

# **THE HONG KONG HOUSING AUTHORITY**

## **Memorandum for the Housing Authority**

### **Progress Report on the 1999-2000 Corporate Planning Cycle**

#### **PURPOSE**

This paper updates Members on the progress of the 1999-2000 corporate planning cycle.

#### **BACKGROUND**

2. In order to better achieve the strategic objectives of the Housing Authority (HA) and to facilitate forward planning, the Department has been restructured along business lines and a corporate planning process has been introduced since 1997. Under the new corporate planning process, a strategic plan will be drawn up by the Strategic Planning Committee (SPC) to set out the corporate objectives and key initiatives of the HA in the forthcoming year. Thereafter, Business Directors (BDs) will develop business plans for their core businesses having regard to the corporate objectives, their own initiatives and the latest business environment. A corporate plan will then be prepared at the end of the planning cycle to consolidate the proposed key corporate objectives and activities of the HA as a whole.

3. At the meeting on 5 March 1998, Members noted an outline timetable for the corporate planning cycle in 1999-2000. We want to let Members know about our latest position in this aspect.

## PRESENT POSITION

4. At its meeting on 16 July 1998, the SPC approved the strategic plan for 1999-2000 having regard to the mission, vision and values of the HA, the Government's overall housing strategy and the environmental factors which would impact on the performance of the HA. The strategic plan comprises of eight corporate strategic objectives and 39 key initiatives for 1999-2000. A copy of the strategic plan is at **Annex**.

5. The strategic plan will be the basis for BDs to draw up their business plans. Individual business plan will be submitted to the relevant business committee for consideration according to the following time-table -

<b>Committee</b>	<b>Date of Meeting</b>	<b>Business/Service Plan</b>
Home Ownership Committee	12 November 1998	Home Ownership
Building Committee	19 November 1998	Building
Rental Housing Committee	25 November 1998	Rental Housing
Commercial Properties Committee	26 November 1998	Commercial Properties
Human Resources Committee	30 November 1998	Corporate Services
Finance Committee	10 December 1998	Finance

In submitting the new business plans, BDs will also put up the mid-year performance reviews for their current business plans. This will assist committee members to understand the progress in delivering the committed programmes and initiatives under the current business plans and to refine the new business plans.

6. After the finalization of individual business/service plans, we shall submit the annual budget and the corporate plan to Members for approval in January 1999.

## **INFORMATION**

7. Members are invited to note the latest progress regarding the 1999-2000 corporate planning cycle.

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## **Housing Authority Strategic Plan 1999/2000**

### **Corporate Strategic Objectives**

To start off the corporate planning cycle in 1999/2000, the Strategic Planning Committee of Housing Authority has endorsed the corporate strategic objectives for 1999/2000 as follow -

- (a) to facilitate the cost-effective provision of quality public housing and associated services;
- (b) to maximize the rational allocation of housing resources, matching subsidy type and level to customer needs;
- (c) to increase opportunities for home ownership;
- (d) to manage and maintain our assets with a view to maximizing their economic life and contribution;
- (e) to make greater use of private sector resources in the delivery of housing and associated services where it makes financial and management sense to do so;
- (f) to develop a partnership with customers and other stakeholders, strengthening communications with a view to improving understanding of each other's aims and needs;
- (g) to develop and deploy our human and financial resources to meet corporate goals in the most effective manner; and
- (h) to contribute actively and positively towards sustainable development.

## **Key Initiatives for 1999/2000**

The Strategic Planning Committee has also approved a list of key initiatives for 1999/2000. They represent the main directions for spearhead the work of the Authority in 1999/2000 and will form the skeleton of the 1999/2000 Corporate Plan. However, the key initiatives outlined below are by no means exhaustive as Business Directors may draw up new initiatives in collaboration with relevant business committees during the preparation of their business plans. Moreover, the implementation of new initiatives may be fine-tuned having regard to the changing environment, financial considerations and other unforeseeable circumstances.

### **(1) To facilitate the cost-effective provision of quality public housing and associated services.**

- To provide 57,700 new rental/HOS flats and interim housing units, including 1,300 new units of Housing for Senior Citizens;
- To facilitate the production of 2,800 PSPS flats.
- To further streamline our tender arrangements.
- To introduce measures to enhance the level of supervision and quality control on our contractors.
- To introduce measures to enhance the security, cleansing and repair service of our estates.
- To recover some 16,000 rental units for refurbishment and subsequent re-allocation.

**(2) To maximize the rational allocation of housing resource, matching subsidy type and level to customer needs.**

- To achieve a better matching between the flat mix of our new production and the profile of our clients.
- To rationalize the waiting list system and allocation policies.
- To curb tenancy abuse through declaration system every two years with 100% checking.
- To reduce the vacancy rate of public rental flats and to cut down the turn-around time for refurbished flats to an average of 10 weeks.

**(3) To increase the opportunity for home ownership.**

- To enhance the attractiveness of the Home Purchase Loan Scheme to sustain a high take-up rate.
- To implement the Mortgage Subsidy Scheme in Comprehensive Redevelopment Programme estates comprising 14,000 units.
- To offer an option for eligible prospective tenants to buy instead of to rent their housing units.
- To roll forward the Tenants Purchase Scheme Phase 3 to cover six estates comprising about 25,000 units.
- To relax resale restrictions imposed on Home Ownership Scheme flats by allowing owners to dispose of their units in the secondary and open markets after the second and fifth year from first assignment respectively.

**(4) To manage and maintain our assets with a view to maximizing their economic life and contribution.**

- To design, develop and implement a life cycle costing system or its equivalent.
- To carry out improvements to the CARE Programme.

**(5) To make greater use of private sector resources in the delivery of housing and associated services where it makes financial and management sense to do so.**

- To outsource the design and contract management of about 20 housing projects to the private sector.
- To introduce a performance-related procurement system.
- To compile a set of contractual documents for the first mixed development project.
- To rationalise the organisational structure to facilitate greater use of private sector opportunities in achieving HA's objectives.
- To initiate the first stage of flatted factory redevelopment.
- To explore the future management model for non-residential portion of public housing estates including welfare facilities.

**(6) To develop a partnership with customers and other stakeholders, strengthening communications with a view to improving understanding of each others' aims and needs.**

- To establish one new Housing Information Centre in Hong Kong East.
- To extend the EMAC Scheme to 10 more estates.
- To assist in the formation of seven Owners Corporations in new Home Ownership Courts and six Owners Corporations/EMOCs in all Tenants Purchase Scheme estates covered in Phase 2.
- To encourage the participation and contribution among public housing tenants in estate management.
- To provide one-stop public enquiry service for our customers by implementing a call centre project.
- To provide one-stop service at the new Applications Hall located in Wang Tau Hom catering for a customer traffic volume of over one million transactions.
- To set up new sample flat showrooms.



**(7) To develop and deploy our human and financial resources to meet corporate goals in the most effective manner.**

- To review and update the HRM Plan to align with corporate goals.
- To expand the scope and opportunities of staff training and development.
- To take forward recommendations arising from Information Technology Strategy Review and to resolve the Year 2000 problem.
- To work out a set of corporate performance indicators.
- To draw up external and internal (after minimising the extent of cross business services) service agreements for those services that are not feasible to eliminate or transfer.
- To manage HA's funds to achieve the benchmark return.
- To introduce improved time management systems and processes.

**(8) To contribute actively and positively towards sustainable development.**

- To develop a policy and strategic framework for the promotion of sustainable development.
- To examine and pursue issues raised by the Steering Committee on Environmental Performance.