

**For discussion
on 2 November 2020**

Legislative Council Panel on Housing

**Funding Scheme to Support
Transitional Housing Projects by Non-government Organisations**

PURPOSE

This paper seeks Members' views on the following two proposals relating to the Funding Scheme to Support Transitional Housing Projects by Non-government Organisations (NGOs) (Funding Scheme) –

- (a) injection of an additional funding of \$3.3 billion to the Funding Scheme; and
- (b) creation of a supernumerary Administrative Officer Staff Grade C (AOSGC) (D2) post to oversee the implementation of the Funding Scheme and the operation of the Task Force on Transitional Housing (TFTH).

PROPOSALS

2. As one of the six new housing initiatives announced by the Chief Executive on 29 June 2018, TFTH has been established under Transport and Housing Bureau (THB) to actively participate and facilitate various short-term initiatives proposed and implemented by the community with a view to increasing the supply of transitional housing to relieve the pressure of families living in unpleasant conditions and those waiting for Public Rental Housing for a long time. Transitional housing projects supported by the Government, led by the TFTH, such as Nam Cheong Street, Conversion of Lok Sin Tong Primary School, and Trackside Villas were completed in Q3 2020 and substantially oversubscribed. To facilitate NGOs in taking forward more transitional housing projects, we have the following two proposals –

(a) Proposed injection of an additional funding of \$3.3 billion to the Funding Scheme

3. Establishment of a \$5 billion funding scheme was supported by Legislative Council Panel on Housing vide Paper No. LC Paper No. CB(1)67/19-20(04) to facilitate NGOs to take forward transitional housing projects for providing a total of 10 000 units within three years (from 2020-21 to 2022-23). The Government subsequently announced on 14 January 2020 increasing the target to a total of 15 000 transitional housing units. The Finance Committee (FC) approved on 6 March 2020 the funding allocation of \$5 billion to set up the Funding Scheme, while TFTH would continue to review the funding needs and, if necessary, seek additional resources in accordance with established mechanism.

4. Since the launch of the Funding Scheme in June 2020, many NGOs have expressed interest in obtaining financial support from the Funding Scheme to implement their transitional housing initiatives in providing transitional housing units. As at October 2020, five applications¹ were received with total funding amount of \$2,230.8 million providing 4 076 units which is about \$0.547 million per unit on average. As such, we estimate that additional funding is required to meet the increased target of 15 000 units. The Government therefore proposes to inject an additional funding of \$3.3 billion to the existing Funding Scheme. Details of the proposal are set out in **Annex A**.

5. For the newly constructed transitional housing projects, ancillary facilities and social services are provided for the benefits of the tenants of the transitional housing and also the nearby residents to achieve a harmony community. For example, the two large scale transitional housing projects in Kong Ha Wai and Tung Tau, Yuen Long, providing 1 998 units and 1 800 units respectively, for which planning permissions have been granted by Town Planning Board. These two projects are equipped with ancillary buildings for providing necessary facilities and services² such as social services centre, communal laundry and convenience store. Location plans of the amenity blocks are shown in **Annex B**.

¹ Among the five applications, three applications were approved and involved a funding amount of \$1,175.9 million for providing 2 152 units and the two applications being processed involve a total of \$1,054.9 million for providing 1 924 units.

² Proposed services provided in the amenity block in Kong Ha Wai project include: supermarket, self-service laundry, accessible transport services; Chinese medicine, dental service & health kiosk; elderly services, youth support services; and children & family services (https://www.info.gov.hk/tpb/tc/plan_application/A_YL-KTS_847.html). Proposed services provided in the amenity blocks in Tung Tau project include: after school care services, parental & marital relationship services, volunteers training, environmental education & mutual help support groups; health education, healthy lifestyles promotion, nurse counselling & health risks assessment; career guidance, facilitation and counselling, soft skills and vocational skills training and job matching; convenience store, communal laundry, communal kitchen and shared goods library (https://www.info.gov.hk/tpb/en/plan_application/A_YL-NSW_281.html).

