

Progress Report of Initiatives
in the HA 1999/2000 Corporate Plan

Building Business : 11 initiatives were involved -

(A) Action Completed

	Initiative	Position as at 31.3.2000
1.	To identify customer needs for enhancing HOS design.	We had conducted researches and opinion surveys to identify customer needs. Building designs were being reviewed.
2.	To enhance construction quality by implementing new measures on quality control, workmanship, design, material, specifications, contracting out site inspection and testing.	We had implemented initiatives to improve different aspects of construction quality, including workmanship, application of design, materials and specification, contracting out site inspections and testing, review of handover procedures, enhancement of performance assessment scoring system and new feedback system.
3.	To review the system of approved lists of building components and materials and the testing of materials and finished products.	The review was completed and improvement measures were endorsed by Building Committee (BC) in July 1999.
4.	To conduct a study in contracting out factory and site visits for inspecting approved lists of building components and materials.	BC endorsed the outsourcing of factory visits for inspecting precast concrete structural elements to consultants in July 1999. Consultants were appointed in March 2000.
5.	To include the automated refuse collection system in housing projects to be completed after January 2001.	The system had been included into projects to be completed after 1 January 2001.
6.	To outsource the design and supervision of construction of 27,000 flats to cope with production bunching.	As a result of projects reprogramming, the design and supervision of construction of 21,000 flats were outsourced.

(B) On Schedule/On-going

7.	To secure sufficient land from Government for public housing development for the next ten years, i.e. from 1999/2000 to 2008/09.	Sufficient sites have been secured for producing an annual average of 52,000 public housing flats for the next 8 years. We will continue to secure sufficient sites for the last two years.
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8.	To implement Hong Kong Building Environmental Assessment Method (HKBEAM) for residential buildings.	HKBEAM (residential) was introduced to two pilot projects in Shatin Area 14B Ph.1 and Fanling Area 36 Ph.4 in November 1999. Provisional 'Good' rating for the Shatin pilot project was accorded by the Centre of Environmental Technology whereas Fanling Area 36 Ph.4 will be assessed in June 2000.
9.	To explore areas of environmental improvement in building design by setting up targets for noise control, energy efficiency, air and water quality, and waste reduction and disposal.	Targets for noise control, energy efficiency, air and water quality, waste reduction and disposal were being developed based on HK BEAM criteria.
10.	To carry out researches on international comparative construction costs, ready mixed concrete, 1 & 2-person accommodation, and life cycle costs for standard design and components.	<ul style="list-style-type: none"> • A research on the supply of ready mixed concrete had been completed and the findings would be submitted to BC soon. • New designs for Housing for Senior Citizens was being developed. New 1P/2P and 2P/3P flat designs had been prepared for new Harmony, Annex blocks and non-standard Small Household developments. • The research on life cycle costs for standard design and components had been rescheduled for completion in March 2001. • As the Works Bureau was conducting a study on international comparative construction costs, we would withhold our research to avoid duplication.

(C) Behind Schedule

11.	To produce 58,000 PRH/HOS/PSPS flats, 98,000m ² commercial properties and 4,900 car and lorry parking spaces.	<ul style="list-style-type: none"> • A total of 48,500 flats were completed. To ensure consistent building quality, a number of projects involving some 10,000 flats will be completed later for meeting our acceptance standard. These flats will be completed by May 2000. • 113,200m² gross floor area of commercial properties and 4,900 car/lorry parking spaces had been completed.
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Rental Housing Business : 23 initiatives were involved -

