

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 implementation of the following proposals in the Housing Department –

- (a) the creation of the following permanent post with effect from 7 July 2008 –

1 Chief Structural Engineer
(D1) (\$97,250 - \$103,200); and

- (b) the revision and redistribution of duties and responsibilities among some other directorate posts.

PROBLEM

A supernumerary Chief Structural Engineer (CSE) (D1) post (departmentally known as Chief Manager/Management (Support Services 5)) in the Estate Management Division (EMD) of the Housing Department (HD) will lapse on 7 July 2008. To take forward the Comprehensive Structural Investigation (CSI) Programme which has been turned into a long term departmental programme to cover all public rental housing (PRH) estates before they reach 40 years old, and to oversee the implementation of the recommended repair and strengthening works, the HD¹ needs the continual support of this directorate post.

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¹ The HD is the executive arm of the Housing Authority (HA). HD staff (all being civil servants) are seconded to the HA, which also employs its own staff under HA contract terms.

2. The HD also needs to slightly revise its directorate structure in order to streamline its operations.

PROPOSAL

3. We propose to –
- (a) create one permanent CSE (D1) post in the HD with effect from 7 July 2008 to oversee the CSI Programme; and
 - (b) transfer the Finance Sub-division (FinSD) from the Strategy Division (SD) to the Corporate Services Division (CSD), and the Housing Subsidies Sub-division (HSSD) from the CSD to the SD.

JUSTIFICATION

Expansion of the CSI Programme

4. In September 2005, the HA launched the CSI Programme on a limited basis, covering ten² PRH estates aged 40 years or more. The objectives are to ascertain whether these aged PRH blocks were structurally safe and to decide whether it would be more cost-effective to keep these buildings through repair and structural strengthening works or to demolish them. The CSI Programme would, where appropriate, identify the extent of repair/strengthening works required to sustain these buildings for at least 15 years and the estimated costs arising therefrom.

5. As at mid-March 2008, the HD has completed investigation works for eight PRH estates, with the remaining two scheduled for completion later this year. Through the investigation works, we have ascertained the degree of structural deterioration of these PRH estates and identified the root causes of deterioration³ which enable us to take appropriate measures to address the specific problems of each individual block. So far, two PRH estates have been recommended for demolition. As regards those recommended for retention, strengthening works of two PRH estates have been completed and those for the remaining four PRH estates are still in progress. A progress report is at Enclosure 1.

Encl. 1

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² In EC(2006-07)11, Members were informed that the initial CSI Programme would cover nine PRH estates. One additional estate, namely Ping Shek Estate, was subsequently included.

³ The rate of deterioration is affected by a number of factors, which include the design that is vulnerable to ingress of contaminants into the concrete to reach the steel bars, construction workmanship, choice of material, usage of material, and environment in the district etc.

6. The aging and structural deterioration of a building in a PRH estate generally aggravate with the passage of time. Our investigation works shows that the maintenance and repair expenditure often increase considerably as the age of a PRH estate reaches 40 years. An early investigation to ascertain the structural conditions of the estates and to devise tailor-made improvements would reduce the need for more extensive and disruptive structural repair and improvement works in the future. We consider it strategically desirable that an investigation should be carried out for each PRH estate before it reaches 40 years old. In view of the success of the current CSI Programme, the HA has decided to turn the CSI Programme into a long term departmental programme⁴ after the completion of the ongoing exercise covering ten PRH estates in 2008, so that all PRH estates will be covered by the CSI Programme before reaching the age of 40 (hereafter known as the “expanded CSI Programme”). Considering the manpower resource requirements and the actual time required for the previous investigation works, the HA plans to investigate three to four PRH estates every year, and cover a total of 32 PRH estates in the coming ten years (from 2008 to 2018). A list showing the 32 PRH estates to be covered in the expanded CSI Programme and an indicative timetable (which may vary subject to actual circumstances) is at Enclosure 2.

