

Doc Type	CPC
Paper No	59/96
Title	ICAC Study on Letting of Commercial Premises
CONTENTS	<p>THE HONG KONG HOUSING AUTHORITY</p> <p>Memorandum for the Commercial Properties Committee</p> <p>ICAC Study on Letting of Commercial Premises</p> <p>PURPOSE</p> <p>To inform Members of the latest study conducted by the Independent Commission Against Corruption (ICAC) on the letting of commercial premises in public housing estates.</p> <p>BACKGROUND</p> <p>2. The Corruption Prevention Department, ICAC, has in the past undertaken a number of studies of Housing Authority commercial premises practices and procedures. The recommendations of ICAC in the form of an Assignment Report are made available to Housing Department for follow-up action.</p> <p>PREVIOUS STUDIES</p> <p>3. Previous studies with particular reference to the letting of commercial premises include -</p> <p>No.19/75 - Letting of non-domestic tenancies in housing estates</p> <p>No.65/85 - Modified tendering procedures for commercial premises</p> <p>No.41/86 - Letting of commercial premises by negotiation</p> <p>4. Following the issue of Assignment Report No. 41/86, changes proposed by the ICAC in the guidelines for letting of commercial premises by negotiation were recommended to and approved by this Committee, as detailed in Paper No. CPC 5/89.</p> <p>CURRENT STUDY</p> <p>5. Given that the last study was carried out ten years ago ICAC recently suggested that a review would be appropriate, and undertook a comprehensive study on the practices and procedures for letting commercial premises by various types of tender and by negotiation in early 1996. Assignment Report No. 19/96 has been presented to the Department for consideration.</p> <p>RECOMMENDATIONS MADE BY ICAC</p> <p>6. A summary of the recommendations and the current position is at Annex. Copies of the full Report are available to Members on request. Some refinement to working procedures is required but no major change is sought in the basic criteria or guidelines for letting of commercial premises either by tender or by negotiation. Subject to one exception, all the</p>

recommendations are acceptable to the Department and revised procedures have been implemented accordingly. The exception is as regards ICAC's recommendation that all invitations to lease should be sent by registered post, which is considered by the Department to be difficult to justify in terms of cost and staff time. The Department's proposed alternative that staff should contact every invitee and confirm receipt has been confirmed as acceptable to ICAC.

INFORMATION

7. This paper is issued for Members' information and can be discussed, if Members so wish, at the next Commercial Properties Committee Meeting on 12 December, 1996.

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