

## **THE HONG KONG HOUSING AUTHORITY**

### **Review of Representations of Senior Directorate at the Housing Authority Committees**

#### **PURPOSE**

This paper informs Members of the re-organization of the senior directorate structure of the Department and related streamlining of operations which came into effect on 15 April 1997 and seeks their endorsement of the proposed adjustment to committee membership consequent upon this re-organization.

#### **BACKGROUND**

2. At the Housing Authority (HA) meeting on 2 January 1997, Members endorsed the Management Enhancement Programme Master Action Plan and gave full support to its implementation. As part of this wide-ranging programme of reforms, the Department considers there to be a need for the HA to develop a set of financial objectives and a financial management framework, with a view to -

- (a) ensuring that all HA policies and programmes are implemented and managed cost effectively;
- (b) searching for ways of improving the value for money;
- (c) developing and adopting a “best practice” approach to financial management, drawing on relevant private and/or public sector models, as appropriate;

- (d) ensuring that the HA continues to be self financing; and
- (e) demonstrating accountability and propriety in discharging its statutory and other financial commitments, pledges and transactions.

In order to properly implement the financial objectives, the directorate responsibilities would need to be aligned such that one senior directorate officer (preferably at D3 level) would be made responsible and accountable for the management of each core business. Proposals for a set of financial objectives and management framework were submitted to and endorsed at the Finance Committee (FC) meeting on 6 March 1997.

3. In parallel with these developments, the Department organised a series of workshops involving the entire directorate. These aimed at identifying the strengths and weaknesses of the existing senior directorate structure, and resulted in proposals for a new structure to cope with the changes and challenges ahead.

## **NEW STRUCTURE**

4. With effect from 15 April, the Department has been re-structured into four core “businesses” and two cross-business “supporting services” comprising Development and Construction, Allocation and Marketing, Management, Commercial and Services, Finance and Accounting and lastly, Corporate Services. Each is headed by an D3 officer and is answerable to an Executive Board. This restructuring should allow for -

- (a) a streamlining of operations along business lines;
- (b) a greater focusing of responsibility together with greater delegation down the organization ; and
- (c) a clearer distinction between responsibility for day-to-day operations and strategic guidance.

To fully reflect the new responsibilities of the senior directorate officers under the new structure, their post titles have been renamed accordingly. The former and new organisation structures of the Department are at **Annexes A and B** respectively.

## **EXECUTIVE BOARD**

5. The Executive Board (行政委員會) is composed of the Director of Housing (房屋署署長), Deputy Director of Housing/Management (副房屋署署長(管理)), Deputy Director of Housing/Works (副房屋署署長(建設)), Director Corporate Services (機構事務總監) (formerly known as Deputy Director/Administration) and Finance Director (財務總監) (formerly known as Deputy Director/Finance). The Legal Adviser, Assistant Director/Information and Community Relations and the Director Corporate Strategy (see paragraph 6 below) are in attendance. The Board is responsible for setting strategy, clearing policy, agreeing targets and monitoring progress. It will delegate full day-to-day operational authority to the heads of the core businesses.

## **CORPORATE STRATEGY UNIT**

6. To support the Executive Board in discharging its functions, a Corporate Strategy Unit (機構策略組) (CSU) will be set up later in the year. It will be responsible for co-ordinating the preparation and monitoring of the corporate business plan, formulation of corporate policy and strategy and co-ordinating cross-cutting issues, undertaking overall planning and review of public housing land requirements and acquisition, co-ordinating the review and monitoring the implementation of the Long Term Housing Strategy including public housing supply and demand, and undertaking policy research and development. The Unit will be composed of a small multi-disciplinary team of staff headed by the Director Corporate Strategy.

## **CORE BUSINESSES**

7. As mentioned in paragraph 4 above, the Department has been re-organised into four core businesses, each headed by a Business Director at D3 level. A description of each of the core business is at **Annex C**. Each of the four Business Directors is responsible and accountable for the development and day-to-day operations of their respective business plans, setting of service goals and performance standards and resource allocation within their branches. They report to the Executive Board direct on their lines of business but the two Deputy Directors of Housing, while having no direct responsibility for day-to-day operations, will continue to divide between them general supervisory responsibility for “Management” and “Works” and will provide high level advice on major policy areas and key cross-business strategic issues.

8. In order to empower the Business Directors to discharge duties in their business areas as independently as possible, the financial and administrative responsibilities will be devolved progressively from the Corporate Services and Finance and Accounting Branches (see paragraph 9 below) to the four Business Branches together with the necessary resources. The Assistant Directors in the four Business Branches will continue to provide support and advice to the Business Directors on the management of a defined and focused area of work under their purview.

## **SUPPORTING SERVICES**

9. The organisational set-up of the Administration and Finance Branch/Division remain largely unchanged but have been renamed as the Corporate Services Branch (機構事務處) and Finance and Accounting Branch (財務會計處) and are headed by the Director Corporate Services and the Finance Director respectively. The Director Corporate Services and the Finance Director while members of the Executive Board in their own right, are answerable to the Board separately for their respective service plans.

## **FINANCIAL IMPLICATIONS**

10. There are no additional financial implications involved as there is no increase in head count nor changes in the level of posts arising directly from this reorganization.

## **RELATIONSHIP WITH HA**

11. The working relationship between the Department and the HA and its Committees remains unchanged. However, pending the outcome of discussion on issues like financial objectives etc, some adjustments in the terms of reference of the committees may be necessary. Proposed changes will be submitted to the respective committees for consideration shortly.

## **Committee Membership**

12. The streamlining of operations fits well with the existing HA committee structure. Each of the four Business Directors (BD/Development, BD/Allocation and Marketing, BD/Management and BD/Commercial and Services) has his own Committee (Building Committee, Home Ownership Committee, Management and Operations Committee and Commercial Properties Committee) to work to. Director Corporate Services and Finance Director will continue to serve the Human Resources Committee and FC respectively. Given the more strategic role for Development Committee, it will be serviced by the head of the CSU.

13. As a result of the change in portfolios of the directorate officers, there is a need to effect corresponding changes to the representations of senior Directorate at committees. As the four Business Directors, Directorate Corporate Services and Finance Director are accountable to their respective committees, it would not be appropriate if they were also members with voting rights of the same committees. It is therefore proposed that only the Director of Housing and the Deputy Directors become members of committees while the Business Directors will be present at their respective committees in attendance. The current membership and the proposed membership are in **Annexes D and E**.

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## **RECOMMENDATION**

14. It is recommended that the proposed membership as outlined in **Annex E** be approved.

### **PRESUMPTION**

15. It is not thought that Members will object to the recommendation in paragraph 14 above. If no objection or request for discussion is received by the Committees' Secretary (telephone no.: 2761 5030 and fax no.: 2761 0019) **by close of play on 16 May 1997**, Members' approval will be presumed and action taken accordingly.

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c.c. Members of the Building Committee  
Members of the Commercial Properties Committee  
Members of the Finance Committee  
Members of the Home Ownership Committee  
Members of the Human Resources Committee  
Members of the Management and Operations Committee  
Members of the Complaints Committee

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