

CASE SUMMARY

Complaint against the Housing Department for delay in the payment of Domestic Removal Allowance in Temporary Housing Clearance

The Complaint

The complainant complained in October 1996 against the Housing Department (HD) for delay in the payment of Domestic Removal Allowance (DRA) to him upon his removal from a Temporary Housing Area (THA) to a public housing estate in August 1996.

2. The complaint was at first referred to the HD for a direct reply to the complainant under this Office's Internal Complaint Handling Programme. Upon review of the reply, The Ombudsman decided to conduct an investigation into the complaint in the public interest in order to improve efficiency in the payment of DRA to the clearerees in need of such allowance.

Findings and Conclusion

3. Under existing clearance policy, complainant was entitled to payment of Ex-gratia DRA as he was compulsorily cleared into public housing. The complainant was originally a resident of a THA in Shatin. Upon clearance of the THA by the HD, he accepted a rehousing offer and signed the tenancy agreement on 15 July 1996. However, he failed to receive the DRA after repeated enquiries and requests for early payment.

4. According to the HD, normally DRA could be released to clearerees between four and six weeks after the signing of tenancy agreement. In this case, the complaint

arose mainly from the revision of the rates of DRA effective 19 July 1996. The revision has affected the payment of DRA to the complainant taking into account the large number of cases to be dealt with as a result of the revision of the DRA rates.

5. After investigation of the complaint, this Office has the following findings and observations -

- (a) It was stipulated in HD' s Financial Instruction No. 8 of 1983/84 on "Payment of DRA" that as soon as the head of household had signed the tenancy agreement, Housing Management (HM)/Reception Estate would pay the cheque prepared by the Finance Section to the tenant. Accordingly, the complainant should have received his payment of DRA upon signing the tenancy agreement on 15 July 1996. However, HM/Lettings(1) only forwarded the schedule for payment of DRA to the Finance Section on 15 July 1996, which usually required about two weeks for preparation of cheques . In this case, even if the rates of DRA had not been revised , the HD would not be able to pay the DRA to the complainant when he signed the tenancy agreement on 15 July 1996.
- (b) The HD explained that due to the revision of the DRA rate in July 1996, the Temporary Housing Clearance Unit had to re-prepare a large number of schedules for payment of DRA which contributed to the delay in payment.
- (c) In the case of complainant, it took more than two months for the Temporary Housing Clearance Unit to re-prepare the payment schedule which was forwarded to the Finance Section on 7 October 1996 after complainant complained to the reception estate on 5 October 1996. Eventually, complainant received the cheque payment on 11 October 1996.

6. On the basis of the findings set out in para 5 above, this Office is of the view that the delay in the payment of DRA to the complainant is not solely attributed to the revision of the rates of DRA . Even if the rates of DRA had not been revised, the DRA could not have been released to the complainant at the time when he signed the tenancy agreement in accordance with HD' s Financial Instruction.

7. In the present case, this Office considers that the HD could have taken a more caring and considerate stance by paying the old rates in the first instance followed by adjustment later to meet the immediate needs of the recipients. Any delay in payment will defeat the very purpose of the grant of DRA which is meant to assist the

affected clearers in good time. All points considered, The Ombudsman concludes that this complaint is substantiated.

Recommendation

8. The Ombudsman recommends that the HD should consider the need to review the system, procedures and arrangement on the payment of DRA with a view to making payment upon signing of the tenancy agreement.

Response from the Housing Department

9. The Director of Housing commented that the payment of DRA to clearers upon signing of tenancy agreement would be ideal except the increasingly large number of THA households involved in clearance operations and Direct Public Rental Housing Offer exercises implemented in the 13 retained THAs in recent years have made the arrangement not possible. However, he advised that under the Department Business Process Re-engineering Programme, a Working Group within Temporary Housing Clearance Sub-section had already been formed and it would include an "Enhancement Study on Payment of DRA". The existing practices and working procedures of this core business would be re-examined shortly with a view to enhancing their service delivery through rationalizing and streamlining of work processes, and establishing a better interface with other units/sections within the Department.

Final Remarks

10. The Ombudsman considers that the prompt payment of the DRA is important to recipients for obvious reasons. This is a legitimate expectation of the recipients. It will be irresponsible on the part of the Department to dismiss the need of the recipients and urgency attached to the payment. This is also contrary to the Department's commitment to provide a caring and customer-oriented service. Finally, The Ombudsman notes that the Department has completed the review and revised the financial instruction on payment of DRA. Under the new arrangement, if the tenants accept the first housing offer, DRA can normally be released upon the signing of the

tenancy agreement. However, if the tenants do not accept the first offer, then DRA will only be paid to them about 11 working days after the tenancy agreement is signed.

Office of The Ombudsman

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