

ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 62 – HOUSING DEPARTMENT Subhead 000 Operational expenses

Members are invited to recommend to Finance Committee the creation of the following supernumerary post in the Housing Department with immediate effect upon approval of the Finance Committee to 31 March 2025 –

1 Administrative Officer Staff Grade C
(D2) (\$179,350 - \$196,050)

PROBLEM

There is a need for directorate support in the Transport and Housing Bureau (THB) to oversee the operation of the Task Force on Transitional Housing (Task Force), including the implementation of the Funding Scheme to support transitional housing projects by non-government organisations (NGOs) (Funding Scheme), and other initiatives in facilitating transitional housing projects proposed and implemented by NGOs.

PROPOSAL

2. We propose creating a supernumerary Administrative Officer Staff Grade C (AOSGC) (D2) post in the Housing Department (HD) to work under THB, to be designated as the Deputy Head of the Task Force of THB, with immediate effect upon approval of the Finance Committee to 31 March 2025.

/JUSTIFICATION

JUSTIFICATION

New Initiatives on Transitional Housing

3. As one of the six new housing initiatives announced by the Chief Executive on 29 June 2018, the Task Force has been established under THB to proactively assist and facilitate various short-term initiatives proposed and implemented by the community with a view to increasing the supply of transitional housing.

4. The Task Force has assisted and facilitated a number of transitional housing projects proposed and operated by NGOs, including social housing in privately owned vacant residential buildings and vacant government premises, other initiatives by different NGOs including proposals of using ‘Modular Integrated Construction (MiC)’ method to construct transitional housing on vacant government land and privately-owned land, or converting vacant non-residential buildings (such as privately-owned vacant school premises or industrial buildings) to transitional housing.

5. Among the wide range of tasks involved, the Task Force continues to proactively identify potential sites around Hong Kong which are suitable for transitional housing. Apart from consulting government bureaux/departments (B/Ds) on the latest situation of idle sites and buildings, the Task Force assists the NGOs by coordinating initial assessment on the feasibility of the transitional housing projects (land and buildings) proposed by individual owners. The Task Force consults relevant B/Ds about the potential sites in respect of the current land condition, environment, traffic, fire services and infrastructure, etc. so that the NGOs can select sites with higher potential for further studies and suggests preliminary proposals for transitional housing projects. The Task Force assists NGOs in making land lease applications and other arrangements, including consulting stakeholders and coordinating efforts from relevant B/Ds to devise flexible and appropriate arrangements on a case-by-case basis.

6. In addition to identifying land and resolving relevant issues, the Task Force assists and supports various NGOs to construct transitional housing units, including construction of new building blocks using MiC on idle government/private land and renovating vacant buildings. The Task Force convenes inter-bureaux/departmental meetings to deliberate ways to resolve problems relating to government policies and facilitate NGOs to conduct feasibility studies. The Task Force actively provides comments to NGOs on different aspects of transitional housing projects, including the architectural layout, environmental matters, traffic, fire services and infrastructure provisions, etc. Moreover, the Task Force assists the NGOs in applying for appropriate funding to facilitate the early commencement of various transitional housing projects.

/Funding

Funding Scheme on Transitional Housing

7. The Chief Executive announced in the 2019 Policy Address that the provision set aside by the Government to support NGOs in providing transitional housing will be increased from \$2 billion as announced by the Financial Secretary in his 2019-20 Budget to \$5 billion. The supply of transitional housing will be substantially increased to a total of 10 000 units within the next three years (from 2020-21 to 2022-23) to relieve the pressure of families living in places with unpleasant conditions and those who have been waiting for Public Rental Housing for a long time. On 14 January 2020, the Government announced that it would further increase the supply of transitional housing by raising the three-year target to 15 000 units.

8. As at March 2020, a total of around 776 transitional housing units are operating under different NGOs. Currently, NGOs are seeking funding from different sources to finance the capital costs of their transitional housing projects. However, the required efforts and financial commitments for pursuing individual projects may be disproportionate to the proposed short-term and non-profit-making uses, or go beyond NGOs' financial and technical capability. In order to facilitate NGOs in taking forward more transitional housing projects to meet the 15 000 target, the Government considers it necessary to provide additional financial support to the NGOs by introducing a dedicated funding scheme. The Finance Committee approved the non-recurrent commitment of \$5 billion for the Funding Scheme on 6 March 2020.

