

PAPER NO.	<u>HA</u>	<u>15/2021</u>
	BC	40/2021
	CPC	19/2021
	FC	28/2021
	SPC	24/2021
	SHC	29/2021
	TC	56/2021
	ASC	19/2021
	FMSC	7/2021

**Memorandum for the Hong Kong Housing Authority
and its Committees/Sub-Committees**

Reports from Chairmen of Committees

Please find enclosed the reports from Chairmen of the following
Committees for Members' information –

- (a) Building Committee;
- (b) Commercial Properties Committee;
- (c) Finance Committee;
- (d) Subsidised Housing Committee; and
- (e) Tender Committee.

Davey CHUNG
Secretary, Housing Authority
Tel. No.: 2712 2712
Fax No.: 2624 5685

File Ref. : HD 1-7/COMM1/HA-9
(Corporate Services Division)
Date of Issue : 27 August 2021

Report by the Chairman of the Building Committee for 2020/21

INTRODUCTION

Under the COVID-19 epidemic throughout the year of 2020/21, the Building Committee (BC) still made a commendable effort in advancing the planning, design and construction of public housing. Members held seven regular meetings. Altogether, BC processed 35 discussion papers, three presumption papers and 26 information papers.

ISSUES DISCUSSED

2. The work of BC covers the Housing Authority (HA)'s policies relating to the implementation of the construction and major improvement, renovation and rehabilitation programmes, and the monitoring of progress of these programmes, which are grouped in the following categories –

- (a) Endorse programme of activities including new initiatives, monitor their performance and approve the financial targets, service standards and performance measures; and
- (b) Approve project budget, master layout plans and scheme designs for public housing projects.

PUBLIC HOUSING PRODUCTION

Production in 2020/21

3. We completed about 11 300 flats, including around 6 300 public rental housing (PRH)/Green Form Subsidised Home Ownership Scheme (GSH) units and around 5 000 other subsidised sale flats (SSFs) in 11 projects ^{Note 1}

Note 1 The 11 projects include six PRH/GSH projects: Wing Tai Road – Block 1 (Yue Wan Estate), North West Kowloon Reclamation (NWKR) Site 6 Phase 1 – Block 1 (Hoi Tat Estate), Choi Wing Road – Block 1 (Choi Fook Estate), Pak Tin Phase 7 – Blocks 1 and 2 (Pak Tin Estate), Pak Tin Phase 8 – Blocks 3 and 4 (Pak Tin Estate), NWKR Site 6 Phase 2 – Blocks 2 and 3 (Hoi Tat Estate), and five other SSFs projects: Au Pui Wan Street – Block A (Yuk Wo Court), Fat Tseung Street West – Block A (Hoi Tak Court), Tseung Kwan O Area 65C2 Phase 1 – Blocks A and B (Yung Ming Court), Hang Kin Street, Ma On Shan – Block A (Kam Fai Court) and Tung Chung Area 27 – Blocks A and B (Yu Tai Court). Flat numbers are rounded to the nearest hundred and may not add up to the total due to rounding.

in 2020/21. We also completed about 12 500 m² gross floor area of retail facilities^{Note 2} and about 570 parking spaces^{Note 3}. Compared with the forecast production as at March 2020 benchmark, the completion of two PRH projects^{Note 4} had slipped to 2021/22 due to slow progress of contractors and additional time required for water re-testing. We continue to be vigilant towards the risks which our high construction volume is exposed to in the current operating environment and implement the strategies and initiatives we have put in place to mitigate them, including the use of labour-saving design and construction methods, innovative technologies, various training and recruitment schemes for workers.

Commitment of Capital Works

4. Last year, we endorsed the Scheme Design and Project Budget of 11 projects producing about 14 900 PRH/GSH units and other SSFs^{Note 5} with the commitment of capital expenditure of about \$18.354 billion. These projects are scheduled to be completed between the financial years of 2024/25 to 2030/31, and will contribute to meeting the public housing supply target of 210 000 PRH/GSH units and 91 000 other SSFs for the ten-year period from 2021/22 to 2030/31 stated in the Long Term Housing Strategy Annual Progress Report 2020.

PROGRAMME OF ACTIVITIES 2021/22

5. Following the brainstorming session and discussion session on 6 November 2020, Members endorsed the 2021/22 Programme of Activities for Development and Construction (Paper No. **BC 74/2020** refers) and 2021/22 Programme of Activities for Building Control (Paper No. **BC 75/2020** refers), with an estimated construction expenditure of about \$22,084 million including

Note 2 In Choi Yuen Road, Choi Wing Road, NWKR Site 6 Phase 2, Pak Tin Phase 8, Tseung Kwan O Area 65C2 Phase 1. Figure is rounded to the nearest hundred.

Note 3 In Choi Wing Road, Fat Tseung Street West, NWKR Site 6 Phases 1 and 2, Pak Tin Phase 7, Tseung Kwan O Area 65C2 Phase 1, Tung Chung Area 27, Au Pui Wan Street and Hang Kin Street. Figure is rounded to the nearest ten.

Note 4 Pak Tin Phase 11 Blocks 6 and 7, and Chung Nga Road East Block 1.

Note 5 Anderson Road Quarry Site R2-8 (Paper No. **BC 25/2020**), Anderson Road Quarry Site R2-5, (Paper No. **BC 32/2020**), Wang Chiu Road Phase 2 (Paper No. **BC 39/2020**), Mei Tung Estate (Older Part) (Paper No. **BC 51/2020**), Tung Chung Area 103 (Paper No. **BC 52/2020**), Tung Chung Area 109 (Paper No. **BC 53/2020**), Pak Tin Estate Phase 13 (Paper No. **BC 54/2020**), Tak Tin Street (Paper No. **BC 80/2020**), Ping Tin Street (Paper No. **BC 81/2020**) and Anderson Road Quarry Site R2-6 and R2-7 (Paper No. **BC 15/2021**).

direct costs and overheads. While new initiatives were introduced in the past few years in response to Government Policy to expedite the development of housing units, the programmed activities in 2021/22 are primarily the continuation of current efforts in meeting the long term planned goals.

6. For the year 2020/21, we have met the majority of the targets and Key Performance Indicators set out in last year's Programme of Activities. These programmed activities are grouped into three themes: Providing Quality Homes, Promoting Sustainable Living, and Optimising and Rationalising the Use of Public Resources. The progress of some of the major activities have been reported and discussed in details at BC.

PROVIDING QUALITY HOMES

Expediting the Development of Housing Units

7. Despite the increasing challenges and difficulties ahead (Paper No. **BC 1/2021** refers), we continued to take forward public housing developments. The Department has held regular meetings with the Government bureaux and departments concerned to identify potential sites suitable for public housing development in an effort to increase and expedite the supply of housing units. We sought to advance the availability of suitable sites for development, optimise the development potential, increase the plot ratios and relax the building height of suitable sites (Paper No. **BC 74/2020** refers).

8. The relevant bureaux/departments including Housing Department (HD) are taking forward the 2020 Policy Address's new initiative to set aside about 5% of the total domestic gross floor area in future suitable public housing development projects for welfare purposes. The Strategic Planning Committee subsequently agreed to the guiding principles and implementation arrangements of the initiative, for the Department to take forward the initiative.

9. As for the parking standards in public housing developments, while the Government is reviewing the parking standards in meeting public aspirations to increase parking provisions, HA endeavors to apply the new parking standards to all public housing developments at the planning and early design stages as appropriate. With keen competition among various community and welfare facilities in particular at the lower floor areas, HA will pursue sensible designs to meet the demand.

10. HA has adopted the precast concrete construction technology in public housing developments for the past few decades and was the pioneer of off-site precasting technology. Modular Integrated Construction (MiC), being a type of off-site precasting technology, was one of the means that shared the same purpose and benefits. HA has selected a domestic block at Tung Chung Area 99 as a trial pilot project for MiC to test out its appropriateness for enhancing productivity of public housing developments. To examine the buildability of critical connection of MiC, a MiC mock-up was completed in the Mainland. HA subsequently arranged a Webinar sharing session for both BC and Tender Committee Members on the findings in the mock-up in January 2021 and incorporated the associated enhancement measures in the pilot project in Tung Chung to be commenced in 2021. Recently, HA has developed and adopted volumetric precast lift shaft and lift machine room to enhance the on-site productivity, as well as semi-precast corridor slab, precast manhole, etc. Apart from exploring opportunities to extend the use of off-site prefabrication technologies, we will continue to explore the use of robotics and HA's Development Construction Site Monitoring System for site inspection for further enhancing the productivity.

Promoting Green and Healthy Living

11. We continue to promote passive design with energy-saving practices, use of renewable energy, water conservation and other resource saving measures for a sustainable living environment (Paper Nos. **BC 95/2016** and **QH 5/2016** refer). In support of Government's initiatives to promote wider use of electric vehicles, we have made provisions for medium chargers and charging-enabling facilities for indoor private car parking spaces in new carparks of public housing developments (Paper No. **BC 82/2020**). Since 2011, we have been installing grid-connected photovoltaic (PV) systems in new PRH projects and joined the feed-in tariff schemes launched by electricity supply companies. In 2020/21, the Department continued to register new projects with the Hong Kong Green Building Council for assessment under the Building Environmental Assessment Method (BEAM) Plus to foster a quality and sustainable built environment as well as to gain up to 10% Gross Floor Area concession in relevant projects under the Buildings Department (BD)'s Sustainable Building Design Guidelines. The BEAM Plus Certification for ----- New Buildings obtained during the year are shown at **Annex A**.

Quality Management System

12. The Department obtains and maintains certification to standards published by the International Organization for Standardization (ISO) in a number of areas, including quality, environment, energy, and safety and health, which have assured its management systems and processes being implemented at high, internationally recognised standards for efficient and effective delivery of quality services. It also allows the Department, through regular internal and external audits necessary for obtaining and renewing certification, to identify areas and opportunities for continual improvement vital in the increasingly demanding operating environment. The Department has successfully transitioned to the 2015 edition of ISO 9001 and ISO 14001. In August 2018, a new edition of ISO 50001 (on Energy Management Systems (EnMS)) was also published. The Department is conducting reviews for transition to the 2018 edition of ISO 50001. Occupational Health and Safety Assessment Series (OHSAS) 18001 Occupational Health and Safety Management System (OHSMS) for the Development and Construction Division (DCD) and Estate Management Division (EMD) have been successfully migrated to ISO 45001:2018 OHSMS in 2019/20. Standards to which the Department is ----- certified are listed in **Annex B**.

13. In addition to certifiable standards, the Department keeps applying other quality schemes and standards in its work to assure a high level of performance. This is the ninth consecutive year and seventh consecutive year for DCD and EMD respectively to have achieved the full score of 5.0 in the third party measurement on its performance under the Hong Kong Quality Assurance Agency (HKQAA) Corporate Social Responsibility (CSR) Advocate Index. Various other quality schemes and standards the Department applies in its operations are listed in **Annex B**.

Risk Assessment and Treatment of Building Materials

14. In December 2016, we completed the first risk assessment exercise of about 2 300 building materials. We then evaluated the risk assessment results and developed corresponding risk treatment measures. The first batch of risk treatment measures was rolled out in January 2017, and all enhancement measures to the quality control system were implemented by end 2017. In 2019, we carried out a regular review of the material risk assessments together with a Specification Review Consultant and updated the corresponding enhancement measures. The upcoming regular review will be carried out in the second half of 2021. We will continue to review the quality control system and monitor the contractors' performance accordingly.

PROMOTING SUSTAINABLE LIVING

Energy Saving Measures

15. To maintain our new buildings fulfilling the requirements of the Building Energy Code issued by the Electrical and Mechanical Services Department as an on-going initiative, we implemented various energy saving measures (Paper No. **BC 104/2017** refers). To further reduce energy consumption, the Department has adopted Light Emitting Diode (LED) Exit Signs and Directional Signs in new developments for tenders issued since 2019.

16. In our existing PRH estates, we continue to implement ISO 50001 EnMS, which has been migrated to 2018 edition through the conversion surveillance audit in May 2020, for the communal areas of the domestic blocks and to adopt energy efficient equipment for our building services installations, such as –

- (a) Adopting the variable speed drive controlled booster pumps for replacement of booster pumps which are approaching the end of service life;
- (b) The Implementation of Lift Modernisation Programme to replace aged lift cars, machinery and control systems, which are able to reduce electricity consumption up to 30% as compared with old ones; and
- (c) Use of LED luminaires to replace existing Compact Fluorescent Lamp bulkhead light fittings, exit signs and directional signs during breakdown maintenance.

Carbon Emission Estimation for Projects under Design

17. The assessment of projects under design using “Carbon Emission Estimation” (CEE) was an on-going initiative (Paper No. **BC 104/2017** refers). CEE was conducted for twelve new development projects at detailed design stage during the year. Since the roll-out of CEE, we have achieved an average of about 15.77% reduction in estimated carbon emission in terms of Construction Floor Area for the designed whole life cycle of domestic blocks as compared with the baseline figure.

