

Memorandum for the Hong Kong Housing Authority
Year-end Review of the Housing Authority's
2016/17 Corporate Plan

PURPOSE

This paper presents the results of the year-end review of the Housing Authority (HA)'s 2016/17 Corporate Plan (CP) for Members' information.

BACKGROUND

2. On 19 January 2016, Members endorsed HA's 2016/17 CP which sets out HA's strategic objectives and key activities (KAs) for 2016/17 (Paper No. HA 3/2016). The mid-year implementation progress of the 2016/17 CP was reported to Members in Chapter 3 of HA's 2017/18 CP (Paper No. HA 2/2017) in January 2017. This year-end review reports the overall implementation progress of KAs and the key performance indicators (KPIs) in the 2016/17 CP, and summarises HA's financial position up to 31 March 2017.

PROGRESS

3. The 2016/17 CP contained 50 KAs, three of which were new initiatives and 47 were on-going initiatives. As at 31 March 2017, seven KAs (14%) were completed and 43 KAs (86%) were on schedule, on-going or partially completed. A summary of the progress is as follows –

Themes	No. of KAs in the 2016/17 CP		Implementation Progress as at 31 March 2017 ^{Note 1}			
			Action Completed		On Schedule/On-going/Partially Completed	
	New Initiatives	On-going Initiatives	New Initiatives	On-going Initiatives	New Initiatives	On-going Initiatives
Providing Quality Homes	2	16	1	2	1	14
Promoting Sustainable Living	-	11	-	-	-	11
Optimising and Rationalising the Use of Public Resources	1	16	1	3	-	13
Enhancing the Attractiveness of Commercial Properties	-	4	-	-	-	4
Sub-total	3	47	2	5	1	42
Total	50		7		43	

4. Detailed reports on the year-end performance of the Programme of Activities for Subsidised Housing, Commercial Properties, Procurement, Development & Construction, Building Control, as well as Corporate Services are set out in Papers Nos. SHC 38/2017, CPC 13/2017, TC 73/2017, BC 54/2017, BC 58/2017 and FC 21/2017 enclosed at **Appendices A to F**.

PROVISION OF PUBLIC HOUSING

5. In 2016/17, about 11 300 new public rental housing (PRH) flats were completed. Some 33 760 PRH flats (comprising newly completed flats and refurbished flats) were allocated in 2016/17. Out of those 33 760 flats, around 26 520 units were allocated to PRH applicants, while the rest were allocated to PRH tenants requesting for transfer, households recommended by the Social Welfare Department for compassionate rehousing, junior civil servants, eligible carees, etc. As at end-March 2017, the average waiting

Note 1 The implementation progress of KAs is categorized in accordance with the following criteria –

- “Action Completed” for KAs with all performance goals achieved; and
- “On Schedule/On-going/Partially Completed” for KAs with their performance goals being pursued on schedule or on an on-going basis, and KAs with only some of their performance goals achieved.

time (AWT) ^{Note 2} for general applicants (i.e. family and elderly one-person applicants) was 4.6 years. Among them, AWT for elderly one-person applicants was 2.6 years. While the latest AWT for general applicants has exceeded three years, HA will strive to achieve the target of providing the first flat offer to general applicants at around three years on average in the long run.

6. To address the home ownership aspiration of low to middle-income families, the pre-sale of the third batch of 2 057 new Home Ownership Scheme (HOS) flats was launched in March 2017. Over 104 600 applications were received. Flat selection is scheduled for August 2017. In addition, the pre-sale of the “Green Form Subsidised Home Ownership Pilot Scheme” project at San Po Kong (i.e. King Tai Court) was launched in October 2016 with some 16 200 applications received, and all 857 flats were sold by February 2017. A new round of the Interim Scheme to Extend the HOS Secondary Market to White Form Buyer was also launched in August 2015 with about 1 620 Letter of Nomination issued by March 2017. Both Schemes would be reviewed to decide on their future.

PROVIDING QUALITY HOMES

7. We endeavoured to provide quality and environmentally friendly homes. We continued to conduct micro-climate studies, Air Ventilation Assessment and Carbon Emission Estimation for new public housing projects, and adopt noise mitigation measures, including the second generation acoustic window and balcony, with reference to the site specific characteristics where appropriate. In addition, we applied Building Environment Assessment Method Plus (BEAM Plus) ^{Note 3} specification clauses to all new works projects. In 2016/17, we registered seven new works projects for assessment and rating. For existing PRH estates, we also continued to monitor the carbon emission through Carbon Audit on 14 typical PRH domestic block types covering majority of HA’s block type designs and completed the fourth Carbon Audit Report for them in January 2017.

Note 2 Waiting time refers to the time taken between registration for PRH and the first flat offer, excluding any frozen period during the application period (e.g. when the applicant has not yet fulfilled the residence requirement; the applicant has requested to put his/her application on hold pending arrival of family members for family reunion; the applicant is imprisoned, etc). AWT for general applicants refers to the average of the waiting time of those general applicants who were housed to PRH in the past 12 months.

Note 3 BEAM Plus is a comprehensive environmental assessment scheme for buildings recognised by the Hong Kong Green Building Council. A rating would be issued to the project according to the scoring after the assessment.

8. In the process of planning and designing PRH estates, we continued to adopt comprehensive planning and site-specific design that best respond to site conditions, utilise plot ratio and maximise flat production of all domestic blocks in new projects. We attached great importance to consulting relevant Government departments and engaging the community. We also continued to organise community engagement activities to present development proposals and obtain feedback.

9. We continued to follow up on the various issues arising from the “excess lead in drinking water in PRH estates” incident. Rectification works in the common areas of the 11 affected PRH developments started in March 2016 and were completed in the second quarter of 2017. A trial for works inside the flats was conducted at Kwai Yuet House of Lower Ngau Tau Kok Estate Phase 1 starting from October 2016. Having consolidated experiences from the trial, the contractors have started works inside the domestic flats of all affected PRH developments since April 2017.

10. We have also implemented a series of enhancement measures to strengthen HA’s quality assurance system for plumbing installation works, ranging from contract specifications, delivery and verification of materials, monitoring during construction to testing upon completion. These measures have strengthened the monitoring of contractors and sub-contractors as well as the control and checking of materials, including soldering materials. The Commission of Inquiry into Excess Lead Found in Drinking Water also supports these enhancement measures. Moreover, we have taken further steps and completed in December 2016 a risk assessment exercise on about 2 300 building materials used in architectural, building services, structural, civil engineering, geotechnical engineering and landscaping works in accordance with the principle and guidelines of ISO 31000^{Note 4} on Risk Management. Contractors and other stakeholders including government departments, trade associations, institutions, academia, professional service providers, suppliers etc. were engaged in the assessment exercise. We have evaluated the risk assessment results and are developing corresponding risk treatment measures. The first batch of risk treatment measures for architectural components was rolled out in January 2017.

11. For enhancing the practice of social responsibility and improving environmental standards in existing PRH estates, we completed the feasibility study on enrollment to the Hong Kong Quality Assurance Agency Corporate

Note 4 ISO 31000 “Risk Management – Principles and Guidelines” is an international standard that provides principles and generic guidelines for assisting an organisation’s effective risk management and control.

Social Responsibility Index Plus ^{Note 5} for the Estate Management Division in September 2016 and maintained the ISO 50001 ^{Note 6} certification for Energy Management System (EnMS) for all PRH blocks. We also completed the Annual Management Review Report of EnMS 2015/16 for all PRH estates for monitoring energy consumption.

12. With a view to maintaining building sustainability and to addressing the safety concern of PRH residents, we carried out a number of proactive improvement works programmes. We replaced laundry pole holders and collapsible gates for some 170 000 and 59 000 PRH units under the Laundry Rack Enhancement Programme and the Collapsible Gate Enhancement Programme respectively. The Responsive In-flat Maintenance Services, the Total Maintenance Scheme, including the Mandatory Window Inspection Scheme, as well as the Comprehensive Structural Investigation Programme were also implemented as scheduled. To meet the requirements under the Fire Safety (Buildings) Ordinance (Cap. 572), we completed surveys for fire improvement works for 64 PRH estates and Fire Safety Improvement Reports for 24 PRH estates. Moreover, we replaced 60 old lifts under the Lift Modernisation Programme in 2016/17, and the addition of lifts at external areas and beside footbridges were also implemented as schedule.

PROMOTING SUSTAINABLE LIVING

13. We launched Action Seedling ceremony for four PRH building projects in 2016/17 to nurture social cohesion. We conducted resident surveys in five newly completed estates to obtain community feedbacks. We also held post-completion review workshops for four projects.

14. We endeavor to enhance community bonding and attend to tenants' needs. The Estate Management Advisory Committees partnered with non-governmental organisations (NGOs)/Government departments to hold functions to foster community building and deliver caring and outreaching services for elderly tenants. We also continued to enhance family cohesion through the Harmonious Families schemes, and to help tenants facing temporary financial hardship through the enhanced measures under the Rent

Note 5 The Hong Kong Quality Assurance Agency Corporate Social Responsibility Index Plus, designed with reference to the international standard ISO 26000, is a comprehensive framework used to assess the implementation and maturity status of an organisation's social responsibility undertaking and contribution.

Note 6 ISO 50001 is an international standard which aims to enable organisations to establish energy management system and process to improve energy performance (including energy efficiency, use and consumption) which would lead to reduction of green-house gas emissions.

Assistance Scheme. To provide transfer opportunities for sitting tenants, we conducted the 30th Territory-wide Overcrowding Relief Exercise and the 11th Living Space Improvement Transfer Scheme in 2016/17.

15. We continued to conduct landscape improvement works/greening activities to promote greening in existing PRH estates. To ensure public safety, risk assessment for all trees in PRH estates and construction sites is conducted on an annual basis. We completed Phase 9 of the “Green Delight in Estates” programme^{Note 7} and commenced Phase 10 in the third quarter of 2016. We also continued to adopt “Reduction of Municipal Solid Waste” as its overall programme theme to echo the government’s current policy and further extended this educational programme to five commercial centres.

OPTIMISING AND RATIONALISING THE USE OF PUBLIC RESOURCES

16. In light of the increasing demand for PRH, Subsidised Housing Committee (SHC) considered that while making the best efforts to increase PRH supply, it was necessary to examine ways to better utilise PRH resources at the same time to ensure that efforts would be focused on allocating PRH resources to those with more pressing housing needs. In 2016/17, SHC endorsed the following –

- (i) revisions to the “Well-off Tenants Policies”^{Note 8} starting from the declaration cycle in October 2017;
- (ii) introduction of a frozen period of one year for family applicants currently living in PRH;

Note 7 The “Green Delight in Estates” programme is a community environmental education programme organised by HA in partnership with green groups to raise environmental awareness among PRH residents and to instill a culture of protecting and improving the environment.

Note 8 HA’s Housing Subsidy Policy and the Policy on Safeguarding Rational Allocation of Public Housing Resources are commonly referred to as the “Well-off Tenants Policies”. In gist, under the existing “Well-off Tenants Policies”, after living in PRH for ten years, households are required to declare their income biennially. Those with household income equivalent to two to three times of the PRH income limits (PRHILs) are required to pay 1.5 times net rent plus rates. Those with household income exceeding three times of PRHILs are required to pay double net rent plus rates. Households paying double net rent plus rates have to declare their assets at the next declaration cycle and thereafter on a biennial basis. Households exceeding the prescribed income and asset limits (income exceeding three times of PRHILs and asset exceeding 84 times of PRHILs) are required to vacate their PRH units within 12 months, during which double net rent plus rates or market rent, whichever is the higher, is charged. Households (a) whose members are all aged 60 or above; or (b) with all members receiving Comprehensive Social Security Assistance; or (c) who are on shared tenancies are exempted from the “Well-off Tenants Policies”.