Encl. 2

Need for a Permanent Post of CSE

7. Currently, the CSI Programme is spearheaded by a supernumerary CSE post that will lapse on 7 July 2008. The CSE is underpinned by four teams of staff, each headed by a Senior Structural Engineer (MPS Point 45 - 49). The distribution of duties of the four teams⁵ is as follows –

- (a) two investigation teams in the Structural Condition Monitoring Unit are directly responsible for inspection, testing, analysis, assessment, design and implementation of strengthening and improvement works identified under the CSI Programme;
- (b) another team in the Structural Investigation and Strengthening Unit is responsible for cantilever strengthening, repairing and monitoring works of aged PRH blocks; and

/(c)

⁴ The strategy and programme for the CSI Programme have been endorsed by the Strategic Planning Committee of the HA at its meeting in January 2008.

⁵ In EC(2006-07)11, Members were informed that the CSE directly supervised five teams of staff including one team responsible for repairing and monitoring works of non-domestic properties. To strengthen the provision of structural engineering support to maintenance and improvement projects of the relevant regions, this team has been transferred to the regional team under the charge of a Chief Building Services Engineer (D1) in the EMD and made to work indirectly to the CSE.

- (c) the remaining team in the Structural Engineering Services Unit is responsible for research and development activities which help facilitate the investigation works of the CSI Programme. Moreover, this team provides technical support to all engineering teams in establishing methodology and exploring use of materials and technology for investigation and repair.

The investigation works and the implementation of the recommended repair and strengthening works of the expanded CSI Programme in the coming years will continue to be handled by the above teams. If further manpower is required in future, the HA will meet with it through internal deployment of non-directorate staff.

8. Apart from overseeing the work of the four teams in paragraph 7 above, the CSE has to spare around one-sixth of his time in providing technical advice to various structural engineering teams in different regions in respect of investigation and maintenance of structural elements for properties in the EMD, including both PRH estates and old flatted factory estates. Tasking one CSE in the EMD to provide central support will not only ensure operational efficiency, but also have the added benefit of monitoring the structural safety of all properties of the HA in a more holistic and effective manner. An organisation chart showing the teams working directly and indirectly under the CSE post is at Enclosure 3.

Encl. 3

9. In view of the technical complexity and the significant implications of the expanded CSI Programme and the associated repair and strengthening works, it is necessary for the CSI Programme to continue to be supervised on a day-to-day basis by a full-time CSE. A detailed job description of the post is at Enclosure 4.

Encl. 4

Alternatives Considered

10. We have explored the possibility of absorbing the work of the proposed CSE post through internal redeployment, but considered it not viable. At present, the HD has a total of four CSE posts. Apart from the supernumerary CSE post in question, there are three CSE permanent posts in the Development and Construction Division (DCD) of the HD. However, each of the project teams in the DCD has been and will be fully engaged in the projects and the related preparation work, having regard to the housing production of over 75 000 units in the coming five years and the expected even distribution (around 15 000 units per annum). The two CSEs responsible for housing production are fully engaged in project works and will not have any spare capacities to absorb additional workload. In addition to the construction projects for which he is responsible, the third CSE has been deployed on a part-time basis to the Independent Checking Unit (ICU) of the HD to

/assist

assist in discharging building control function and examining applications involving structural alterations to buildings owned by the HA in accordance with the Buildings Ordinance. We have reviewed this temporary redeployment and found it necessary to retain the arrangement to align with the three-tier vetting system of the Buildings Department's practices⁶. Since the three CSEs in the HD are and will continue to be fully engaged, it will not be possible for them to take up further duties.

Revision and Redistribution of Duties and Responsibilities

Encls.
5 & 6

11. At present, the HD comprises four Divisions, namely SD, DCD, EMD and CSD. Since our last report to Members in June 2006 vide EC(2006-07)11, the directorate structure has remained largely the same except with the creation of a permanent Assistant Director of Housing (D2) post with effect from 15 July 2007, as approved by Finance Committee (FC) vide EC(2007-08)5, to head the ICU. The existing organisation chart and the areas of responsibilities of various divisions are at Enclosures 5 and 6 respectively.