Carbon Audits and Carbon Reduction in Existing Estates

18. The Department has been conducting Carbon Audits in existing estates since 2012/13. We continue the carbon emission monitoring through the Carbon Audit exercise in 14 selected domestic blocks of 14 typical PRH block types covering the majority of HA block type designs. This audit process is conducted in accordance to the relevant Guidelines issued by Environmental Protection Department (Paper No. **HA 14/2020** refers).

Site Safety

19. The Department continuously implements its Site Safety Strategy in New Works construction sites, Maintenance and Improvement (M&I) Works sites, property services agents and cleansing and security contracts (Paper No. **BC 45/2019** refers). We set goals at an accident rate of no more than nine accidents per 1 000 workers and zero industrial fatal accident. We achieved accident rates of 4.5 per 1 000 workers for New Works contracts and 0.3 per 1 000 workers for Maintenance Works contracts in 2020, which are lower than the average industry accident rate of 26.1 per 1 000 workers. Nil industrial fatal accidents occurred in HA works contracts in 2020. The Department continues to put emphasis on site safety to drive contractors for better site safety standard.

20. During the year, the Department has taken steps to strengthen the safety management systems to further improve safety performance of both New Works and M&I Works sites, including –

- (a) Risk management measures were reinforced and control of work process was enhanced to improve site safety standards. The safety performance monitoring of contractors under the Housing Authority Safety Auditing System (HASAS) for New Works and M&I Works Contracts was strengthened by enhancing the score banding of accredited safety auditor (ASA) performance grading and formulating a regulatory action to replace ASA with repetitive unsatisfactory performance. HASAS was also applied to all ground investigation term contractors;
- (b) The assessment criteria, checklist list and score weighting of Surprise Safety Inspection Programme were finetuned. Caring and coaching of workers/supervisors involved in unsafe act were encouraged;

- (c) The mechanism of triggering interview of contractors by Contractors Review Committee and issue of warning letter to contractor by contract manager based on unsatisfactory safety audit and surprise safety inspection results in two consecutive quarters or involving two or more failures in one quarter was introduced;
- (d) Integrated Pay for Safety, Environment and Hygiene Scheme for New Works contracts was reviewed with more resources on safety training, greater flexibility in modes of safety innovation and more pay for achieving the goal in accident statistics. Enhanced scheme will be enacted in new contracts in mid 2021;
- (e) The accident and incident reporting system in New Works contracts was streamlined in 2020 requiring submission of root cause analysis for serious accidents. Enhanced mechanism will be implemented in mid 2021;
- (f) Annual safety forum, seminars and meetings were held to keep the works contractors, property management contractors and frontline staff updated about safety legislation, contract requirements and innovative safety measures; and
- (g) The Site Safety PASSPORT online refresher training to HA works staff was enhanced by adding latest HA safety measures and more questions for assessing the trainees after the training.

OPTIMISING AND RATIONALISING THE USE OF PUBLIC RESOURCES

Prolonging the Useful Life of Aged Estates

21. For aged PRH estates, HA will continue to implement various programmes and measures to upkeep or improve the building conditions and provide residents with a safe and suitable living environment. These include the Comprehensive Structural Investigation Programme (CSIP), the Estate Improvement Programme (EIP), the Total Maintenance Scheme (TMS) and Responsive In-flat Maintenance Services (RIMS). The CSIP aims to ascertain structural safety and financial sustainability to maintain aged PRH estates for the next 15 years. Under the EIP, while preserving a familiar and harmonious environment, we inject new facilities and provisions in phases to enable aged estates to better serve the residents' needs. Regarding the in-flat areas, HA has been proactively providing tenants with in-flat inspections and necessary

maintenance services through the TMS. In parallel, HA has implemented the RIMS, by setting up a dedicated in-flat technical team to promptly respond to tenants' works requests, closely liaise with tenants and provide in-flat minor maintenance services to tenants.

Cost Yardsticks and Project Budgets

22. Construction Cost Yardsticks (CCY) are updated annually in June to serve as a reference for preparing Project Construction Cost Ceilings, Project Budgets, and five-year construction expenditure budgets and forecasts for projects under planning. Half-yearly review is also carried out to track cost trends with better accuracy. The June 2020 cost yardsticks of average \$10,126/m² and \$10,669/m² Construction Floor Area for the superstructure construction cost of HA's PRH/GSH domestic buildings and other SSFs domestic buildings respectively (Paper No. **BC 38/2020** refers) both showed a decrease of -1.9% and -2.0% over the June 2019 yardsticks mainly due to the decrease in the cost of some materials since June 2019. The half-yearly review conducted in December 2020 (Paper No. **BC 12/2021** refers) indicated there was a mild decrease in tender price level of -1.2% to the superstructure construction cost of both PRH/GSH and other SSFs domestic buildings as compared with those of the June 2020 CCY. The mild decrease is mainly attributed to the competitive tendering climate.

23. We have closely monitored the adequacy of project budgets. During the year, no project required Members' approval for increase of project budget. We shall closely monitor cost trends and manage our project budgets in a timely manner to ensure smooth delivery of the public housing programme.

Bench-marking of Construction Cost

24. The average construction cost of the superstructure of HA's rental domestic buildings is about 42% ^{Note 6} lower than that of high rise residential buildings of "average standard" in the private sector. This is attributed to economies of scale, mechanised construction methods, optimised structural design and a lean specification on finishes and fittings with emphasis on quality being fitness for purpose. Quality of design and construction, however, is strictly maintained for long term durability.

Note 6 The comparison is based on the construction cost data published by our consultant for 2nd Quarter 2020 for high rise residential buildings of "average standard" in private housing estates at the time of preparing the mid-year performance review of the Programme of Activities for Development & Construction in 2020/21 (Paper No. **BC 72/2020**).

Building Control

25. Since the Independent Checking Unit (ICU) was detached from the Department and placed under the Office of the Permanent Secretary for Transport and Housing (Housing) in 2015, there is evident increase in public awareness of its independent and enforcement role. In this year, ICU continues to exercise dual building control functions on new public housing development projects and existing buildings developed by HA, including –

- (a) Administrative building control to new public housing development projects, and existing buildings in PRH estates without any part sold or divested, which are not subject to the Buildings Ordinance (BO), by applying standards and practices parallel to that of BD. A Memorandum of Understanding had been formalised between HA/HD and BD stressing the alignment of practices between ICU and BD. Administrative building control is funded by HA; and
- (b) Statutory building control under delegated authority from the Building Authority (i.e. the Director of Buildings) for those properties which are subject to the BO, including properties in PRH estates with retail and car parking facilities divested to Link or their subsequent private owners, and Courts and Estates with SSFs sold by HA under various subsidised home ownership schemes. Statutory building control is funded by the Government.

26. Besides, the Lift Inspection Focus Team continues to monitor the use and operation of HA's lifts and escalators for risk management and enhancing the compliance with the Lifts and Escalators Ordinance (Cap. 618).

27. ICU continues to operate and enhance its electronic submission and processing system, namely the "Housing Electronic Plan Submission System", in handling building and structural plans and exercising building control in HA's new development projects and existing buildings. We have also developed the technology to facilitate the production of 2-dimensional plans from 3-dimensional Building Information Modelling models that are good for statutory submissions. The technology is conducive to e-submission and e-processing of plans and has been shared with the public via ICU's webpage in September 2020. On the development of ICU's Site Mobile System with Mobile Apps, it was completed and rolled out in May 2020, making the building control operation and reporting of site inspection activities more efficient. Moreover, ICU is developing a "Housing Electronic Checking System for Test

Reports”^{Note 7} to enhance the efficiency and accuracy of checking any non-compliance in test reports of concrete and reinforcement. The system is scheduled to roll out by end 2021.

AWARDS RECEIVED

28. In 2020/21, HA was honoured to have received a number of awards and corporate environmental, safety awards and labels (Paper No. **BC 27/2020** refers). The details are shown in **Annex C**.

FINANCIAL PERFORMANCE

Construction Expenditure

29. The provisional construction expenditure for the year ending 31 March 2021 amounted to \$18,954 million, which was lower than the Revised Budget of \$19,668 million by \$714 million. This was mainly due to construction programme adjustments of some projects.

Building Control (by ICU)

30. The 2020/21 provisional expenditure for Building Control was \$211 million, which was \$17 million lower than the Revised Budget of \$228 million. The variance was mainly due to the lower than budgeted spending in personal emoluments.

WAY FORWARD

31. We will continue to review and improve our quality assurance systems, and to develop sustainable and innovative solutions for the delivery of quality housing, management and maintenance services to our tenants.

32. To address the high demand for PRH, more land must be provided by the Government to the HA for the construction of PRH units. To meet the public housing supply target of 210 000 PRH/GSH units and 91 000 other SSFs for the ten-year period from 2021/22 to 2030/31 stated in the Long Term Housing Strategy Annual Progress Report 2020, we will continue our efforts in increasing and expediting the supply of subsidised housing by working closely

Note 7 The development of the technology is funded by the TechConnect (Block Vote) Fund under the Innovation and Technology Bureau.

with Development Bureau, Planning Department and other relevant Government Departments to secure suitable land and fast-track the upstream preparatory work. We will continue to seek ways to enhance productivity by collaborating with stakeholders in the building industry to devise innovative, streamlined, labour-saving construction methods for the downstream construction stages of foundation and superstructure works.

33. To better sustain our ageing housing stock, we will continue to implement our sustainability-focused maintenance strategy, emphasising preventive maintenance, people-based and customer-oriented approaches for the implementation of maintenance and improvement programmes and energy-saving initiatives.

CONCLUSION

34. As demonstrated by the awards and labels we received during the year, our Programme of Activities is effective in providing green, healthy and affordable quality housing. We will continue to collaborate with stakeholders on all fronts to further enhance the delivery process of public housing. In meeting the housing production target in the coming years, we will continue to uphold HA's core values of caring, committed, customer-focused and creative in serving the community, striving for innovations and making effective use of resources in an environment-friendly manner.

35. I thank all BC Members and staff of the Department for their valuable contributions and unfailing support to the work of BC during the past year.

Johnnie Casire CHAN Chi-kau
Chairman, Building Committee

Achievement in BEAM Plus Certification for New Buildings in 2020/21

Rating	Scheme	Project
Gold Rating in the Provisional Assessment	BEAM Plus Version 1.2 for New Buildings	Public Rental Housing Development at Queen's Hill Site 1 Phase 2
		Public Rental Housing Redevelopment at Pak Tin Estate (Phases 7, 8 & 11)
		Public Housing Development at Tuen Mun Area 29 West
		Public Rental Housing Development at Lai Cho Road
		Public Housing Development at Fanling Area 36 Phase 4
		Public Housing Development at Ching Hong Road North, Phase 1, Phase 2
		Public Housing Development at Anderson Road Quarry Site RS-1
		Subsidised Sale Flats Development at Ko Shan Road
		Public Housing Development at Java Road
Platinum Rating in the Final Assessment	BEAM Plus Version 1.2 for New Buildings	Long Shin Estate
		On Tai Estate
Gold Rating in the Final Assessment	BEAM Plus Version 1.2 for New Buildings	Mun Tung Estate
		Ping Yan Court
		Ngan Wai Court
		Ngan Ho Court
		Hoi Ying Estate
		Choi Hing Court
		Kai Long Court

Certified Standards

Certified Standard	Scope	Certified Since
Development and Construction Division		
ISO 9001: Quality Management	Planning, design, project management and contract administration for the construction of public housing.	1993
ISO 14001: Environmental Management	Planning, design, project management, contract administration and materials testing for the construction of public housing.	2009
ISO 50001: Energy Management	Planning, design, project management and contract administration for the construction of public housing.	2012
ISO 45001: Occupational Health and Safety Management System	Materials testing for the construction of public housing.	2020
Estate Management Division		
ISO 9001: Quality Management	Planning, design, project management and contract administration for the planned maintenance and improvement of public housing.	1993
ISO 14001: Environmental Management	Planning, design, project management and contract administration for the planned maintenance and improvement of public housing. Provision of property management services (including cleansing, security, landscaping and office administration) in public housing estate.	2011
ISO 50001: Energy Management	Planning, design, operation, project management and contract administration for facility management and improvement works of the communal areas of public rental housing domestic blocks.	2013
ISO 45001: Occupational Health and Safety Management System	Planning, design, project management and contract administration for the planned maintenance and improvement of public housing.	2019
Independent Checking Unit		
ISO 9001: Quality Management	Building Control for Public Housing	2014
ISO 14001: Environmental Management	Building Control for Public Housing	2014

Other Quality Schemes and Standards

Scheme/Standard	Scope	Adopted Since	Remarks
Development and Construction Division			
ISO 26000: Social Responsibility	Planning, design, project management and contract administration for the construction of public housing.	2010	Integrated with other management systems of DCD. A non-certifiable standard, but measured through HKQAA CSR Advocate Index. For the eighth consecutive year since 2012, DCD achieved the full score of 5.0.
ISO 31000: Risk Management	Planning, design, project management and contract administration for the construction of public housing.	2010	Integrated with other management systems of DCD.
European Foundation for Quality Management (EFQM) Excellence Model	Planning, design, project management and contract administration for the construction of public housing.	2010	Integrated with other management systems in DCD.
Estate Management Division			
ISO 19011: Auditing Management System	Internal audit for planning, design, project management and contract administration for the planned maintenance and improvement of public housing.	2012	Integrated with other management systems of EMD. A non-certifiable standard, but verified through HKQAA with Verification Statement obtained in 2013.
ISO 26000: Social Responsibility	Planning, design, project management and contract administration for the planned maintenance and improvement of public housing.	2012	Integrated with other management systems of EMD. A non-certifiable standard, but measured through HKQAA CSR Advocate Index. For the sixth consecutive year since 2014, EMD achieved the full score of 5.0.