- (iii) maintaining the current under-occupation (UO) standards and prioritised UO thresholds and to continue relevant existing arrangements of the UO policy;
- (iv) aligning the allocation standard of PRH flats completed in early years as well as PRH flats converted from HOS/Private Sector Participation Scheme flats to the current allocation standard of not less than seven square metres internal floor area per person;
- (v) conducting the two transfer exercises, i.e. the Territory-wide Overcrowding Relief Exercise and the Living Space Improvement Transfer Scheme, in one go;
- (vi) reducing the two rounds of flat selection each year under the Express Flat Allocation Scheme to one round; and
- (vii) stepping up enforcement actions against tenancy abuse.

17. We continued to take action to ensure rational and effective use of public housing resources. Apart from checks by frontline staff during the biennial declaration/inspection cycle, the Public Housing Resources Management Sub-section carried out intensive checks on some 5 000 income/asset declarations and some 6 000 occupancy-related and suspected tenancy abuse cases. We also launched various publicity programmes and outreaching activities to advocate the need to allocate public housing resources to those with the most pressing needs.

18. On the Information Technology (IT) front, we completed the enhancement of the Host-based Intrusion Detection System and the up-grading of HA's network infrastructure and database system in 2016/17. In addition to the launch of the Enterprise Mobility Management Infrastructure in October 2016, we were also enhancing the Development and Construction Site Mobile System Phase 1 and developing its Phase 2, which include the development of HA Occupational Injury and Disease Surveillance System in HA IT environment and other new applications. Apart from the continuous implementation of the Housing Electronic Building Records Online System which provided on-line inspection and copying services for HA's building records to the public, the Housing Electronic Plan Submission System has been implemented by the Independent Checking Unit since March 2016, enabling both e-submission and e-processing of the building and structural plans in HA's new development projects and existing buildings, substituting hard copy submissions. We also launched a new automated document approval system in July 2016 to support the handling of collection,

consolidation, review and approval of External Document Impact Assessment as well as approval of Quality Document for the Estate Management Division.

19. For the 2016 PRH rent review, SHC had considered the report compiled by the Commissioner for Census and Statistics and endorsed the outcome of the review in accordance with the Housing Ordinance (Cap. 283). PRH rent was adjusted upward by 10% with effect from 1 September 2016.

20. To ensure the effective management of service providers, the Contractors Review Committee (Services) reviewed the performance of the cleansing/security service contractors on a quarterly basis. We maintained close liaison with labour unions and conducted surprise checks of some 45 contracts to prevent exploitation of non-skilled workers. In addition, we arranged a seminar with the Labour Department and the Mandatory Provident Fund (MPF) Schemes Authority in November 2016 to increase non-skilled workers' awareness of the Employment Ordinance (Cap. 57), Employees' Compensation Ordinance (Cap. 282), MPF Schemes and other employment-related rights.

21. Further to the creation of 730 civil service (CS) posts between 2012/13 and 2016/17 to meet the public housing supply target and implement housing related initiatives, we secured another 37 posts in 2017/18 for the said purpose. We will continue to monitor the manpower situation and seek additional staff resources as and when necessary.

22. To implement the Long-term Manpower Strategy of HA endorsed in 2008, we converted a total of 544 HA contract posts to be staffed by civil servants in the long run into CS posts by end 2016/17. Given that the same number of HA contract posts were deleted to offset the creation of corresponding CS posts, the conversion has no net effect on the overall establishment of the Housing Department (HD). For 2017/18, we have secured another 11 CS posts for conversion purpose.

23. To support staff development, we continued to run the HD Development Programme, executive talks, competency development seminars, national studies courses and familiarisation visits to the Mainland. A tailor-made Advanced Leadership Programme for officers at senior professional and D1 level was also organised to prepare staff for greater responsibilities.

24. In respect of funds management, an annual health check on HA's Strategic Asset Allocation had been conducted. After taking into account the advice of the Funds Management Sub-Committee (FMSC), the findings and recommendations were reported to the Finance Committee (FC) at its meeting in May 2016. The recommendations as approved by FC had been implemented in accordance with FMSC's advice.

ENHANCING THE ATTRACTIVENESS OF COMMERCIAL PROPERTIES

25. We continued to maintain a balanced and diversified trade mix to meet residents' basic needs, and at the same time adopted well planned leasing strategy to take care of commercial business viability. We enriched the variety of services, such as introducing mobile banking facilities and setting up parcel lockers in selected estates, to bring in additional footfall, and arranged roadshows and trade fairs periodically to widen the choice of products and services for our residents. The letting arrangements of Single Operator Markets were also enhanced to provide better services. In addition, we continued to launch centrally-planned promotion programmes and festive decorations in HA's neighbourhood centres with a view to sustaining their attractiveness and competitiveness, and achieving economies of scale.

26. Under the five-year rolling programme for asset enhancement, we completed the large scale renovation works for On Kay Commercial Centre as well as the improvement works for Kwai Shing West Shopping Centre, Tin Yan Shopping Centre and Yip On Factory. We will conduct financial re-assessment to review the effectiveness of major enhancement works upon completion.

27. We kept seeking opportunities to revamp the trade mix and tenant mix of Domain, with a view to strengthening its market position and attractiveness. Apart from introducing new trades, we also enhanced customers' accessibility through installation of automatic doors at strategic locations. In 2016/17, a full range of tailor-made promotional activities with special events in partnership with shop tenants, mass media and NGOs were arranged to enhance Domain's popularity. Furthermore, the Domain Club has promoted the customers loyalty with the number of members reaching to some 19 400, representing an increase of 7% for the year.

28. For improving the overall environmental performance of HA's shopping centres, we continued to provide electric vehicle charging facilities in HA's newly completed carparks and existing carparks (on need basis and when technically feasible). In addition, we continued joining the Energy Saving Charter ^{Note 9} and Charter on External Lighting ^{Note 10} to monitor and reduce electricity consumption. We also encouraged major tenants to participate in food waste reduction and food recycling activities.

KEY PERFORMANCE INDICATORS

29. To help evaluate and monitor HA's overall performance, 19 quantitative indicators (known as the KPIs) were included in the ----- 2016/17 CP. The respective year-end position is at **Appendix G**.

Note 9 Nine shopping centres have joined the Energy Saving Charter, i.e. Choi Tak, Hoi Lai, Kwai Chung, Lei Muk Shue, Mei Tin, On Kay, Tin Yan and Yau Lai Shopping Centres and Domain, maintaining an average indoor temperature between 24 to 26 °C in the summer months from June to September 2016.

Note 10 Ten shopping centres have joined the Charter on External Lighting, i.e. Cheung Lung Wai, Ching Long, Choi Tak, Choi Ying, Hung Fuk, Kwai Chung, Nam Shan, Yau Lai, Wah Fu (II) Shopping Centres and Domain, to switch off lighting installation of decorative, promotional or advertising purposes from 11p.m. to 7a.m.

FINANCIAL PERFORMANCE

30. The key figures for HA's 2016/17 financial performance are summarised below –

	2016/17 Provisional Result <small>Note 11</small>	2016/17 Revised Budget	Variance
	<A>		<A> -
	\$M	\$M	\$M
Operating Surplus/(Deficit)			
Rental Housing	326	(10)	336
Commercial	1,266	1,049	217
Home Ownership Assistance	1,403	1,544	(141)
Net Non-operating Income <small>Note 12</small>	15	18	(3)
Operating Surplus	3,010	2,601	409
Funds Management Account Surplus	2,319	2,295	24
Agency Account Surplus/(Deficit)	(12)	7	(19)
Total Surplus before appropriation	5,317	4,903	414
Appropriation to the Government	(633)	(525)	(108)
Net surplus after appropriation	4,684	4,378	306
Capital Expenditure	17,946	19,167	(1,221)
Cash and Investment Balance at year-end	49,125	47,354	1,771

31. The provisional operating surplus for the rental housing operations in 2016/17 was higher than the Revised Budget deficit by \$336 million, mainly due to the lower than budgeted depreciation and other recurrent expenditure. The provisional operating surplus for the commercial operations was higher than the Revised Budget by \$217 million, mainly due to the higher than budgeted rental income, lower than budgeted other recurrent expenditure and maintenance and improvements expenditure. The provisional operating surplus for the home ownership assistance operations was lower than the Revised Budget by \$141 million, mainly due to the lower than budgeted income from sale of HOS flats which was partly offset by the lower than budgeted construction costs and land costs in the year.

Note 11 These are provisional figures which may be subject to year-end and audit adjustments upon finalisation of the 2016/17 annual accounts.

Note 12 Net non-operating income mainly includes income from Urban Renewal Authority for the rental flats allocated to affected tenants, partly offset by the write-off of some project costs and adjustment on divestment expenditure of retail and carparking facilities.

32. The Funds Management Account had a provisional surplus of \$2,319 million in 2016/17, which was close to the Revised Budget surplus of \$2,295 million. The overall gross return for HA's funds in 2016/17 was 4.5%, which was same as the Revised Budget return.

33. Taking into account the accounting provision written back at year end, the Agency Account result and the appropriation to the Government, the provisional net surplus in 2016/17 was \$4,684 million, as compared to the projected net surplus of \$4,378 million in the Revised Budget.

34. The provisional capital expenditure in 2016/17 was \$17,946 million, which was lower than the Revised Budget of \$19,167 million by \$1,221 million, mainly due to construction programme adjustments for some construction projects.

35. As at 31 March 2017, HA had a provisional cash and investment balance of around \$49.1 billion, which was around \$1.8 billion higher than the Revised Budget of around \$47.3 billion, mainly due to the lower than budgeted construction payments.

INFORMATION

36. This paper is issued for Members' information.

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(Strategy Division)
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PAPER NO. SHC 38/2017

**Memorandum for the Subsidised Housing Committee of
the Hong Kong Housing Authority**

**Year-end Performance Review of
2016/17 Programme of Activities for Subsidised Housing**

PURPOSE

This paper presents the year-end performance review of the 2016/17 Programme of Activities for Subsidised Housing (PoA).

BACKGROUND

2. The Subsidised Housing Committee (SHC) approved the PoA vide Paper No. SHC 66/2015 in December 2015. The mid-year implementation progress of the PoA was reported to Members vide Paper No. SHC 69/2016 in December 2016. This paper summarises the overall year-end performance of the PoA up to 31 March 2017.

PERFORMANCE REVIEW

(a) Key Activities

3. The year-end review of all the 16 key activities (KAs) is detailed at **Annex 1**. All the KAs were either completed or on an on-going status.

No. of KAs		
Committed	Position as at 31 March 2017 <small>Note 1</small>	
	Action Completed	On-going
16	6	10

Note 1 The implementation progress of the KAs is determined as follows –

- “Action Completed” denotes KAs with all performance goals achieved.
- “On-going” denotes KAs with performance goals being pursued on an on-going basis.

4. The major achievements in the year under the themes of “Providing quality homes”, “Promoting sustainable living” as well as “Optimising and rationalising the use of public resources” are highlighted in the ensuing paragraphs.