12. We have reviewed the current organisation structure of the HD and considering that ownership of both manpower and financial issues by the same division will bring added benefit of managing resources in a more holistic and focused manner; and that given the wide policy content of the areas of responsibility under the HSSD, we have reshuffled the responsibilities of the SD and the CSD on a trial basis since 3 July 2007 in the following manner –

- (a) transfer of the FinSD from the SD to the CSD, the latter of which oversees, among other matters, the human resource management. As a result, the Assistant Director (Finance) (D2), who is underpinned by one Chief Treasury Account (D1) and one contract Chief Finance Manager (HA contract D1), has been put under the charge of the Deputy Director (Corporate Services) (D3); and
- (b) transfer of the HSSD from the CSD to the SD, the latter of which mainly oversees formulation of public housing strategies. As a result, the Assistant Director (Housing Subsidies) (D2), who is underpinned by one Chief Housing Manager (D1) and one Chief Estate Surveyor (D1), has been put under the charge of the Deputy Secretary for Transport and Housing (Housing)/Deputy Director (Strategy) (D4).

/We

⁶ In line with the Buildings Department's practice, applications submitted to the ICU for structural addition and alteration to buildings will be vetted by three layers of officers at the professional, senior professional and directorate levels.

Encls.
7 & 8
9 & 10

We have recently reviewed the above arrangements in the light of operational experience. Our findings suggest that under the above directorate structure, relevant directorate officers can discharge their duties more effectively and efficiently. We now propose to formalise the above-mentioned proposals. The proposed organisation chart and the areas of responsibilities of various divisions are at Enclosures 7 and 8 respectively and the revised job descriptions of the two Deputy Directors concerned are at Enclosures 9 and 10.

13. The contract Chief Finance Manager (HA contract D1) post in the FinSD, which is the only HA contract directorate post in the HD, was originally scheduled for deletion in March 2006. In EC(2006-07)11, we had committed to reviewing the need of this contract directorate post in the FinSD by July 2008. Having regard to the prevailing HA investment strategy which involves substantial fund management operations, there is a need for more sophisticated in-house monitoring of external fund managers and more active review of asset allocations and investment guidelines. In light of experience and to ensure proper management of investment risks in a volatile financial market, we find it necessary to keep this HA contract post on a long term basis.

FINANCIAL IMPLICATIONS

14. The additional notional annual salary cost at mid-point of the proposed CSE post is \$1,201,200. The full annual average staff cost, including salaries and staff on-costs, is \$1,639,000. The proposed CSE post will not entail any additional supporting staff. The full cost will be recovered from the HA under the usual arrangement for HD staff seconded to the HA. The proposal has been covered in ECI(2007-08)8 on "Update on Overall Directorate Establishment Position". As regards the redistribution of duties among the directorate staff, it does not have any additional financial implications.

PUBLIC CONSULTATION

15. We consulted the Legislative Council Panel on Housing on the expanded CSI Programme and the proposed creation of the permanent CSE post on 4 February 2008. Members supported the expanded CSI Programme and urged the Administration to expedite it, if at all possible. Members were also supportive of the proposed creation of the permanent CSE post. We have since then further reviewed the CSI Programme, and we consider the proposed timetable reasonable having regard to the age profile of the housing estates. However, where manpower resources permit and as we gather additional experience on the investigation works, we will endeavour to expedite the CSI Programme as we progress.

BACKGROUND

16. On 7 July 2006, FC approved vide EC(2006-07)11 the creation of a supernumerary CSE post for two years effective from 7 July 2006 to spearhead the CSI Programme. The post holder reports directly to a Senior Assistant Director of Housing (D3) (departmentally known as Deputy Director (Estate Management)). Given the implementation of the expanded CSI Programme, there is a need to make permanent the existing supernumerary CSE post.

ESTABLISHMENT CHANGES

17. The establishment changes in HD for the last two years are as follows –

Establishment (Note)	Number of posts		
	Existing (as at 1 April 2008)	As at 1 April 2007	As at 1 April 2006
A	47+(2)#	46+(3)	48+(1)
B	1 144	1 132	1 177
C	7 615	7 584	7 842
Total	8 808	8 765	9 068

Note:

- A - ranks in the directorate pay scale or equivalent (including equivalent HA contract posts)
- B - non-directorate ranks the maximum pay point of which is above MPS Point 33 or equivalent (including equivalent HA contract posts)
- C - non-directorate ranks the maximum pay point of which is at or below MPS Point 33 or equivalent (including equivalent HA contract posts)
- () - number of supernumerary directorate posts approved by FC
- # - As at 1 April 2008, there was no unfilled directorate post in the HA.