9. The objective of the Funding Scheme is to support NGOs to provide not-for-profit transitional housing projects including those on/in government or privately owned land and premises, to alleviate the hardship faced by individuals and families awaiting public rental housing and the inadequately housed households. The funding to be allocated to each approved project will depend on the merits of the proposal submitted by the project applicant and a number of site specific factors, including but not limited to the size of the site, existing conditions and configuration, technical requirements, extent of infra-structure required, etc. The Under Secretary for Transport and Housing (USTH) will be the approving authority for transitional housing projects under the Funding Scheme. An Assessment Committee, chaired by USTH and comprising representatives from relevant B/Ds and non-official members appointed by the Secretary for Transport and Housing, will be responsible for assisting USTH in vetting applications and overseeing the implementation of the Funding Scheme. For example, as part of the project vetting procedure, the Assessment Committee will assess the technical, financial and social aspects of the proposed projects as well as look into the experience and capability of applicants, etc.

10. Successful applicants will be required to sign a funding agreement with the Government in respect of the implementation of the approved works on the relevant sites/premises. All approved projects will be monitored by the Assessment Committee, with the support of the Task Force, against the milestones stated in the funding agreement, to ensure that the transitional housing project is implemented and operated in line with the policy objectives. The Task Force will conduct technical and financial assessments to ascertain the cost effectiveness and viability of the proposals. The Task Force will also provide technical support and draft reports on the technical assessments and recommendations of the projects for the consideration of the Assessment Committee; and oversee the necessary follow-up actions recommended by the Assessment Committee. The Task Force will establish provision standards and tendering requirements for the transitional housing projects. The Task Force will also check and audit the approved transitional housing projects at key stages to ensure that they are implemented and operated in accordance with the signed funding agreement. The Task Force is now developing the application details and setting up the Assessment Committee for the Funding Scheme. The Task Force aims to launch the Funding Scheme in the first half of 2020.

Large-scale Transitional Housing Projects

11. In order to achieve the government target of providing 15 000 transitional housing flats in three years, the Task Force will have to take forward a number of large-scale transitional housing projects in the New Territories. These large-scale projects are more complex and resource demanding, particularly in terms of site identification and screening, planning application and other statutory process, the provision of necessary infrastructure as well as coordination with all relevant B/Ds. The public consultation and town planning process for such projects will need to cover environmental, ecological and traffic impact assessments which are often complicated and time consuming.

12. The Task Force has already commenced taking forward several large-scale transitional housing projects on some larger government land and private land provided by developers in the New Territories. Support from professional and statutory bodies (including the Hong Kong Construction Association, the Urban Renewal Authority and the Hong Kong Housing Society, etc.) has also been successfully solicited to provide professional advice and/or project management support to NGOs that have taken up transitional housing projects.

/Proposed

Proposed Supernumerary AOSGC Post

13. We consider that there is a need for the creation of one supernumerary AOSGC post to provide policy support and supervise the Task Force in facilitating the transitional housing projects. The post holder will also be responsible for overseeing the development of policy and procedural framework to cater for the new initiatives on transitional housing, and providing intensive high-level liaison with all relevant B/Ds concerning the planning, land, infrastructural and environmental issues in the application for temporary change of use for land including that in the New Territories. He/She is expected to play a key role in co-ordinating efforts both among different teams of the Task Force (as detailed in paragraph 14 below) as well as with other relevant B/Ds in order to achieve the supply target of transitional housing. He/She will assist the NGOs in their discussions with various stakeholders (e.g. B/Ds and developers) and in determining the framework of the transitional housing projects. He/She will also be responsible for overseeing the establishment and operation of the Funding Scheme having regard to its scope, complexity and sensitivity. Furthermore, he/she will oversee the review on the transitional housing policy including the Funding Scheme as and when necessary, and make recommendations for improvements and adjustments as appropriate. The transitional housing projects are normally expected to be in service for not fewer than three years. Therefore, a supernumerary AOSGC post will be required with immediate effect upon approval of the Finance Committee to 31 March 2025 to take charge of the whole range of work above including the review of the Funding Scheme and the transitional housing targets. We will review the requirement of the post nearer the time having regard to development of transitional housing in the next five years.