Scheme/Standard	Scope	Adopted Since	Remarks
ISO 31000: Risk Management	Planning, design, project management and contract administration for the planned maintenance and improvement of public housing.	2012	Integrated with other management systems of EMD. A non-certifiable standard, but verified through HKQAA with Verification Statement obtained in 2013.
HKQAA Sustainable Building Index (SBI) Scheme	Sustainability performance on environmental, social and economic aspects of domestic blocks in ten estates with major block types.	2012	A non-certifiable standard, but verified through HKQAA SBI Scheme. HA became the first organisation obtained the HKQAA SBI Verified Mark in 2012.

Project Related Local Awards

Organiser/Award Title	Project/Research Topic	Category and Level Attained
Development and Construction Division		
Hong Kong Quality Assurance Agency (HKQAA) – HKQAA Corporate Social Responsibility (CSR) Index – Advocate Marks	Strives to upgrade the quality of life of the PRH tenants through developing a pleasant and sustainable living environment, promoting green living culture, fostering partnership with our stakeholders and nurturing sense of belonging of the community and continually reviewing the performance of the management systems regularly to pursue continual improvement	ISO – HKQAA CSR Advocate Marks
Hong Kong Green Building Council – BEAM Plus	The Public Rental Housing Development at Anderson Road Sites A and B Phases 1 and 2	New Buildings V1.2 – Final Platinum
Environmental Campaign Committee – Hong Kong Green Organisation Certification	Hong Kong Housing Authority Waste Reduction Performance	Wastewi\$e Certificate – Excellence Level
Committee on Building Information Modelling (BIM) of Construction Industry Council (CIC) – Celebration of CIC BIM Achievement 2020 – BIM Projects 2020	Housing Authority BIM Standards and Guidelines	BIM Projects 2020 – BIM Projects 2020
Committee on BIM of CIC – Celebration of CIC BIM Achievement 2020 - BIM Organizations 2020	Hong Kong Housing Authority	BIM Organizations 2020 – BIM Organizations 2020
Civil Service Outstanding Service Award Scheme 2019	Housing Electronic Plan Submission System (HePlan) of the Independent Checking Unit	Specialised Service Team Award – Special Citation (Application of Innovation and Technology)

Organiser/Award Title	Project/Research Topic	Category and Level Attained
Autodesk Hong Kong – Autodesk Hong Kong BIM Awards 2020	Development of the Technology to Use BIM for Statutory and Building Control Submission by the Independent Checking Unit	Industry Influencer Award
Contractor		
Jointly organized by nine professional organizations in Hong Kong: (1) The Hong Kong Construction Association; (2) The Hong Kong Institute of Architects; (3) The Hong Kong Institute of Construction Managers; (4) The Hong Kong Institution of Engineers; (5) The Hong Kong Institute of Housing; (6) The Hong Kong Institute of Surveyors; (7) The Hong Kong Quality Assurance Agency (QBA 2020 Alternate Chair); (8) The Hong Kong Chapter of International Facility Management Association; and (9) The Real Estate Developers Association of Hong Kong – Quality Building Award 2020	On Tai Estate – Public Rental Housing at Anderson Road Site A & B	Hong Kong Residential (Multiple Buildings) – Grand Award

Report by the Chairman of the Commercial Properties Committee for 2020/21

INTRODUCTION

The Commercial Properties Committee (CPC) held three meetings during the year. Amidst challenging economic conditions in the year due to the COVID-19 epidemic, the Department had continued various leasing and promotion efforts to enhance the potential and business environment of Housing Authority (HA)'s retail facilities. The Department had also continued to identify enhancement opportunities and undertake feasibility studies and improvement works under the five-year rolling programme for asset enhancement of HA's retail and carparking (RC) facilities.

HA's RETAIL FACILITIES

New Developments

2. During the year, retail facilities in Yung Ming Court, Tung Wui Estate, Fai Ming Estate, Chun Yeung Estate (CYE) and Hoi Tat Estate (Phase 2) were completed. As at the end of March 2021, the total retail stock stood at around 265 400 m² internal floor area.

Existing Retail Facilities

Leasing Strategies

3. In the year, we continued to adopt strategic planning for the leasing of new retail facilities under a flexible and market-oriented approach. The letting of new shopping centres such as Yung Ming Shopping Centre and Chun Yeung Shopping Centre was planned well in advance. Apart from daily necessities, more shopping choices and variety of services were provided to the residents and the community.

4. We took the opportunity of the tenancy renewal exercise to widen the trade and tenant mix for Domain and adopted flexible leasing strategies to attract popular tenants. New businesses were introduced to Domain during the year including three fashion shops, two preserved food and confectionery shops, an optical shop, a computer and accessories shop and a trendy doll-claw vending machine shop, providing more choices for shoppers. All these shops were well received by tenants and customers.

5. Recognising residents' need for convenient banking services, HA has been collaborating with major banks to expand the mobile branch services in our estates. As at the end of March 2021, 30 HA's public rental housing (PRH) estates have been covered by mobile banking services. Besides, more shops were let to banks for self-service banking and additional spaces in estates were designated for Automatic Teller Machines, enhancing residents' access to a variety of banking services.

6. In view of community needs arising from the popularity of online purchase and the growing demand for logistics services, especially amidst the COVID-19 epidemic, we continued to arrange letting of shops for express delivery services and sites for parcel lockers. As at the end of March 2021, a total of 64 parcel lockers had been set up in HA's PRH estates and shopping centres.

Vacancy

7. Through enhancing the potential of HA's commercial properties and improving business environment by proactive leasing and promotion strategies, the overall vacancy rate for retail premises was maintained at a low rate of 1.8% as at the end of March 2021.

Rent Arrears

8. The year-end performance for the rent arrears rate as at the end of March 2021 was 1.5%, which met the performance target of less than 2.5%.

ISSUES DISCUSSED

Asset Enhancement of HA's Retail and Carparking Facilities

9. The Department keeps in view the use of existing commercial facilities in public housing estates from time to time, with a view to optimising the use of resources and meeting residents' changing needs. Since 2011, a five-year rolling programme for prioritising asset enhancement of HA's RC facilities has been formulated to enhance their potential and business environment as well as to meet residents' needs. In accordance with the results of the Strengths-Weaknesses-Opportunities-Threats analysis for HA's commercial portfolio, a number of RC facilities have been identified for feasibility studies and asset enhancement through major improvement works, re-designation of trade mix and conversion of usage according to the priority set.

10. To roll forward the programme, the Department has continued to identify asset enhancement opportunities and implement the earmarked projects. During the year, the improvement and conversion works in Lei Muk Shue and Choi Tak Shopping Centres were completed while those for Yau Lai Shopping Centre, Choi Ying Place and Tin Ching Estate as well as the market facilities in Shek Kip Mei and Pok Hong Estates were in good progress. In May 2020, we endorsed the earmarking of retail facilities in Upper Ngau Tau Kok and Mei Tin Estates for detailed studies on the feasibility for enhancement.

Carparks

Management Services of Carparks

11. HA had a portfolio of 184 carparks providing about 32 600 parking spaces as at the end of March 2021. Management contracts have been procured for the management of 102 carparks by carpark operators, and the rest are under the management of the Department's staff and other property management agents. Carpark automation and electronic payment system by Octopus have been in place in most of the carparks to enhance cost effectiveness and users' convenience.

Carpark Charges

12. HA charges fees at market level for its parking spaces, and the fees are reviewed annually and will take effect on 1 January of the following year. In reviewing the charges, reference is made to the carpark charges of other public bodies and comparable private sector. Having regard to the trend of market charges according to the data collected, we approved maintaining the carpark charges at the 2020 level until the end of December 2021.

Maximising the Usage of Carparks and Addition of Parking Spaces

13. The Department continued to implement measures to maximise the usage of HA's carparking facilities, including re-designation of parking spaces for other types of vehicles in demand, converting surplus monthly parking spaces for hourly parking, adopting floating parking system in some of HA's carparks with hourly parking to enable the sale of more monthly tickets, and letting surplus parking spaces to non-residents upon obtaining necessary permissions, etc. Through the implementation of these measures coupled with the increasing demand for carparking facilities, the overall occupancy rate of HA's carparks has attained a record high of almost 98% as at the end of March 2021.

14. In support of Government's initiatives to increase the provision of parking spaces to meet the growing demand, the Department has been creating

additional parking spaces in HA's existing carparks. As at March 2021, 160 additional parking spaces had been created in 22 estates by making use of open spaces, realignment of parking spaces, re-designation of spaces for the parking of other types of vehicles, etc. The Department is working on the further creation of some 70 additional parking spaces in five estates, and will continue to keep in view the usage of HA's carparking facilities and explore opportunities for adding more carparking spaces in existing estates. For new development projects, HA will provide parking spaces according to the updated standards and in consultation with the Transport Department.

Provision of Electric Vehicle Charging Facilities

15. To complement Government's policy of promoting the wider use of electric vehicles (EVs) in Hong Kong, we have continued to provide EV charging facilities in HA's carparks. We have also continued to offer a maximum of two hours' free parking for EVs during charging in HA's carparks, and charge the utility companies a nominal licence fee of \$1 per annum for the EV charging facilities installed at HA's carparks.

16. In support of Government's further initiatives to enhance the charging network for EVs, we have been providing additional medium chargers (MCs) at hourly parking spaces of HA's existing carparks subject to technical feasibility and available electricity loading. As at March 2021, we had completed the installation of 24 MCs at hourly parking spaces in Tak Long, On Tat, Lower Ngau Tau Kok, Po Heung and Shui Chuen O Estates as well as Domain. The Department will keep in view the usage of these MCs and gradually install more MCs in suitable carparks subject to feasibility and demand.

17. As at the end of March 2021, we have provided EV charging facilities (including about 50 medium/quick chargers) at about 400 hourly parking spaces and about 1 000 monthly parking spaces in HA's carparks.

18. The Environmental Protection Department has been coordinating with relevant government departments to update the requirements under Hong Kong Planning Standards and Guidelines as well as relevant technical guidelines on EV charging facilities regarding the provision of MCs in new developments. To further complement Government's initiatives, we will install MCs and its charging-enabling facilities instead of standard chargers in new public housing projects under planning and in early design stages. For projects at advanced design and tender stages or under construction, we will review the feasibility of providing MCs with due diligence on a case by case basis taking into consideration the time and cost implications as well as other technical and spatial requirements.

Factory Estates

19. In the 2019 Policy Address (PA), the Chief Executive invited HA to explore the feasibility of redeveloping its factory estates for public housing use. The Department then conducted the necessary impact assessments including traffic, sewerage, air quality, noise, air ventilation and visual assessment to ascertain the technical feasibility of redeveloping the factory estate sites for public housing. Based on preliminary findings, it was mentioned in the 2020 PA and the Long Term Housing Strategy Annual Progress Report 2020 that three out of HA's six factory estate sites could be used for public housing development.

20. The Department had completed the studies and found it feasible to redevelop HA's four factory estates (viz. Yip On, Sui Fai, Wang Cheong and Kwai On Factory Estates) for public housing, while the remaining two factory estates (viz. Chun Shing and Hoi Tai Factory Estates) were not feasible for housing development due to environmental constraints. The study results were endorsed by the Strategic Planning Committee (SPC) in April 2021. SPC also endorsed the Department to proceed with rezoning of the four factory estate sites as well as clearance of the tenants and thereafter demolition of the buildings while rezoning of the sites was in progress. We have endorsed the clearance package, which was announced on 24 May 2021.

21. As a related matter, all HA factory estates are subject to the control of the Fire Safety (Industrial Buildings) Ordinance (FS(IB)O) enacted in June 2020. The Department had completed a separate study to identify the necessary fire safety improvement works for compliance with the required standards under FS(IB)O. According to the prevailing enforcement policy of the Buildings Department and the Fire Services Department, FS(IB)O will be implemented in two phases, i.e. Phase 1 for pre-March 1973 buildings and Phase 2 for post-March 1973 buildings. Since the six HA factory estates are under Phase 2, no immediate improvement works are required at this stage. As all HA factory estates are equipped with fire sprinkler system and with routine maintenance, the fire safety condition is satisfactory. In the meantime, the Department will continue to carry out routine maintenance works for all the six factory estates.

Telecommunications Installations

22. The monthly charges for telecommunications installations at HA's properties are reviewed annually and the new charges will take effect from 1 April of the following year. According to established policy, the licence fees are set at market level by making reference to the latest market data gathered from the operators and the Rating and Valuation Department for the letting of various

telecommunications sites in private properties. Despite that the available market data indicated a slight increase in the fees charged for such installations in private properties, we approved to maintain the existing charges for different types of telecommunications installations with effect from 1 April 2021 taking into account the economic conditions.

