

(Translation)

香港特別行政區政府
The Government of the Hong Kong Special Administrative Region

運輸及房屋局

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6 June 2016

Mr Derek Lo
Clerk to Legislative Council Panel on Housing
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road, Central
Hong Kong

Dear Mr Lo,

Legislative Council Panel on Housing
Meeting on 12 April 2016

I enclose the supplementary information requested by Members
at the meeting on 12 April 2016 (Annex) for Members' reference.

Yours sincerely,

(Original Signed)

(Jerry Cheung)
for Secretary for Transport and Housing

**Legislative Council Panel on Housing
Meeting on 12 April 2016**

Supplementary Information

Purpose

At the Legislative Council Panel on Housing meeting on 12 April 2016, Members requested supplementary information on the creation of one supernumerary Chief Engineer post in the Civil Engineering and Development Department (CEDD), as well as one permanent Chief Estate Surveyor post and one permanent Chief Housing Manager post in the Housing Department (HD). This paper provides the relevant information.

Proposed supernumerary Chief Engineer post in CEDD

Workload of the proposed post

2. The Government attaches great importance to the identification of adequate land to meet the demand for public housing development. With the considerable number of sites identified through the on-going land search exercise, it is of prime importance for the Government to establish the public housing use of these sites through various technical assessments, and to formulate the required infrastructures as early as possible to tie in with the public housing development. In the past few years, CEDD has been utilising its existing human resources at directorate level for handling the additional workload brought about by public housing development projects. While every effort has been made in accommodating the additional workload, CEDD is facing a shortfall of management support at directorate level for meeting the increasing workload. The lack of management support and steer would unavoidably affect the progress of public housing development at suitable sites identified. Hence, CEDD needs the proposed post to make up the above shortfall in management resources, so as to implement public housing development at suitable sites as early as possible.

Change in the number of professional grade staff in CEDD over the past

three years

3. To take on the challenges brought about by the public housing supply target, CEDD created 12 posts each in 2014 and 2015, and 15 posts in 2016, totaling 39 professional grade posts. All the above posts were created on a five-year term and will be reviewed in a timely manner..

Information on Lai King Estate

4. The year of occupation of Lai King Estate is 1975. The Hong Kong Housing Authority (HA) is committed to enhancing the quality of public housing and providing a better living environment for the residents. In planning for public housing developments, including Lai King Estate, HA has made reference to the Hong Kong Planning Standards and Guidelines, and will carry out environmental assessment studies in accordance with the requirements of the Environmental Protection Department.

Proposed permanent Chief Estate Surveyor post in HD

Increase in workload

5. The Long Term Housing Strategy (LTHS) promulgated in December 2014 reaffirms that subsidised home ownership is an essential element of the housing ladder and is a core component of the LTHS. Specifically, for some low to middle-income families, Home Ownership Scheme (HOS) flats and other forms of subsidised sale flats (SSFs) serve as their first step for home ownership. SSFs also provide an avenue for better-off public rental housing (PRH) tenants to buy their own homes, thereby releasing their PRH units for PRH applicants. Sale of HOS and other forms of SSF is an ongoing activity of HA now. The LTHS Annual Progress Report 2015 announced that among the public housing supply target, SSFs account for 80 000. The majority of the SSFs will be constructed and sold by HA. In addition, for the “Sale of HOS 2016”, HA and the Hong Kong Housing Society (HKHS) have arranged a joint application exercise with a view to facilitating applicants to apply for HA’s HOS flats and HKHS’s SSFs by completing only one application form and undergoing one vetting process. As a result, HD staff had to handle all the relevant work relating to the joint application exercise.

6. Apart from the regular HOS sale exercises, HA has also put in place a number of new initiatives and pilot projects with a view to expanding the form of SSFs and facilitating their circulation. Such new initiatives include the Interim Scheme to Extend the HOS Secondary Market to White Form Buyers (Interim Scheme) launched in January 2013, which allowed 5 000 eligible White Form buyers to purchase flats in the HOS Secondary Market with premium not yet paid. A new round of the Interim Scheme with a quota of 2 500 was launched in 2015. Thereafter a review on the future of the Interim Scheme will be conducted. HA will also launch the pre-sale of the Green Form Subsidised Home Ownership Pilot Scheme (GSH) in the second half of 2016, with about 860 SSFs for sale to Green Form applicants.

