

Doc Type	HA
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Title	Minor Maintenance
CONTENTS	<p>PAPER NO.: HA 68/94</p> <p>THE HONG KONG HOUSING AUTHORITY</p> <p>Memorandum for the Housing Authority</p> <p>Minor Maintenance</p> <p>PURPOSE</p> <p>The purpose of this paper is to review the minor building works maintenance service, and to propose improvements.</p> <p>BACKGROUND</p> <p>2. At the Housing Authority meeting held on 2 June 1994, Members were informed that a review was to be carried out on minor maintenance for building works. The Department has consulted the Management and Operation Committee, and the Building Committee during the review.</p> <p>3. The Authority has a property stock of 659,000 rental flats. As the Authority's buildings age, maintenance increases. This is particularly marked on buildings over ten years old. While the quality of newly constructed housing blocks has seen considerable improvements over recent years, the introduction of additional estate facilities, and more complicated finishes and services, have added to maintenance workload.</p> <p>4. Priority for maintenance services has been given to the safety of occupants and to ensuring that property is kept functional. The emphasis since the mid 1970's has been on the implementation of systematic planned and preventive maintenance programmes with the object of reducing the incidence of minor maintenance. The CARE programme (Condition, Appraisal, Repair, Examination) was introduced in 1992 and will cover all estates by 1997.</p> <p>5. In 1993, the Authority decided to step up its emphasis on maintenance and improvement services, and is forecast to spend \$23.5 billion between 1994/95 and 1998/ 9. It has also established an improvement fund of \$2.0 billion that may be called upon each year.</p>

MINOR REPAIRS

6. Although relatively small in financial terms, minor repairs affect tenants directly, often within their homes. Minor repairs impact on tenants perception of the performance of all maintenance and management services. Some 1,800 repairs are carried out each day. In 1993/94, 302,000 repairs were carried out by contractors, and 356,000 repairs were undertaken by the Department's artisans.

7. Minor maintenance has given rise to a number of complaints from tenants, and there is a need to review the way the service can be improved. Surveys of tenants' views indicate that the components of an improved service are :-

COMMUNICATION, the ease by which tenants may report a problem, appointments are made, and tenants are advised of progress. The attitude of Housing Department staff and contractors.

SPEED OF RESPONSE, both in terms of initial inspection and in completing a repair.

QUALITY OF REPAIR, avoidance of repeat visits due to unsatisfactory work, and reducing disturbance during the repair.

WEAKNESSES

8. A detailed study has indicated that there is a need to redress problems relating to :-

(a) Lack of a focal point in each Estate Management office to facilitate liaison with tenants, contractors and maintenance staff;

(b) The blurred division of responsibilities and communication barrier between estate offices and the Maintenance Division;

(c) Inadequate technical support to each estate management office;

(d) Poor contract arrangements where rates for day-to-day repairs are unrealistically low, and where both minor repairs and major planned maintenance are grouped under the same contract; and

(e) Weak procedures and information systems relating to the receipt, ordering and monitoring of work.

PROPOSALS

Tenant Focus

9. The Authority is introducing a number of initiatives to focus the improvement of services onto the needs of the tenant. These include :-

(a) Estate Management Advisory Committees (EMAC);

(b) Performance pledges; and

(c) Customer Service desks in estates.

10. It is important that any improvement to the day to day maintenance services is integrated with these initiatives.

Focal Point

11. In each estate office, an Assistant Housing Manager experienced in minor repairs will be designated as a focal point to support the Housing Manager in Handling day-to-day repairs.

12. To facilitate a better interface with tenants, the Customer Services Assistant will be responsible for recording reports of defects and providing preliminary answers to queries from tenants. When the office is closed, reports can be made to the Departmental Communication Centre, or a message left on an answer phone (possibly voice interactive) to be installed in each office.

Responsibilities

13. The Estate Management Branch will be given full responsibility for handling minor building repairs, and will be provided with adequate technical support to be accountable for this responsibility. Other work will continue to be undertaken by the Maintenance Division. The scope of minor repairs is redefined to encompass all works inside tenants' flats, emergency repairs, minor maintenance and improvement works each costing under \$20,000 (currently \$10,000).

14. Work under \$20,000 has been listed into three categories of work and responsibilities defined :-

(a) work undertaken by artisans;

(b) work handled by Estate Management staff; and

(c) work handled by technical staff seconded to Estate Management Branch.