Rent Concession Measures for HA's Non-domestic Tenants

23. In line with the Government's helping measures to support enterprises and relieve people's financial burden, HA granted eligible retail and factory tenants with 50% rent concession from 1 October 2019 to 31 March 2020. The rent concessions for these tenants were extended for a further 12 months, from 1 April 2020 to 31 March 2021, and increased to 75%. The coverage of the 75% rent concession was also extended to include tenants/licensees of bus kiosks and most advertising signboards, as well as carpark users for the monthly parking of commercial vehicles. Furthermore, eligible tenants/licensees of HA's non-domestic premises such as beauty parlours, children game centres, etc. could apply for 100% rent concession for the period during which their operation at the premises concerned was required to be closed under anti-epidemic regulations or directions of the Government. To tie in with the Government's further relief measures, we approved in March 2021 to extend the 75% rent concession period to 30 September 2021. The total rent foregone for rent concessions granted by HA for the 24-month period from 1 October 2019 to 30 September 2021 was estimated to be around \$2,290 million.

Rates Concession Exercise for Non-domestic Premises

24. To align with Government's measures to waive rates for the financial year of 2020/21, we approved the arrangements to pass on the rates concession to eligible non-domestic tenants/licensees on a "no-loss-no-gain" principle subject to a ceiling of \$5,000 per quarter in the first two quarters and a ceiling of \$1,500 per quarter in the remaining two quarters for each rateable non-domestic property. In September 2020, the Government announced among other measures an enhanced rates concession by increasing the exemption ceiling from \$1,500 to \$5,000 for each non-domestic property chargeable to rates for the third and fourth quarters of 2020/21. We approved the same arrangements to pass on the enhanced rates concession for the third and fourth quarters of 2020/21 to HA's eligible non-domestic tenants/licensees on a "no-loss-no-gain" principle.

25. Furthermore, in line with the Government's measures to waive rates for the four quarters of 2021/22, subject to a ceiling of \$5,000 per quarter in the first two quarters and a ceiling of \$2,000 per quarter in the remaining two quarters

for each rateable non-domestic property, we approved to pass on the rates concession to HA's eligible non-domestic tenants/licensees.

Arrangements for Commercial Lettings Affected by the Temporary Use of Chun Yeung Estate as Government Quarantine Facilities

26. Following Government's decision to use CYE in Fo Tan as quarantine centre (QC), the entire estate (comprising five domestic blocks, a shopping centre, a carpark and a public transport layby) was handed over to the Government in early February 2020. In view of the uncertainty of the intake date, we made special arrangements to allow prospective tenants of the 17 retail shops and a Single Operator Market (SOM) in Chun Yeung Shopping Centre to opt for withdrawal from the proposed letting with refund of the deposit. Eventually, three prospective tenants opted for withdrawal and received refund of their deposits. The remaining three shops were successfully re-let in July 2020.

27. The Government originally planned to return the entire CYE to HA in July 2020. Due to rapid deterioration of the COVID-19 epidemic, the Government announced in August 2020 to continue using Blocks 1 to 3 as QC. In view of the deferred intake of Blocks 1 to 3 of CYE, we made further arrangements to allow prospective tenants of the shopping centre to withdraw from the proposed letting with full refund of deposits. One prospective tenant opted for withdrawal and refund of the deposit. The shop was successfully re-let in December 2020. As at end of March 2021, 16 shops and the SOM had been in full operation, providing services to residents.

ANTI-EPIDEMIC MEASURES

28. Apart from stepping up the daily cleansing and disinfection of common facilities (including escalators, lifts, passages, drainage facilities, etc.) in our shopping centres and markets, we had progressively implemented a series of strengthened anti-epidemic measures from mid-2020 onwards. These measures included regular deep cleansing and disinfection of markets, distributing masks and hand sanitisers to stall operators of markets and cooked food stalls, intensifying the cleansing of air-conditioning and ventilation systems for markets, putting up posters/notices reminding public to wear masks, providing more hand sanitisers at various locations of shopping centres and markets for public use, conducting temperature checks at the entrances to enclosed shopping centres and markets with air-conditioning, etc. We had also employed anti-epidemic ambassadors to monitor the implementation of various anti-epidemic measures in shopping centres and markets such as the monitoring of temperature checking,

wearing of masks, cleansing arrangements, provision of hand sanitisers, monitoring the use of LeaveHomeSafe mobile app by visitors, etc.

Promotion of Contactless Payment in HA markets

29. To promote contactless payment in markets and reduce the risk of COVID-19 transmission in the market setting, the Government launched a subsidy scheme under the Anti-epidemic Fund from October to December 2020. Under the subsidy scheme, stall tenants of markets and cooked food stalls under the Food and Environmental Hygiene Department and HA providing at least one contactless payment means for market patrons will receive a one-off subsidy at a flat rate of \$5,000 per stall. The subsidy could be used to meet related initial set-up costs as well as service and other fees, with a view to encouraging stall tenants to use contactless payment means for safeguarding public health.

PROMOTION ACTIVITIES

30. Amidst the COVID-19 epidemic in 2020, we adjusted our promotion strategy by replacing large scale promotional events with small scale consumption stimulating programme such as festive decorations, gift redemption activities and lucky draws so as to maintain social distancing and avoid group gatherings. We encouraged our shop tenants to participate in our promotional events by sponsoring free gifts/coupons during festivals and special days. The major special themed events held at Domain included “Joy of Golden Spring Chinese New Year Celebration” and a series of Lifestyle Trade Fairs and Expos in partnership with renowned brands, etc. These events had been launched together with the Domain Club loyalty programme and other promotion programme through our website and other suitable social media platforms to reach potential customers and promote loyalty, frequent visits and repeated purchases. Furthermore, the coverage of Domain Club was extended to include the adjacent Yau Lai Shopping Centre for promotion of the two shopping centres as a comprehensive shopping attraction. Short-term lettings of kiosks, roadshows and festive trade fairs were also arranged to enrich the choice of products and services, which had successfully attracted patronage and brought delightful shopping experience to visitors and customers.

31. In other HA’s shopping centres, we continued to centrally arrange promotional activities and festive decorations during major festivals in the year, enhancing the shopping ambience in a cost-effective manner.

Community Services

32. In collaboration with various non-governmental organisations (NGOs), Government departments and institutions, a number of civic, cultural and community building events or activities, such as “Promotion of Filtering Software and 2020 Meritorious Websites Contest and Healthy Mobile Phone/Tablet Apps Contest”, Exhibitions of “Ethnic Minorities” and “Control of Obscene and Indecent Articles Ordinance” were held in HA’s shopping centres in the year.

WAY FORWARD

33. Over the past year, Hong Kong has experienced difficult economic conditions due to the impact of the COVID-19 epidemic, and various sectors of the economy have been facing tremendous challenges. Complementing the Government’s anti-epidemic and relief measures, HA has implemented various measures to fight against the epidemic and assist its commercial tenants to tide over the difficult times. In particular, the six rounds of rent concessions have assisted tenants to maintain the economic viability of their businesses, enabled the continued provision of retail services to meet the needs of our residents, as well as helped maintain a low vacancy rate of our commercial properties.

34. We have endorsed the 2021/22 programme of activities focusing on the theme of enhancing the attractiveness of commercial properties. In order to fulfill the objective of enhancing the potential of HA’s commercial properties, the Department will closely monitor the letting position of our retail facilities and continue to adopt flexible marketing and leasing strategies, so as to diversify the trade mix in our shopping centres and provide more choices to our residents. The Department will also continue to keep pace with the market trend to explore more shopping avenues for our residents, such as setting up more parcel lockers to meet community needs arising from the increasing popularity of online shopping.

35. To enhance the business potential of HA’s retail facilities, we will continue to roll forward the five-year rolling programme for asset enhancement and identify new enhancement opportunities. Given the declining stock available for large scale improvement, further implementation will focus on smaller scale works or enhancement of trade mix to meet the needs of the residents. As an ongoing measure, the Department will continue to explore ways to optimise the use of non-domestic premises and other spaces, such as conversion to domestic or other uses.

36. Regarding promotion of our shopping centres, the Department will for the time being continue to focus on festive decorations and small scale promotional activities involving gift redemptions and lucky draws to attract patronage and boost sales for Domain and other HA's shopping centres in 2021/22. Depending on the epidemic development and the need for social distancing measures, the Department will consider arranging large scale or themed events if situation permits at a later stage.

37. We will also continue to support the Government's initiatives in environmental protection such as collaborating with NGOs to launch environmental protection programmes/activities in HA's shopping centres, encouraging tenants to participate in food waste reduction and recycling programmes and avoid the use of disposable plastic tableware, etc. Furthermore, we will continue to implement various green measures for reduction in energy consumption and provide EV charging facilities in HA's new and existing carparks.

CONCLUSION

38. Despite the epidemic in the last year, the Department has continued to implement improvement/conversion programmes, arrange proactive marketing and leasing for new and existing retail facilities, implement asset enhancement studies and works, identify new enhancement opportunities, as well as arrange continuous promotional activities to enhance business environment and boost sales for our tenants. The total retail floor space under HA has increased as a result of new production and improvement measures for existing facilities, and the overall vacancy rate of retail premises has been maintained at a low level. We also saw the Department's great efforts in introducing new trades and enhancing tenants' profile, which have maintained Domain's attractiveness, competitiveness and its position as HA's regional shopping centre.

39. As the Chairman of CPC, I would like to express my sincere gratitude to all Members, including the outgoing Members. I count on all Members for their continued support in the years to come. Finally, my deepest appreciation also goes to the staff of the Department for their contribution and unfailing support to the work of CPC.

Serena LAU Sze-wan
Chairman, Commercial Properties Committee

Report by the Chairman of the Finance Committee for 2020/21

INTRODUCTION

The main responsibilities of the Finance Committee (FC) include review and examination of the Housing Authority (HA)'s financial performance and budgets and forecasts, provision of advice on HA's financial and investment policies, as well as overseeing the funds management, human resources and information technology (IT) functions.

FINANCE COMMITTEE MEETINGS

2. A total of four FC meetings were held in 2020/21.

SUMMARY

Finance and Funds Management

Financial Planning and Management

3. In 2020/21, the Housing Department (HD) issued an updated Financial Instruction promulgating the main budgetary process and promoting cost consciousness. In January 2021, FC reviewed and endorsed HA's Budgets and Forecasts for 2020/21 to 2024/25, which was subsequently endorsed by HA and approved by the Chief Executive in accordance with section 4(3) of the Housing Ordinance (Chapter 283).

4. To enhance operational efficiency and financial control of HA's services and activities, FC also approved the updated HA's delegated financial authority during the year.

Budgets and Forecasts

5. According to HA's Budgets and Forecasts for 2020/21 to 2024/25, the cash and investment balance of HA is projected to be about \$49.9 billion by the end of March 2025. It is also projected that HA will have the necessary financial resources to meet its recurrent expenditure and implement its current public housing construction programme and maintenance programme in the budget and forecast period.

6. The Government has earmarked \$82.4 billion (the balance of the previous Housing Reserve as at 31 December 2018) in the fiscal reserves for the development of public housing and related infrastructure, which demonstrates the Government's commitment in this regard. HA will continue to monitor its funding position and discuss with the Government on the need for funding injection as appropriate. Under the established mechanism, HA will conduct the annual rolling five-year budgeting exercise which includes an assessment of its financial position and future funding requirements.

Investment Strategy

7. The aim of HA's investment strategy is to ensure that there is sufficient liquidity to meet the operational needs of HA, and to put the rest of HA's funds into longer-term investments in a prudent and diversified manner to enhance long term returns.

8. According to HA's Statement of Investment Policies and Objectives, an overall Strategic Asset Allocation (SAA) review should be conducted every three years with annual risk budgeting health check in between, taking into account the latest financial market situation and risks. An annual health check on the SAA was conducted in 2020/21, with the assistance of an independent investment consultant. With the advice and support of the Funds Management Sub-Committee (FMSC), FC accepted the consultant's recommendations to maintain the current SAA, i.e. to allocate around 80% of HA's funds to principal protection placements with the Exchange Fund, 12% to equities and 8% to HKD/USD deposits and bonds. The portfolio mainly comprises investments with relatively stable return.

Human Resources

Staffing Increase

9. In 2020/21, we secured a total of 164 new civil service (CS) posts from the Government, including –

- (a) 107 posts funded by HA, mainly for meeting the public housing supply target under the Long Term Housing Strategy, providing estate management services for public rental housing (PRH), supporting the Enhanced Pest Control and Cleansing Monitoring Programme in PRH estates, handling PRH applications, and implementing new measures on the sale of flats under different housing schemes and other new initiatives; and

- (b) 57 new CS posts funded by the Government for facilitating land supply for public housing development, provision of infrastructures and supporting community facilities, performing building control functions, supporting the work of the Task Force on Transitional Housing, conducting a study on the tenancy control of subdivided units and further increasing the supply of transitional housing.

