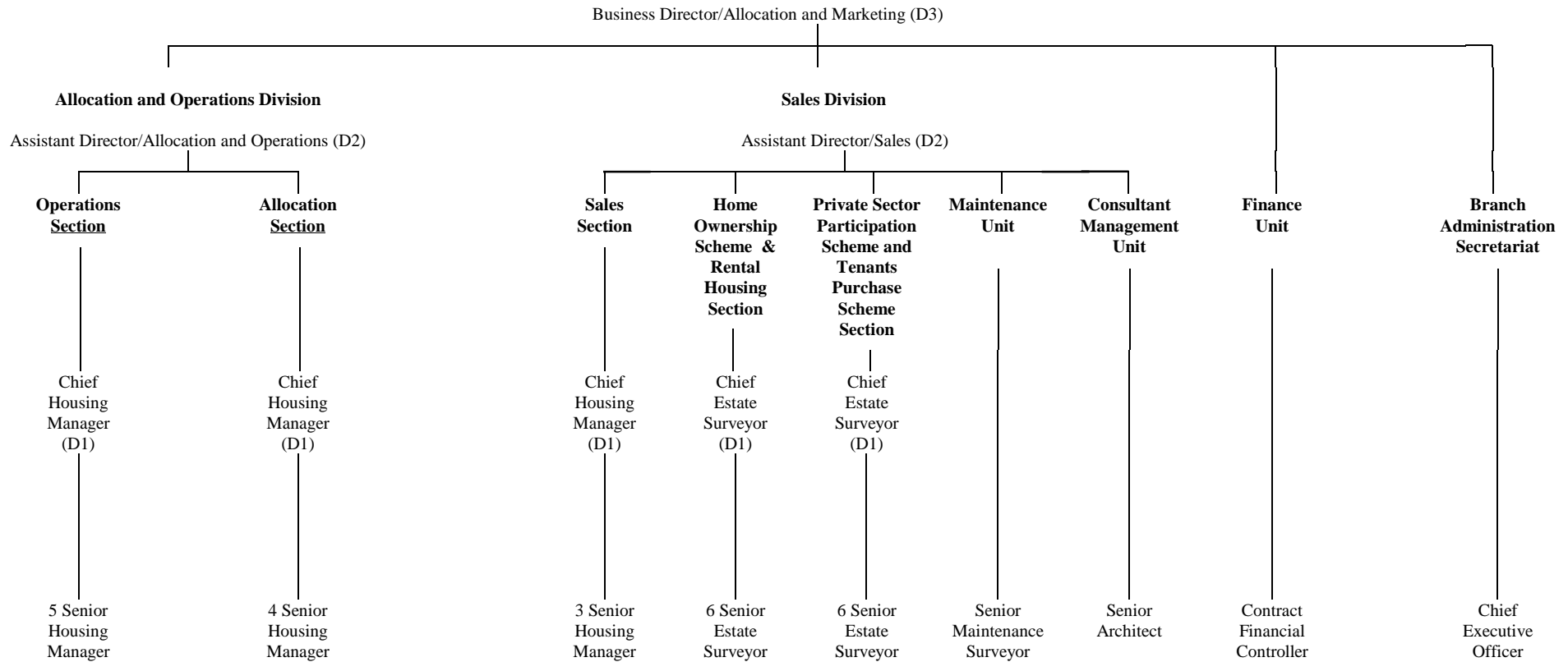
Rank : Deputy Director of Housing (D4)