CIVIL SERVICE BUREAU COMMENTS

18. The Civil Service Bureau supports the proposed creation of a permanent CSE post upon the lapse of the current supernumerary CSE post on 7 July 2008 to oversee the expanded CSI Programme endorsed by the HA. The grading and ranking of the proposed post are appropriate having regard to the level and scope of the responsibilities and the professional input required.

/ADVICE

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

19. The Standing Committee on Directorate Salaries and Conditions of Service has advised that the grading proposed for the post would be appropriate if the proposal were to be implemented.

Transport and Housing Bureau
April 2008

**Progress report of the ten public rental housing estates covered in the initial
Comprehensive Structural Investigation Programme**

Estate	Status of Investigation Works	Recommendations	Progress of Strengthening Works
1. Model Housing	Completed	Repair and structural strengthening works required	Completed
2. Sai Wan			
3. Choi Hung			
4. Ma Tau Wai			
5. Wo Lok			
6. Fuk Loi			
7. So Uk		Demolition	N.A.
8. Tung Tau Block 22			
9. Wah Fu	Underway	---	---
10. Ping Shek			

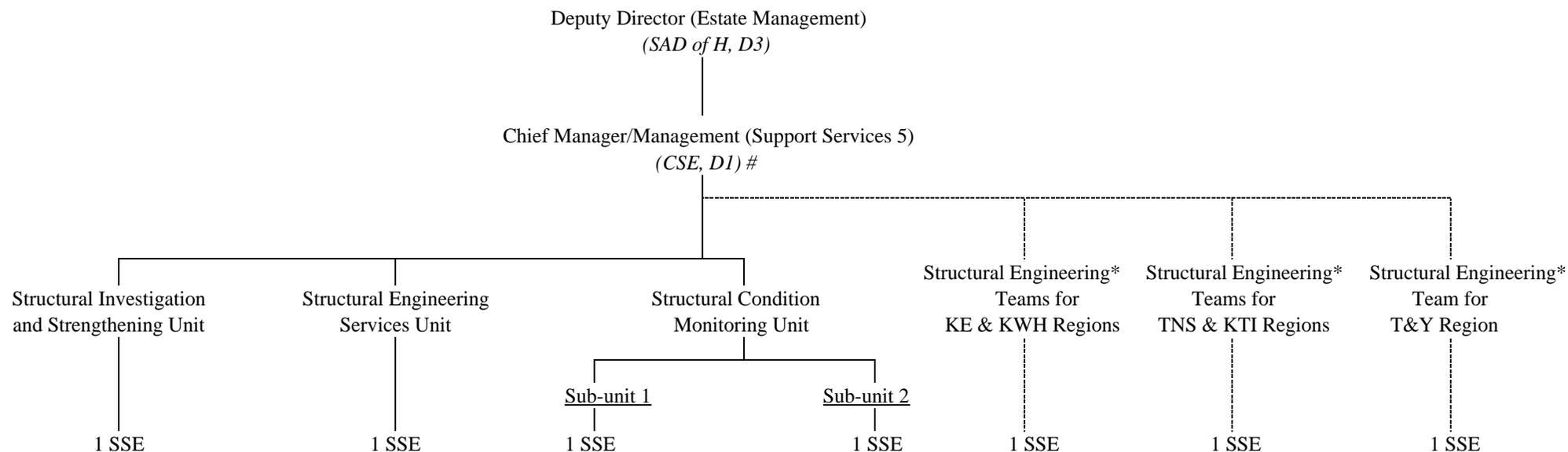
**The 32 aged public rental housing estates to be covered in the expanded
Comprehensive Structural Investigation Programme from 2008 to 2018**

No.	Estate	Year of Completion
1	Mei Tung	1974 (Note 1)
2	Oi Man	1974 (Note 1)
3	Kwai Shing West	1975 (Note 1)
4	Lai King	1975 (Note 2)
5	Lek Yuen	1975 (Note 2)
6	Lei Muk Shue II	1975 (Note 2)
7	Pak Tin	1975
8	Hing Wah II	1976
9	Lai Yiu	1976
10	Shek Kip Mei	1976
11	Cheung Ching	1977
12	Nam Shan	1977
13	Tai Hing	1977
14	Wo Che	1977
15	Yue Wan	1977
16	Cheung Shan	1978
17	Fu Shan	1978
18	Choi Wan I	1979
19	Choi Wan II	1978
20	Shun Lee	1978
21	Shun On	1978
22	Cheung Hong	1979
23	Tai Wo Hau	1979
24	Wan Tsui	1979
25	Ap Lei Chau	1980
26	Lung Tin	1980
27	On Ting	1980
28	Sam Shing	1980
29	Sha Kok	1980
30	Shek Wai Kok	1980
31	Tai Yuen	1980
32	Yau Oi	1980

Note 1: The comprehensive structural investigations for these estates are scheduled to be completed in 2009.