(A) Action Completed

	Initiative	Position as at 31.3.2000
1.	To reduce the overall average waiting time for PRH from 6.5 years to 6 years.	The average waiting time was 5.2 years.
2.	To reduce the average waiting time of the elderly for PRH from 4 to 3.5 years.	The average waiting time was 3 years.
3.	To allocate no less than 20,000 PRH units to waiting list (WL) applicants.	22,510 rental flats were allocated and some 1,100 flats were sold to WL applicants.
4.	To rehouse 8,000 households in 25 blocks under the CRP.	8,400 households in 25 blocks were rehoused under the CRP.
5.	To speed up flat allocation by introducing measures to discourage unreasonable refusals of offers.	A new measure of giving 3 housing offers in one-go to WL applicants has been introduced since 1.4.1999.
6.	To relieve overcrowding by offering larger flats to families with living density below 4.5 m ² /person .	All families with living density below 4.5 m ² /person as at end August 1995 were offered larger flats by May 1999.
7.	To reduce the vacancy rate of PRH flats to below 1.5% and to further reduce the average void period of vacated PRH flats from 12 to 10 weeks.	Vacancy rate : 1.2% Average void period : 8 weeks
8.	To shorten the lead time for the award of works contracts from 4 to 3 months.	All district term works contracts were awarded within 3 months.
9.	To enhance fire safety by improving exit signages in 195 blocks and providing stand-by fire extinguishers during long shut-down period of fire services installation.	Exit signages were installed in 195 blocks. Stand-by fire extinguishers were provided in blocks when fire services installation therein were shut down for repair.
10.	To contract out estate management services for six new rental estates and three small household developments.	The management of six new PRH estates and two small household developments were outsourced. The management of one small household development was taken up by in-house staff due to the small number of units involved.
11.	To organize activities in all estates under the Healthy Living Campaign.	Campaigns and activities to enhance cleanliness in commercial centres and markets were organized.
12.	To implement Clean Neighbourhood Campaign in all estates.	The campaign was implemented in all estates.
13.	To develop and introduce new improvement strategies for the CARE (Condition, Appraisal, Repair, Examination) Programme.	A review on current CARE strategies had been completed and recommendations would be carried out progressively.

(B) On Schedule/On-going

14.	To enhance building design to suit the needs of elderly applicants.	An opinion survey on small household development, including Housing for Senior Citizens was completed in December 1999. Housing designs were being reviewed.
15.	To rationalize flat mix to suit prospective tenants.	A cross-discipline working group had been set up to determine flat-mix of new rental projects.
16.	To update tenancy records through declaration of occupancy position every two years.	57% of PRH tenancies had been checked.
17.	To implement environmental friendliness programmes to reduce waste and prevent water pollution.	All domestic rental blocks had been provided with collection bins to segregate recyclable paper waste, aluminum cans and plastic bottles. Waste reduction publicity activities had been organized in 157 estates.
18.	To review manpower strategy to enhance productivity and to introduce training programmes for front line staff.	<ul style="list-style-type: none"> • Manpower strategy reviews on the Technical Teams and the Assistant Housing Manager and Housing Officer ranks had commenced. The review on the Estate Assistant rank would be considered pending finalization of PST. • 275 classes covering training in vocational, management, computer and language had been run for 3900 staff.
19.	To review the policy on handling under-occupation.	The review was completed. Proposed changes in policy are being worked out for submission to RHC in September 2000.

(C) Under Review

20.	To implement new PMA packages which combines management and maintenance services and to introduce performance-based tender evaluation and punitive systems.	<ul style="list-style-type: none"> • New PMA package and performance-based tender evaluation system were implemented on schedule. The punitive system will be implemented after the finalization of the PST which will impact on the performance monitoring system. • While the punitive system will be developed later, pre-qualification exercise for selecting quality contractors has been implemented.
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(D) Behind Schedule

21.	To reduce domestic rent arrears to below 1.5%.	Rent arrears rate was 2.5%. The rate remained high probably because of the economic downturn and the filtering effect arising from the TPS estates. Efforts on rent chasing will be strengthened. We have encouraged tenants in hardship to apply for the HA's RAS or SWD's CSSA.
22.	To achieve a recovery rate of 95% for rental flats from HOS/HPLS purchasers/ recipients within one month after the in-take of new flats.	53% of the flats were recovered within one month. RHC approved that purchasers/ recipients should be allowed to surrender their PRH flats within two months with effect from March 2000.
23.	To upgrade security installations in 208 public housing blocks from System B to System A.	<ul style="list-style-type: none"> • Upgrading work for 75 blocks had been completed while works for remaining blocks were in progress and will be completed in June 2000. • The slippage was mainly due to the long lead time required to reach agreement with tenants on the locations of main entrance doors for blocks with multi-level entries. We have discussed with tenants and EMACs to sort out the works details.