Recruitment and Promotion

10. We continued to conduct recruitment and promotion exercises to fill new posts and vacancies arising from natural wastage. In 2020/21, 52 recruitment exercises and 49 promotion exercises were conducted. Altogether, around 730 new colleagues were recruited successfully and around 630 serving staff were recommended for promotion/acting in higher ranks in accordance with the established mechanisms.

Flexible Use of Supplementary Workforce

11. We continued to make flexible use of HA's supplementary workforce, comprising body-shopped personnel, HA term staff and staff employed under the Government's Post-retirement Service Contract (PRSC) Scheme to meet special and/or temporary operational needs. As at 31 March 2021, 1 460 body-shopped personnel, 109 term staff and 15 PRSC staff were engaged.

Conditions of Service of HA Contract Staff

12. To make the remuneration package of HA Contract Staff broadly comparable with that in the market for attracting and retaining the required talent, FC endorsed in July 2019 for the Department to conduct a consultancy study to review HA's remuneration package (including the pay levels and fringe benefits) taking into account changes in the market situation and practices. Upon completion of the study, FC approved a number of recommendations on the review of remuneration package in August 2020 so as to align the pay and benefits of HA Contract Staff more closely with those in the market.

Staff Training and Staff Engagement Initiatives

13. We continued to provide comprehensive training for different levels of staff to build a competent, engaged and motivated workforce. In 2020/21, about 22 000 trainees attended around 660 training programmes. Due to the local epidemic situation including the social distancing measures in place and work from home arrangement, the Department has been making wider use of

webinars (i.e. training held on the internet and attended by online audience), video-on-demand and other e-learning resources via the HA e-learning portal (HAELP). During the period, around 310 webinars were arranged for more than 9 100 trainees.

14. We also adopted a flexible approach in organising staff engagement activities such as holding staff recognition activities through webcasting. In addition, more on-line learning resources such as short videos and articles have been provided to foster the culture of care and support in the workplace.

Information Technology

15. Over the years, the HA has been making use of IT and implementing IT initiatives to meet business needs, improve operational efficiency and enhance various services provided to tenants and the public at large. At present, over 100 IT systems/services are in operation to support the day-to-day business of HA.

Enhancing Public Services

Faster Payment System (FPS) Option

16. By the first quarter of year 2022, HA will provide FPS as an additional payment option for –

- (a) domestic tenants to pay rents through iHousing mobile app;
- (b) non-domestic tenants to pay rents by scanning an FPS QR Code printed on the bills; and
- (c) licensees of HA's carpark to pay monthly charges at the carpark shroff offices.

Further extending the use of FPS to other HA services will continue to be explored.

Adopting iAM Smart

17. The Government launched the “iAM Smart” (formerly known as electronic identity) one-stop personalised digital services platform in end December 2020, enabling local residents to use a single digital identity to conduct online government and commercial transactions. Two HA public online services, namely the “e-Services for PRH Tenants” and “iHousing” mobile app have adopted iAM Smart for user authentication. The “e-Services for Public Rental Housing Application” will adopt iAM Smart as well by July 2021.

18. The e-submission service for Subsidised Sale Flats Scheme has been successful since 2019. The online rates increased to 82% and 88% for Home Ownership Scheme (HOS) 2020 and White Form Secondary Market Scheme (WSM) 2020 respectively. We would further enhance the services by adopting iAM Smart in HOS 2021 and WSM 2021.

Streamlining of Government Services

19. HA is implementing a wide range of e-Services under the “Streamlining of Government Services” (SGS) Programme, covering a total of 82 housing-related public services involving applications and approvals. Among them, 27 services have already been supporting e-submission and 29 services would support e-submission through the Central e-Form Services of the Office of the Government Chief Information Officer by September 2021, e.g. application for addition/deletion of family members after in-take, changes to loan or subsidy and application for decoration work. 26 services are under feasibility study of incorporating into relevant e-Services. Digital payment and the use of iAM Smart would be supported where applicable to individual services.

Improving HA’s Operating Effectiveness and Efficiency

20. A big data analytics project is being implemented to support HOS and Tenants Purchase Scheme (TPS) flat pricing assessments and commercial property rental assessment. Upon completion in Q1 2022, the big data analytics platform can combine data from various internal and external sources to facilitate users to conduct sophisticated data analytics. It automates data collection process, enables fast data processing and presents data with a user-friendly data visualisation tool.

Enhancing IT Infrastructure

21. The HA-Cloud Infrastructure for hosting IT systems provides a shared pool of hardware resources, a standardised model of resources allocation and centralised support of the platform to all project teams. Migration of IT systems to HA-Cloud has been in good progress. Out of the 70 systems under the migration programme, 36 have been completed. Migration of the remaining IT systems would be completed in 2021/22.

Use of IT in Anti-epidemic Work

22. To meet HA's need in support of the departmental business continuity plan amid of the COVID-19 epidemic, additional IT facilities and services are implemented by phases for colleagues to access office emails and application systems in a secured manner complying with the government security requirements while working from home. The number of staff with remote access facilities will increase from 1 300 in early 2020 to about 6 000 by August 2021.

Publicity and Promotion

23. The HA has all along been taking various initiatives to publicise and promote the work of HA/HD with the aim of fostering a positive image of HA/HD among the general public. To further strengthen our promotional work, we will engage a public relations agent to provide us with the latest public relations and marketing tools in Q2 2021.

24. The contractor will be tasked to propose suitable community campaigns/public activities to enhance public understanding of the work and policies of HA/HD. The contractor should also put forward recommendations on effective use of HA's social media platforms to increase their viewing rates. Members of the HA and its Committees will be consulted on the proposals before putting them into implementation by early 2022.

FINANCIAL PERFORMANCE

25. The key figures for HA's 2020/21 financial performance are summarised below –

	2020/21 Provisional Result <small>Note 1</small> <A> \$M	2020/21 Revised Budget \$M	Variance <A> - \$M
Operating Surplus/(Deficit)			
Rental Housing	(272)	(780)	508
Commercial	780	896	(116)
Home Ownership Assistance	8,288	9,465	(1,177)
Net Non-operating Income <small>Note 2</small>	43	23	20
Operating Surplus	8,839	9,604	(765)
Funds Management Account Surplus	5,077	3,741	1,336
Agency Account Surplus	42	27	15
Total Surplus before Appropriation	13,958	13,372	586
Appropriation to the Government	(390)	(448)	58
Net Surplus after Appropriation	13,568	12,924	644
Capital Expenditure	19,599	20,340	(741)
Cash and Investment Balance at year-end	57,860	56,816	1,044

26. The provisional operating deficit for the Rental Housing Operations in 2020/21 was lower than the Revised Budget by \$508 million, mainly due to the lower than budgeted Other Recurrent Expenditure and Personal Emoluments. The provisional operating surplus for the Commercial Operations was lower than the Revised Budget by \$116 million, mainly due to rent concession adjustments. The provisional operating surplus for the Home Ownership Assistance Operations was lower than the Revised Budget by \$1,177 million, mainly due to the lower than budgeted number of TPS flats sold and lower income from alienation premium. The provisional surplus for the Funds Management Account was higher than the Revised Budget by \$1,336 million, mainly due to the higher than budgeted return on investment as a result of the strong performance in the global equity market. The overall return for HA's funds in 2020/21 was 9.36%. Taking into account the Agency Account result and the appropriation to the Government, the provisional net surplus of HA in 2020/21 was \$13,568 million.

Note 1 These are provisional figures which may be subject to year-end and audit adjustments upon finalisation of the 2020/21 annual accounts.

Note 2 Net non-operating income includes mainly income from the Urban Renewal Authority for rental flats allocated to affected tenants.

27. On the other hand, the provisional capital expenditure of the year was \$19,599 million, and as at 31 March 2021, HA had a provisional consolidated cash and investment balance of \$57.9 billion.

WAY FORWARD

28. In 2021/22, FC will continue to review and examine HA's financial performance, and budgets and forecasts. FC and its FMSC will continue to monitor closely the performance of HA's fund managers and review HA's investment strategy, taking into account the latest financial market situation and risks, and HA's liquidity requirements.

29. In addition, FC will continue to provide policy steer to enable the Department to maintain and enhance human resources management services.

30. HA will carry out a study to update its IT strategy riding on the latest technological development and trends in digital transformation. We expect new initiatives will be introduced to facilitate business and operational needs of HA using advanced technologies in the coming years.

CONCLUSION

31. Finally, I would like to express my gratitude to all Members of FC and FMSC for their invaluable advice and my appreciation to the staff of the Department for their unfailing support during the past year. I am confident that Members of FC will continue to contribute positively and effectively to the mission and goals of HA.

CHAN Ka-lok
Chairman, Finance Committee

Report by the Chairman of the Subsidised Housing Committee for 2020/21

INTRODUCTION

Insofar as the Subsidised Housing operation is concerned, our work and efforts concentrate mainly on the themes of “Providing Quality Home”, “Promoting Sustainable Living” and “Optimising and Rationalising the Use of Public Resources”. The Subsidised Housing operation continues to focus on the allocation, management and maintenance of the public rental housing (PRH) stock of the Housing Authority (HA) to address the public needs. We also strive to enhance community bonding and family cohesion and put much effort in safeguarding the rational and efficient use of public resources as well as meeting the home ownership aspirations of PRH tenants.

2. In 2020/21, the Subsidised Housing Committee (SHC) held four meetings and issued 60 papers.

OPTIMISING AND RATIONALISING THE USE OF PUBLIC RESOURCES

2020 Rent Review of PRH

3. The Housing Ordinance (Chapter 283) provides that HA shall conduct a rent review every two years and vary the PRH rent according to the change in the income index between the first and second periods covered by the review, with any increase capped at 10%. In the 2020 PRH rent review, the income index for the second period (i.e. 2019) of the review was higher than that for the first period (i.e. 2017) by 9.66%.

4. At its meeting on 28 July 2020, SHC endorsed the outcome of the 2020 PRH rent review and adjusted PRH rents upwards by 9.66% with effect from 1 September 2020 in accordance with section 16A of the Housing Ordinance. In view of the impact of COVID-19 epidemic on the overall socio-economic environment and PRH tenants, and balancing PRH tenants’ affordability and the healthy and sustainable development of HA’s finance, the SHC decided to provide two one-month rent waivers for PRH tenants in September 2020 and September 2021 respectively.

Implementation of “Well-off Tenants Policies”

5. SHC endorsed revisions to the “Well-off Tenants Policies” (WTP) in late 2016/early 2017 with a view to allocating PRH resources to those with more pressing housing needs. The revised Policies have been implemented from the declaration cycle in October 2017.

6. Since the implementation of the revised WTP in October 2017, HA has issued about 1 000 Notice-to-quits (NTQs)^{Note} with the recovery of about 330 PRH flats. As at 31 March 2021, there are some 29 700 households paying additional rent.

7. In the declaration cycle of April 2020, some 250 000 income and assets declarations were vetted. HA will continue to closely monitor the implementation of the revised WTP to ensure rational allocation of PRH resources.

Curbing Tenancy Abuse/Checks by Dedicated Central Team/Publicity Programmes

8. HA has adopted a three-pronged approach to curb tenancy abuse, which includes carrying out daily estate management measures and biennial flat inspections by estate staff to detect tenancy abuse; conducting in-depth investigation by the central dedicated team of Public Housing Resources Management Sub-section on randomly selected cases, suspected abuse cases referred by frontline management and those reported by the public; and launching a series of publicity and educational programmes to raise public awareness on the rational use of PRH resources through different channels. In 2020/21, intensive checking on some 6 600 occupancy-related cases and some 6 100 income and assets declarations were completed.

9. One of the crucial tasks of HA’s publicity work is to continuously educate the tenants and public to be aware of the importance of the proper use of public housing resources. In 2020/21, HA launched a series of publicity programmes through various channels, such as distribution of aerogrammes and 2021 calendar cards, display of posters/banners in estates, and video and rolling text broadcast on Housing Channel throughout the year. To make advertisements more vivid, new animation videos were made for promotion in

Note Breakdown on the reasons for the issuance of NTQs –

- (i) about 40 households’ income exceeds five times of the prescribed Public Rental Housing Income Limits (PRHIL);
- (ii) about 190 households’ total net asset value exceeds 100 times of the prescribed PRHIL;
- (iii) about 520 households holding domestic property ownership in Hong Kong;
- (iv) about 230 households opt not to declare;
- and (v) 20 households involving more than one reason of the above.

different media. Eye-catching outdoor billboard advertisements at various tunnels, trendy online advertisements on social media platforms as well as production of WhatsApp stickers were rolled out. In public transport, green mini-bus and bus body advertisements, and advertisements at bus shelters and MTR stations were implemented.

10. Furthermore, outreaching visits to Estate Management Advisory Committee (EMAC) meetings to promote cherishing public housing resources are carried out on regular basis.

Allowing Owners of Subsidised Sale Flats (SSFs) Launched by HA to Join the Hong Kong Housing Society (HKHS)'s Enhanced Letting Scheme for Subsidised Sale Developments with Premium Unpaid (Letting Scheme)

11. On 29 July 2019, SHC endorsed HA's joining of HKHS's enhanced Letting Scheme on a trial basis. Under the enhanced scheme, owners of HA's SSFs who have owned their flats for ten years or more with premium unpaid may let their flats to eligible PRH applicants.