Note 2: The comprehensive structural investigations for these estates are scheduled to be completed in 2010.

**Organisation Chart of the Support Services Section (5)
Estate Management Division, Housing Department**



Legend

- | | | | |
|----------|--|-------|--|
| SAD of H | - Senior Assistant Director of Housing | —— | - direct supervision |
| CSE | - Chief Structural Engineer | ----- | - indirect supervision |
| SSE | - Senior Structural Engineer | # | - Supernumerary CSE post proposed to be made permanent |
| KE | - Kowloon East | | |
| KWH | - Kowloon West and Hong Kong | | |
| TNS | - Tai Po, North, Shatin and Sai Kung | | |
| KTI | - Kwai Tsing, Tsuen Wan and Islands | | |
| T&Y | - Tuen Mun and Yuen Long | | |

Note

* To provide technical support in respect of investigation and maintenance of structural elements for properties of various regions under the Estate Management Division

**Job Description
Chief Manager/Management (Support Services 5)**

Rank : Chief Structural Engineer (D1)

Responsible to : Deputy Director (Estate Management) (D3)

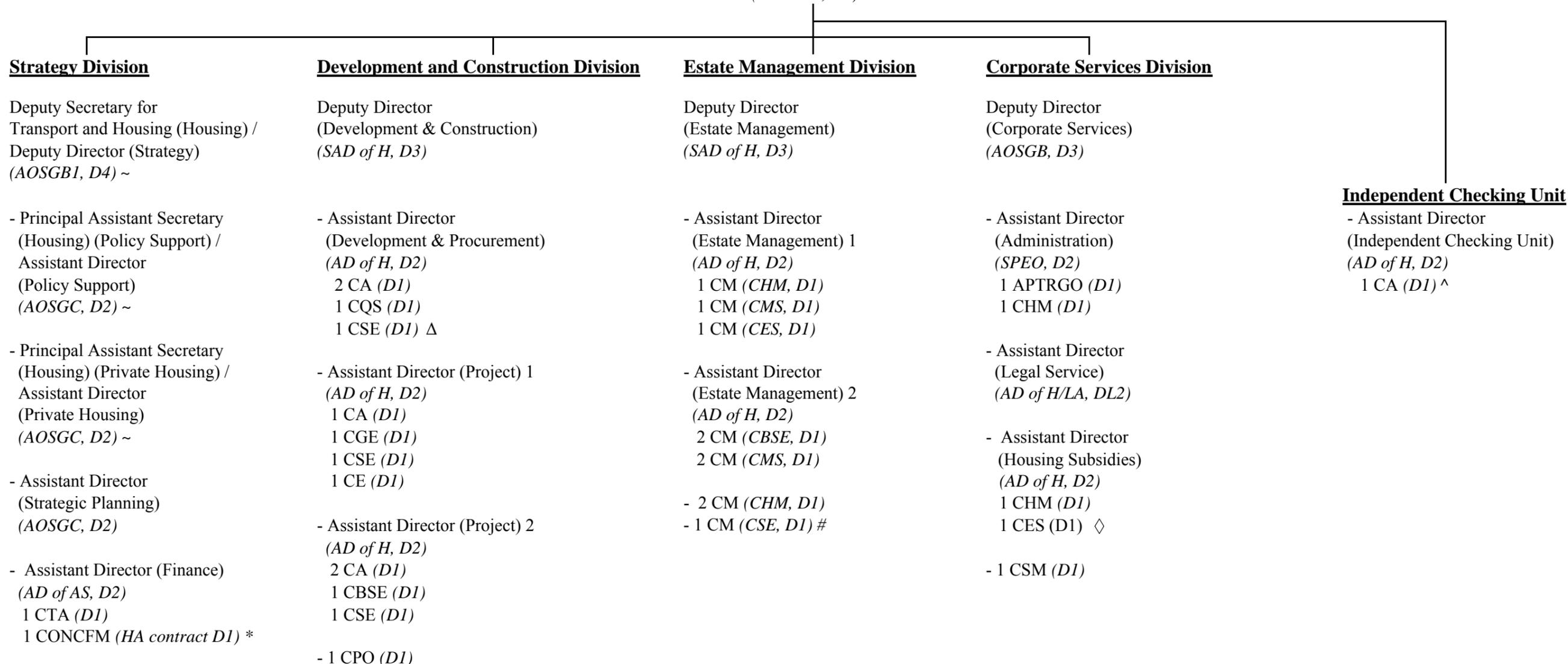
Major Duties and Responsibilities –

1. to oversee the implementation of the Comprehensive Structural Investigation Programme for aged public housing estates;
2. to oversee the carrying out of major structural investigation and subsequent development and implementation of maintenance works for public housing estates;
3. to advise on matters relating to structural investigation and related works;
4. to oversee and advise on the provision of structural engineering services for domestic and residual non-domestic properties of the Housing Authority; and