Responsible to : Director of Housing

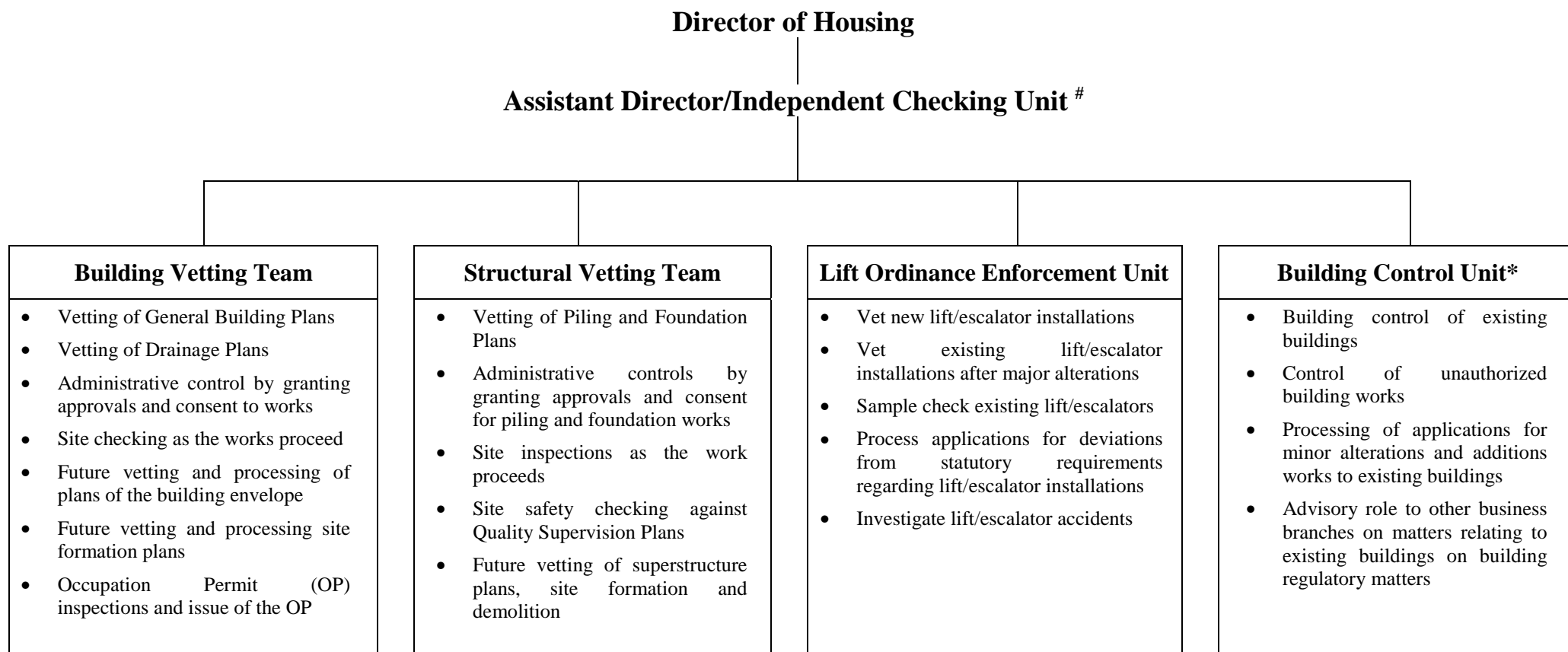
Duties and Responsibilities

1. To provide leadership and advice on major policy areas and cross-business strategic issues through the operation of the Executive Board.
2. To provide general supervisory responsibility and high level policy input for the businesses of the Allocation and Marketing, Commercial and Business Development, Development and Construction, and Management Branches.
3. To give direction on the implementation of the Long Term Housing Strategy in relation to the management and maintenance of public housing, the production of new public housing, sale of flats and major change programmes.
4. To provide the steer for commercial properties, housing management and maintenance matters, major development and construction matters, elderly housing, environment, urban restructuring, quality housing and provision of central/technical services.
5. To settle resources allocation problem among Business Branches through the operation of the Executive Board and cultivate staff commitment and customer oriented culture.
6. To direct and monitor the implementation of the organization streamlining and greater private sector involvement programme in the estate management and maintenance functions for effective delivery of service.