New Initiatives

Providing Quality Homes

5. The Housing Authority (HA) introduced the “Green Form Subsidised Home Ownership Pilot Scheme” (GSH). Pre-sale of the GSH project at San Po Kong (i.e. King Tai Court) was launched in October 2016, and a total of some 16 200 applications were received. Flat selection commenced in January 2017 and all 857 flats were sold by February 2017. HA will conduct a review to decide whether to proceed with other GSH project(s).

Optimising and Rationalising the Use of Public Resources

6. For wider application of information technology to support business initiatives effectively, we have launched a new automated document approval system in July 2016 to support the handling of collection, consolidation, review and approval of External Document Impact Assessment as well as approval of Quality Document for the Estate Management Division (EMD) of the Department.

On-going Initiatives

Providing Quality Homes

7. To address the home ownership aspiration of the low to middle-income families, the pre-sale of the third batch of 2 057 new Home Ownership Scheme (HOS) flats was launched in March 2017 with overwhelming response. Over 104 600 applications were received. Flat selection is scheduled for August 2017. As for the new round of the Interim Scheme to Extend the HOS Secondary Market to White Form Buyer (Interim Scheme) launched in August 2015, about 1 620 Letter of Nomination were issued. HA will review the Interim Scheme to decide on its future.

8. For enhancing practicing social responsibility in existing public rental housing (PRH) estates, we have completed the feasibility study on enrollment to the Hong Kong Quality Assurance Agency Corporate Social Responsibility Index Plus (Index Plus) for EMD in September 2016. The

Index Plus is used for measuring the social responsibility and sustainability performance of existing PRH estates.

9. We have implemented various maintenance and improvement programmes to meet statutory requirements and maintain building sustainability. To secure building safety in aged PRH estates, we have completed the survey for improvement works to 64 PRH estates and Fire Safety Improvement Reports for 24 PRH estates for meeting the requirements under the Fire Safety (Buildings) Ordinance. We have replaced the laundry pole holders for 170 000 units under the Laundry Rack Enhancement Programme with programme goal met. We have also replaced the collapsible gates in 59 000 units under the Collapsible Gate Enhancement Programme, which exceeded the target of 40 000 units. Under the Lift Modernisation Programme, we have replaced 60 old lifts in 2016/17. At the same time, the Lift Addition Programme for addition of lifts at external areas and beside footbridges was implemented as scheduled for providing a barrier free environment to meet the needs of residents of different ages or of physical disability.

10. In addition, we have commenced the Total Maintenance Scheme in 13 PRH estates including implementation of the Mandatory Window Inspection Scheme in three PRH estates. We also continued to carry out the Responsive In-flat Maintenance Services in all PRH estates and to maintain the structural integrity of PRH blocks around 40 years old by way of the Comprehensive Structural Investigation Programme.

11. We continued to implement the Energy Management System (EnMS) for all existing domestic blocks and maintained the ISO 50001 certification on the same. We have conducted Internal Audits for the ISO 50001 for 11 PRH estates in November and December 2016 and completed the Annual Management Review Report of EnMS 2015/16 for all PRH estates in February 2017. Four classes of briefing on EnMS were arranged for frontline staff in March 2017. We continued to monitor the carbon emission through Carbon Audit on 14 typical PRH domestic block types covering majority of HA's block type designs and completed the fourth Carbon Audit Report for them in January 2017.

Promoting Sustainable Living

12. We endeavor to enhance community bonding and attend to tenants' need. In 2016/17, the Estate Management Advisory Committees (EMACs) in partnership with non-governmental organisations (NGOs) have held some 450 community building functions to promote neighbourliness, including some 190 functions to deliver caring and outreaching services for the elderly tenants.

In 17 PRH estates, the EMACs also in collaboration with the Department of Health and NGOs implemented a “I’m So Smart” community health programme to promote healthy diet and regular physical activity.

13. We continued to enhance family cohesion through the Harmonious Families (HF) policies. The cumulative number of households benefited from the HF policies was 44 150. To provide opportunities for transfer of sitting tenants with genuine housing needs, we have conducted the 30th Territory-wide Overcrowding Relief Exercise and the 11th Living Space Improvement Transfer Scheme in 2016/17.

14. HA operates the Rent Assistance Scheme (RAS) to assist PRH tenants with temporary financial difficulties to pay their rent. Further enhancement measures took effect on 1 September 2016. The frequency of review on tenant’s eligibility for RAS was relaxed from once every year to once every two years. The current requirement for non-elderly tenants living in newer block types who have received rent assistance for three consecutive years to move to cheaper accommodation within the same district was relaxed to four consecutive years.

15. To arouse the awareness of PRH tenants on RAS, we widely publicised the scheme through the Housing Channel, radio broadcast, posters, leaflets, HA/HD website, EMAC meetings and the two issues of estate newsletters in 2016. RAS leaflets were also distributed to all tenants paying normal rent in July 2016 and stickers and posters were displayed on bus seat backs and bus shelter panels respectively in September 2016 to further strengthen publicity of RAS. Besides, estate staff also solicited assistance from NGOs, local District Council members and EMAC members to refer the needy tenants to estate offices for rent assistance.

16. With a view to promoting green environment and greening in existing PRH estates, we have completed landscape improvement works in 20 PRH estates and organised greening activities in 20 PRH estates during the year. Tree planting day activities in ten PRH estates were also organised to cultivate green concept and community participation among tenants. In addition, we organised three refresher/training courses for Estate Tree Ambassadors. In view of the huge amount of tree portfolios in PRH estates, we developed a computerised Enterprise Tree Management System to enhance our tree risk assessment and management works.

Optimising and Rationalising the Use of Public Resources

17. As at end of March 2017, the average waiting time (AWT) ^{Note 2} for general applicants was 4.6 years. While the latest AWT for general applicants has exceeded three years, we will strive to achieve the target of providing the first offer to general applicants at around three years on average in the long run.

18. In light of the increasing demand for PRH, SHC considered that while making the best efforts to increase PRH supply, it was necessary to examine ways to better utilise PRH resources at the same time to ensure that efforts would be focused on allocating PRH resources to those with more pressing housing needs. In 2016/17, SHC endorsed the following –

- (i) revisions to the “Well-off Tenants Policies” starting from the declaration cycle in October 2017;
- (ii) introduction of a frozen period of one year for family applicants currently living in PRH;
- (iii) maintaining the current under-occupation (UO) standards and prioritised UO thresholds and to continue relevant existing arrangements of the UO policy;
- (iv) aligning the allocation standard of PRH flats completed in early years as well as PRH flats converted from HOS/Private Sector Participation Scheme flats to the current allocation standard of not less than 7 square metres internal floor area per person;
- (v) conducting the two transfer exercises, i.e. Territory-wide Overcrowding Relief Exercise and the Living Space Improvement Transfer Scheme, in one go;
- (vi) reducing the two rounds of flat selection each year under the Express Flat Allocation Scheme to one round; and
- (vii) stepping up enforcement actions against tenancy abuse.

Note 2 Waiting time refers to the time taken between registration for PRH and the first flat offer, excluding any frozen period during the application period (e.g. when the applicant has not yet fulfilled the residence requirement; the applicant has requested to put his/her application on hold pending arrival of family members for family reunion; the applicant is imprisoned, etc.). The AWT for general applicants (i.e. family and elderly one-person applicants) refers to the average of the waiting time of those general applicants who were housed to PRH in the past 12 months.

19. We commit to strengthen the tenancy management and prevent the abuses of PRH resources. Frontline staff had completed the checking of some 248 000 biennial review cases of income/assets declaration under the Housing Subsidy Policy, Policy on Safeguarding Rational Allocation of Public Housing Resources and other tenancy management policies and inspected some 117 000 PRH flats for the current biennial inspection cycle starting from November 2016 for detecting tenancy abuse. In 2016/17, the Public Housing Resources Management Sub-section (PHRM) of the Department carried out intensive checking on some 5 000 income/assets declaration cases randomly selected and suspected cases referred by frontline management staffs. It had also conducted rigorous investigation on some 6 000 occupancy-related and suspected tenancy abuse cases.

20. We have all along been launching various publicity programmes and outreaching activities to enhance public awareness on the need to allocate public housing resources to those with the most pressing needs. In 2016/17, we have continued our extensive publicity activities through advertisements on public transport, broadcasting on radio channels, bus TV, HA/HD Website, the Housing Channel and display of posters/banners at all PRH estates. The two thematic characters, the “Housing Protector” and the “Housing Abuser”, have visited 40 PRH estates to pass on the message about combating tenancy abuse and encourage tenants to report any abuses they noticed. We have also conducted 49 estate functions and carried out outreaching visits to EMACs of 12 PRH estates to promote the cherishing of public housing resources and enlist their continuous support.

21. With a view to ensuring effective management of service providers, the Contractors Review Committee (Services) continued to review the performance of the cleansing service contractors and the security service contractors on a quarterly basis. Service contractors with “Adverse” performance reports would be restricted from tendering for three months or barred from tendering for at least one service tender. Moreover, we maintained a close liaison with labour unions for early detection of any employment-related irregularities in HA’s service contracts. In 2016/17, surprise checks to 36 PRH estates on 45 service contracts were conducted with some 1 280 non-skilled workers interviewed to further monitor the performance of service contractors and safeguard the interest of non-skilled workers in these service contracts. We also held a seminar with the Labour Department and the Mandatory Provident Fund (MPF) Schemes Authority in November 2016 to promote non-skilled workers’ awareness of the Employment Ordinance, Employees’ Compensation Ordinance, MPF Schemes and other employment protection rights.

22. For the 2016 PRH rent review, SHC had considered the report compiled by the Commissioner for Census and Statistics and endorsed the outcome of the review in accordance with the Housing Ordinance (Cap. 283). PRH rent was adjusted upward by 10% with effect from 1 September 2016.

(b) Key Performance Indicators

23. In addition to the KAs, ten key performance indicators (KPIs) were set in the PoA to facilitate evaluation of the rental housing operation in 2016/17. The targets of all the ten KPIs were met except the quantity of waste paper and plastic bottles collected for recycling. The slippage was due to the supply and circulation of paper media as well as the collection of plastic materials by recyclers was on a decline. The year-end positions of the KPIs are summarised at **Annex 2**.

FINANCIAL PERFORMANCE

(a) Rental Housing Operations

24. The Rental Housing Operations generated a provisional surplus of \$326M for the year ended 31 March 2017, as compared to the Revised Budget deficit of \$10M. The total income of \$14,444M included additional rental income arising from the rent adjustment effective from September 2016 and was close to the Revised Budget of \$14,509M. The total expenditure of \$14,118M was lower than the Revised Budget of \$14,519M by \$401M (or 2.8%), mainly due to the lower than budgeted depreciation and other recurrent expenditure. The Rental Housing Operating Account is at **Annex 3**.

(b) Home Ownership Assistance Operations

25. The Home Ownership Assistance Operations generated a provisional surplus of \$1,403M for the year ended 31 March 2017, as compared to the Revised Budget surplus of \$1,544M. The total income of \$2,729M was lower than the Revised Budget of \$4,172M by \$1,443M, mainly due to rescheduling of the dates of obtaining the Occupation Permits for two HOS developments from March to April and May 2017, leading to the lower than budgeted income from sale of HOS flats in the year. The total expenditure of \$1,328M was lower than the Revised Budget of \$2,628M by \$1,300M, mainly due to lower than budgeted construction costs and land costs arising from the deferred sale of the two HOS developments mentioned above. The Home Ownership Assistance Operating Account is at **Annex 4**.