14. The proposed supernumerary AOSGC post will work in the Task Force established under THB, reporting directly to USTH and monitor individual projects. He/She will be supported by three teams, namely the Facilitation/Advisory Team, the Policy Team and the Vetting/Audit Team as follows –

- (a) The Facilitation/Advisory Team will co-ordinate efforts from various B/Ds in facilitating transitional housing proposals. The Team will liaise and provide support to NGOs for conducting feasibility studies for various short-term initiatives on transitional housing, monitor the implementation progress of the relevant projects, and provide advice/suggestions. The Team will also provide technical support and prepare the policy support agreement^{Note} in respect of the proposed project for signing between the project proponent and the Government.

/(b)

^{Note} A policy support agreement is signed between the Government and the NGO to set out the operational details, including rental arrangement, management and service responsibilities, as well as the exit arrangement at the end of the project, for the implementation of the transitional housing project.

- (b) The Policy Team will handle policy matters relating to the facilitation of transitional housing projects and prepare submissions to the Legislative Council (LegCo) and District Councils, etc. The Team will also handle referrals and enquiries received, as well as coordinating various matters in relation to the policy on transitional housing.
- (c) The Vetting/Audit Team will oversee the Funding Scheme. The Team will conduct the technical and financial assessments of the proposals in respect of their cost-effectiveness and viability. They will provide technical advice for the consideration of the Assessment Committee; prepare the funding agreement in respect of the approved projects for signing between the project proponent and the Government; and establish provision standards and tendering requirements for the projects. They will also be responsible for checking/auditing the approved transitional housing projects at key milestones to ensure that they are implemented and operated in accordance with the signed funding agreement; overseeing the checking of records submitted by grantees as evidence of compliance in the procurement and reimbursement procedures and other requirements of the approved projects.

Encl. 1
Encls. 2 & 3

15. The job description of the proposed supernumerary AOSGC post is at Enclosure 1. The existing and proposed organisation charts of the Task Force are at Enclosure 2 and 3 respectively.

Non-directorate Support

16. To provide the necessary support to the Task Force which will be taking up a lot of responsibilities, in addition to the proposed supernumerary AOSGC post, 21 additional time-limited non-directorate posts from professional, executive, clerical and secretarial grades will be created in 2020-21 up to 2024- 25. These non-directorate posts will support the proposed supernumerary AOSGC post, assisting him/her in formulating and taking forward the new initiatives on transitional housing; preparing discussion and policy papers; overseeing the implementation of the Funding Scheme and other new initiatives on transitional housing; and conducting the review on the new initiatives where necessary.

/ALTERNATIVES

ALTERNATIVES CONSIDERED

17. Currently, there are a total of 15 Assistant Director posts at D2 level in HD, including one post funded by the Government (i.e. Principal Assistant Secretary (Housing) (Private Housing)/Assistant Director (Private Housing) (PAS(H)(PH)/AD(PH)) and 14 posts funded by the Housing Authority. We have critically examined the possibility of redeploying PAS(H)(PH)/AD(PH), who is performing government function in HD, to take up the duties of the proposed supernumerary AOSGC post, but consider it not feasible as the officer is already fully stretched with existing duties and cannot absorb the additional workload.
- Encl. 4 The work schedule of PAS(H)(PH)/AD(PH) is at Enclosure 4 and the existing
Encl. 5 organisation chart of HD is at Enclosure 5.

18. Therefore, we consider it necessary to create a new supernumerary AOSGC post dedicated to taking forward the new initiatives on transitional housing to ensure smooth implementation, and to continuously monitor the situation after implementation with a view to reviewing the new initiatives as and when necessary.