(b) Proposed creation of a supernumerary AOSGC (D2) post

6. With a view to enhancing the implementation of the Funding Scheme in the light of the experience gained so far and feedback received from NGOs, and also to overseeing the operation of TFTH, we propose creating a supernumerary AOSGC (D2) post under Head 62 Housing Department (HD) to work under THB. Details of our proposal are set out in Annex C.

FINANCIAL IMPLICATIONS

7. An additional non-recurrent funding of \$3.3 billion will be required for injection to the Funding Scheme, on top of the original approved commitment of \$5 billion. The estimated cash flow requirement of the Funding Scheme is set out in Annex A.

8. The proposed creation of a supernumerary AOSGC post under Head 62 HD to work under TFTH 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 \$3,169,500.

WAY FORWARD

9. We plan to seek the Legislative Council's approval of the proposals in accordance with the established mechanism.

ADVICE SOUGHT

9. Members are invited to provide comments on the two above-mentioned proposals.

**Transport and Housing Bureau
October 2020**

Additional Funding Injection to the Funding Scheme to Support Transitional Housing Projects by Non-government Organisations

PURPOSE

This annex sets out the detailed proposal for injecting an additional funding of \$3.3 billion to the Funding Scheme to Support Transitional Housing Projects by Non-government Organisations (NGOs) (Funding Scheme). Together with the original funding of \$5 billion, it is expected that the Funding Scheme can support the provision of a total of 15 000 transitional housing units.

BACKGROUND

2. Since its launch in June 2020, the Funding Scheme has been warmly received by the community. During the period from July to mid October 2020, three transitional housing development funding applications from NGOs, which were targeted to provide a total of about 2 200 units at a total funding of about \$1,180 million, have been approved¹. As at October 2020, sufficient land has been identified for about 12 000 transitional housing units including 1 165 units which have been completed, about 8 700 units which were announced/under construction and about 2 100 units which were under in-depth study.

PROPOSALS AND JUSTIFICATIONS

3. On 14 January 2020, the Government announced that it would further increase the three-year supply target of transitional housing from 10 000 to 15 000 units. Transitional housing projects supported by the Government, led by the Task Force on Transitional Housing (TFTH) under the Transport and Housing Bureau (THB), such as Nam Cheong Street, Conversion of Lok Sin Tong Primary School, and Trackside Villas were substantially oversubscribed and many NGOs have expressed interest in obtaining financial support from the Funding Scheme to implement their transitional housing initiatives in providing transitional housing units.

¹ The three approved projects are: (i) Transitional housing development at Kong Ha Wai, Kam Tin, Yuen Long, by Pok Oi Hospital. With total funding of \$1,098.9 million, it is expected to provide about 1 998 units; (ii) Transitional housing development at junction of Chatham Road North and Hok Yuen Street, Hung Hom, by St James' Settlement. With a total funding of \$16.15 million, it is expected to provide about 38 units; and (iii) Transitional housing development at Yip Shing Street, Kwai Chung, by the Hong Kong Council of Social Service. With a total funding of \$60.886 million, it is expected to provide about 116 units.

4. As at October 2020, five applications² were received with total funding amount of \$2,230.8million providing 4 076 units which is about \$0.547 million per unit on average. As such, we estimate that additional funding is required to meet the increased target of 15 000 units. The Government therefore proposes to inject an additional funding of \$3.3 billion to the existing Funding Scheme.

IMPLEMENTATION PLAN

5. The Funding Scheme was formally launched in June 2020. NGOs which have secured in-principle policy support from THB on or after 27 February 2019³, when the 2019-20 Budget was delivered, for their transitional housing projects and where tenants have yet to move in may apply for funding. The proposed injection of additional funding will help achieve the increased supply target of transitional housing to 15 000 units by 2023.