INFORMATION

26. This paper is issued for Members' information.

Lennon WONG
Secretary, Subsidised Housing Committee
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File Ref : HD 3-3/BPS/16-16/3
(Estate Management Division)
Date of Issue : 27 July 2017

**Year-end Performance Review on Key Activities
2016/17 Programme of Activities for Subsidised Housing**

New Initiatives

Theme 1: Providing Quality Homes

Objective (1) Addressing the home ownership aspiration of the low to middle-income families				
<i>Key Activity (KA)</i>	<i>Performance Goal (PG)</i>	<i>Time Goal</i>	<i>Progress as at 31.3.2017</i>	<i>Status</i>
<p>KA(1) To launch the sale of flats under “Green Form Subsidised Home Ownership Pilot Scheme” (GSH), and to closely monitor the effect of the pilot scheme to facilitate review</p>	<p>PG01 To launch the sale of flats under GSH, and to closely monitor the effect of the pilot scheme</p>	<p>2nd half of 2016</p>	<p>Pre-sale of GSH project at San Po Kong (i.e. King Tai Court) was launched in October 2016, and HA received a total of about 16 200 applications. Flat selection commenced on 12.1.2017 and all 857 flats were sold by 20.2.2017.</p> <p>HA will conduct a review to decide whether to proceed with other GSH project(s).</p>	<p>Action Completed</p>

**Year-end Performance Review on Key Activities
2016/17 Programme of Activities for Subsidised Housing**

New Initiatives

Theme 3: Optimising and Rationalising the Use of Public Resources

Objective (2)				
Making effective and wider application of Information Technology to support business initiatives and enhance efficiency				
<i>Key Activity (KA)</i>	<i>Performance Goal (PG)</i>	<i>Time Goal</i>	<i>Progress as at 31.3.2017</i>	<i>Status</i>
KA(2) To implement a new automated document approval system to support the handling of collection, consolidation, review and approval of the External Document Impact Assessment ^{Note 1} as well as approval of Quality Document for Estate Management Division	PG02 To complete the development of the system	Q4/2016	The System was launched on 4.7.2016.	Action Completed

Note 1 Impact assessment of documents received from external (i.e. mainly from other government departments and statutory, mandatory or advisory in nature) on EMD's current procedures and practices.

Year-end Performance Review on Key Activities
2016/17 Programme of Activities for Subsidised Housing

On-going Initiatives

Theme 1: Providing Quality Homes

Objective (3)				
Enhancing social responsibility practices in existing public rental housing (PRH) estates				
<i>Key Activity (KA)</i>	<i>Performance Goal (PG)</i>	<i>Time Goal</i>	<i>Progress as at 31.3.2017</i>	<i>Status</i>
KA(3) To explore enrollment to the Hong Kong Quality Assurance Agency (HKQAA) Corporate Social Responsibility (CSR) Index Plus ^{Note 2} for measuring the social responsibility and sustainability performance of existing PRH	PG03 To complete a feasibility study on enrollment to the HKQAA CSR Index Plus	Q4/2016	Feasibility study on enrollment to the HKQAA CSR Index Plus for EMD was completed in September 2016.	Action Completed

Note 2 The HKQAA CSR Index Plus, designed with reference to ISO 26000, is a comprehensive framework used to assess the implementation and maturity status of an organisation's social responsibility undertaking and contribution.

**Year-end Performance Review on Key Activities
2016/17 Programme of Activities for Subsidised Housing**

On-going Initiatives

Objective (4) Enhancing safety and health practices for planned maintenance and improvement works				
<i>Key Activity (KA)</i>	<i>Performance Goal (PG)</i>	<i>Time Goal</i>	<i>Progress as at 31.3.2017</i>	<i>Status</i>
KA(4) To maintain a structured Occupational Health and Safety Management System (OHSMS) of planned maintenance and improvement works	PG04 To implement Occupational Health and Safety Assessment Series (OHSAS) 18001 OHSMS for planned maintenance and improvement works	On-going	We continued to implement OHSAS 18001 OHSMS for planned maintenance and improvement works.	On-going

**Year-end Performance Review on Key Activities
2016/17 Programme of Activities for Subsidised Housing**

On-going Initiatives

Objective (5)				
Maintaining a sustainable PRH stock through proactive improvement work programmes and a verification system				
<i>Key Activity (KA)</i>	<i>Performance Goal (PG)</i>	<i>Time Goal</i>	<i>Progress as at 31.3.2017</i>	<i>Status</i>
KA(5) To implement maintenance and improvement programmes (including regular preventive repairs) and upgrading works to enhance existing PRH stock and to meet statutory requirements	PG05 To complete survey for improvement works to satisfy the Fire Safety (Buildings) Ordinance requirements in 60 PRH estates and complete Fire Safety Improvement Reports for at least ten PRH estates	Q1/2017	Survey was completed in 64 PRH estates and Fire Safety Improvement Reports were completed for 24 PRH estates.	Action Completed
	PG06 To replace laundry pole holders in PRH estates under a Laundry Rack Enhancement Programme for 166 000 units	Q1/2017	Laundry pole holders were replaced in 170 000 units.	Action Completed
	PG07 To replace collapsible gate in PRH estates under a Collapsible Gate Enhancement Programme for 40 000 units	Q1/2017	Collapsible gates were replaced in 59 000 units.	Action Completed

**Year-end Performance Review on Key Activities
2016/17 Programme of Activities for Subsidised Housing**

On-going Initiatives

Objective (5) Maintaining a sustainable PRH stock through proactive improvement work programmes and a verification system				
<i>Key Activity (KA)</i>	<i>Performance Goal (PG)</i>	<i>Time Goal</i>	<i>Progress as at 31.3.2017</i>	<i>Status</i>
KA(5) (Cont'd)	PG08 To continue implementation of Responsive In-flat Maintenance Services (RIMS) in all PRH estates	On-going	RIMS have continued to be implemented in all PRH estates.	On-going
	PG09 To continue implementation of Total Maintenance Scheme (TMS) in PRH estates with commencement of inspection in 12 estates including implementation of Mandatory Window Inspection Scheme (MWIS) in three estates in 2016/17	On-going	TMS was commenced in 13 PRH estates, including implementation of MWIS in three PRH estates.	On-going
	PG10 To implement the Comprehensive Structural Investigation Programme (CSIP) for estates around 40 years of age to ascertain the structural safety and recommend necessary repairs	On-going	The comprehensive structural investigation work for the aged PRH estates scheduled for 2016/17 has been completed.	On-going

**Year-end Performance Review on Key Activities
2016/17 Programme of Activities for Subsidised Housing**

On-going Initiatives

Objective (5)				
Maintaining a sustainable PRH stock through proactive improvement work programmes and a verification system				
<i>Key Activity (KA)</i>	<i>Performance Goal (PG)</i>	<i>Time Goal</i>	<i>Progress as at 31.3.2017</i>	<i>Status</i>
KA(5) (Cont'd)	PG11 To implement Estate Improvement Programme for estates considered structurally safe under CSIP and not to be redeveloped, and with opportunities to enhance the facilities in a people-oriented manner	On-going	The works of Estate Improvement Programme were being executed as scheduled.	On-going
	PG12 To implement addition of lifts at external areas and beside footbridges under an annual on-going Lift Addition Programme to enhance pedestrian access in PRH estates	On-going	The lift addition projects were being executed as scheduled.	On-going
	PG13 To complete the replacement of 60 old lifts under Lift Modernisation Programme	Q1/2017	Replacement of 60 old lifts was completed.	Action Completed

**Year-end Performance Review on Key Activities
2016/17 Programme of Activities for Subsidised Housing**

On-going Initiatives

Objective (6) Improving the environmental standards of PRH estates				
Key Activity (KA)	Performance Goal (PG)	Time Goal	Progress as at 31.3.2017	Status
<p>KA(6) To enhance environmental protection through the acquisition of ISO 50001 ^{Note 3} certification for Energy Management System (EnMS) and ISO 14001 ^{Note 4} certification for the Environmental Management System (EMS) of property management, as well as the implementation of various energy saving initiatives in PRH estates</p>	<p>PG14 To maintain ISO 50001 certification for EnMS in all PRH blocks</p>	<p>On-going</p>	<p>We continued to implement ISO 50001 energy management system for all domestic blocks of existing PRH estates. Internal Audit for 11 PRH estates was carried out between 30.11.2016 and 7.12.2016. Four briefing sessions were held on 22.3.2017. Annual management review report of energy management system for all PRH estates in Financial Year of 2015/16 was completed.</p>	<p>On-going</p>
	<p>PG15 To continue carbon emission monitoring through the Carbon Audit exercise in the 14 typical domestic block types for continuous monitoring and review of efficiency</p>	<p>Q1/2017</p>	<p>The fourth Carbon Audit Report for 14 typical domestic block types for the reporting period from 1.4.2015 to 31.3.2016 was prepared.</p>	<p>Action Completed</p>

Note 3 ISO 50001 is an international standard which aims to enable organisations to establish energy management system and process to improve energy performance (including energy efficiency, use and consumption) which would lead to reduction of green-house gas emissions.

Note 4 ISO 14001 is an international standard which specifies the requirements for an environmental management system to enable an organisation to identify its environmental policy and objectives, to manage the risks of environmental impact from its activities and to improve its environmental performance continually.

**Year-end Performance Review on Key Activities
2016/17 Programme of Activities for Subsidised Housing**

On-going Initiatives

Objective (6) Improving the environmental standards of PRH estates				
<i>Key Activity (KA)</i>	<i>Performance Goal (PG)</i>	<i>Time Goal</i>	<i>Progress as at 31.3.2017</i>	<i>Status</i>
KA(6) (Cont'd)	PG16 To maintain ISO 14001 certification for the EMS of property management in all existing and new estates	Q1/2017	The annual internal audit for maintaining ISO 14001 certification was completed in March 2017.	Action Completed

**Year-end Performance Review on Key Activities
2016/17 Programme of Activities for Subsidised Housing**

On-going Initiatives

Objective (7) ^{Note 5} Addressing the home ownership aspiration of the low to middle-income families				
Key Activity (KA)	Performance Goal (PG)	Time Goal	Progress as at 31.3.2017	Status
KA(7) To launch the sale of new Home Ownership Scheme (HOS) flats	PG17 To implement on-going sale of new HOS flats	On-going	Pre-sale of the third batch of new HOS flats (2 057 flats) was launched on 30.3.2017 as scheduled.	On-going
KA(8) To continue implementing the new round of the Interim Scheme to Extend the HOS Secondary Market to White Form Buyers (Interim Scheme) before conducting a full review	PG18 To continue implementing the new round of the Interim Scheme to allow 2 500 White Form applicants to purchase HOS flats with premium not yet paid in the HOS Secondary Market	Q1/2017	The new round of the Interim Scheme was launched in August 2015. Up to 31.3.2017, about 1 620 Letter of Nomination were issued. Upon completion of the new round of the Interim Scheme in the first half of 2017, HA will conduct a full review to decide on its future.	Action Completed

Note 5 Same as Objective (1) with new initiative.