FINANCIAL IMPLICATIONS

19. The proposed creation of one supernumerary AOSGC post in HD to work under the Task Force of THB will involve an additional notional annual salary cost at mid-point of \$2,283,600. The additional full annual average staff cost, including salaries and staff on-cost, is about \$3,074,000.

20. The 21 non-directorate posts to be created in HD in 2020-21 to work under the Task Force of THB as mentioned in paragraph 16 above will involve an additional notional annual salary cost at mid-point of \$18,696,480 and full annual average staff cost, including salaries and staff on-cost, of about \$28,135,000. We have included the necessary provision in the 2020-21 draft Estimates of HD to meet the cost of the staffing proposal and will reflect the resources required in the Estimates of subsequent years.

PUBLIC CONSULTATION

21. We consulted the LegCo Panel on Housing on 4 November 2019 on the above staffing proposal. Members supported the submission of the proposal to the Establishment Subcommittee for consideration.

/ESTABLISHMENT

ESTABLISHMENT CHANGES

22. The establishment changes in HD for the past three years are as follows –

Establishment (Note)	Number of civil service posts			
	Existing (as at 1 April 2020)	As at 1 April 2019	As at 1 April 2018	As at 1 April 2017
A	67*#	67*	67*	67*
B	1 597	1 538	1 471	1 419
C	7 954	7 901	7 799	7 662
Total	9 618	9 506	9 337	9 148

Note:

- A – ranks in the directorate pay scale or equivalent
- B – non-directorate ranks, the maximum pay point of which is above Master Pay Scale (MPS) Point 33 or equivalent
- C – non-directorate ranks, the maximum pay point of which is at or below MPS Point 33 or equivalent
- * – there is no supernumerary directorate post
- # – as at 1 April 2020, there was no unfilled directorate post in HD

CIVIL SERVICE BUREAU COMMENTS

23. The Civil Service Bureau supports the proposed creation of a supernumerary AOSGC post in HD up to 31 March 2025. The grading and ranking of the proposed post are considered appropriate having regard to the level and scope of responsibilities.

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

24. As the post is proposed on a supernumerary basis, its creation, if approved, will be reported to the Standing Committee on Directorate Salaries and Conditions of Service in accordance with the agreed procedure.

**Proposed Job Description for the Post of
Deputy Head, Task Force on Transitional Housing**

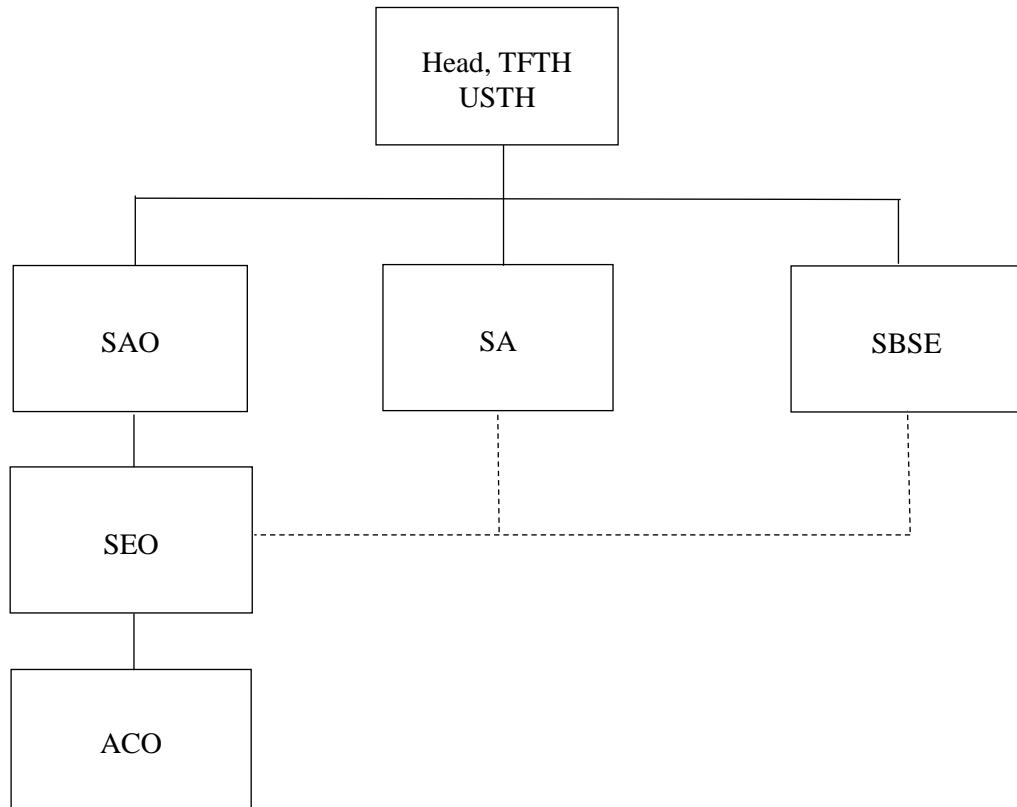
Rank : Administrative Officer Staff Grade C (D2)