FINANCIAL IMPLICATIONS

6. We estimate that an additional non-recurrent funding of \$3.3 billion will be required to support the target of providing 15 000 units by 2023, as detailed below –

		(\$' billion)
(a)	Subsidy for transitional housing by NGOs ⁴	8.3
(b)	Minus: original funding ⁵	(5.0)
	Total	3.3

7. Funding would be disbursed to successful applicants of the Funding Scheme by instalments subject to the fulfilment of project milestones stated in the funding agreement, the verification of certified invoices or bills and work done. The estimated cost for the proposal will be included and reflected in the draft Estimates of the relevant financial years. The annual cash flow is essentially demand driven and will depend on the actual number of applications received and approved, as well as the amount of subsidy to be disbursed each year. The estimated cash flow requirement upon funding injection is set out below for budgeting purpose –

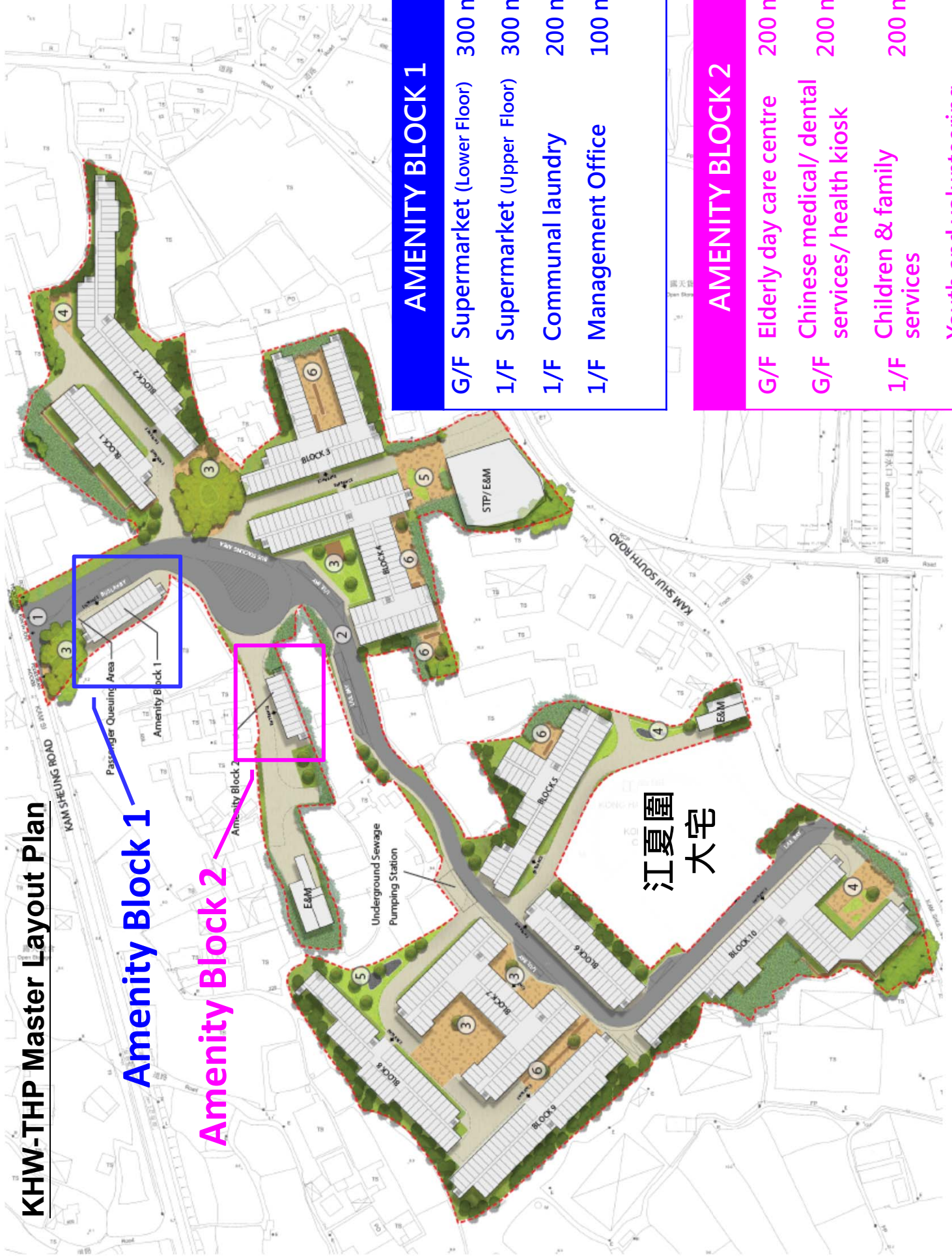
² Among the five applications, three applications were approved (as mentioned in paragraph 2 above) and involved a funding amount of \$1,175.9 million for providing 2 152 units and the two applications being processed involve a total of \$1,054.9 million for providing 1 924 units.
³ Applications for project with works already commenced before 27 February 2019 would not be accepted.
⁴ The estimation is based on the target of delivering 15 000 units and the cost ceiling of \$0.55 million for each transitional housing unit to be provided through erection of temporary structure on vacant land, and in non-residential buildings.
⁵ FC approved \$5 billion on 6 March 2020. Members may refer to Paper No. FCR(2019-20)45 for details.