**Year-end Performance Review on Key Activities
2016/17 Programme of Activities for Subsidised Housing**

On-going Initiatives

Theme 2: Promoting Sustainable Living

Objective (8) Promoting greening in existing PRH estates				
<i>Key Activity (KA)</i>	<i>Performance Goal (PG)</i>	<i>Time Goal</i>	<i>Progress as at 31.3.2017</i>	<i>Status</i>
KA(9) To enhance tree management and implement landscape improvement programmes	PG19 To continue conducting annual tree assessment, maintain a database for effective tree management and organise refresher/training courses for Estate Tree Ambassadors (ETAs)	On-going	Annual tree assessment exercise and maintenance of a database for effective tree management were completed. Three refresher /training courses for ETAs were organised.	On going
	PG20 To organise tree planting days in ten estates	Q4/2016	Tree planting day activities were organised in ten PRH estates, namely Ap Lei Chau, Kwai Chung, Oi Man, On Yam, Sha Kok, Shek Wai Kok, Tin Yuet, Upper Ngau Tau Kok, Wo Che, and Wo Lok Estates.	Action Completed

**Year-end Performance Review on Key Activities
2016/17 Programme of Activities for Subsidised Housing**

On-going Initiatives

Objective (8) Promoting greening in existing PRH estates				
<i>Key Activity (KA)</i>	<i>Performance Goal (PG)</i>	<i>Time Goal</i>	<i>Progress as at 31.3.2017</i>	<i>Status</i>
KA(9) (Cont'd)	PG21 To enhance greening in 20 estates	Q1/2017	Landscape improvement works were carried out in 20 PRH estates, namely Fu Cheong, Fu Shan, Hoi Lai, Kai Yip, Kwai Chung, Kwai Shing East, Lei Muk Shue, Lek Yuen, Lok Wah(North), Lung Hang, Nam Shan, On Yam, Po Tin, Sam Shing, Sun Chui, Tin Heng, Tin Wan, Tsz Ching, Upper Wong Tai Sin and Wo Lok Estates.	Action Completed
	PG22 To cultivate green concept among tenants by holding greening activities for their involvement and participation in 20 estates	Q1/2017	Greening activities involving community participation were completed in 20 PRH estates, namely Cheung Hang, Choi Tak, Choi Wan (I), Choi Yuen, Kwai Chung, Lai On, Lei Muk Shue (II), Pak Tin, Shek Lei (II), Shui Pin Wai, Shun On, Sun Tin Wai, Tai Hing, Tin Shui, Tin Wan, Wan Hon, Wang Tau Hom, Wah Fu (II), Wo Che and Wo Lok Estates.	Action Completed

**Year-end Performance Review on Key Activities
2016/17 Programme of Activities for Subsidised Housing**

On-going Initiatives

Objective (9)				
Enhancing community bonding and attending to tenants' needs				
Key Activity (KA)	Performance Goal (PG)	Time Goal	Progress as at 31.3.2017	Status
<p>KA(10) To foster engagement and building of the community while caring for the tenants' needs, through the partnering functions of Estate Management Advisory Committees (EMACs) with non-governmental organisations (NGOs), various forms of assistance and housing schemes</p>	<p>PG23 To help tenant facing temporary financial hardship through the Rent Assistance Scheme (RAS)</p>	<p>On-going</p>	<p>The Rent Assistance Scheme was widely publicised through Housing Channel, radio broadcast, posters, leaflets, HA/HD website, EMAC meetings and the estate newsletters issued in May and November 2016. In addition, RAS leaflets were distributed to all tenants paying normal rent in July 2016. To further strengthen publicity of RAS, stickers and posters were displayed on bus seat backs and bus shelter panels respectively in September 2016. Estate staff also solicited assistance of NGOs, local District Council members and EMAC members in referring tenants in need to the estate offices for rent assistance.</p>	<p>On-going</p>

**Year-end Performance Review on Key Activities
2016/17 Programme of Activities for Subsidised Housing**

On-going Initiatives

Objective (9)				
Enhancing community bonding and attending to tenants' needs				
<i>Key Activity (KA)</i>	<i>Performance Goal (PG)</i>	<i>Time Goal</i>	<i>Progress as at 31.3.2017</i>	<i>Status</i>
KA(10) (Cont'd)	PG24 To continue the enhanced partnering arrangements between EMACs and NGOs to promote neighbourliness in PRH estates	On-going	Some 450 community building functions were held by EMACs in partnership with NGOs to promote neighbourliness in PRH estates. In 17 PRH estates, the EMACs collaborated with the Department of Health to partner with NGOs in launching a community health programme, "I'm So Smart" to promote healthy diet and regular physical activity.	On-going
	PG25 To facilitate NGOs to deliver caring and outreaching services to elderly tenants	On-going	All EMACs collaborated with NGOs to deliver outreach services for elderly tenants. Some 190 functions were held.	On-going
	PG26 To enhance family cohesion through Harmonious Families (HF) Policies, including HF Priority, Transfer, Addition and Amalgamation Schemes	On-going	The cumulative number of households benefited from the HF policies was 44 150. These included 19 240 applications for PRH (of which 17 660 families were housed), 2 250 for transfer, 21 860 for addition and 800 for amalgamation of tenancies.	On-going

**Year-end Performance Review on Key Activities
2016/17 Programme of Activities for Subsidised Housing**

On-going Initiatives

Objective (10)				
Maintaining estate cleanliness and environmental hygiene for healthy and harmonious living				
<i>Key Activity (KA)</i>	<i>Performance Goal (PG)</i>	<i>Time Goal</i>	<i>Progress as at 31.3.2017</i>	<i>Status</i>
KA(11) To continue implementing the Marking Scheme for Estate Management Enforcement in PRH Estates (the Marking Scheme)	PG27 To step up publicity on the Marking Scheme and intensify enforcement actions against misdeeds	On-going	A series of publicity measures on strengthening tenants' awareness of the Marking Scheme through the Housing Channel, radio broadcast, estate newsletters, posters and leaflets were carried out throughout the year.	On-going

**Year-end Performance Review on Key Activities
2016/17 Programme of Activities for Subsidised Housing**

On-going Initiatives

Theme 3: Optimising and Rationalising the Use of Public Resources

Objective (11)				
Ensuring effective management of service providers and maintenance contractors				
<i>Key Activity (KA)</i>	<i>Performance Goal (PG)</i>	<i>Time Goal</i>	<i>Progress as at 31.3.2017</i>	<i>Status</i>
<p>KA(12) To strengthen monitoring of service providers and maintenance contractors through enhanced performance assessment systems, and safeguard the interests of non-skilled workers employed under contracts of these services and maintenance works</p>	<p>PG28 To implement and monitor Maintenance Assessment Scoring System for building maintenance contracts and compile score data to support Preferential Tendering Opportunities and Preferential Tender Award System in the procurement of building maintenance District Term Contracts</p>	On-going	<p>We continued to implement and monitor Maintenance Assessment Scoring System for building maintenance contracts, and compile score data to support Preferential Tendering Opportunities and Preferential Tender Award System in the procurement of building maintenance District Term Contracts.</p>	On-going
	<p>PG29 To maintain close liaison with labour unions and conduct surprise checks to prevent exploitation of non-skilled workers</p>	On-going	<p>Close and proactive liaison with labour unions was maintained for early detection of employment-related irregularities. Surprise checks to 36 PRH estates on 45 service contracts, with some 1 280 non-skilled workers being interviewed, were conducted to detect and prevent exploitation of non-skilled workers.</p>	On-going

**Year-end Performance Review on Key Activities
2016/17 Programme of Activities for Subsidised Housing**

On-going Initiatives

Objective (11)				
Ensuring effective management of service providers and maintenance contractors				
<i>Key Activity (KA)</i>	<i>Performance Goal (PG)</i>	<i>Time Goal</i>	<i>Progress as at 31.3.2017</i>	<i>Status</i>
KA(12) (Cont'd)	PG30 To arrange a seminar with the Labour Department to increase non-skilled workers' awareness of the Employment Ordinance and their employment-related rights	Q4/2016	A seminar with the Labour Department and the Mandatory Provident Fund Schemes Authority to promote non-skilled workers' awareness of the Employment Ordinance, Employees' Compensation Ordinance, MPF Schemes and other employment protection rights was held on 8.11.2016.	Action Completed
	PG31 To assess and review cleansing and security services contractors' performance on a quarterly basis and take regulatory actions against contractors with poor performance	On-going	The performance of cleansing service contractors and security service contractors were under review by the Contractors Review Committee (Services) on quarterly basis. Under the current assessment mechanism, services contractors given "Adverse" reports on performance would be placed under "Restriction from Tendering" for a three-month period or barred from at least one service tender.	On-going

**Year-end Performance Review on Key Activities
2016/17 Programme of Activities for Subsidised Housing**

On-going Initiatives

Objective (12)				
Safeguarding the rational and efficient use of public housing resources				
Key Activity (KA)	Performance Goal (PG)	Time Goal	Progress as at 31.3.2017	Status
<p>KA(13) To strengthen tenancy management and prevent abuse of public housing resources through income and assets declarations by PRH tenants, occupancy-related inspections by estate staff, as well as intensive investigation and overall monitoring by a central team</p>	<p>PG32 To vet income/assets declarations under Housing Subsidy Policy, Policy on Safeguarding Rational Allocation of Public Housing Resources and other tenancy management policies involving some 210 000 tenancies to determine the subsidy amount received by sitting tenants</p>	<p>Q1/2017</p>	<p>Vetting of biennial income/ assets declarations of some 248 000 cases was completed.</p>	<p>Action Completed</p>
	<p>PG33 To step up income and assets checks by the dedicated central team on some 5 000 suspected and randomly selected cases annually</p>	<p>Q1/2017</p>	<p>Rigorous checks on some 5 000 randomly selected cases and suspected cases referred by frontline management staff were completed.</p>	<p>Action Completed</p>
	<p>PG34 To detect tenancy abuse through biennial inspection of some 370 000 PRH flats annually and investigate rigorously into some 6 000 randomly selected occupancy-related and suspected tenancy abuse cases</p>	<p>Q1/2017</p>	<p>Carried out biennial inspection as scheduled with some 117 000 PRH flats inspected for the current BI cycle which commenced in November 2016. Rigorous investigation on some 6 000 occupancy-related cases drawn from the suspected abuse cases referred by frontline management staff and the public or random selection were conducted.</p>	<p>Action Completed</p>

**Year-end Performance Review on Key Activities
2016/17 Programme of Activities for Subsidised Housing**

On-going Initiatives

Objective (12)				
Safeguarding the rational and efficient use of public housing resources				
<i>Key Activity (KA)</i>	<i>Performance Goal (PG)</i>	<i>Time Goal</i>	<i>Progress as at 31.3.2017</i>	<i>Status</i>
KA(13) (Cont'd)	PG35 To launch publicity programmes and outreaching activities to enhance public awareness of the proper use of public housing resources and enlist their support to combat abuse of public rental housing	On-going	<p>We have continued our extensive publicity activities through advertisements on public transport, broadcasting on radio channels, bus TV, HA/HD Website, the Housing Channel and display of posters/banners at all PRH estates. The two thematic characters, the “Housing Protector” and the “Housing Abuser”, have visited 40 PRH estates to pass on the message about combating tenancy abuse and encourage tenants to report any abuses they noticed.</p> <p>We have also conducted 49 estate functions and carried out outreaching visits to EMACs of 12 PRH estates to promote the cherishing of public housing resources and enlist their continuous support.</p>	On-going