15. Tenants are currently responsible for some minor maintenance under the rental agreement. The Authority undertakes this work on a tenant to pay basis. The need to continue providing this service to all tenants will be examined.

Dedicated Contracts

16 Twelve dedicated contracts will be let for minor maintenance works. The scope and requirements of the contracts will be more specific to this type of work. The intention is to reduce the uncertainties to contractors during tendering, and this should result in more realistic tender rates.

17. Contract clauses will require the contractors to provide sufficient and appropriate technical capacity to provide a quicker response including emergencies. The contractor will be required to appoint a foreman in each estate for better communication.

Communications

18. In order to strengthen communications with tenants, improvements to procedures will include the acknowledgement in writing of defects reported by tenants, and

procedures for making appointments with tenants. Tenants will be advised of progress of work if there is delay.

19. A computer system will be introduced to link all estate offices, technical staff and contractors. The system will enable all tenants' requests to be recorded and acknowledged by mail or fax. Appointments can be made and staff and contractors notified. Jobs will be routed automatically to artisans, technical staff, or orders placed with contractors as appropriate. To facilitate monitoring, there will be progress information on all maintenance programmes, including minor maintenance.

Technical Support

20. As a result of the increased emphasis on minor maintenance, expenditure has doubled since 1991/92, and is forecast to increase from \$71 million in 1994/95 to \$178 million in 1996/97. Due to pressure from other responsibilities, it is difficult for Housing Officers to increase the time they spend on minor maintenance which is currently 4-5% of their time (1991/92 survey).

21. There is a need to provide technical support at estate level. It is essential that there is daily contact between technical staff and estate offices. There is also a need for support in the management of minor maintenance. This includes contract development and administration, payment to contractors, development of technical standards and specifications, monitoring of work, and technical feedback.

22. It is proposed to establish technical support unit to handle more complex minor maintenance jobs, and to provide advice on all other minor maintenance jobs. Most of the proposed technical staff will be based in estate offices, and will visit each estate for half a day each working day.

IMPLEMENTATION

23. A phased implementation is proposed in order to put in place the technical support, the new dedicated contracts and the supporting computer systems.

Development Phase To complete by March 1995

Phase 1 April 1995 - October 1995

Phases 2 and 3 November 1995 - Mid 1996

24. The development phase includes the preparation of the new minor maintenance contracts and the development of supporting computer systems. Procedures will be reviewed in detail, and supervision guidelines introduced. A Minor Maintenance Unit is being formed to undertake the development, and to check payments to contractors. The Unit comprises 43 staff redeployed from the Maintenance Division and Quantity Surveying Section to the Housing Management Branch. The preparations are expected to be completed by March 1995 in time for a roll-out in three phases.

25. Phase 1 of the rolling out programme covers 29 estates, including some estates selected for Estate Management Advisory Committees. Two minor maintenance contracts will be let, and the computer system will become operational. Technical support will be provided at the estate level. It is proposed to create 37 posts in 1994/ 5 under this phase.

26. Phases 2 and 3 will extend the scheme to a further 125 estates. An additional ten minor maintenance contracts will be let. The actual number of additional staff required will be determined at the end of phase 1, and approval sought through the Departmental Establishment Committee, and therefore the EFC in the usual way.

FINANCIAL IMPLICATIONS

27. The financial implications are :-

	1994/95	1995/96	1996/97
	\$M	\$M	\$M
Cost of Minor Repairs	76	102	178
Additional Staff Costs	5	31*	74*
Computer system (capital)	36	10	-

* The precise number of staff will be decided before the completion of Phase 1; the financial commitment indicated represents a maximum at 1994/95 prices.

28. Funds are provided in the 1994/95 revised budget and 1995/96 proposed budget, and the rest have been reflected in the financial forecasts.

TENANT BENEFITS

29. Upon implementation of the proposals, we expect tenants should notice some tangible benefits in the way we respond to their request, speed of the contractors' response and the quality of repairs, in particular :-

- (a) reporting defects, making appointments will be easier;
- (b) information on all maintenance work will be readily available;
- (c) response will be faster due to special maintenance contracts, reduced lines of communication within the Department, and electronic communications; and
- (d) supervision of work by technical staff and dedicated contacts will improve diagnosis of defects and quality of work.

DISCUSSION

30. The proposals are part of the Housing Authority initiative to improve services to tenants. The improvements to minor maintenance are described in paragraphs 9 to 22.

31. At the meeting to be held on 5 January 1995, members will be invited to endorse on the proposals.

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