Revised Organizational Structure of Allocation and Marketing Branch



**Existing and Proposed Organization Chart
Independent Checking Unit, Director's Office
(as at 1.4.2001)**



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

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

**Job Description
Assistant Director/Independent Checking Unit**

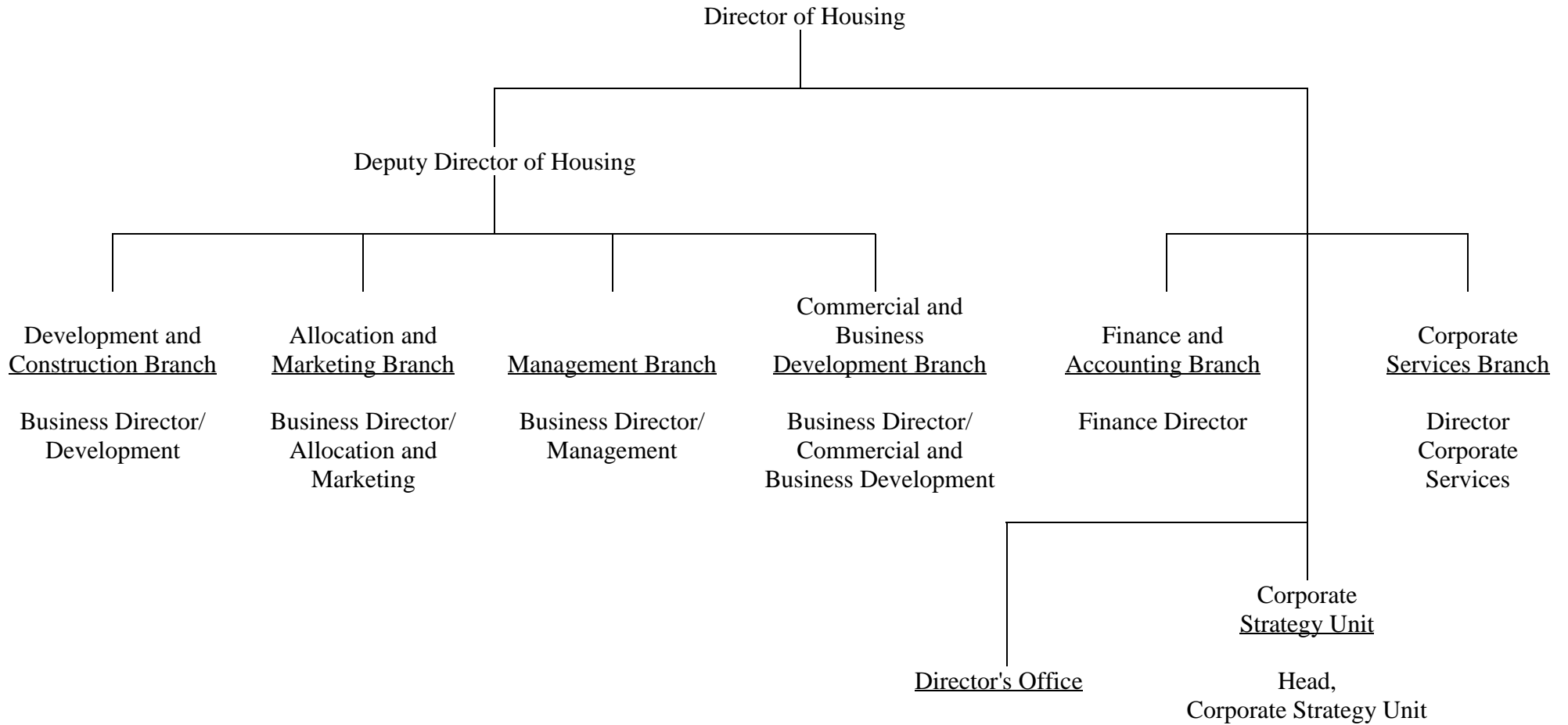
Rank : Assistant Director of Housing (D2)