Home Ownership Business : 10 initiatives were involved -

(A) Action Completed

	Initiative	Position as at 31.3.2000
1.	To offer no less than 25,000 PRH flats for sale to sitting tenants under the TPS.	27,400 flats were offered for sale under TPS Ph. 3 in February 2000.
2.	To offer prospective tenants the option to buy in addition to rent their housing units.	2,100 flats were offered for sale under Buy or Rent Option (BRO) Ph. 1 in June 1999.
3.	To review the quota and amount of loan/subsidies under the HPLS.	A HPLS quota of 4,500 was provided for the period from 1 August 1999 to 31 March 2000 at the current terms.
4.	To facilitate the production of around 2,800 PSPS flats.	2,800 PSPS flats were completed.
5.	To provide one-stop service in the new Customer Service Centre (CSC) at Wang Tau Hom (WTH), and set up show flats for HOS/PSPS projects.	<ul style="list-style-type: none"> • The new CSC at WTH was opened in August 1999. • HOS show flats were set up at the new CSC whereas off-site PSPS show flats were provided by the developer of Rhythm Garden during the application period of HOS Phase 21B.
6.	To contract out the management of seven new HOS courts, premium assessment of HOS/PSPS flats and preparation of Deed of Mutual Covenant (DMC) of HOS flats.	<ul style="list-style-type: none"> • The management of seven new HOS courts were outsourced to PMA. • All premium assessment work of HOS/PSPS flats had been outsourced to private surveyor firms. • The preparation of DMC for HOS projects had been outsourced to private solicitors.

(B) On Schedule/On-going

7.	To streamline the policy on using solicitors for TPS and HOS flat conveyancing.	Solicitors for TPS Ph. 2 and BRO/MSS were appointed through tender in February and July 1999 respectively. The same arrangement was applied to HOS Phase 21A. The new appointment system will be reviewed in 2000/01.
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(C) Behind Schedule

8.	To offer 24,500 HOS/PSPS flats for sale.	20,900 flats (14,500 new flats and 6,400 resale flats) were offered for sale in HOS Phases 21A and 21B. The sale programme has been adjusted in response to the prevailing market sentiment.
9.	To offer 3,000 flats for sale to tenants affected by the CRP within 3 years of redevelopment under the MSS.	2,700 flats were offered for sale under MSS. The difference was due to the reversion of 2 MSS projects, Hing Wah Phase 1 (754 flats) and Upper Wong Tai Sin Phase 1 (779 flats) to rental so as to meet the rehousing demand of CRP tenants.
10.	To assist the formation of OCs in 7 new HOS courts for taking up management duties.	5 OCs in new HOS courts were formed. The 2 outstanding courts are Kwun Fai and Kwong Ming. For Kwun Fai Court, the 12-month statutory OC formation period will expire in June 2000. For Kwong Ming Court, the formation of OC was withheld because of non-compliance of the Land Registry's requirement on the appointment of Owners Committee prior to the formation of OC.

Commercial Business : 11 initiatives were involved -

(A) Action Completed

	Initiative	Position as at 31.3.2000
1.	To review the criteria for programming shopping centres for major improvement works, and to establish a cost control mechanism.	Proposed selection criteria and cost control mechanism for improvement works were endorsed by Commercial Properties Committee (CPC) in October 1999.
2.	To review the allocation policy on medical and dental clinics.	New arrangements for letting clinics by open rental tender were endorsed by CPC in December 1999.
3.	To establish performance indicators based on customer satisfaction surveys on shopping centre management.	Customer satisfaction surveys were conducted and the findings would be submitted to CPC in May 2000.
4.	To develop monitoring systems on security, cleansing and maintenance services for shopping centres and carparks.	Improvement measures to enhance performance monitoring of PMAs and carpark operators were endorsed by CPC in October 1999.
5.	To develop a set of mechanism for evaluating promotional activities.	A new mechanism for evaluating the effectiveness of promotion activities was endorsed by CPC in February 2000.