Responsible to : Under Secretary for Transport and Housing

Main Duties and Responsibilities –

1. To serve as the Deputy Head of the Task Force on Transitional Housing to oversee and steer the new initiatives on transitional housing for the implementation by the non-government organisations (NGOs);
2. To conduct policy analysis and formulate policy proposals on transitional housing;
3. To engage/consult relevant stakeholders in various fields to facilitate the new initiative on transitional housing;
4. To take up and lead discussions with high level officials/significant stakeholders to determine the framework of the transitional housing projects;
5. To coordinate the consultation with and discussion at the Executive Council and Legislative Council, etc.;
6. To oversee the establishment and operation of the Funding Scheme to support transitional housing projects by NGOs (the Funding Scheme), including the Assessment Committee and its secretariat; and
7. To monitor the situation after implementation with a view to reviewing the new initiatives, including the Funding Scheme, and conduct review when necessary.

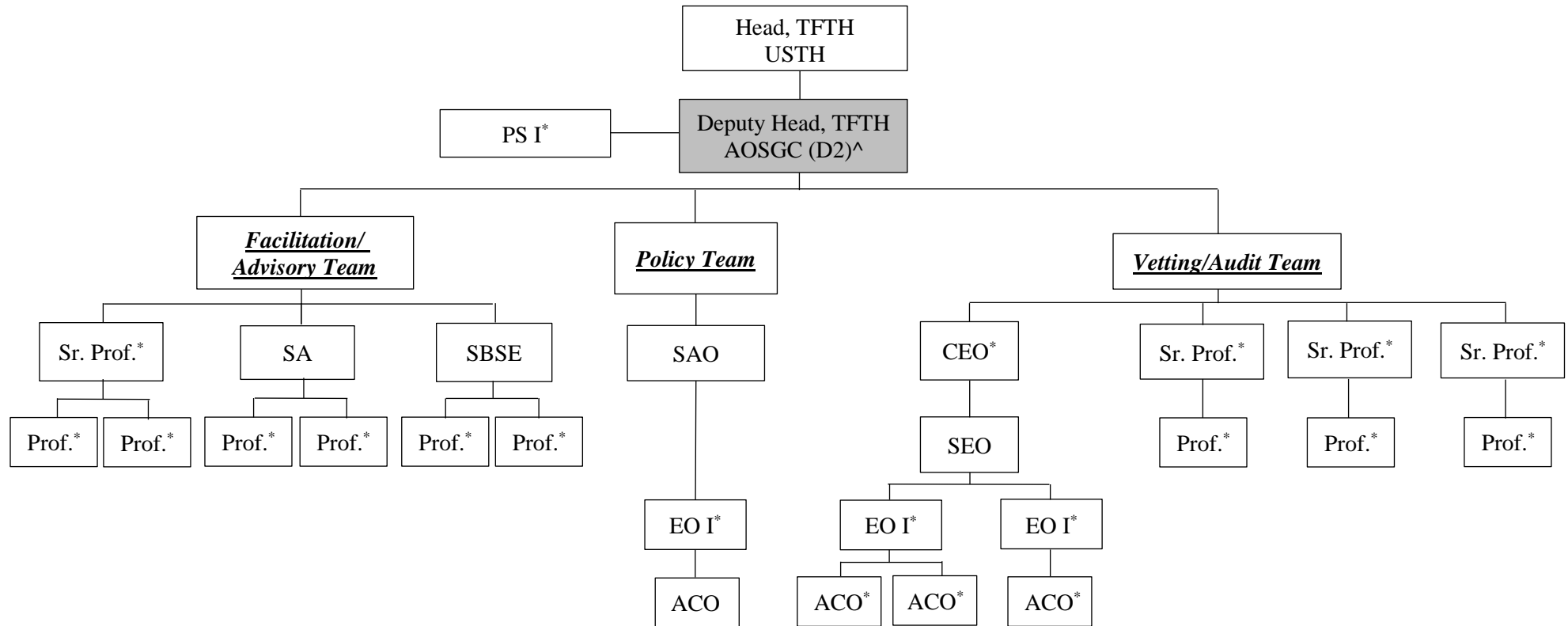
**Existing Organisation Chart of
Task Force on Transitional Housing (TFTH)**