**Year-end Performance Review on Key Activities
2016/17 Programme of Activities for Subsidised Housing**

On-going Initiatives

Objective (13)				
Maximising the rational allocation of PRH with a view to providing housing to applicants with genuine housing needs				
Key Activity (KA)	Performance Goal (PG)	Time Goal	Progress as at 31.3.2017	Status
<p>KA(14)</p> <p>To provide PRH to low-income families who cannot afford private rental accommodation. While the latest average waiting time (AWT) ^{Note 6} for general applicants exceeds three years, we will strive to achieve the target of providing the first flat offer to general applicants at around three years on average in the long run</p>	<p>PG36 While the latest AWT for general applicants exceeds three years, we will strive to achieve the target of providing the first offer to general applicants at around three years on average in the long run</p>	<p>On-going</p>	<p>AWT for general applicants was 4.6 years.</p>	<p>On-going</p>
<p>KA(15)</p> <p>To provide opportunities for transfer of sitting tenants through various transfer exercises</p>	<p>PG37 To conduct one Territory-wide Overcrowding Relief (TWOR) exercise and one Living Space Improvement Transfer Scheme (LSITS) exercise ^{Note 7}</p>	<p>On-going</p>	<p>The 30th TWOR and 11th LSITS exercises were completed in 2016/17.</p>	<p>Action Completed</p>

Note 6 Waiting time refers to the time taken between registration for PRH and the first flat offer, excluding any frozen period during the application period (e.g. when the applicant has not yet fulfilled the residence requirement; the applicant has requested to put his/her application on hold pending arrival of family members for family reunion; the applicant is imprisoned, etc.). The AWT for general applicants (i.e. family and elderly one-person applicants) refers to the average of the waiting time of those general applicants who were housed to PRH in the past 12 months.

Note 7 At its meeting on 31.10.2016, SHC endorsed merging the TWOR and the LSITS exercises starting from 2017/18, and reducing the number of flats reserved for the transfer schemes from about 2 000 flats every year to about 1 000 flats, so that more flats can be released for allocation to PRH applicants. In addition, transfer schemes will be arranged in the latter half of each year in order to expedite flat allocation to PRH applicants.

**Year-end Performance Review on Key Activities
2016/17 Programme of Activities for Subsidised Housing**

On-going Initiatives

Objective (14) Conducting the biennial PRH rent review				
<i>Key Activity (KA)</i>	<i>Performance Goal (PG)</i>	<i>Time Goal</i>	<i>Progress as at 31.3.2017</i>	<i>Status</i>
KA(16) To conduct the biennial PRH rent review	PG38 To complete the biennial PRH rent review exercise in 2016	Q3/2016	SHC considered the report compiled by the Commissioner of Census and Statistics and endorsed the outcome of the 2016 PRH rent review in accordance with section 16A of the Housing Ordinance on 8.7.2016. PRH rent was adjusted upward by 10% with effect from 1.9.2016.	Action Completed

**Year-end Performance Review on Key Performance Indicators
2016/17 Programme of Activities for Subsidised Housing**

Key Performance Indicator		Target for 2016/17	Position as at 31.3.2017
(a)	Annual average cost per PRH unit (\$) - Direct management cost - Maintenance cost	6,030 4,380	5,593 ^{Note 1} 4,097 ^{Note 2}
(b)	AWT ^{Note 3} for PRH applications (years) - General applicants - <i>Among which, elderly one-person applicants</i>	3 2	4.6 2.6
(c)	Percentage of overcrowded families (below 5.5m ² per person) against total PRH families (%)	Below 0.55	0.54
(d)	Vacancy rate (%)	Below 1.5	0.4
(e)	Average void period ^{Note 4} of both new and recycled units (covering both letting and refurbishment periods) (weeks)	Not exceeding 10	3.4

Note 1 The direct management cost comprises direct personal emoluments for property management only and other recurrent expenditure incurred at estate level. The lower provisional cost compared with the target was mainly due to lower than budgeted Estate Common Area management fee, personal emoluments, electricity and security charges.

Note 2 The maintenance cost comprises costs of maintenance works incurred at estate level and the costs attributed to PRH maintenance allocated from indirect cost centres. The lower provisional cost compared with the target was due to lower spending on vacant flat refurbishment work, lift maintenance and re-roofing works.

Note 3 Waiting time refers to the time taken between registration for PRH and the first flat offer, excluding any frozen period during the application period (e.g. when the applicant has not yet fulfilled the residence requirement; the applicant has requested to put his/her application on hold pending arrival of family members for family reunion; the applicant is imprisoned, etc.). The AWT for general applicants (i.e. family and elderly one-person applicants) refers to the average of the waiting time of those general applicants who were housed to PRH in the past 12 months.

Note 4 The duration of void period refers to the time taken to arrange for the successful allocation of a new or recycled flat, including time taken due to refusal of flat offers by applicants during the period. For recycled flats, the duration counts from the time when a housing offer is first made to an applicant until the time when the flat is finally accepted. For new flats, since occupation permit of a new estate is not yet available at the time of advance allocation, the duration counts from the time when the relevant estate management office notifies the applicant for flat intake until the flat is finally accepted.

**Year-end Performance Review on Key Performance Indicators
2016/17 Programme of Activities for Subsidised Housing**

Key Performance Indicator		Target for 2016/17	Position as at 31.3.2017
(f)	Average turnaround time for vacant flat refurbishment (days)	Not exceeding	
	- Normal circumstances	44	40.89
	- “Accelerated Refurbishment-on-Demand” process	34	33.70
(g)	Quantity of items collected for recycling (tonnes)	Not less than	
	- Waste paper	28 000	26 651
	- Aluminum cans	1 300	1 338
	- Plastic bottles	1 750	1 362
(h)	Rent arrears rate (%)	Below 3.0	1.28
(i)	PRH units recovered for re-allocation (flats)	7 000	7 744
(j)	Holding of bi-monthly EMAC meetings (number of meetings)	880	927

HONG KONG HOUSING AUTHORITY
Rental Housing Operating Account
for the Year Ended 31 March 2017

	2015/16 Actual	2016/17			Variance
		Provisional (Note)	Revised Budget		
	\$M	\$M	\$M	\$M	%
		(a)	(b)	(a) - (b)	(a-b)/(b)
INCOME					
Rental	14,307	14,411	14,479	(68)	(0.5)
Other income	58	33	30	3	10.0
TOTAL INCOME	14,365	14,444	14,509	(65)	(0.4)
EXPENDITURE					
Personal emoluments	2,790	3,028	3,094	(66)	(2.1)
Government rent & rates	1,192	277	280	(3)	(1.1)
Maintenance & improvements	2,958	3,132	3,177	(45)	(1.4)
Other recurrent expenditure	4,008	4,128	4,244	(116)	(2.7)
Depreciation	3,227	3,348	3,509	(161)	(4.6)
Share of corporate supervision and support services expenses	201	205	215	(10)	(4.7)
TOTAL EXPENDITURE	14,376	14,118	14,519	(401)	(2.8)
OPERATING SURPLUS/(DEFICIT)	(11)	326	(10)	336	(3,360.0)

Note

These are provisional figures which may be subject to year-end and audit adjustments upon finalisation of the 2016/17 annual accounts.

HONG KONG HOUSING AUTHORITY
Rental Housing Operating Account
Capital Expenditure
for the Year Ended 31 March 2017

	2016/17				
	2015/16	Provisional	Revised	Variance	
	Actual	\$M	Budget	\$M	%
	\$M	(a)	(b)	(a) - (b)	(a-b)/(b)
Computer Expenditure	28	39	48	(9)	(18.8)
Improvement Works	673	549	594	(45)	(7.6)
TOTAL	701	588	642	(54)	(8.4)

Note

These are provisional figures which may be subject to year-end and audit adjustments upon finalisation of the 2016/17 annual accounts.

HONG KONG HOUSING AUTHORITY
Home Ownership Assistance Operating Account
for the Year Ended 31 March 2017

	2016/17				
	2015/16	Provisional	Revised	Variance	
	Actual	(Note 1)	Budget	\$M	%
	\$M	\$M	\$M	(a)-(b)	(a-b)/(b)
		(a)	(b)		
INCOME					
Sales -					
Home Ownership Scheme (HOS)	-	542	2,264	(1,722)	(76.1)
Tenants Purchase Scheme (TPS)	1,303	968	763	205	26.9
Repurchased flats	37	27	14	13	92.9
Alienation premium	1,180	1,156	1,079	77	7.1
Other income	76	36	52	(16)	(30.8)
TOTAL INCOME	2,596	2,729	4,172	(1,443)	(34.6)
EXPENDITURE					
Recurrent expenditure					
Personal emoluments	302	325	331	(6)	(1.8)
Maintenance and improvements	8	12	11	1	9.1
Other recurrent expenditure	39	47	48	(1)	(2.1)
Depreciation	28	27	24	3	12.5
Share of corporate supervision and support services expenses	27	26	29	(3)	(10.3)
Sub-total	404	437	443	(6)	(1.4)
Home Ownership (HO) expenditure					
Construction costs and overheads	97	614	1,554	(940)	(60.5)
Land costs	90	254	579	(325)	(56.1)
Costs of repurchased flats sold	5	4	2	2	100.0
Other HO expenditure	17	19	50	(31)	(62.0)
Sub-total	209	891	2,185	(1,294)	(59.2)
TOTAL EXPENDITURE	613	1,328	2,628	(1,300)	(49.5)
OPERATING SURPLUS BEFORE ACCOUNTING PROVISION WRITTEN BACK	1,983	1,401	1,544	(143)	(9.3)
Add: Accounting provision written back (Note 2)	2	2	-	2	-
OPERATING SURPLUS AFTER ACCOUNTING PROVISION WRITTEN BACK	1,985	1,403	1,544	(141)	(9.1)

Notes

- (1) These are provisional figures which may be subject to year-end and audit adjustments upon finalisation of the 2016/17 annual accounts.
- (2) The accounting provision written back represents the reduction in future liabilities on interest for loans sold to Hong Kong Mortgage Corporation Limited. This year-end accounting adjustment was made in accordance with the Hong Kong Accounting Standards and the HA's Accounting Policies and did not have any cash flow implications.

HONG KONG HOUSING AUTHORITY
Home Ownership Assistance Operating Account
Capital Expenditure
for the Year Ended 31 March 2017

	2016/17				
	2015/16 Actual	Provisional	Revised Budget	Variance	
	\$M	\$M (a)	\$M (b)	\$M (a)-(b)	% (a-b)/(b)
Computer & Equipment	<u>6</u>	<u>4</u>	<u>6</u>	<u>(2)</u>	<u>(33.3)</u>

Note

These are provisional figures which may be subject to year-end and audit adjustments upon finalisation of the 2016/17 annual accounts.

**Memorandum for the Commercial Properties Committee of
the Hong Kong Housing Authority**

**Year-end Performance Review of
the 2016/17 Programme of Activities for Commercial Properties**

PURPOSE

This paper presents the year-end performance review of the 2016/17 Programme of Activities for Commercial Properties (PoA).

BACKGROUND

2. In December 2015, Members approved the PoA vide Paper No. CPC 32/2015 and in November 2016, we reported the mid-year progress (Paper No. CPC 30/2016). This paper reports the year-end performance review of the PoA up to end March 2017.