Expertise and experience required for relevant work

7. In respect of the regular HOS sale exercises, each round of sale spans over about a year, from the preparatory stage to the sale stage. In the process, HA has to attend to details in each and every step and to comply with the relevant statutory requirements as stipulated in the Residential Properties (First Hand Sales) Ordinance (Cap. 621). Specifically, professional expertise in estate surveying and land administration matters is required in conducting valuation for the purpose of working out the appropriate income and asset limits applicable to White Form applicants; in determining the sale prices of the flats; devising sales documents; devising mortgage arrangements; preparing Deed of Guarantee; devising conveyancing arrangements; and preparing agreements for sale and purchase and assignments. The preparatory work for each round of HOS sale also entails working out the detailed operational arrangements, such as devising application forms and application guides; preparing publicity materials and arrangements such as models, exhibitions, websites, advertisements; devising the appropriate allocation of quota for each category of applicants; mapping out flat selection priority; mapping out detailed mechanism to process applications and to vet applicants' eligibility, as well as working out appropriate logistic arrangements for flat selection, etc. In case rescinded flats from previous sale exercises are put up for sale, HA also needs to restart the entire preparatory work (such as working out the selling prices; updating the sales documents, etc.) for those rescinded flats. The above work requires input from different disciplines and each step is closely knitted. To enable early launch of each round of sale, we also impose upon ourselves

tight deadlines for each stage of the preparatory work. Therefore, HA needs a professional officer of sufficient experience and seniority to effectively command and co-ordinate the entire process to ensure smooth implementation of each HOS sale exercise.

8. As for new initiatives such as the GSH, since some of the features such as eligibility criteria and mechanism for administering the alienation restrictions are different from those applicable to HOS flats, HA also needs the support of a senior officer to map out the details.

The need for the creation of a permanent Chief Estate Surveyor post

9. At present, Housing Subsidies Sub-division (HSSD) of the Strategy Division in HD is responsible for coordinating the preparatory work and conducting the actual sale exercises of all HOS and SSFs of HA.

10. HSSD comprises two sections, namely, the Land Administration Section (LAS) and the Allocation Section. HSSD is headed by an Assistant Director of Housing (D2), designated as Assistant Director (Housing Subsidies) (AD(HS)), who oversees work relating to the sale of HOS and other forms of SSFs; allocation of PRH units; and HA's clearance programmes. In respect of the Allocation Section, AD(HS) is underpinned by a Chief Housing Manager (D1) who provides support in handling PRH allocation and clearance programmes. However, in the past few years, owing to the need to follow up on the recommendations in LTHS, AD(HS) is also closely involved in supervising the Allocation Section in formulating and implementing new initiatives under the PRH regime. As for the LAS, there are a total of six teams, four of which are responsible for work relating to the sale of SSFs as described in paragraph 7 above. Among the four teams, one team is responsible for the sale operation during the sale stage and the other three teams share the workload on the preparatory work for sale of all HOS and SSF developments. The remaining two teams are responsible for post-sale matters of HOS/Private Sector Participation Scheme/Tenants Purchase Scheme (TPS) flats (such as change of ownership and mortgage, mortgage default claims, etc.); as well as the administration of the HOS Secondary Market Scheme which includes processing of applications, preparing mortgage arrangements and Deed of Guarantee. The six teams in LAS are each headed by a senior professional

(non-directorate level) who reports direct to AD (HS).

11. With the resumption of HOS as announced in 2011, newly-built HOS flats become available for pre-sale in 2014, entailing all the additional work as described in paragraph 7 above. However, the directorate establishment of LAS remains unchanged despite the surge in workload. With the introduction of various new initiatives relating to SSF, AD(HS) has to directly supervise the six teams in the LAS throughout the past few years. With the incremental roll-out of newly-built HOS as well as other SSFs in the coming years, it is expected that the number of sale exercises will increase. Given the workload involved in each sale exercise and the need to attend to all the details from the preparatory to the sale stage, without the input of a directorate officer who has the necessary professional expertise and experience, AD(HS) is experiencing increasing difficulty in effectively supervising the work involved in a timely manner. The situation will deteriorate with the increase in the number of sale exercises due to the various new initiatives. Hence, there is an imminent need to strengthen the directorate support in HSSD by creating one CES post on a permanent basis to help cope with the significant increase in workload arising from the sale of SSFs.

12. With the creation of the proposed CES post, to be designated as CES(Housing Subsidies) (CES(HS)), the post holder will provide professional support to AD(HS) in overseeing the work of the LAS. CES(HS) will be responsible for formulating and coordinating sale programmes and sale arrangements for the implementation of all SSF of HA and related new initiatives; devising and monitoring work programme for sale preparation work; supervising valuation work for pricing of individual SSF, and approving the pricing under delegated authority; overseeing the preparation of sales brochures, price lists, and other relevant sales documents; overseeing the implementation of sale arrangements and conveyancing arrangements; supervising the on-going sale of TPS flats and post-sale land administration matters of TPS estates; and supervising post-sale services relating to HOS/GSH/TPS (e.g. mortgage default claims, etc.).

Proposed permanent Chief Housing Manager post in HD

Increase in the number of professional grade staff in the Estate Management Division (EMD) over the past three years

13. Over the past three years, a total of 20 professional grade (including Estate Surveyor, Building Services Engineer, Structural Engineer, Maintenance Surveyor and Geotechnical Engineer) posts and 17 Housing Manager grade posts at Senior Housing Manager/Housing Manager rank were created in EMD.