Responsible to : Director of Housing

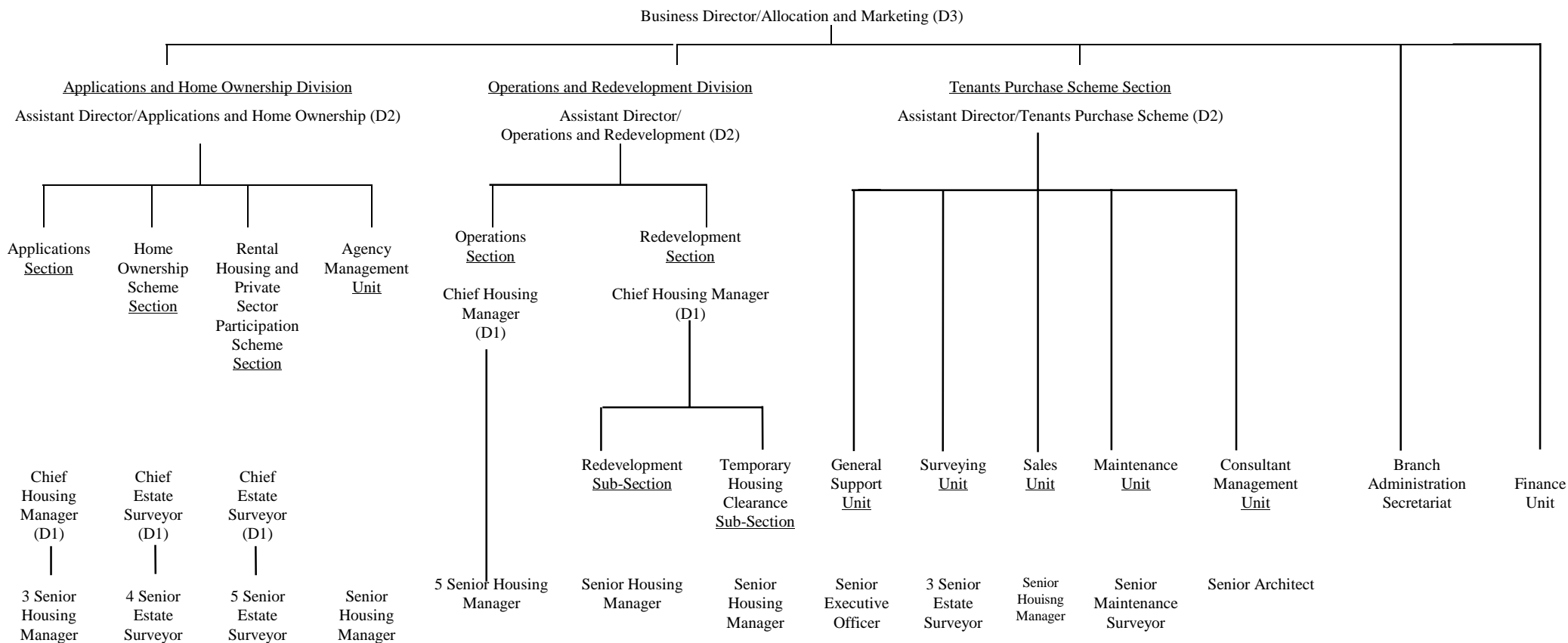
Major Duties and Responsibilities

1. To head the Independent Checking Unit (ICU) to check if submissions from various Branches comply with statutory requirements under the provisions of the Buildings Ordinance (BO) and the Lifts & Escalators (Safety) Ordinance.
2. To study, formulate and develop policies in relation to regulatory compliance of Housing Authority (HA) projects.
3. To develop a referral system to the Buildings Department (BD) in respect of discretionary cases.
4. To review and develop independent checking systems and practices for construction and building submissions, building works applications and operation permits for lifts and escalators.
5. To liaise with the BD and determine the appropriate organisation structure and practices of the ICU at different stages in the event that the duties may be transferred to the BD.
6. To liaise with government bureaux and departments and internal and external stakeholders on regulatory compliance of BO in HA projects.
7. To report and explain progress and policies to HA committees.