PERFORMANCE REVIEW

(a) Key Activities

3. The year-end progress of the Key Activities (KAs) is detailed at **Annex A**. As summarised in the table below, all the KAs were on schedule/on-going.

No. of KAs		
Committed	Position as at end March 2017 ^{Note 1}	
	Action Completed	On Schedule/On-going
4	-	4

4. During the year, the Department continued to maintain a balanced and diversified trade mix in our leasing strategy to meet the basic daily needs of our residents. The leasing strategy of new retail facilities at On Tat Shopping Centre, Shui Chuen O Plaza as well as Long Shin, Po Heung and Wah Ha Estates was well planned in advance, with the leasing of premises arranged by batches to tie in with the phased intake of residents. Priority was accorded for trades such as household utensils, convenience stores, supermarket, etc. to meet the residents' basic daily needs as soon as they moved in.

5. We have also explored various ways to enhance our shopping environment and to widen the choice of goods and services for the estates. To keep pace with the introduction of new modes of banking services for better serving the needs of our residents, we have collaborated with major banks to provide mobile banking facilities in selected estates. With on-line shopping becoming more and more prevalent, we arranged letting of shops to tenants providing logistics services, and identified suitable locations for setting up parcel lockers. These initiatives enriched the variety of services for local residents and brought in additional footfall to our shopping centres. Besides, we had enhanced the letting arrangements and monitoring mechanism for Single Operator Markets with a view to providing better services to our residents.

6. Projects earmarked for asset enhancement of retail and carparking facilities under the five-year rolling programme were implemented as scheduled. The large scale renovation works for On Kay Commercial Centre as well as the improvement works for Kwai Shing West Shopping Centre, Tin Yan Shopping Centre and Yip On Factory had been completed in 2016/17.

Note 1 The implementation progress of the KAs is determined as follows –

- “Action Completed” denotes KAs with all performance goals achieved.
- “On Schedule/On-going” denotes KAs with performance goals being pursued on schedule or on an on-going basis. This category also covers KAs with part of their performance goals achieved.

The improvement works for Pok Hong Shopping Centre and Hoi Lai Shopping Centre had been rolled out with good progress. Financial re-assessment to review the effectiveness of major enhancement works would be conducted upon their completion.

7. In this year, a full range of tailor-made promotional activities with special events in partnership with shop tenants, mass media and non-government organisations (NGOs) were arranged to enhance Domain's popularity. The bright and thematic seasonal decorations and festive promotional activities launched in Domain were welcomed by shoppers, shop tenants and local residents, which had brought a pleasurable shopping experience to them.

8. Meanwhile, we kept on seeking opportunities to revamp the trade mix and tenant mix of Domain, with a view to strengthening its market position and attractiveness. We had successfully introduced new trades to Domain such as knickknack homeware stores, art and ballet schools, Chinese medicine clinic, musical studio and takeaway food shop, etc. To further enhance customer convenience and facilitate people with disabilities, we had installed automatic doors at the entrances to lift lobbies on the second and third floors. Furthermore, we continued embellishing the landscape facilities of rooftop garden to provide a comfortable lifestyle environment for our shoppers. The Domain Club has promoted customer loyalty with the number of members reaching to some 19 400, representing an increase of 7% over the year.

9. In other Housing Authority (HA)'s shopping centres, we had continued to launch centrally-planned promotional activities and packaged seasonal decorations of different types and scales during major festivals and special days with a view to sustaining their attractiveness and competitiveness, achieving economies of scale and bringing joyful shopping atmosphere to customers. In addition, a celebration ceremony was held to mark the opening of the Hung Fuk Shopping Centre and enhance its publicity as well as the shopping ambience. By arranging roadshows and various kinds of trade fairs periodically, we have also made the full use of the areas in our shopping centres and widened the choice of products and services for our residents.

10. To support green living and environmental protection, we continued to collaborate with the power companies to provide electric vehicle (EV) charging facilities and offer users of EVs up to two hours of free parking during charging. We had also been providing standard charging facilities for

monthly EV parking in existing HA's carparks on need basis, where technically feasible. At present, 17 standard charging facilities had been provided in eight existing HA's carparks. EV charging facilities have also been provided in the carparks of seven new public housing developments in the year.

11. Furthermore, HA had adopted measures to monitor and reduce the electricity consumption by joining the Energy Saving Charter ^{Note 2} and Charter on External Lighting ^{Note 3} in our shopping centres. Apart from collaborating with green groups and NGOs to organise promotional activities in HA's shopping centres to promulgate the message of green living, tenants of restaurants, supermarkets and market stalls were encouraged to participate in food waste reduction and food recycling activities. For example, some tenants of supermarkets and market shopstalls ^{Note 4} have participated in food donation as organised by different NGOs, while a campaign under the Green Delight was launched for the retail facilities in six shopping centres/estates ^{Note 5} to enhance public awareness on food waste reduction. We have also signed up for the retail facilities in 20 HA's shopping centres/estates ^{Note 6} to join the Hong Kong Green Shop Alliance, with a view to encouraging shop tenants to implement green measures for the

Note 2 Nine shopping centres have joined the Energy Saving Charter, i.e. Choi Tak, Hoi Lai, Kwai Chung, Lei Muk Shue, Mei Tin, On Kay, Tin Yan and Yau Lai Shopping Centres and Domain, maintaining an average indoor temperature between 24 to 26 degrees Celsius in the summer months from June to September 2016.

Note 3 Ten shopping centres have joined the Charter on External Lighting, i.e. Cheung Lung Wai, Ching Long, Choi Tak, Choi Ying, Hung Fuk, Kwai Chung, Nam Shan, Yau Lai and Wah Fu (II) Shopping Centres and Domain, to switch off lighting installations for decorative, promotional or advertising purposes from 11p.m. to 7a.m.

Note 4 These include the supermarkets in Domain and Pak Tin Shopping Centre, and market shopstalls at Nam Shan, Ching Long, Wah Fu and Lei Muk Shue Estates as well as Shek Kip Mei Shopping Centre.

Note 5 They include Ching Long, Hung Fuk and Kwai Shing West Shopping Centres, Shui Chuen O Plaza as well as the retail facilities in Lai King and Lai Yiu Estates.

Note 6 The 20 shopping centres/estates with retail facilities joining the Hong Kong Shop Alliance include Ching Long, Choi Tak, Choi Ying, Hung Fuk, Lower Ngau Tau Kok, Mei Tin, Pok Hong, Lung Poon Court, Shek Kip Mei, Shek Pai Wan, Shui Chuen O, Siu Hong, Tin Ching, Tin Yan, Upper Ngau Tau Kok, Wah Fu (I) and (II), Yue Tin Court and Yau Lai as well as Domain.

improvement of the overall environmental performance of the retail facilities.

(b) Key Performance Indicators

12. There were five key performance indicators (KPIs) under the PoA to facilitate evaluation of the commercial operations in 2016/17, and their year-end position is summarised at **Annex B**. The targets of the KPIs were generally met with the exception of ‘Operating expenditure per square metre retails space per month (excluding depreciation and rates)’ at \$163 ^{Note 7}, which had exceeded its target at below \$160 mainly due to the increasing costs in salaries and contract prices for property services.

FINANCIAL PERFORMANCE

13. The Commercial Operations generated a provisional surplus of \$1,266M for the year ended 31 March 2017 after charging the exceptional items of \$54M for government non-reimbursable items and demolition and clearance costs, as compared to the Revised Budget surplus of \$1,049M.

14. The total income of \$2,714M was higher than the Revised Budget of \$2,605M by \$109M mainly due to higher rental income from new premises. The total expenditure (before exceptional items) of \$1,394M was lower than the Revised Budget of \$1,485M by \$91M (or 6%), mainly due to the lower than budgeted other recurrent expenditure and maintenance and improvements expenditure. The Commercial Operating Account is at **Annex C**.

INFORMATION

15. This paper is issued for Members’ information.

Note 7 The operating expenditure per square metre per month was \$158 in 2015/16 and \$163 in 2016/17, representing an increase of 3.2% over the year.

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File Ref : HD3-8/CPGR/1-55/4C
(Estate Management Division)
Date of Issue : 2 August 2017

**Programme of Activities 2016/17
Progress Report ending 31 March 2017**

Business Objectives				
Key Activity (KA)	Target		Progress as at end March 2017	Status
	Performance Goal (PG)	Time Goal		
Objective (1) Enhancing the potential of HA's commercial properties and improving business environment				
KA (1) To continue reviewing the five-year rolling programme for asset enhancement, identifying new enhancement opportunities and carrying out improvement works according to the priority set	PG01 To conduct feasibility studies under the Strengths-weaknesses-opportunities-threats analyses of HA's commercial portfolio for consolidation of the rolling programme on major asset improvement works according to the priority set	Q1/2017	<ul style="list-style-type: none"> The five-year rolling programme for 2017/18 to 2021/22 had been consolidated and scheduled for submission to the Commercial Properties Committee in August 2017. 	On-going
	PG02 To review and monitor the implementation of the improvement works of the earmarked facilities according to the priority set	On-going	<ul style="list-style-type: none"> The improvement works for On Kay Commercial Centre, Kwai Shing West Shopping Centre, Tin Yan Shopping Centre and Yip On Factory had been completed while those for Pok Hong and Hoi Lai Shopping Centre were in good progress. 	On-going
	PG03 To review the effectiveness of completed asset enhancement projects making reference to revenue contribution	On-going	<ul style="list-style-type: none"> Financial re-assessment would be conducted to review the effectiveness of major enhancement works upon completion. 	On-going

Business Objectives

Key Activity (KA)	Target		Progress as at end March 2017	Status
	Performance Goal (PG)	Time Goal		
<p>Objective (2) Enhancing the business potential of the HA's retail facilities and providing services to meet the needs of local community and public housing tenants</p>				
<p>KA (2) To enhance the trade mix management and promotion strategies for HA's new and existing retail facilities</p>	<p>PG04 To release the potential of HA's retail facilities through review of trade mix, leasing strategies and conversion programmes according to the market trend to meet tenants' needs</p>	<p>On-going</p>	<ul style="list-style-type: none"> ● The leasing and trade mix of new retail facilities at On Tat Shopping Centre Shui Chuen O Plaza as well as Long Shin, Po Heung and Wah Ha Estates were meticulously planned and implemented in accordance with the building completion programme to tie in with the intake of residents. ● Leasing and trade mix were arranged to keep pace with the market trend, such as the launching of new mobile banking branch service in ten public housing estates and the setting up of 16 parcel lockers in different estates. ● Letting arrangements for the Single Operator Markets (SOMs) had been enhanced to increase the protection for individual stall operators and step up monitoring of the SOM tenants with a view to providing better services to our residents. 	<p>On-going</p>

Business Objectives

Key Activity (KA)	Target		Progress as at end March 2017	Status
	Performance Goal (PG)	Time Goal		
	PG05 To launch promotion programmes and arrange seasonal decorations during major festivals/special days and monitor their effectiveness	On-going	<ul style="list-style-type: none"> ● A total of 65 promotion programmes comprising seasonal decorations and promotional activities such as stage shows, game booths, handicraft workshops and redemption activities during festive seasons and special days were arranged in HA's shopping centres throughout the year. Feedback on the programmes was collected for monitoring and review of their effectiveness. ● An opening ceremony was held at Hung Fuk Shopping Centre to mark its completion and enhance the shopping ambience. 	On-going
	PG06 To partner with non-government organisations (NGOs) and institutions and support events or sponsor venues for charity, civic, cultural, and other community building programmes	On-going	<ul style="list-style-type: none"> ● In collaboration with various NGOs/institutions/ government departments, a total of 64 community events/activities such as Basic Law Exhibition and Careers Expo, Health Talk, Winter Precaution Campaign and Charity Sale, etc. were held in HA's shopping centres. 	On-going