5. to liaise and attend meetings with other Government departments and public organisations on structural engineering matters.

Existing Directorate Structure of Housing Department

Permanent Secretary for Transport and Housing (Housing)/Director of Housing

(AOSGA1, D8)



Legends:

- | | | |
|--|---|--|
| AOSGA1 - Administrative Officer Staff Grade A1 | CES - Chief Estate Surveyor | # - Supernumerary CSE post proposed to be made permanent |
| AOSGB1 - Administrative Officer Staff Grade B1 | CGE - Chief Geotechnical Engineer | ◇ - Supernumerary CES post |
| AOSGB - Administrative Officer Staff Grade B | CHM - Chief Housing Manager | ~ - These posts are given bureau designations in addition to normal departmental designations to better reflect the nature of their duties which are largely policy-related. |
| AOSGC - Administrative Officer Staff Grade C | CMS - Chief Maintenance Surveyor | |
| SAD of H - Senior Assistant Director of Housing | CPO - Chief Planning Officer | |
| AD of H - Assistant Director of Housing | CQS - Chief Quantity Surveyor | Δ - Post deployed to Independent Checking Unit on a part-time basis |
| AD of AS - Assistant Director of Accounting Services | CSE - Chief Structural Engineer | ^ - Post temporarily deployed to Independent Checking Unit |
| SPEO - Senior Principal Executive Officer | CSM - Chief Systems Manager | * - HA contract post |
| APTRGO - Assistant Principal Training Officer | CTA - Chief Treasury Accountant | |
| CA - Chief Architect | CM - Chief Manager | |
| CBSE - Chief Building Services Engineer | CONCFM - Contract Chief Finance Manager | |
| CE - Chief Engineer | HA - Housing Authority | |
| | LA - Legal Advice | |