Estimated Cash Flow (by years)	(\$ million)
2020-21	100
2021-22	3,000
2022-23	3,500
2023-24	1,500
2024-25	200
Total	8,300

KHW-THP Master Layout Plan

Amenity Block 1

Amenity Block 2



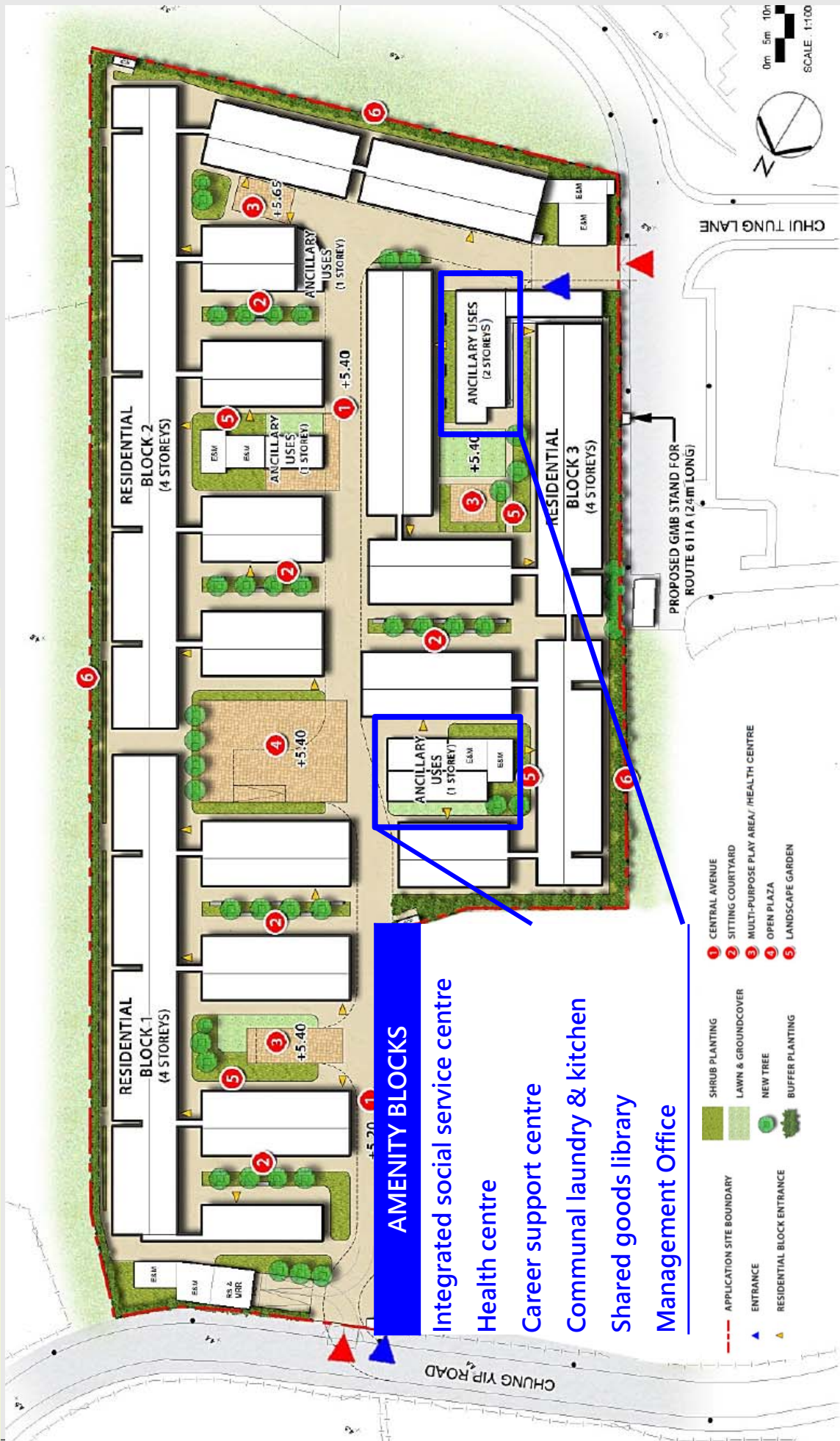
AMENITY BLOCK 1

G/F	Supermarket (Lower Floor)	300 m ²
1/F	Supermarket (Upper Floor)	300 m ²
1/F	Communal laundry	200 m ²
1/F	Management Office	100 m ²

AMENITY BLOCK 2

G/F	Elderly day care centre	200 m ²
G/F	Chinese medical/ dental services/ health kiosk	200 m ²
1/F	Children & family services	200 m ²
1/F	Youth and volunteering services	200 m ²

Tung Tau - Master Layout Plan



AMENITY BLOCKS

- Integrated social service centre
- Health centre
- Career support centre
- Communal laundry & kitchen
- Shared goods library
- Management Office

**Proposed creation of
a supernumerary Administrative Officer Staff Grade C (AOSGC) (D2) post
in the Housing Department**

BACKGROUND

The proposal to create a supernumerary Administrative Officer Staff Grade C (AOSGC) (D2) post as the Deputy Head of the Task Force on Transitional Housing (TFTH) was considered by the Legislative Council (LegCo) Panel on Housing in November 2019, and the Establishment Subcommittee (ESC) of the Finance Committee (FC) in May 2020. During the discussions, LegCo Members' concerns mainly rested on the implementation of the transitional housing projects such as financial and technical capability of the Non-Government organisations (NGOs) to carry out the projects, the rent level, the application procedures and the use of funding by NGOs, site selection, construction method, production level of transitional housing each year, transport and community facilities, etc. They also raised views on the structure of the TFTH. The proposal was then put to vote at the meeting of FC held on 13 July 2020. However, as the votes for and against the proposal were equally divided, the proposal was rejected upon application of Rule 45¹ of the Finance Committee Procedure.