Legends:

- ACO - Assistant Clerical Officer
- SA - Senior Architect
- SAO - Senior Administrative Officer
- SBSE - Senior Building Services Engineer
- SEO - Senior Executive Officer
- USTH - Under Secretary for Transport and Housing

**Proposed Organisation Chart of
Task Force on Transitional Housing (TFTH)**



Legends:

- | | | | | | |
|-------|---|--------------------------------------|----------|---|---|
| ACO | - | Assistant Clerical Officer | SA | - | Senior Architect |
| AOSGC | - | Administrative Officer Staff Grade C | SAO | - | Senior Administrative Officer |
| CEO | - | Chief Executive Officer | SBSE | - | Senior Building Services Engineer |
| EO I | - | Executive Officer I | SEO | - | Senior Executive Officer |
| PS I | - | Personal Secretary I | Sr. Prof | - | Senior Professional |
| Prof | - | Professional | USTH | - | Under Secretary for Transport and Housing |



Supernumerary AOSGC post proposed for creation in 2020-21 under the establishment of Housing Department subject to the approval of the Finance Committee

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Non-directorate civil service posts to be created in 2020-21 under the establishment of Housing Department

**Duties and Responsibilities of
Principal Assistant Secretary (Housing) (Private Housing)/
Assistant Director (Private Housing) (PAS(H)(PH)/AD(PH))**

PAS(H)(PH)/AD(PH) is responsible for monitoring the private residential property market; formulating and overseeing measures to ensure the stable and healthy development of the residential property market; liaising with the Estate Agents Authority on policy matters relating to the regulation of estate agents; handling policy issues in relation to the subsidised housing projects of the Hong Kong Housing Society (HKHS); and handling Legislative Council business and public and media enquiries in relation to the aforementioned subjects.

2. Specifically, PAS(H)(PH)/AD(PH) oversees the analysis and compilation of reports on the projected supply of first-hand residential properties, which are published on a quarterly basis for public consumption. The post-holder also oversees the collation and preparation of various analyses to monitor private residential developments; involves heavily in the formulation and implementation of various demand-side management measures (including the Special Stamp Duty and the Buyer's Stamp Duty); and works closely with HKHS on the implementation of the subsidised housing projects undertaken by HKHS.

Existing Organisation Chart of Housing Department

Permanent Secretary for Transport and Housing (Housing)/Director of Housing
(AOSGA1)(D8) ~



Legends:

AD of AS - Assistant Director of Accounting Services
 AD of H - Assistant Director of Housing
 AOSGA1 - Administrative Officer Staff Grade A1
 AOSGB1 - Administrative Officer Staff Grade B1
 AOSGB - Administrative Officer Staff Grade B

AOSGC - Administrative Officer Staff Grade C
 LA - Legal Advice
 SAD of H - Senior Assistant Director of Housing
 SPEO - Senior Principal Executive Officer

~ 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.

There are 15 AD posts at D2 level in HD, including one post funded by the Government (i.e. Principal Assistant Secretary (Housing) (Private Housing)/Assistant Director (Private Housing)) and 14 posts funded by the Housing Authority.