**Organizational Structure of Housing Department
(As at 1.4.2001)**



Organizational Structure of Allocation and Marketing Branch
(before re-organization)



* Supernumerary post lapsed on 20 March 2001

**Job Description
Assistant Director/Sales**

Rank : Assistant Director of Housing (D2)

Responsible to :-Business Director/Allocation and Marketing

Duties and Responsibilities

1. To supervise and co-ordinate activities of the Sales Division, monitoring and overseeing the work relating to the sale of Home Ownership Scheme (HOS)/Private Sector Participation Scheme (PSPS)/Tenants Purchase Scheme (TPS)/Buy or Rent Option (BRO)/Mortgage Subsidy Scheme (MSS) flats and the administration of the Home Purchase Loan Scheme and the Secondary Market Scheme.
2. To formulate, implement and review policies, eligibility and procedures for the subsidized home ownership schemes administered by the Housing Authority.
3. To draw up a rolling TPS programme, and to put in hand appropriate maintenance works to prepare selected estates for sale.
4. To carry out feasibility studies for mixed development approach.
5. To undertake resource planning and manage resources required for the flat sales and home ownership schemes.
6. To oversee the arrangements for appropriate sales procedures, documentation and marketing strategies for the sale of HOS/PSPS/TPS/BRO/MSS flats.
7. To handle complaints and enquiries relating to the home ownership schemes and issues.
8. To exercise authority delegated from the Housing Authority and its Committees for implementation of approved policies.

Job Description
Chief Housing Manager/Sales

Rank : Chief Housing Manager (D1)

Responsible to : Assistant Director/Sales

Duties and Responsibilities -

1. To assist Assistant Director/Sales in formulating policies, strategies and action plans for the sale of Home Ownership Scheme (HOS)/Private Sector Participation Scheme (PSPS)/Buy or Rent Option (BRO)/Tenants Purchase Scheme (TPS)/Mortgage Subsidy Scheme (MSS) flats.
2. To oversee the work of the Sales Section to ensure effective and efficient implementation of various home ownership schemes.
3. To monitor the operation of the Secondary Market Scheme and the Home Purchase Loan Scheme, and to initiate changes to eligibility rules of the schemes to suit changing circumstances.
4. To maintain an effective and efficient machinery in handling enquiries and complaints from the public and interest/political groups, and to liaise and attend meetings with members of the LegCo, District Councils and other representative bodies as necessary to keep these organizations informed of the implementation and progress of various subsidized home ownership schemes.
5. To arrange for appropriate sales procedures, arrangements, documentation and publicity for the sale of HOS/PSPS/BRO/TPS/MSS flats.
6. To supervise the operation of the Agency Management Unit for the appointment and management of the property management agents.
7. To plan, manage and deploy resources of the Sales Section to achieve the overall business objectives and targets of the Section.

Job Description
Chief Estate Surveyor/ Home Ownership Scheme and Rental Housing

Rank : Chief Estate Surveyor (D1)

Responsible to : Assistant Director/Sales

Duties and Responsibilities -

1. To assist Assistant Director/Sales in formulating policies, implementation and review of the Home Ownership Scheme (HOS), Mortgage Subsidy Scheme (MSS) and Buy or Rent Option (BRO), and land administration matters for rental housing projects.
2. To oversee the eligibility, affordability, land grant, flat pricing programming and marketing, publicity strategies, insurance of sale flats and financial forecast of HOS/MSS/BRO projects.
3. To monitor the flat conveyancing arrangements including the appointment of solicitors and preparation of legal documentation.
4. To oversee the buyback and resale of sale flats, consent for the transfer of ownership, consent for the change in mortgage terms, the assessment of premium, including the review of objection and appeals, and refinancing.
5. To supervise and direct the processing of vesting of land for rental housing estates including redevelopment estates as well as modifications to vesting orders for completed estates, and to advise on land issues and review rating assessments in respect of the RH estates.
6. To liaise and attend meetings with other government departments and public organizations on the land requirements evaluation of the property market performance and the implications on various schemes for home ownership.
7. To attend meetings of the Housing Authority, LegCo and the relevant committees/panels to provide information on a need basis.
8. To perform resources functions of the HOS and RH Section to achieve the overall business objectives and targets of the Section.