Main duties of existing Senior Housing Managers and Chief Housing Managers

14. The main duties of Chief Housing Managers are as follows-

- (i) to assist Assistant Directors (Estate Management) in formulating policies, strategies, service standards and action plans relating to property and tenancy management of HA's properties;
- (ii) to oversee the management, maintenance and control of properties within the region, which include monitoring the performance of Property Services Agents;
- (iii) to prepare budgets and forecasts of expenditure, and monitor the expenditure in accordance with the targets set out in the business plans and estate action plans;
- (iv) to co-ordinate users' feedbacks and provide advice on the design and layout of new public housing estates, take over new housing estates and ensure prompt letting of all domestic and non-domestic properties;
- (v) to assess public reaction through monitoring the progress of estate redevelopment, major maintenance and improvement programmes, changes of policies and interest group activities;
- (vi) to oversee the implementation of estate action plans and operation procedures, monitor the effectiveness of the action plans and procedures, and provide feedbacks to senior management;
- (vii) to co-ordinate the development, implementation and monitoring

of maintenance and improvement programmes in public housing estates within the region;

- (viii) to administer services and maintenance contracts and act as the named Contract Manager;
- (ix) to represent HA/ HD in meetings with District Councils, District Management Committees, interest groups and political parties;
- (x) to formulate and review policies and strategies relating to security and cleansing services, management of service contractors and provision of horticultural services for all housing estates; and
- (xi) to formulate and oversee the procedures and guidelines on matters relating to the taking over of new properties.

15. Main duties of Senior Housing Managers are as follows-

- (i) to be responsible for the tenancy and property management functions of public housing estates;
- (ii) to oversee the implementation of property and tenancy management policies;
- (iii) to maintain/improve the standard of management and the general living environment of estates;
- (iv) to be responsible for the overall control of income and expenditure;
- (v) to offer advice to the senior management on likely public reaction towards new policies and controversial issues;
- (vi) to liaise with other government departments, District Councils and voluntary groups at district level and to participate in community activities;
- (vii) to represent HD at District Council meetings;
- (viii) to handle enquiries and complaints relating to property and tenancy management;
- (ix) to undertake pre-management duties of new properties including the design of facilities, fixing of rent and designation of trades;

- (x) to act as Customer Service Co-ordinator at district level; and
- (xi) to monitor the post-sale services provided to owners of HOS.

Need for the creation of a permanent Chief Housing Manager post

16. During the re-organisation of EMD in mid-2010, one Assistant Director of Housing post and one Chief Estate Surveyor post were created. The structure of EMD has remained largely the same since then. The property portfolio has been increasing, while at the same time new initiatives and policies relating to property and tenancy management are being introduced for enhancing the sustainability of public housing production, as well as meeting the rising expectation of tenants. Nevertheless, there has been no corresponding increase in directorate posts to cope with the increased workload.

17. EMD manages a wide range of property portfolio, comprising about 793 700 PRH units in 173 public housing estates, 456 200 subsidised sale flats, 2 583 600 m² non-domestic properties and 28 600 car parking spaces. To meet the demand for public housing, HA will continue with the production of new PRH units. In mid-2010, there were a total of about 711 800 PRH units under EMD and an average of 127 800 PRH units in each Management Region. During the period from 2010 to March 2017, there will be a net increase of 81 900 PRH units, representing a 12% increase. These new units have resulted in a corresponding increase in workload for all the Management Regions. It is expected that by end March 2017, the PRH units stock of Kowloon West & Hong Kong, Kowloon East and Tai Po, North, Shatin & Sai Kung Regions will increase to 153 500, 148 800 and 145 100 respectively. To cope with the additional workload arising from the growing property portfolio, there is an imminent need to strengthen the support at directorate level in housing management for heading a new Management Region, and to rationalise the duties and responsibilities of the existing Chief Managers.

18. Apart from the increase in public housing provision, the effective utilisation of PRH units is another key area of concern which requires EMD's coordination. Such work includes combating the abuse of PRH units. Based on their studies conducted between 2013 to 2015, Audit Commission, Office of the Ombudsman and Independent Commission Against Corruption recommended that HD should strengthen its tenancy management. To this end, EMD's frontline staff needs to step up efforts on various fronts, such as inspection and checking of non-occupancy and sub-letting. The work in these areas (e.g. devising plans on surprise visit) requires supervision and steer

at the directorate level.

19. With the rising aspirations for better living standards, as well as a green and healthy environment in public housing estates, the scope of property management services has been expanding over the years. HA has implemented a number of initiatives, including the ISO 50001 energy management system, ISO 14001 environmental management system, OHSAS 18001 occupational health and safety management system, sustainable building index, major maintenance and improvement programmes such as Mandatory Window Inspection Scheme, Mandatory Building Inspection Scheme and enhancement programmes for laundry pole holders and collapsible gates. Having regard to the territory-wide scale of these schemes and programmes, HA needs the steer and supervision of a directorate officer with property management experience to map out the implementation plan, liaise with the relevant stakeholders for support, coordinate and oversee these programmes to ensure their smooth implementation.

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