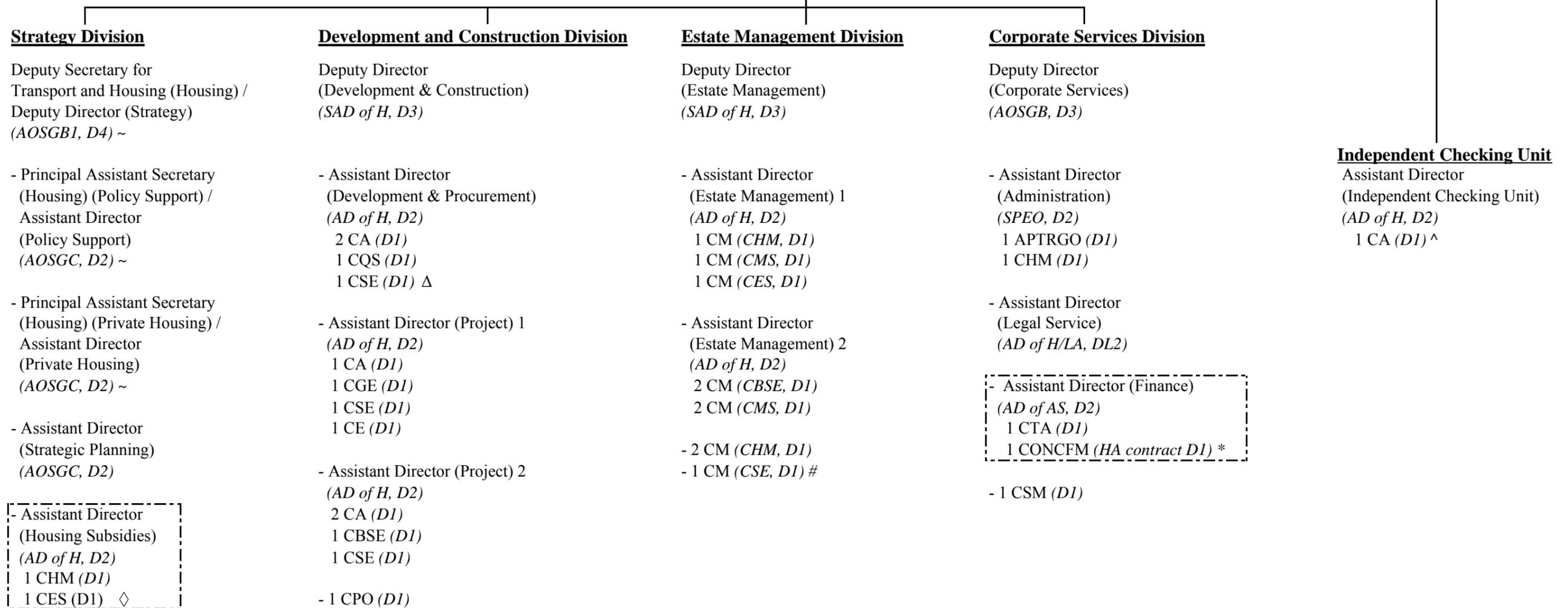
Existing areas of responsibilities of the four Divisions of Housing Department

Division	Responsibilities
(A) Strategy Division	<ul style="list-style-type: none"> (a) Formulation of public housing strategies; (b) Policies related to private housing; (c) Corporate plan and finance of the Housing Authority (HA); and (d) Central support to Secretary for Transport and Housing and Permanent Secretary for Transport and Housing (Housing) on housing policies and department-wide issues with heavy policy content.
(B) Development and Construction Division	<ul style="list-style-type: none"> (a) Public Housing Construction Programme; (b) Development and construction projects; (c) Housing Monitoring Information System; and (d) Corporate procurement, site safety and environmental management.
(C) Estate Management Division	<ul style="list-style-type: none"> (a) Overall management and maintenance of public housing estates and non-domestic properties; (b) Monitoring of Property Services Agents; (c) Comprehensive Structural Investigation Programme; and (d) Strategies and measures to safeguard public housing resources.
(D) Corporate Services Division	<ul style="list-style-type: none"> (a) Human resource management and development; (b) Provision of administration, legal, information technology and management services; (c) Corporate public relations strategies; (d) Provision of secretariat support to the HA and its committees; and (e) Application for and allocation of public rental housing, HA's housing subsidy policies and residual programmes, and land administration issues related to the HA.

Proposed Directorate Structure of Housing Department

Permanent Secretary for Transport and Housing (Housing)/Director of Housing

(AOSGA1, D8)



Legends:

- AOSGA1 - Administrative Officer Staff Grade A1
- AOSGB1 - Administrative Officer Staff Grade B1
- AOSGB - Administrative Officer Staff Grade B
- AOSGC - Administrative Officer Staff Grade C
- SAD of H - Senior Assistant Director of Housing
- AD of H - Assistant Director of Housing
- AD of AS - Assistant Director of Accounting Services
- SPEO - Senior Principal Executive Officer
- APTRGO - Assistant Principal Training Officer
- CA - Chief Architect
- CBSE - Chief Building Services Engineer
- CE - Chief Engineer

- CES - Chief Estate Surveyor
- CGE - Chief Geotechnical Engineer
- CHM - Chief Housing Manager
- CMS - Chief Maintenance Surveyor
- CPO - Chief Planning Officer
- CQS - Chief Quantity Surveyor
- CSE - Chief Structural Engineer
- CSM - Chief Systems Manager
- CTA - Chief Treasury Accountant
- CM - Chief Manager
- CONCFM - Contract Chief Finance Manager
- HA - Housing Authority
- LA - Legal Advice