(B) On Schedule/On-going

6.	To contain the vacancy rate at below 5.5% and rent arrears below 4%.	Vacancy rate : 5% Rent arrears level : 2.8%
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(C) Under Review

7.	To streamline tendering procedures and introduce a performance-related procurement system in selecting management agents and carpark operators.	It has been withheld pending a final decision on the arrangements for PSC under PST which will impact on this initiative.
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(D) Behind Schedule

8.	To enhance the financial evaluation for each cost centre.	A working group has been looking into the enhancement of the existing cost allocation system so that it can attribute expenses to core businesses and cost centres.
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9.	To develop a computerized system for rent collection for non-domestic properties.	Arrangements of outsourcing rent collection functions to finance/banking institutions were being prepared the establishment of an independent revenue management system for non-domestic properties in the long run is being considered. Approval from Departmental Computer Committee will be sought for appointing a consultant to develop the proposed system.
10.	To recover capital cost in the provision of welfare/community facilities.	Given the complexity of the issue, we took more time to sort out with other departments. This initiative will be covered in the overall review of the Financial and Administrative Arrangements between the HA and the Government.
11.	To provide 55,000 m ² retail space.	46,700m ² retail space in 12 housing estates/courts had been completed. The difference was due to the delay in completion of three estates concerned. The remaining 8,300m ² retail space will be provided in 2000/01.

Corporate Services - 15 initiatives were involved -

(A) Action Completed

	Initiative	Position as at 31.3.2000
1.	To examine the recommendations of the consultancy study on Private Sector Involvement (PSI).	HA endorsed the recommendations of the HA Task Force on PSI in January 2000.
2.	To review systems on performance appraisal, career development and posting for departmental grades.	<ul style="list-style-type: none"> • The performance appraisal form for directorate officers had been simplified and was endorsed by the Civil Service Bureau in March 2000. • A new career development framework for directorate officers had been drawn up. A new committee had been set up to steer the career development for the directorate.
3.	To complete the Year 2000 rectification exercise on critical items before 2000.	The Year 2000 compliance programme had been completed.
4.	To further promote customer service culture through staff training and improvement programmes.	An Enhanced Customer Service Framework was developed in August 1999. A series of staff training and promotional activities were organized.
5.	To organize the second Hong Kong Housing Conference for discussion and exchange of views on housing matters.	The two-day Housing Conference was held in November 1999. A total of 620 local and overseas delegates shared views on addressing housing challenges in the new millennium.
6.	To launch a promotional campaign on tenants' rights and responsibilities.	An integrated publicity package including publications, video and updating information on HA/HD Homepage had been launched.
7.	To set up a call centre to provide one-stop public enquiry services.	The HD Call Centre was set up on 1 March 2000 to answer enquiries on general matters relating to applications of PRH and HOS transferred from HD Rental and Purchase Hotline.
8.	To appoint private solicitors for legal consultancy work for the HA/HD in general.	Private solicitors had been appointed as consultants in cases on piling problems and judicial review relating to termination of tenancies and decisions of the Tenancy Appeal Panel.
9.	To organize activities on green housekeeping to promote staff awareness and involvement in environmental protection	<ul style="list-style-type: none"> • A training plan to promote environmental conservation was developed and implemented. A series of seminars had been arranged for staff. • The Green Corner of Training & Development Internet was launched in January 2000 to promote environmental awareness.

10.	To reduce paper consumption by enhancing the Document Processing System (DPS) and the Chinese Glossary Search System, and through wider use of e-mail.	<p>Paper consumption had been reduced through -</p> <ul style="list-style-type: none"> • expanding the scope of the DPS in the HD Intranet. • rolling out of the Chinese Glossary Search System in the HD Intranet. • sending HA open and presumption/information papers to staff through e-mail since November 1999.
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(B) On Schedule/On-going