2. Notwithstanding the FC's voting result, it was the general view of Members of the Panel on Housing as well as the ESC that for efficient implementation of transitional housing projects within the tight schedule in order to expedite the supply of transitional housing units, high-level leadership and coordination is essential to pull together efforts of various Bureaux/Departments (B/Ds) to take a proactive role in assisting NGOs concerned by addressing issues from policy perspective and ironing out technical/practical problems (such as the identification of suitable sites, especially vacant Government, Institution or Community sites, for building transitional housing, and also the pressure on infrastructure and community facilities brought about by transitional housing projects) as the related public consultation and town planning procedures could be complex and time-consuming. There is also a need to have proper steer and oversight of the administration of the Funding Scheme to Support Transitional Housing Projects by NGOs (Funding Scheme), as well as to review the policies

¹ Rule 45 of the Finance Committee Procedure stipulates that the Committee makes decisions on all matters by a majority of the members present and voting. Neither the Chairman nor any other member presiding shall vote, unless the votes of the other members are equally divided, in which case he shall have a casting vote [Rule 71(5B)], but the casting vote shall not be exercised in such a way as to produce a majority vote in favour of the question put.

on transitional housing and the approach for implementing new transitional housing projects with reference to operational experience gathered and the views of stakeholders collated. Having considered the above and the latest operational need, we consider it necessary to put forward this proposal for creating a supernumerary AOSGC post in TFTH.

