

## Year-end Performance Review for Home Ownership Business in 1998/99

Key Initiatives	Progress up to 31.3.1999	Status
<b>(1) HOS</b>		
(a) To maintain an expanded sales programme of 30,000 flats per annum including flats transferred from rental blocks	A total of 30,914 flats (22,576 new flats and 8,338 resale flats) were put up for sale in three exercises (i.e. HOS Phase 19C, 20A & 20B)	On schedule
(b) To implement the proposed Mortgage Subsidy Scheme (MSS) to encourage home ownership among Comprehensive Redevelopment Programme (CRP) tenants and clearerees of Cottage Areas (CA)	The pilot scheme of MSS was implemented in September 1998. A total of 144 flats in Kwun Fai Court were sold under the pilot scheme, while the remaining 155 flats were sold in HOS Phase 20A. The Scheme has been fully implemented in HOS Phase 20A	On schedule
(c) To outsource the valuation work of premium assessments for HOS/PSPS flats to private surveyors	The first batch of premium assessments (covering about 34,000 flats in Shatin & Ma On Shan) was outsourced in March 1999. The assessments for the remaining flats in other districts will be contracted out later this year	On schedule
(d) To explore the feasibility of introducing a more affordable form of home ownership scheme	Buy or Rent Option Scheme was endorsed by HA on 4.3.99. Phase 1 operational details endorsed by HOC on 13.5.99	On schedule
(e) To review the Secondary Market	The review of the SMS will be conducted in mid 1999 when the effect of the	Behind schedule

Scheme (SMS) for HOS/PSPS flats

enhanced HPLS which allows Green Form applicants to buy HOS flats in the secondary market with the loan is known

(f) To fast track the land grant process for HOS sites

A Business Process Re-engineering exercise was implemented to simplify the working procedure. A saving of 6% (i.e. 2-3 weeks) in processing time was achieved

Action completed

(g) To negotiate with the Law Society on the fee scale for HOS conveyance after the enactment of the Legal Services Legislation (Miscellaneous Amendments Ordinance 1997)

Conveyancing arrangements for TPS Phase 2 secured by tender; depending on results may be extended to HOS, etc

On schedule

(h) To review the quota of Green and White Form purchasers

This is an on going process which will be reviewed in HOC meeting for price fixing of each HOS sales exercise. The existing quota for Green and White Form purchasers for HOS Phase 20B is still 60:40

On schedule

**(2) PSPS**

(a) To fast track the preparation of tender documents

Time was shortened from 12 weeks to 10 weeks (17%)

Action completed

(b) To review the scoring system in tender selection

The review was completed in March 1999

Action completed

(c) To introduce measures to tighten up control of construction quality and building requirements

A 'Residual Settlement' clause was incorporated into the Master Tender Document for PSPS which will be applicable to all new sites with possible ground settlement problems. The developers are obliged to make appropriate provisions in their design to cope with these problems. In addition, the developer would be required under the PSPS Tender Document to procure a

Action completed

ten-year bank guarantee to the Director of Housing as security for making good defects in relation to ground settlement for a period of ten years upon completion of the development

Liaison between the Department and Developer/ Authorised Person (AP) was strengthened for tighter control. The AP is required to report on the progress of the development project prior to the appointment of the Monitoring Surveyor

(On-going)

The appointment of Monitoring Surveyor has been introduced with a view to tightening up control of quality of PSPS

(On-going)

### (3) HPLS

(a) To explore a new option of low interest bearing loan under the HPLS

We decided not to proceed with the low interest bearing loan option but to provide two new flexible interest free loan options for Green Form and White Form applicants (HOC Paper No. 49/98)

Action completed

(b) To review the source of funding for HPLS

Review completed. Adequate funding was made available for the Scheme

Action completed

(c) To review the eligibility of households to join the HPLS

The Review of Housing Loan Scheme is being studied by the Housing Bureau with ad-hoc working group meetings to discuss HPLS and Home Starter Loan Scheme

On schedule

(d) To review the HPLS quota and the level of subsidy in the light of market conditions

While execution of loan is under process for the current quota of 10,000, at least a quota of 4,500 will be made available for the next 12 months up to July 2000

Action completed

### (4) Tenants Purchase Scheme

(a) To roll out the TPS

19,800 (74%) of Phase 1 flats sold. Phase 2 offered for sale in March, 1999

On schedule

(b) To discuss with the Government on the detailed arrangement of land grants	Procedures for issue of land grants for TPS agreed and implemented	On schedule
<b>(5) Mixed Development</b>	A departmental working group on Mixed Development Projects has been formed to review the development approach	On schedule
To develop and implement a mixed development approach to maximize private sector resources to enhance service delivery and output		
<b>(6) Agency Management</b>	Stricter control has been imposed on the tendering process of PMAs. Financial assessment on shortlisted tenders has been introduced. Streamlining of financial control requirement of PMAs by extending the requirement of producing surety bonds	Action completed
(a) To review the financial control requirements of property management agents (PMAs)		
(b) To focus on internal control assessment for HOS estates managed by PMAs and reduce the frequency of accounting inspection to once a year	The frequency of accounting inspection of PMAs has been reduced to once a year. Deletion of 4 clerical staff, saving affected staff cost of about \$1.4M per annum	Action completed
(c) To assist HOS estate owners to form Owners Corporations (Ocs)	9 OCs were formed in 98/99 making a cumulative total of 18 OCs	Action completed
<b>(7) Human Resources Management (HRM)</b>	The Branch Administration Secretariat was set up on 23 February 1998	Action completed
(a) To set up a Branch Secretariat to take over the personnel and administrative arrangement		
(b) To review manpower requirement in the light of the various outsourcing and business process re-	Through outsourcing and business process re-engineering initiatives, AMB only had a marginal manpower growth in 1998/99 to cope with the expanded workload. The Branch's revised	Action completed

engineering initiatives to be implemented or examined

manpower requirement for 1998/99 was endorsed by HRC in July 1998

(c) To develop core competencies of the various grades involved in Home Ownership Business in the Branch

The AMB HRM Working Group was formed in March 1998. A list of grade-specific training needs for the grades involved was drawn up. Training programmes were implemented to develop the needs identified

On schedule  
(On-going)

(d) To provide input to Training and Development Centre (T&DC) in reviewing Branch-specific training for professional staff

In 1998/99, business planning programmes and branch-specific vocational training were provided to staff engaged in the Business. Following the devolution of the training responsibilities to business branches effective 1.4.99, the Branch will continue to work closely with T&DC for planning and implementing training programmes in support of its business needs

On schedule  
(On-going)

(e) To develop performance management and planning system

A new Performance Management & Development System (PMDS) has been implemented since April 1998

On schedule

**(8) Risk Management**

(a) To develop a Risk Management Manual

Aspects of risk management pertaining to HOS business were critically assessed, examined and evaluated in developing the Risk Management Manual

On schedule

(b) To formulate scenario planning under Risk Management process

Assessment made on financial impact of last year's business plan using price level adopted in HOS Phase 19C and 20A

On schedule

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