- # - Supernumerary CSE post proposed to be made permanent
- ◇ - Supernumerary CES post
- ~ - These posts are given bureau designations in addition to normal departmental designations to better reflect the nature of their duties which are largely policy-related.
- Δ - Post deployed to Independent Checking Unit on a part-time basis
- ^ - Post temporarily deployed to Independent Checking Unit
- * - HA contract post
- - - - - Proposed changes in directorate structure

**Proposed areas of responsibilities of the
four Divisions of Housing Department**

Division	Responsibilities
(A) Strategy Division	<ul style="list-style-type: none"> (a) Formulation of public housing strategies; (b) Policies related to private housing; (c) Corporate plan of the Housing Authority (HA); (d) Central support to Secretary for Transport and Housing and Permanent Secretary for Transport and Housing (Housing) on housing policies and department-wide issues with heavy policy content; and (e) Application for and allocation of public rental housing, HA's housing subsidy policies and residual programmes, and land administration issues related to the HA.
(B) Development and Construction Division	<ul style="list-style-type: none"> (a) Public Housing Construction Programme; (b) Development and construction projects; (c) Housing Monitoring Information System; and (d) Corporate procurement, site safety and environmental management.
(C) Estate Management Division	<ul style="list-style-type: none"> (a) Overall management and maintenance of public housing estates and non-domestic properties; (b) Monitoring of Property Services Agents; (c) Comprehensive Structural Investigation Programme; and (d) Strategies and measures to safeguard public housing resources.
(D) Corporate Services Division	<ul style="list-style-type: none"> (a) Human resource management and development; (b) Provision of administration, legal, information technology and management services; (c) Finance of the HA; (d) Corporate public relations strategies; and (e) Provision of secretariat support to the HA and its committees.

Job Description
Deputy Secretary for Transport and Housing (Housing)/
Deputy Director (Strategy)

Rank : Administrative Officer Staff Grade B1 (D4)

Responsible to : Permanent Secretary for Transport and Housing (Housing)

Major Duties and Responsibilities –

1. to assist Permanent Secretary for Transport and Housing (Housing) (PS(H)) in formulating housing policies in relation to the private housing market and operations of the property market, including the work of the Estate Agents Authority (EAA);
2. to conduct and review strategic planning issues on public housing;
3. to assist Secretary for Transport and Housing (STH) in relation to the work of the Legislative Council, Executive Council and other public forum;
4. to provide policy support to STH for the Policy Address and the Government's Annual Budget Exercise;
5. to provide policy support to STH in relation to appointments to the Housing Authority (HA), EAA, Appeal Panel (Housing), Estate Agents Appeal Panel, etc.;
6. to oversee the administration duties related to the transfer of legal titles for retail and car-parking facilities which the HA has sold to The Link REIT; the sale of surplus Home Ownership Scheme; and allocation of public rental housing;
7. to advise STH and PS(H) in relation to Government's policies towards the Housing Society and other non-Government housing organisations; and
8. to respond to policies initiated by other bureaux/departments and to prepare material for international bodies.

**Job Description
Deputy Director (Corporate Services)**

Rank : Administrative Officer Staff Grade B (D3)

Responsible to : Permanent Secretary for Transport and Housing (Housing)

Major Duties and Responsibilities –

1. as Head of the Corporate Services Division, to oversee the work of Assistant Director (AD) (Administration), AD (Legal Service), AD (Finance) and Head (Information Technology);
2. as Secretary, Housing Authority (HA), to provide advice and support to HA/Housing Department (HD)'s policies, projects and reform programmes (e.g. Quality Housing, streamlining of business divisions, organisational changes); and to chair a number of departmental committees namely HD Tender Board, Information Technology Development Committee, Departmental Establishment Committee, HA Contract Staff Consultative Committee, and General Grades and Seconded Officers Consultative Committee;
3. to steer and implement HD's long-term information technology strategies;
4. to steer and implement HD's long-term public and community relations strategy;
5. to supervise and oversee the financial operations of the HA/HD;
6. to direct the work of the Management Services Sub-division in providing management services with a view to achieving improvements in efficiency and resource utilisation in the HD; and
7. to oversee the work of the Committees' Section in providing executive/secretariat support to the HA and the Appeal Panel (Housing).