Job Description
Chief Estate Surveyor/Private Sector Participation Scheme and
Tenants Purchase Scheme

Rank : Chief Estate Surveyor (D1)

Responsible to : Assistant Director/Sales

Duties and Responsibilities -

1. To assist Assistant Director/Sales in the formulation, implementation and review of the policies relating to Private Sector Participation Scheme (PSPS) and Tenants Purchase Scheme (TPS).
2. To support Assistant Director/Sales in the development and implementation of the strategies and proposals for the mixed development approach.
3. To exercise overall administration of the PSPS, including planning, review of the tendering system, monitoring construction standards and progress, appointment of monitoring surveyors, monitoring the performance of contractors, price fixing, sale and marketing, and the review of PSPS tender document.
4. To liaise with the Secretary for Housing on PSPS Tender Programme and the relevant procedures, and on the implementation of the weighted scoring system.
5. To liaise with other Government Departments to secure Government Leases and assistance as necessary to enable sales of flats under TPS.
6. To arrange for assessments of market value and pricing of flats under TPS.
7. To liaise with legal consultants for preparation of Deed of Mutual Covenant for sales of TPS flats, and to implement TPS post-sale procedures including resale to Housing Authority, consent to assign and remortgage.
8. To perform resources management functions of the PSPS and TPS Section to achieve the overall business objectives and targets of the Section.

Job Description
Assistant Director/Allocation and Operations

Rank : Assistant Director of Housing (D2)

Responsible to : Business Director/Allocation and Marketing

Duties and Responsibilities -

1. To supervise and co-ordinate activities of the Allocation and Operations Division, monitoring and overseeing the work relating to the allocation of rental housing, operation of squatter control, clearance and redevelopment.
2. To oversee the administration of the Waiting List for rental housing, and to review any changes for the rational allocation of housing resources.
3. To plan, co-ordinate and execute programmes relating to the redevelopment of public housing estates and temporary housing areas and the control and clearance of squatter structures and associated rehousing matters.
4. To review and formulate policies and procedures relating to the eligibility for rehousing of persons in various categories, the eligibility and rates for ex-gratia allowances and the prevention of squatter structures.
5. To review and implement policies to improve living conditions in the remaining squatter areas.
6. To undertake resource planning and manage resources required for the letting of rental flats, clearance and control of squatters and registration and relief of victims of natural disasters.
7. To handle complaints, enquiries and petitions relating to public rental housing, squatter control, clearance and redevelopment matters.
8. To exercise authority delegated from the Housing Authority and its Committees for implementation of approved policies.

**Job Description
Chief Housing Manager/Applications**

Rank : Chief Housing Manager (D1)

Responsible to : Assistant Director/Allocation and Operations

Duties and Responsibilities -

1. To assist Assistant Director/Allocation and Operations in formulating policies, strategies and procedures relating to the management of the Waiting List and implementation of the Comprehensive Redevelopment Programme and Temporary Housing/Cottage Areas clearances.
2. To co-ordinate with branches within the Housing Department and other government departments on the allocation of financial and manpower resources for allocation of public rental housing units, redevelopment and clearance programmes with a view to maximizing efficiency.
3. To handle complaints and enquiries from the public and interest/political groups relating to the progress and implementation of rental housing allocation and rehousing programmes.
4. To plan the annual programmes of rental housing allocation, initiating changes to eligibility rules as well as making adjustments to the quota distribution in the light of changing supply and operational needs.
5. To monitor space allocation standards of rental flats in different districts in the light of changing supply and demand as well as the expectations of the prospective tenants on locations, size and types of housing.
6. To attend meetings of the Housing Authority and the relevant committees/panels to provide information on a need basis.
7. To plan and manage the resources of the Allocation Section to ensure effective operation of the Section.