PROPOSAL

3. We propose creating a supernumerary AOSGC (D2) post in Head 62 Housing Department (HD) to work under Transport and Housing Bureau (THB) for about four years with immediate effect upon approval of the LegCo up to 31 March 2025.

JUSTIFICATIONS

4. Following FC's approval of the proposal of establishing the Funding Scheme in March 2020, details of the Funding Scheme were drawn up and announced in June 2020, the Assessment Committee² for the Funding Scheme was also formed and has been considering applications from NGOs for subsidy for their proposed transitional housing projects. There is a pressing need for directorate support to oversee the operation of TFTH, including the implementation and enhancement of the Funding Scheme in the light of the experience gained so far especially in relation to coordination with various B/Ds, and feedback received from NGOs on the assistance they require in carrying out the projects to meet the latest target of supplying 15 000 transitional housing units within a tight schedule, and also implementation of other initiatives in facilitating transitional housing projects proposed and implemented by NGOs.

5. The holder of the proposed supernumerary AOSGC post will be responsible for –

- (a) supervising the TFTH in facilitating the transitional housing projects by NGOs, including the provision of secretariat support to the Assessment Committee in considering applications for the Funding Scheme, and development of a framework that is conducive to effective operation of approved transitional housing projects, in particular the large-scale projects in the New Territories, such as the recently approved project at Kong Ha Wai, Yuen Long involving 1 998 transitional housing units;

² The Assessment Committee is composed of six non-official members and two official members from the HD and Social Welfare Department, with the Under Secretary for Transport and Housing (USTH) as the Chairman. Three of the six non-official members are the representatives of the Hong Kong Institution of Engineers, the Hong Kong Institute of Architects, and the Hong Kong Institute of Surveyors.

- (b) overseeing the development of policy on transitional housing (including exploring new/more initiatives for supplying additional transitional housing units, coordinating policy inputs from B/Ds, etc.) and a procedural framework to facilitate the implementation of new initiatives on transitional housing;
- (c) liaising with relevant B/Ds concerning planning, land, infrastructural and environmental issues in the application for temporary change of use for land, and also supervising necessary consultancy work for feasibility study of potential sites;
- (d) playing a key role in co-ordinating efforts both among different teams of TFTH comprising mainly multi-disciplinary professional staff as well as with other relevant B/Ds in order to achieve the latest supply target of transitional housing; and assisting the NGOs in their discussions with various stakeholders (e.g. B/Ds and developers) and in determining the framework of the transitional housing projects;
- (e) overseeing the operation of the Funding Scheme having regard to its scope, the complexity and sensitivity of the funded projects; as well as handling LegCo business and public/media enquiries in relation to transitional housing; and
- (f) overseeing the review of the transitional housing policy including the Funding Scheme as and when necessary, and make recommendations for improvements and adjustments as appropriate.

6. In view of the pressing need of the above work, a supernumerary AOSGC post will be required immediately upon approval of LegCo up to 31 March 2025 to take charge of the whole range of work above. We will review the requirement of the post nearer the time having regard to development of transitional housing in the next four years.

7. The post holder of the proposed supernumerary AOSGC post, to be designated as the Deputy Head of TFTH established under THB, will work closely with and provide support to the USTH (who is the approving authority for transitional housing projects under the Funding Scheme) regarding matters of TFTH, monitoring individual projects as well as performing any other duties that may arise in relation to transitional housing. Deputy Secretary for Transport and Housing (Housing) will be his/her direct supervisor and responsible for appraising his/her performance. 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. This Team will liaise with 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. This Team will also provide technical support and prepare the policy support agreement³ in respect of the proposed project for signing between the project proponent and the Government.
- (b) The Policy Team will handle policy matters relating to the facilitation of transitional housing projects and prepare submissions to LegCo and District Councils, etc. This Team will also handle referrals and enquiries received, as well as coordinate various matters in relation to the policy on transitional housing.
- (c) The Vetting/Audit Team will oversee the Funding Scheme. This 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. It 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.