11.	To implement a new information technology strategy, including formulating an information management policy and adopting a revised approach for system development.	Initial studies on data warehousing and Rapid Application Development methodology had commenced. The study on information management policy would be conducted in 2000/2001.
12.	To align staff performance with corporate objectives and promote change management through open fora, workshops, seminars and training.	<ul style="list-style-type: none"> • An Enhancement Training Strategy in support of the PSI had been developed. Phase I training started from February 2000. 4 mindset-training and 4 Management Buy-out training programmes had been arranged. • Housing Manager seminars were organized regularly to provide updated knowledge on crisis management and financial management.
13.	To set up an archive to produce a consolidated library of materials on public housing.	<ul style="list-style-type: none"> • A Publication Library and a Video Library had been set up. • Test run for the Electronic Photo Library would be carried out in May 2000. Full operation would be ready by July/August 2000.
14.	To identify opportunities for outsourcing translation, receipt and despatch, information technology services, training and staff development projects.	<ul style="list-style-type: none"> • Translation of HA Annual Report 1998/99 and three training and staff development projects had been outsourced. • Outsourcing of management of personal computers had been approved by HD Computer Committee. • The feasibility of outsourcing “urgent by-hand” delivery service was being explored.

(C) Under Review

15.	To review and fine-tune HA's manpower strategy to support the changing organisational needs.	Given the various changes taking place both within and outside the Department, namely PST, consultancy on organizational streamlining, temporary recruitment
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		freeze, EPP, etc, it is not the best timing to conduct the review now. The review will be deferred to end 2000 when the overall picture for these variables is clearer.
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Finance and Accounting Services : 14 initiatives were involved -

(A) Action Completed

	Initiative	Position as at 31.3.2000
1.	To review the performance and policies of businesses against financial objectives.	The progress of implementing financial objectives by each business had been reviewed. Business Scorecards were reported to FC in November 1999.
2.	To benchmark and review accounting policies against standards and comparable practices.	Annual Review and Updates were endorsed by FC/HA in February 2000. Monthly briefs on current accounting issues were issued to finance-related staff for information.
3.	To benchmark risk management objectives, policies and strategies against comparable organizations.	A survey on major private and public organisations was completed and the report was endorsed by FC in November 1999.
4.	To implement Phases I and II of the Cash and Funds Management System.	System enhancements were implemented in February 2000.
5.	To reduce the time taken for closing monthly financial accounts to within three weeks after end of each month and for completion of annual audited accounts before end July.	Monthly financial accounts were generally completed within 3 weeks after month end and the 1998/99 annual accounts was completed for audit by 31 July 1999.
6.	To devolve supplies functions to core businesses.	The devolution was completed on 1 April 1999.
7.	To update procurement and supplies instructions and prepare supplies procedural guidelines.	Updated HA Store Regulations and HA Procurement and Supplies Instructions were issued in September 1999, followed by issuance of Supplies Procedural Guides.

(B) On Schedule/On-going

8.	To identify the relative levels of housing subsidies.	A working group had completed a preliminary assessment.
9.	To establish a strategic cost and activity based management policy to enhance corporate productivity.	Proposed benchmarking on performance and cost of HA core services were being considered by the senior management.
10.	To assess the financial impact of the HA's changing role from a direct service provider to a facilitator.	Continuous assessment was being made on various new policies such as the Government's initiative of reducing HOS production and increasing subsidized loans. The issue would be included in the overall review of the Financial and Administrative Arrangements with the Government.
11.	To recommend investment strategies and policies to the HA.	Investment strategies were regularly reviewed, taking into account the latest cashflow position and interest

		rate outlook.
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(C) Under Review

12.	To enhance the Stock and Inventory Control System and update stores regulations.	System enhancement is considered not cost-effective. The requirements can be met by administrative arrangements. A comprehensive review of the system will be carried out.
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(D) Behind Schedule

13.	To redevelop and enhance the Financial Budgeting and Forecasting Modelling System.	The system's critical functions had been developed in March 2000. System Integration Test and User Acceptance Test were carried out in April and May 2000. The slippage was caused by the delay in finalizing the system design. All budgeting functions are expected to be completed in July 2000.
14.	To shorten tender issuing lead time to within 12 working days.	The slippage was due to the emergence of some priority tasks in the period. A review had been conducted and relevant proposals will be finalized in June 2000.