12. As at end-April 2021, around 500 applications from eligible owners and around 360 applications from eligible tenants had been approved, with 64 tenancy agreements signed. Taking into account HKHS's review results and having assessed the effectiveness of HA's participation in the enhanced Letting Scheme, SHC endorsed at its meeting on 21 June 2021 for HA to continue joining the scheme on a regular basis.

Facilitating the Flat for Flat Pilot Scheme for Elderly Owners of HKHS

13. To facilitate HKHS's Flat for Flat Pilot Scheme for Elderly Owners, SHC approved at its meeting on 21 June 2019 to allow eligible elderly owners of HKHS's SSFs who have sold their original flats without payment of premium to buy a smaller one in the Secondary Market of HA. HKHS has started receiving applications of the Pilot Scheme since 14 October 2019. As at 31 March 2021, HKHS received 14 applications from owners, among which ten eligible applications were approved with "Trade Down Permit" issued while the other four were ineligible. Among the ten approved applications, two sales of the original SSFs without payment of premium were recorded.

E-submission Services for Applications of PRH and SSFs

14. HA launched "Quick Updating of PRH Application" (Quick Updating) for applicants to submit online requests for updating of application details in June 2020. This new e-service enables applicants to submit change of

household particulars, choice of district and date of detailed vetting interview in a fast and effective way. Applicants can also make use of this “Quick Updating” to check the status of their PRH applications. For the cancelled PRH applications, applicants can make requests for reinstatement or review with ease. In addition, HA launched e-service for submission of applications under Express Flat Allocation Scheme in July 2021 to provide a fast and convenient way for applicants to submit applications.

15. HA continued to provide e-services for submission of applications for the Sale of Home Ownership Scheme (HOS) Flats 2020 (HOS 2020) and White Form Secondary Market Scheme (WSM) 2020 in September 2020. The e-services for submission of applications provides a fast and secure way for applicants to submit applications and make payments online via computers or mobile phones. The e-services for the sale exercises ran smoothly, enabling applicants to complete their application forms within an average of about ten minutes. For HOS 2020 and WSM 2020, around 300 000 applications were received online, i.e. about 80% of the total applications, showing that the service was well received by the applicants. The e-services for submission of applications continued for the Sale of Green Form Subsidised Home Ownership Scheme (GSH) Flats 2020/21 (GSH 2020/21) in May 2021. Moreover, the e-services have been further enhanced so that applicants applying online could receive e-notification of balloting results.

Review of Under-occupation (UO) Policy cum Trial Scheme on Full Rent Exemption for Elderly UO Households in PRH Estates

16. In December 2020, HA approved the continuation of the current UO policy and the regularisation of the Scheme on Full Rent Exemption for Elderly Households with enhancement measures, viz. (i) extending the coverage of the Scheme to elderly households residing in Housing for Senior Citizens of Type I Design and non-self-contained Converted-one-person units; and (ii) widening the district choice from the same District Council district to the same PRH Application District, i.e. Urban, Extended Urban (including Tung Chung), New Territories and Islands (excluding Tung Chung). As at end-March 2021, we have approved about 310 applications with 67 households successfully transferred to suitably-sized flats. HA succeeded to recover units of internal floor area (IFA) ranging from 26 m² to 44 m² which could be allocated to families with three to six members. After the transfer of these 67 households, we have a net gain of about 1 140 m² of IFA in total for allocation.

17. The next review of UO policy cum the Scheme will be conducted in 2023. We will continue to focus on handling Prioritised UO cases in the coming years. We will also publicise the Scheme through various channels, like Housing Channel, estate newsletter and social media platforms.

Proposed Rehousing and Associated Arrangements for Clearance of Shek Lei Interim Housing

18. The clearance of Shek Lei Interim Housing involving about 585 persons from 329 households and its related rehousing arrangements were announced on 8 December 2020. The notification period for clearance was 24 months with the target clearance date being in December 2022.

Arrangement to Relax the Terms and Conditions of the Deeds of Guarantee between HA and Financial Institutions Providing Mortgage Finance to Purchasers of Subsidised Sale Flats Scheme

19. To reduce the burden of mortgage repayment by owners of Subsidised Sale Flats Scheme (SSFS) flats in light of the economic downturn arising from the outbreak of COVID-19 epidemic, and at the request of banks and authorised financial institutions participating in the provision of mortgage loans for SSFS (participating financial institutions) through Hong Kong Association of Banks (HKAB), Members were informed that HA had issued a side letter on 24 April 2020 to participating financial institutions, confirming and agreeing that they may offer a mortgage principal moratorium plan (the moratorium plan) to SSFS flats mortgagors. Under this moratorium plan, repayment of the principal may be deferred for a maximum period of 12 months (the moratorium period) and the repayment period of the mortgage loan may be extended correspondingly by a maximum of 12 months. The commencement of the moratorium period under the moratorium plan should not be later than 31 December 2020. In light of the ongoing impact of the COVID-19 epidemic on the economy and pursuant to HKAB's request, Members were further informed on 2 November 2020 that the time-limited arrangement was extended for six months, i.e. the commencement of the moratorium period under the moratorium plan should not be later than 30 June 2021.

PROVIDING QUALITY HOMES

GSH

20. SHC regularised GSH in January 2018. GSH flats are sold at a discount of 10% more than that determined for the preceding HOS sale exercise.

21. On 11 January 2021, the Strategic Planning Committee endorsed converting the PRH development at Diamond Hill, namely Kai Chuen Court, involving 2 112 flats, for sale as GSH. SHC endorsed the average selling prices (at a discount of 50% from the assessed market values) and the sales arrangements for GSH 2020/21 at its meeting on 15 March 2021. Applications for GSH 2020/21 were invited in late May 2021, with balloting in August 2021 and commencement of flat selection in October 2021 tentatively.

WSM

22. SHC regularised WSM in November 2017. In view of the persistently strong response to WSM, SHC endorsed at its meeting on 22 June 2020 to increase the quota for WSM 2020 to 4 500 (3 000 for WSM 2019). WSM 2020 was launched together with HOS 2020 in September 2020. Balloting was conducted on 15 December 2020 through a live public broadcast on HA's Facebook page and successful applicants were informed in late May 2021 to apply for a Certificate of Eligibility to Purchase (CEP) with a validity period of 12 months.

23. Due to the COVID-19 epidemic, SHC endorsed in November 2020 the granting of a one-off extension of the validity period of CEP issued under WSM 2019 (for holders who have not been issued with a Letter of Nomination) until 30 April 2021.

Sale of New HOS Flats

24. At the meeting on 22 June 2020, Members approved the average selling prices, for HOS 2020 to be provisionally set at 37% discount from the assessed market value, and at the same time approved that, as a one-off arrangement, the median monthly household income figures of non-owner occupier households for April to June 2020 would be adopted in determining the finalised selling prices, so as to take into account the rapid changes in the economic climate arising from the COVID-19 epidemic. At the same meeting, SHC endorsed the income and asset limits for White Form (WF) family applicants under HOS 2020 and WSM 2020, at \$66,000 per month and \$1,700,000 respectively. According to the established practice, the income and asset limits for WF one-person applicants are set at half of the limits for family applicants, at \$33,000 per month and \$850,000 respectively.

25. In accordance with the established pricing mechanism, and based on the median monthly household income of non-owner occupier households for April to June 2020, the average selling prices of the flats to be sold under HOS 2020 were finalised at 40% discount from the assessed market values. A total of

7 047 flats in four new developments were put up for sale in September 2020 with about 236 000 applications received. Balloting was conducted on 15 December 2020 through a live public broadcast on HA's Facebook page. Flat selection commenced in late May 2021.

Sale of Recovered Flats from Estates under the Tenants Purchase Scheme (TPS)

26. Although no new TPS estates were launched after 2005, sitting tenants in TPS estates can still opt to purchase the rental flats in which they reside. As at end-March 2021, around 21% of the TPS flats in 39 TPS estates (i.e. around 39 000 units) remained unsold. In order to accelerate the sale of unsold TPS flats to further meet PRH tenants' home ownership aspirations, HA endorsed in July 2020 putting up recovered TPS flats for sale to eligible Green Form applicants in the HOS and GSH sale exercises under the existing TPS pricing mechanism and alienation restrictions. Additional incentives were provided to encourage sitting TPS tenants to purchase the flats in which they reside. In March 2021, HA further endorsed putting up around 800 recovered TPS flats for sale under GSH 2020/21 and the related sales arrangements.

Maintenance for Sustainability (Sustainable Building Index)

27. Ten selected PRH estates, which could give a good representation of typical block types, were fully verified under HA's Building Sustainability Verification System and awarded the Hong Kong Quality Assurance Agency Sustainable Building Index Verified Mark in July 2020. The verifications enabled HA to better gauge the sustainability performance of PRH blocks and to formulate an effective long-term maintenance and improvement (M&I) strategy for its portfolio.

Addition of Laundry Rods

28. To cater for tenants' genuine needs for laundry facilities and to reduce the potential risk of incautious use of laundry rods at high level, HA launched the enhancement programme in 2016 to provide laundry rods as landlord's fixtures for seven types of specified blocks. The programme was completed in 2020 with around 280 000 laundry rods installed in our PRH flats.

Improvement Works for Fire Safety

29. The Fire Safety (Buildings) Ordinance (FS(B)O) requires the improvement of fire safety provisions to specified standards for domestic buildings and composite buildings constructed on or before 1 March 1987. The fire safety conditions of the 64 PRH estates covered by FS(B)O are satisfactory through regular maintenance. We had submitted fire safety improvement proposals for all these estates concerned to the enforcement authorities for consideration. We are submitting revised proposals based on the comments from the enforcement authorities for individual estates. Upon completion of the local consultations, we will implement the fire safety improvement works in the estates with proposals accepted by the enforcement authorities.

Total Maintenance Scheme

30. HA launched an in-flat inspection programme under the Total Maintenance Scheme in 2006 for PRH flats which are aged ten years or above. Under this proactive scheme, our In-flat Inspection Ambassadors inspect and record the condition of each flat, educate tenants about building maintenance and arrange one-stop repair services, including carrying out minor repairs on the spot and immediately issuing works orders to contractors to follow up more complicated repairs. Due to the COVID-19 epidemic, the inspection programme had to be suspended from time to time in 2020/21.

Responsive In-flat Maintenance Services

31. As an on-going service, the Responsive In-flat Maintenance Services has provided quality indoor minor maintenance services through prompt response to works requests, close liaison with tenants and proper control of works quality to the tenants of HA.

Mandatory Window Inspection Scheme (MWIS)

32. MWIS is one of the Government's initiatives to improve building safety in Hong Kong. Under the scheme, buildings over ten years old may be selected as target buildings to implement the MWIS. For HA properties selected to implement MWIS, Qualified Persons registered with the Buildings Department would be engaged to carry out the prescribed inspection and supervision of the prescribed repair for windows under MWIS. In 2020/21, there were 18 estates implementing MWIS.

Comprehensive Structural Investigation Programme (CSIP)

33. The second cycle of CSIP was launched in 2018 to ascertain the structural safety and cost effectiveness of the repair works of aged PRH estates. Up to March 2021, we had completed the investigation of 8 out of 71 PRH estates under the second cycle of CSIP and attained satisfactory progress in the investigation programme.

Estate Improvement Programme

34. In order to ensure the sustainability of the PRH estates retained after CSIP assessment, HA continued to implement the Estate Improvement Programme to these estates in phases to upgrade the recreational facilities, renovate the building exteriors and common areas as well as enhance the landscaping and greening coverage.

Lift Modernisation Programme

35. HA continued to implement the Lift Modernisation Programme in PRH estates. The condition of all lifts over 25 years of age will be evaluated and the lifts will then be prioritised for modernisation, based on the lift condition and the availability of resources. In 2020/21, 69 lifts were modernised and five tenders for modernisation of 80 lifts in five estates were issued.

Implementation of ISO 50001 Energy Management System

36. The Estate Management Division (EMD) has been certified to meet ISO 50001 standard in energy management since 2013 with its scope covering the planning, design, operation, project management and contract administration for facilities management and improvement works at communal areas of PRH domestic blocks. In May 2020, we successfully renewed ISO 50001 certificate with validity till June 2022. We will continue to implement the energy management system in accordance with ISO 50001 standard.

Energy Conservation/Carbon Emission Monitoring

37. HA has been constantly looking for new energy-saving initiatives that can be applied effectively in PRH estates, and adopting more energy efficient equipment when carrying out refurbishment works. Energy saving measures include the use of Light Emitting Diode (LED) luminaires to replace existing Compact Fluorescent Lamp bulkhead light fittings, exit signs & directional signs during breakdown maintenance. We have also adopted variable speed booster fresh water pump system, high efficiency chillers, variable speed drive for air handling units, cooling towers, chilled water pumps and condensing water pumps, and lift modernisation works.

38. We take into account both energy efficiency enhancement and renewable energy development. In addition to solar photovoltaic (PV) installation in new PRH estates, EMD is also studying the feasibility of installing solar PV systems on the rooftops of residential buildings in existing PRH estates. In this regard, a pilot project on grid-connected PV system in a domestic block in Lee On Estate was put into operation in June 2020, in conjunction with the re-roofing works. We will continue to explore different types of solar PV panels for application in existing PRH estates.