8. The proposed AOSGC post will be supported by a team of 26 non-directorate time-limited posts comprising professional, administrative service, executive, clerical and secretarial grades that have been created in the above three teams under TFTH.

Encl. 1 9. The job descriptions of the proposed supernumerary AOSGC post
 Encl. 2 are at **Enclosure 1**. The proposed organisation chart of TFTH is at **Enclosure 2**.

³ 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.

10. Currently, there are 14 Assistant Director posts at D2 level in HD funded by the Housing Authority, and only one Assistant Director post at D2 level in HD (i.e. Principal Assistant Secretary (Housing)(Private Housing)/Assistant Director (Private Housing))⁴ which is funded by the Government to perform government function. We have critically examined the possibility of redeploying this D2 post 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. We therefore consider it necessary to create a supernumerary AOSGC post dedicated to taking forward the initiatives on transitional housing the soonest possible to ensure their smooth implementation, and to continuously monitor the situation with a view to reviewing the initiatives as and when necessary in the coming few years.

FINANCIAL IMPLICATIONS

11. The proposed creation of one supernumerary AOSGC post under Head 62 HD to work under TFTH 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 \$3,169,500. HD has included the necessary provision in the 2020-21 Estimates and will reflect the resources required in the Estimates of subsequent years.

⁴ Principal Assistant Secretary (Housing)(Private Housing)/Assistant Director (Private Housing) 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; and handling LegCo business and public and media enquiries in relation to the aforementioned subjects.

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

Rank : Administrative Officer Staff Grade C (D2)

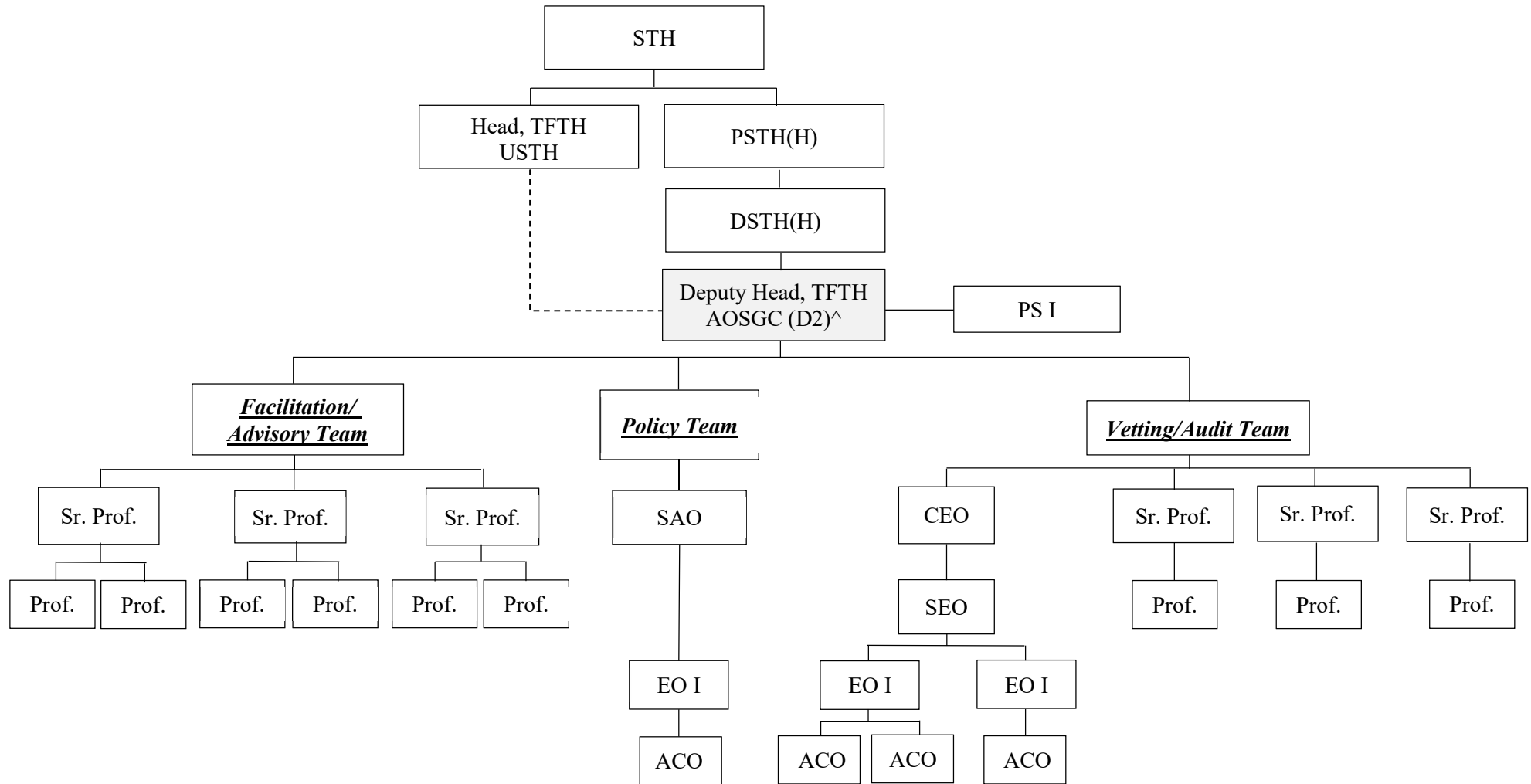
Responsible to : Deputy Secretary for Transport and Housing (Housing)

