

THE HONG KONG HOUSING AUTHORITY

Memorandum for the Housing Authority

Preparation of the 1999-00 Corporate Plan

PURPOSE

To update Members on the outline timetable for preparation of the 1999-00 corporate plan.

THE NEW BUSINESS PLANNING APPROACH

Initial Steps Taken

2. Last year, as a key initiative of the Management Enhancement Programme, Member endorsed a new business planning approach to improve the quality and efficiency of services delivered. The first steps taken under this new approach were -

- (a) in April, to reorganise the Housing Department along business lines into four core businesses (i.e. Development & Construction, Allocation & Marketing, Management and Commercial & Services) as well as two supporting services (i.e. Finance & Accounting and Corporate Services);
- (b) in November, to draw up business plans for 1998-99 in respect of each core business for endorsement by the business committees and approval by Members; and
- (c) in January this year, to prepare the annual budget for 1998-99 (and financial forecasts for the period from 1997-98 to 2001-02) based on agreed business plans for endorsement by Finance Committee and approval by Members.

Aims

3. A main purpose of this new approach is to ensure that we put in place the following -

- (a) a coherent and effective set of policies and programmes which will produce the results required to achieve the Housing Authority's (HA's) strategic objectives, and
- (b) an effective management framework to ensure that we deliver programmes at the level and quality of service required, and that we achieve the expected results in delivering these programmes.

4. Among other things, this requires a closer integration between the planning, management and budgetary processes to ensure that -

- (a) programmes and activities will contribute effectively towards achieving strategic and business objectives;
- (b) resources are allocated efficiently to implement key programmes and business priorities; and
- (c) departmental managers are in a position both to monitor progress in meeting business and financial targets, as well as to measure performance in achieving agreed policy objectives.

Planning Cycle

5. There are several key stages in the new business planning cycle. These are summarised briefly below -

- (a) to develop a strategic plan, having regard to past performance, future goals, prevailing government policies/targets and changing social/economic conditions;
- (b) to establish budgetary and resource planning guidelines, having regard to available resources, financial and business objectives of HA, and the need to achieve value for money;

- (c) to allocate available resources to meet agreed aims and priorities identified in the strategic plan;
- (d) to prepare annual business plans and budgets for each core business, to support and reflect the overall strategy, operational requirements and resources available;
- (e) to consolidate the different business plans and budgets into a corporate plan;
- (f) to prepare the annual budget and financial forecasts based on the corporate plan; and
- (g) to publish a summary version of the corporate plan.

Publication of the Corporate Plan

6. The corporate plan is the culmination of this business planning process and an important management tool. The document also presents an excellent opportunity for HA to communicate its aims and intentions to the community, and to account for its performance. We propose therefore to publish each year a summary version of the corporate plan to highlight -

- (a) the long-term goals and direction of HA;
- (b) the immediate business plans, placed in the context of this longer term strategy;
- (c) annual spending plans to support these business plans; and
- (d) the benefits/results to be achieved by the different programmes, in particular the new initiatives and service improvements.

7. We are now drafting the summary version of the corporate plan for 1998-99 (which will take into account both the approved business plans and budget, and the initiatives put forward in the 1997 Policy Address). We intend to consult the Strategic Planning Committee shortly before seeking Members' approval to publish the document.

PREPARATION OF THE 1999-00 CORPORATE PLAN

8. We will adopt broadly the same timetable as last year for the next planning cycle starting in April this year, subject to certain adjustments in the light of experience -

- (a) to allow more time for the preparation and scrutiny of the strategic plan and supporting business plans; and
- (b) to tie in more closely with preparation of the Policy Address in October each year.

9. We have prepared at **Annex** an outline timetable for the 1999-00 corporate planning cycle. If this meets with agreement by Members, we will circulate the timetable to departmental managers in March this year.

PUBLICITY

10. We briefed the media on the budget and financial forecasts for 1998-99 following endorsement by the Finance Committee and approval by Members in January this year. Suitable publicity will be arranged to tie in with publication of the summary version of the corporate plan for 1998-99.

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