39. We continued to conduct the Carbon Audit to monitor carbon emission in 14 selected PRH domestic blocks, which can represent the majority of the domestic block types in HA's housing stock.

ISO 14001 Environmental Management System Certification

40. To upkeep the certificate, a recertification audit conducted by the certification body for ISO 14001 Environmental Management System on planned maintenance and property management was successfully accomplished in May 2020.

ISO 45001 – Occupational Health and Safety Management System (OHSMS)

41. To enhance HA's occupational health and safety performance and to demonstrate our commitment to caring for our staff and stakeholders, we continued to implement the ISO 45001: 2018 OHSMS for M&I works for public housing. In May 2020, we successfully maintained the certification status of ISO 45001: 2018 OHSMS. OHSMS enabled us to assess occupational health and safety risks in our M&I works more systematically and efficiently, and allocate our resources more cost-effectively. The system enhanced effectively the awareness of frontline staff on various risks associated with their works.

Quality Water Supply Scheme for Buildings – Fresh Water (Management System)

42. To echo the Government's Action Plan for Enhancing Drinking Water Safety in Hong Kong and take further step to safeguard drinking water quality, HA committed in 2018 to implement Water Safety Plan for Buildings (WSPB) in PRH estates and participated in the "Quality Water Supply Scheme for Buildings-Fresh Water (Management System)" (QMS) administrated by the Water Supplies Department (WSD).

43. By March 2021, 79 estates had implemented WSPB and obtained the QMS certificates from WSD to recognise HA's efforts in maintaining the internal plumbing system properly. HA will continue to implement the WSPB in the remaining PRH estates in the coming years.

Drainage Inspection Programme for PRH Flats

44. In line with the Government's initiative to inspect drainage pipes on the external walls of target private buildings in Hong Kong, HA implemented the Drainage Inspection Programme in October 2020 to proactively inspect and repair the communal drainage pipes of PRH flats as a preventive measure. Appropriate repairs for any drainage defects will be arranged. Inspection priority is given to public housing estates or blocks with confirmed COVID-19 cases or subject to Compulsory Testing Notices. Inspection in other estates is prioritised according to the percentage of elderly tenants, the age of estates or blocks and drainage maintenance records. The Programme is expected to be completed by the first quarter of 2022. Apart from the proactive inspection, if tenants discover any suspected drainage defects in their flats, they may contact the estate management office for follow-up.

45. As at end-March 2021, the drainage pipes inside about 210 000 units and at the external walls of about 327 000 units had been inspected.

New Provision of Visual Fire Alarm (VFA) System

46. To address the need of hearing-impaired (HI) persons, HA has implemented a new scheme to install VFA system inside PRH units with HI residents since March 2020, even though it is not a statutory requirement. VFA within the domestic unit will flash simultaneously with the communal fire alarm bells to alert the HI residents. The installation of VFA system will be arranged upon tenant's application and is free of charge.

PROMOTING SUSTAINABLE LIVING

Review of Income and Asset Limits for PRH for 2021/22

47. SHC endorsed the income and asset limits for PRH for 2021/22 on 15 March 2021. Review of the income and asset limits for PRH is conducted annually based on the established mechanism. Under the mechanism, the income limits for PRH are derived using a household expenditure approach, which consists of housing costs and non-housing costs, plus a 5% contingency provision; while the asset limits are adjusted with reference to movements in the

Consumer Price Index (A) over the year. If an adjustment was to be made strictly in accordance with the established formula, the PRH income limits for 2021/22 for one-person, two-person and five-person households would increase, while those for households with three persons, four persons and six persons to ten persons or above would decrease. However, taking into consideration the unprecedented COVID-19 epidemic and the resulting very challenging economic situation, in particular the livelihood of low-income families who were target groups for PRH had been seriously affected, SHC considered that exceptional treatment was warranted. With reference to past experience, SHC endorsed freezing the income limits for households with three persons, four persons, and six persons to ten persons or above at the existing levels; and increasing in the PRH income limits for one-person, two-person and five-person households. On the whole, there was an increase of 0.3% on average over the 2020/21 level. Based on the same considerations, SHC also endorsed freezing the PRH asset limits for all household sizes at the existing levels. The revised income and asset limits came into effect on 1 April 2021.

Municipal Solid Waste (MSW) Charging Scheme

48. To prepare for the upcoming of MSW charging scheme, HA had collaborated with the Environmental Protection Department (EPD) to launch the publicity and education work in 40 PRH estates with emphasis on waste reduction and clean recycling from December 2020 to March 2021 before the commencement of Phase 2 MSW charging trial. The publicity activities included display of promotion banners and easy racks, setting up on-line competition and mini-games on website.

49. In collaboration with EPD and the Food and Environmental Hygiene Department (FEHD), a pilot scheme has been launched since July 2018 to collect source-separated food waste generated from nine HA's wet markets and shopping centres, with FEHD's service contractor deployed for daily delivery of the collected food waste to Organic Resources Recovery Centre Phase 1 for off-site recycling. Starting from July 2020, nine more wet markets and shopping centres of HA participated in the Phase 2 pilot scheme. Commercial tenants of these shopping centres and wet markets are encouraged to actively participate in the scheme. Through participation in the collection of source-separated food waste, the awareness of commercial tenants about waste reduction and recycling could be enhanced.

50. In support of EPD's Pilot Scheme on Collection and Recycling Services of Plastic Recyclable Materials, PRH estates located in Eastern District, Kwun Tong, and Shatin districts had joined the scheme starting from late January 2019 by phases where all types of waste plastics from PRH residents were

collected for proper handling. We will continue to organise various partnering functions with EPD and different environmental protection organisations on promotion of waste reduction and recycling in order to encourage tenants of PRH estates to support “use less and waste less” in daily life.

Implementing the Government’s Initiative to Assist Lower Income Families

51. In view of the impact of the COVID-19 epidemic on the overall socio-economic environment, a series of relief measures was introduced to assist lower income families. To help ease the community burden, the Government announced to provide rates concession for four quarters of 2020/21, subject to a ceiling of \$1,500 per quarter for each rateable property. On a no-loss-no-gain principle, HA passed on the amount to tenants/licensees on a monthly basis by offsetting an equivalent amount of monthly rent/licence fees payable by them.

52. As the Government would pay one month’s rent for lower income tenants, PRH tenants paying either normal rent or reduced rent under the Rent Assistance Scheme were not required to pay rent for the month of July 2020.

53. To further offset the financial tension of PRH tenants arising from the upward rent adjustment of 9.66% with effect from 1 September 2020, HA decided to provide a two-month rent waiver for PRH tenants, i.e. one-month rent waiver in September 2020 and the other in September 2021.

Temporary Measure to Withhold Issuance of Departmental NTQ

54. It has been HA’s established practice to issue a NTQ to a tenant who has incurred two months’ rent arrears or has for three months consecutively paid rent in arrears in the month following the month in which rent was due. In view of the tough economic environment arising from the COVID-19 epidemic, HA had implemented a temporary relief measure to withhold the issuance of NTQ (the measure) from May to October 2020, and extended the measure to March 2021, to tenants who could not settle their rent payments on time due to financial hardship.

55. The measure is applicable to tenants paying either normal rent or reduced rent under the Rent Assistance Scheme and with family income below the respective Public Rental Housing Income Limit. Eligible tenants may submit one-off applications to HA and NTQ against them would be withheld up to March 2021 upon approval of their applications. As at March 2021, 1 455 applications were approved.

Rent Assistance Scheme (RAS)

56. HA operates Rent Assistance Scheme (RAS) to assist PRH tenants with temporary financial difficulties to pay their rent. Under RAS, eligible applicants will be granted a rent reduction of either 25% or 50%. As at end-March 2021, around 24 400 families were receiving assistance under the scheme.

Marking Scheme for Estate Management Enforcement

57. In 2003, HA implemented the Marking Scheme for Estate Management Enforcement in Public Housing Estates (MS) to strengthen control against hygiene-related misconduct in PRH estates, and to promote civic responsibility among PRH households. Currently, MS covers 28 misdeeds affecting environmental hygiene and estate management. It is widely held that the overall cleanliness and hygiene condition of estate common areas have improved since implementation of MS. Up to December 2020, there were accumulatively some 38 800 point-allotment cases recorded with 88 tenants having been served with NTQ upon allotment of 16 valid points.

58. HA will continue to implement proactive measures to deter the misdeeds through intensified patrols and enforcement actions by staff at estate level and the Special Operation Teams (SOT) at regional level. To strengthen the implementation strategy of MS, we deployed SOT to carry out investigation in relation to noise nuisance from domestic premises and water dripping from air-conditioner at night.

59. Offences that pose serious danger or cause personal injury will result in HA terminating the tenancy agreement by immediately invoking the Housing Ordinance. In addition, the Housing Department or the police will also prosecute offenders if the situation so warrants. In October 2019, two NTQs were issued to two different households in an estate for throwing objects from height. The two flats were subsequently recovered. For the case put to the Court, the offender was sentenced to two months' imprisonment in 2020. We will continue to enhance the publicity through EMAC, the Housing Channel, estate newsletters, HA's social media platforms, posters and leaflets to promote tenants' civic responsibility and to maintain a decent living environment in PRH estates.

Partnering for Better Estate Management/Partnering with Non-Governmental Organisations (NGOs) to Deliver Outreaching Services to Elderly Tenants

60. All along, HA has partnered with NGOs to hold functions to foster community building, neighbourliness, environmental protection as well as delivering caring and outreaching services for elderly tenants. To this end, all EMACs would conduct at least one partnering function with the theme of “Caring for the Elderly” each year to facilitate NGOs to deliver outreaching services for elderly tenants. In addition, HA would collaborate with the Department of Health to identify suitable NGOs to work in partnership with nominated EMACs to run thematic community health promotion programmes, providing regular physical activities and healthy eating advice for PRH residents, in particular the elderly. However, due to the epidemic situation of COVID-19, all NGO partnering functions have been suspended in 2020/21 so as to minimise the risk of spread and cross infection of the disease in the community.

Schemes for Fostering Harmonious Families

61. To enhance family cohesion and strengthen the family-based support network for fostering harmonious families, HA has put in place a series of schemes, namely the Harmonious Families Priority Scheme, Harmonious Families Transfer Scheme, Harmonious Families Amalgamation Scheme and Harmonious Families Addition Scheme, to encourage the younger generation to take care of and live together with their elderly parents and further establish the concept of “Ageing in Place”. These schemes are well received by the tenants. HA will continue to run these schemes for fostering harmonious families.

Tree Management/Tree Ambassadors/Planting Days

62. We have established a centralised electronic tree database operated on Geographic Information System to upload and update the latest tree data. We have also introduced a computerised Enterprise Tree Management System since early 2016 by using a web-based platform and mobile device application to assist in keeping tree inventory and conducting tree risk assessment. In 2020/21, we continued to conduct tree inspections and carry out required remedial works. As at March 2021, we have enrolled some 694 Estate Tree Ambassadors from tenants to help in surveillance of trees, and organised tree planting days in ten PRH estates.

Horticulture/Landscape Improvement Works/Community Greening Activities

63. In the year, we enhanced the existing greenery at 20 PRH estates by introducing new varieties of plants to match the local landscape and conditions. In collaboration with EMACs, we also organised greening activities for residents at 20 estates to promote community participation in greening of PRH estates.

Waste Reduction Activities

64. To raise the awareness of PRH residents on waste reduction and recycling, we had carried out publicity and public education through various channels, such as facebook, Housing Channel, display of posters and banners in all PRH estates. Moreover, HA also jointly collaborated with EPD to launch the pilot scheme to place reverse vending scheme (RVM) at three PRH estates in February 2021 with a view to promoting the recycling of plastic beverage bottles. The pilot scheme received very positive responses from the public. To continue supporting the scheme and to encourage the public to return used plastic beverage containers, HA would nominate some more suitable PRH estates to join the second pilot scheme for placing RVM under the organisation of EPD.

65. Apart from collecting recyclables from the three-coloured recycling bins, some 539 tonnes of glass bottles were collected from PRH estates as part of an ongoing glass recycling trial being spearheaded by EPD. Moreover, some 38 100 moon cakes boxes (about 11 tonnes) were collected for recycling after the Mid-Autumn Festival, and about 5 300 potted citrus plants were also recovered for replanting after the Lunar New Year.

Efforts in Fighting against COVID-19

66. To minimise the risk of the COVID-19 virus spreading in PRH estates, HA put public hygiene in all common areas a task of priority. We stepped up cleansing and disinfection at the common areas of PRH estates. People entering estate management offices had to undergo body temperature checks and wear their own masks. Starting from 1 March 2021, we also displayed “LeaveHomeSafe” QR codes at the entrances of estate management offices, community halls, etc., enabling necessary contact tracing if a confirmed case is found.