Main Duties and Responsibilities –

1. To serve as the Deputy Head of the Task Force on Transitional Housing (TFTH) to steer and oversee new initiatives on transitional housing for the implementation by Non-government Organisations (NGOs), and the implementation of the Funding Scheme to support transitional housing projects by NGOs (Funding Scheme);
2. To oversee policy analysis and formulate policy proposals on transitional housing, explore new/more initiatives for supplying additional transitional housing units and coordinate policy inputs on transitional housing from bureau/departments (B/Ds);
3. To lead discussions with high level officials of relevant B/Ds and significant stakeholders to determine the framework of the transitional housing projects, supervise necessary consultancy work for feasibility study of potential sites, and engage/consult relevant stakeholders in various fields to facilitate the new initiatives on transitional housing;
4. To coordinate the consultation with and discussion at the Executive Council and Legislative Council (LegCo), as well as handle LegCo business and public/media enquiries in relation to transitional housing;
5. To oversee the operation of TFTH to support transitional housing projects by NGOs, including provision of secretariat support to the Assessment Committee in considering applications for the Funding Scheme, development of a framework that is conducive to effective operation of approved transitional housing projects in particular the large-scale projects in the New Territories;

6. To monitor the situation after implementation and set up plan/framework for conducting review on transitional housing initiatives, including the Funding Scheme when necessary, and suitably adjusting the workflow of TFTH comprising multi-disciplinary professional staff to ensure alignment of its operation with the policy objective of transitional housing; and
7. To carry out any other duties.

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



Legends:

- ACO - Assistant Clerical Officer
- AOSGC - Administrative Officer Staff Grade C
- CEO - Chief Executive Officer
- DSTH(H) - Deputy Secretary for Transport and Housing (Housing)
- EO I - Executive Officer I
- PS I - Personal Secretary I
- Prof - Professional
- PSTH(H) - Permanent Secretary for Transport and Housing (Housing)

- SAO - Senior Administrative Officer
- SEO - Senior Executive Officer
- Sr. Prof - Senior Professional
- STH - Secretary for Transport and Housing
- USTH - Under Secretary for Transport and Housing

^ Supernumerary AOSGC post proposed for creation under the establishment of Housing Department

Note: Senior Professionals and Professionals include staff of the grades of Architect, Building Services Engineer, Engineer (Civil), Structural Engineer and Quantity Surveyor