67. Upon notification of any confirmed COVID-19 infection case in PRH estate, staff with appropriate personal protective equipment would immediately carry out thorough cleansing and disinfection at the associated buildings and the common areas of the estate concerned. Starting from January 2021, HA had to coordinate the implementation of Compulsory Testing Notice (CTN) and Restriction Testing Declaration (RTD) in respect of specified

“Restricted Area” at PRH blocks upon receiving notice issued by the Government. At end-March 2021, we had already conducted operations under CTNs and RTDs in 74 PRH blocks (49 estates involved) and two PRH blocks (two estates involved) respectively.

WAY FORWARD

68. The implementation of MSW charging will be one of our key challenges. HA is committed to supporting and dovetailing with the Government’s overall waste reduction policy, and to develop feasible management models for smooth running of the upcoming MSW charging in PRH estates and enhancing the environmental performance of the PRH estates. We will continue to work in close collaboration with EPD, green groups, and relevant stakeholders running different kinds of initiatives on waste reduction and recycling so as to consolidate experience, optimise waste collection arrangements, and help our residents develop good practice of waste reduction as well as get prepared for the full implementation of the MSW charging.

69. HA will continue to provide convenient and cost-effective modes of rent payment service to our tenants especially in the context of fast changing payment services environment through internet. The Faster Payment System will be launched so as to enable our tenants to make rent payment online by transfer of funds anytime anywhere with instant payment on a round-the-clock basis.

CONCLUSION

70. We are committed to improve the quality of the homes for our public housing tenants and continue to collaborate with stakeholders at all levels in delivery of housing management and related services in a proactive and caring manner. In this endeavor, we strive for innovations and making effective use of resources in an environment-friendly manner to promote sustainable living, as well as ensure optimising and rationalising the use of public resources.

Cleresa WONG Pie-yue
Chairman, Subsidised Housing Committee

Report by the Chairman of the Tender Committee for 2020/21

INTRODUCTION

I have pleasure in presenting this year's report of the Tender Committee (TC).

2. In 2020/21, TC held 11 regular meetings. Altogether, TC processed 63 discussion papers, 41 presumption papers and 12 information papers.

ISSUES DISCUSSED

3. The work of TC covers a comprehensive range of activities relating to the Housing Authority (HA)'s procurement, tenders and quotations exceeding the limits of delegated financial authority of the Chairman of the Housing Department Tender Board^{Note} as well as HA's list management regime, which is an integrated part of HA's procurement policy. In 2020/21, the following major issues had been discussed by TC –

- (a) Scrutinising tender reports being submitted and awarding contracts;
- (b) Reviewing and enhancing tender guidelines, procurement strategies and policies;
- (c) Reviewing regulatory actions against services providers and works contractors;
- (d) Endorsing relief measures to support HA's business partners; and
- (e) Endorsing Programmes of Activities.

4. During the year, Members discussed and endorsed various topics which have substantial impact on the industry, e.g. enhancement on the assessment of tenders for HA's new works building contracts, list management regarding application of change in company structure and substitution and interim relief measures to support HA's business partners.

Note The delegated financial authority covers all works and works related services contracts, information technology (IT) and related purchases/services, property services contracts, goods and general services contracts over \$50 million and all Consultancy or Professional Advisory Services Contracts over \$25 million.

5. Besides, HA arranged a Webinar session in January 2021 for both TC and the Building Committee (BC) Members to share HA's experience on the use of precast concrete construction technology and inform Members on the latest status on the adoption of Modular Integrated Construction (MiC) in public housing developments.

SCRUTINISING TENDER REPORTS BEING SUBMITTED AND AWARDING CONTRACTS

6. In 2020/21, Members approved the award of a total of 83 contracts with a total contract value of \$25.3 billion, including nine building (new works) contracts, nine foundation contracts, nine building services (new works) contracts, one building services (maintenance works) contract, eight building maintenance district term contracts, 20 property services/management agency contracts, 22 security service contracts, three cleansing service contracts and two carpark management contracts.

REVIEWING AND ENHANCING TENDER GUIDELINES, PROCUREMENT STRATEGIES AND POLICIES

7. While adhering to the Agreement on Government Procurement of the World Trade Organization, Government and HA's procurement policies and instructions, the Department has continued to review and enhance the procurement system to maintain a fair, open and equitable policy to ensure that we can procure products with best value for money. In May 2020, Members were informed of the annual update on HA's tendering procedures and tender evaluation (Paper No. **TC 53/2020** refers).

Enhancement on Assessment of Tenders for HA's Building Contracts

8. In April 2020, Members were informed that, for building contracts issued in or after March 2020 and the associated building services nominated sub-contracts, the Department would adopt the latest HA's version of Construction Industry Collaborative Training Scheme (CICTS) for workers' training on par with the works departments under the Development Bureau. For monitoring contractors' performance in workers' training, a bonus score on CICTS training will be given in Quarterly Project Score component of Performance Assessment Scoring System (PASS) Contractor Score for tender assessment of new works building contracts commencing from Q2 2022 tentatively (Paper No. **TC 48/2020** refers).

Change in Company Structure and Substitution for the Housing Authority Lists of Works Contractors and Property Management Services Providers (PMSPs)

9. In June 2020, Members approved the revised list management requirements for the application of “Change in Company Structure” and “Substitution” in the Guide for the HA Lists of Works Contractors and PMSPs, in order to cater for genuine organisational restructuring to suit the business needs (Paper No. **TC 60/2020** refers).

Quality Maintenance Contractors under the HA List of Building Contractors (Maintenance Works Category)

10. Quality Maintenance Contractor (QMC) is an HA’s Quality Initiative for building contractors of Maintenance Works Category (Group M2). In December 2020, Members approved the application of 11 maintenance works building contractors for QMC status for the year of 2021 (Paper No. **TC 117/2020** refers).

REVIEWING REGULATORY ACTIONS AGAINST SERVICES PROVIDERS AND WORKS CONTRACTORS

Review Panel on Appeals Lodged by Two PMSPs against the Regulatory Action of List Removal

11. In May 2020, Members decided to uphold the regulatory action imposed against the two PMSPs according to the prevailing mechanism, i.e. to remove from the relevant HA Lists for two years commencing from the date of conviction (Paper No. **TC 56/2020** refers). The two PMSPs were notified of TC’s decision on 15 June 2020.

Review of Regulatory Action against HA’s Lists of PMSPs and Works Contractors

12. In December 2020, Members approved the revised regulatory action against PMSPs due to conviction of relevant ordinances or receiving three or more demerit points within a three-year rolling period. For Works Contractors, Members also approved the inclusion of relevant ordinances for regulatory action against Works Contractors with convictions similar to the practice as the Development Bureau (Paper No. **TC 125/2020** refers).

Overview of Regulatory Actions against HA Lists of Works Contractors

13. In January 2021, Members were informed of the overview of regulatory actions taken against the HA Lists of Works Contractors taken since last report in 2016 (Paper No. **TC 7/2021** refers).

ENDORISING RELIEF MEASURES TO SUPPORT HA's BUSINESS PARTNERS

14. HA adopts partnering approach to help alleviating HA's business partners of their burden on cash flow during difficult economic times due to the outbreak of the COVID-19 epidemic in 2020.

Advance Payment under Capital Works New Works Contracts

15. In April 2020, Members approved the implementation of interim relief measure by means of advance payment to enhance the cash flow of HA Capital Works New Works contractors for a period of 18 months (Paper No. **TC 44/2020** refers).

Advance Payment under Works-related Professional Services and Consultancy Agreements

16. In July 2020, Members approved the implementation of interim relief measure by means of advance payment to enhance the cash flow of the HA Works-related Professional Services Providers and Consultants. This interim relief measure will expire after 31 July and 31 August 2021 for consultancy agreements remunerated on the basis of lump sum fee and percentage fee respectively (Paper No. **TC 66/2020** refers).

Interim Measures to Support Small and Medium Sized Contractors in Participating in HA's Works Contracts

17. In October 2020, Members approved the interim measures to support small and medium sized contractors in participating in HA's Works Contracts for a period of 24 months, by inviting eligible lower group contractors to submit tender for higher group of contracts with estimated contract value not exceeding 10% of the tender limit set for the lower group contracts, and by avoiding unnecessary bundling of projects with similar nature but at distinct locations as far as practicable (Paper No. **TC 104/2020** refers).

Waiving of List Management Fee for 2021/22

18. In March 2021, with the overall downturn of the economic and business environment in Hong Kong due to the outbreak of the COVID-19 epidemic in 2020, Members approved the waving of list management fees for the contractors on the HA Lists of Works Contractor and PMSPs for another year, i.e. 2021/22, as a goodwill gesture by HA for its business partners (Paper No. **TC 21/2021** refers).

SUMMARY OF CONTRACTS AWARDED, SYSTEM ENHANCEMENT, REGULATORY ACTIONS AND RELIEF MEASURES ENDORSED BY TC

19. A summary of the number of contracts awarded, system enhancement, regulatory actions and relief measures endorsed by TC for 2020/21 is shown in **Annex**.

ENDORISING PROGRAMME OF ACTIVITIES

20. The 2021/22 Programme of Activities planned to roll out the Key Activities for taking forward the main work directions and themes of HA (Paper No. **TC 127/2020** refers), which are –

- (a) To review and enhance the quality management system and specifications in respect of assuring quality for all critical site works and installations for capital works new works projects;
- (b) To adopt environmentally responsive planning and design, optimise greening in housing estates to promote a green and healthy environment, and promote and streamline “green procurement”;
- (c) To improve building standards, quality and productivity in construction by conducting research on building design and construction, implementing a quality management system and product certification, as well as liaising with industry stakeholders;
- (d) To enhance the service standards, strengthen monitoring of our business partners, raise their awareness of corporate social responsibility, and promote partnering with them;

- (e) To monitor and enhance the quality of development and environment, as well as health and safety at HA's development and construction workplaces, and improve the environmental, social and economic aspects of sustainability;
- (f) To maintain an open, fair, transparent and cost-effective procurement environment and enhance value-for-money through procurement practices for works, services and goods; and
- (g) To implement or enhance IT systems to support the evolving business requirements, and to improve the overall operational efficiency and IT security.

WAY FORWARD

21. We will continue to uphold the highest standard of integrity for all contractors, sub-contractors, suppliers and services providers for HA. We shall closely monitor their performance so that any necessary actions shall be undertaken in good time to ensure smooth delivery of our service and operation. With the concerted effort of Members and colleagues, we have met all targets and key performance indicators of the Programme of Activities. We shall keep up the momentum in the coming year.

CONCLUSION

22. Finally, I would like to express my sincere thanks to all Members of TC and staff of the Housing Department for their valuable contributions and uncompromising determination to accomplish the various tasks of TC during the year under review.

Melissa Kaye PANG
Chairman, Tender Committee

Summary of Contracts Awarded, System Enhancement, Regulatory Actions and Relief Measures Endorsed by Tender Committee

(a) Contracts Awarded

	Subject	No. of Contracts Awarded
1.	Building (New Works) Contract	9
2.	Foundation Contract	9
3.	Building Services (New Works) Contract	9
4.	Building Services (Maintenance Works) Contract	1
5.	Building Maintenance District Term Contract	8
6.	Property Services/Management Agency Contract	20
7.	Security Service Contract	22
8.	Cleansing Service Contract	3
9.	Carpark Management Contract	2
	Total =	83

(b) System Enhancement

	Subject	Paper No.
1.	Implementation of Housing Authority's Version of Construction Industry Collaborative Training Schemes in Capital Works Building Contracts and Building Services Nominated Sub-contracts	TC 48/2020
2.	Change in Company Structure and Substitution for the HA Lists of Works Contractors and Property Management Services Providers and Waiver of the Associated Application Fees for 2020/21	TC 60/2020
3.	Quality Maintenance Contractors under the Housing Authority List of Building Contractors (Maintenance Works Category)	TC 117/2020

(c) Regulatory Actions

	Subject	Paper No.
1.	Consideration of Review Panel on Appeals Lodged by Two Property Management Services Providers against the Regulatory Action of List Removal	TC 56/2020
2.	Review of Regulatory Action against Housing Authority Lists of Property Management Services Providers and Works Contractors	TC 125/2020
3.	Overview of Regulatory Actions against Housing Authority Lists of Works Contractors	TC 7/2021

(d) Relief Measures

	Subject	Paper No.
1.	Interim Relief Measures to Assist the Construction Industry – Advance Payment under Capital New Works Contracts	TC 44/2020
2.	Interim Relief Measure to Assist the Construction Industry – Advance Payment under Works-related Professional Services and Consultancy Agreements	TC 66/2020 (Revised)
3.	Interim Measures to Support Small and Medium Sized Contractors in Participating in Housing Authority's Works Contracts	TC 104/2020
4.	Relief Measure for Housing Authority Lists of Works Contractors and Property Management Services Providers	TC 21/2021

(e) Miscellaneous

	Subject	Paper No.
1.	Tendering Procedures and Tender Evaluation (Annual Update)	TC 53/2020
2.	Year-end Performance Review of 2019/20 Programme of Activities for Procurement	TC 87/2020 (Revised)
3.	Mid-end Performance Review of 2020/21 Programme of Activities for Procurement	TC 116/2020
4.	2021/22 Programme of Activities for Procurement	TC 127/2020