Business Objectives

Key Activity (KA)	Target		Progress as at end March 2017	Status
	Performance Goal (PG)	Time Goal		
	PG07 To line up with small operators and service providers to furnish more shopping choices and necessary services to our tenants and the community	On-going	<ul style="list-style-type: none"> ● Packaged lettings of promotion venues in various shopping centres to small operators and service providers were arranged periodically to enrich the shopping varieties. 	On-going
	PG08 To provide free Wifi in selected shopping centres	Q1/2017	<ul style="list-style-type: none"> ● 28 shopping centres were provided with free Wifi service for our residents. 	Completed
KA (3) To sustain Domain as a regional shopping centre and entertaining hub, bringing memorable shopping experience and lifestyle pleasure to local and cross district shoppers	PG09 To monitor service delivery of the management contractors for Domain to enhance its image and effectiveness	On-going	<ul style="list-style-type: none"> ● Regular meetings were held with the management contractor to review their performance and ensure quality customer service. 	On-going
	PG10 To provide more choices of products and services to visitors and customers by setting up pop-up stores, mobile kiosks, road shows and trade fairs etc.	On-going	<ul style="list-style-type: none"> ● Kiosks, road shows and festive trade fairs were arranged to widen the choice of products and services, and to create new and relaxing shopping experience to visitors and customers. Special themed trade fairs, such as “Travel the World”, were popular to shoppers and visitors with increased footfall. 	On-going

Business Objectives

Key Activity (KA)	Target		Progress as at end March 2017	Status
	Performance Goal (PG)	Time Goal		
	PG11 To launch tailor-made promotion activities and strengthen publicity and customer loyalty programmes to enhance Domain's popularity and encourage repeated visits	On-going	<ul style="list-style-type: none"> ● Tailor-made promotional activities including popular events and seasonal decorations round the year, such as Mid-Autumn Festival, Autumn Outing Exhibition, Halloween, Christmas, Chinese New Year and Valentine's Day etc., were successfully launched to promote wider popularity of Domain. ● The Domain Club had cultivated customer loyalty with the number of members reaching some 19 400, representing an increase of 7% over the year. 	On-going
	PG12 To line up with target NGOs and institutions in conducting green and educational activities for brand building	On-going	<ul style="list-style-type: none"> ● Target NGOs and institutions including WWF Hong Kong, HK Council of Smoking and Health, The Occupational Deafness Compensation Board, Hong Kong Red Cross and Haven of Hope Christian Service were lined up to arrange entertaining, cultural, environmental protection and community building events. A total of 20 functions were held in 2016/17 for the benefit of the community. 	On-going

Business Objectives

Key Activity (KA)	Target		Progress as at end March 2017	Status
	Performance Goal (PG)	Time Goal		
	PG13 To enhance the facilities management in Domain with a view to providing quality services to our tenants and customers	On-going	<ul style="list-style-type: none"> ● The fire rated doors leading to lift lobbies were upgraded to automatic doors for shoppers' convenient access. ● Landscape facilities at roof garden were further embellished to provide a comfortable and relaxing environment for our shoppers. 	On-going

Objective (3)

Promoting environmental protection initiatives in HA's commercial facilities

<p>KA (4) To advocate green measures in operating HA's retail facilities and encourage shop tenants in participation of environmental campaigns launched by the HA and Government</p>	<p>PG14 To develop a monitoring system of energy consumption for selected HA's shopping centres with central air-conditioning supply</p>	<p>Q1/2017</p>	<ul style="list-style-type: none"> ● The energy consumption of HA's shopping centres were under close monitoring and periodical review with a view to further reducing energy consumption. ● HA had joined the Energy Saving Charter and the Charter for External Lighting to support green living and environmental protection in our shopping centres. 	<p>Completed</p>
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Business Objectives

Key Activity (KA)	Target		Progress as at end March 2017	Status
	Performance Goal (PG)	Time Goal		
	<p>PG15 To line up with tenants of restaurants, supermarkets and market stalls to adopt the food waste reduction management practice and to encourage them to join the Foodwise Charter to reduce food waste</p>	On-going	<ul style="list-style-type: none"> ● The shop/shopstall tenants concerned were encouraged to join the food donation schemes and waste reduction activities with various NGOs and adopt food waste reduction management practice. ● Tenants of supermarkets in Domain and Pak Tin Shopping Centre, and market stalls at Nam Shan, Ching Long, Wah Fu and Lei Muk Shue Estates as well as Shek Kip Mei Shopping Centre participated in food donation as organised by various NGOs. 	On-going
	<p>PG16 To collaborate with NGOs to launch recycling and educational programmes during seasonal festivals</p>	On-going	<ul style="list-style-type: none"> ● With our sponsorship on venues, NGOs and green groups had periodically organised promotional activities in HA's shopping centres to promulgate recycling and green living. ● A campaign under the Green Delight was launched for retail facilities in six shopping centres/estates to enhance public awareness on food waste reduction. ● We have signed up for retail facilities in 20 HA's shopping centres/estates to join the "Hong Kong Green shop Alliance", with a view to encouraging our shop tenants to implement green measures and improve the overall environmental performance of the shopping facilities. 	On-going

Business Objectives

Key Activity (KA)	Target		Progress as at end March 2017	Status
	Performance Goal (PG)	Time Goal		
	PG17 To enhance the provision of electric vehicle charging facilities in selected HA's carparks	On-going	<ul style="list-style-type: none"> In addition to the electric vehicle (EV) charging facilities already provided in the new and existing HA's carparks, 17 standard EV charging facilities at eight existing carparks had also been installed for monthly users. 	On-going

**Progress Report of Key Performance Indicators in
the 2016/17 Programme of Activities for Commercial Properties**

Key Performance Indicator		Targets for 2016/17	Position as at 31.3.2017
(a)	Vacancy rate for <ul style="list-style-type: none"> • retail premises (shops) • shopstalls and cooked food stalls • carparks • factory premises 	Below 2.5%	2.1 %
		Below 5.5%	3.2 %
		Below 12 %	5.8 %
		Below 1.0%	0.8 %
(b)	(i) Operating expenditure as a percentage of income (including depreciation and rates)	Below 60%	51.4%
	(ii) Operating expenditure per square metre retail space per month (excluding depreciation and rates)	Below \$160	\$163 ^{Note}
	(iii) Income per unit carpark space per month	\$1,450	\$1,785
(c)	Rent arrears rate	Less than 2.5%	1.5%

Note Higher operating expenditure was mainly due to the increasing costs in salaries and contract prices for property services. The operating expenditure per square metre per month was \$158 in 2015/16 and \$163 in 2016/17, representing an increase of 3.2% over the year.

HONG KONG HOUSING AUTHORITY
Commercial Operating Account
for the Year Ended 31 March 2017

	2016/17				
	2015/16	Provisional	Revised	Variance	
	Actual	(Note)	Budget	\$M	%
	\$M	\$M	\$M	\$M	%
		(a)	(b)	(a)-(b)	(a-b)/(b)
INCOME					
Rental	2,375	2,615	2,524	91	3.6
Other income	94	99	81	18	22.2
TOTAL INCOME	2,469	2,714	2,605	109	4.2
EXPENDITURE					
Personal emoluments	306	335	338	(3)	(0.9)
Government rent and rates	131	128	137	(9)	(6.6)
Maintenance and improvements	126	135	156	(21)	(13.5)
Other recurrent expenditure	499	520	566	(46)	(8.1)
Depreciation	233	252	263	(11)	(4.2)
Share of corporate supervision and support services expenses	22	24	25	(1)	(4.0)
TOTAL EXPENDITURE	1,317	1,394	1,485	(91)	(6.1)
OPERATING SURPLUS BEFORE EXCEPTIONAL ITEMS	1,152	1,320	1,120	200	17.9
Less: Exceptional items					
- Demolition and clearance costs	-	1	5	(4)	(80.0)
- Government non-reimbursable items	66	53	66	(13)	(19.7)
	66	54	71	(17)	(23.9)
OPERATING SURPLUS AFTER EXCEPTIONAL ITEMS	1,086	1,266	1,049	217	20.7

Note These are provisional figures which may be subject to year-end and audit adjustments upon finalisation of the 2016/17 annual accounts.

**Commercial Operating Account
Capital Expenditure
for the Year Ended 31 March 2017**

	2016/17				
	2015/16 Actual	Provisional (Note)	Revised Budget	Variance	
	\$M	\$M (a)	\$M (b)	\$M (a)-(b)	% (a-b)/(b)
Improvement Works	71	46	52	(6)	(11.5)
Computer Equipment	2	2	2	-	-
	<u>73</u>	<u>48</u>	<u>54</u>	<u>(6)</u>	<u>(11.1)</u>

Note These are provisional figures which may be subject to year-end and audit adjustments upon finalisation of the 2016/17 annual accounts.

**Memorandum for the Tender Committee of
the Hong Kong Housing Authority**

**Year-end Performance Review
Programme of Activities for Procurement in 2016/17**

PURPOSE

This paper presents the year-end performance review of the Programme of Activities for Procurement in 2016/17.

BACKGROUND

2. To ensure that a coherent and effective set of policies and programmes is put in place to achieve the Housing Authority's strategic objectives, Programmes of Activities are prepared for endorsement by relevant HA committees. The 2016/17 Programme of Activities (Paper No. **TC 128/2015** refers) was approved by Members in December 2015. This paper reports on the status of implementation of the Activities as at 31 March 2017.

PERFORMANCE REVIEW

Key Activities

3. The 2016/17 Programme of Activities covers a total of eight Key Activities. The progress as at 31 March 2017 is summarised in Table 1 below and a detailed report on the progress of individual activities is at **Annex A**.

Table 1

Action Completed	On-going/On-schedule/ Partially Completed	Behind Schedule
-	8 (100%)	-

Key Performance Indicators (KPIs)

4. A total of five KPIs have been developed to measure the business performance. The position as at 31 March 2017 is summarised in Table 2 and detailed in **Annex B**.

Table 2

Meeting Target	Partially Meeting Target	Not Meeting Target
5 (100%)	-	-

Quality Assurance of Fresh Water Inside Service

5. We continued to explore and implement quality assurance measures for fresh water inside service since the onset of the excess lead found in drinking water incident in July 2015.

6. Subsequent to the uplifting of regulatory actions for two contractors in last financial year ^{Note 1}, Members approved the uplifting of regulatory actions for the remaining two contractors, namely Paul Y. General, together with their related company, namely Paul Y. Construction, and Yau Lee in April 2016 and May 2016 respectively (Paper Nos. **TC 39/2016** and **TC 49/2016** refer), after considering their performance and enhancement measures taken in carrying out the rectification works to the affected projects and enhanced measures to on-going projects.

7. In April 2016, Members approved the enhancement measures ^{Note 2} in list management for Plumbing Installation (PI) Works in HA's New Works Building Contracts (Paper No. **TC 30/2016** refers), which took effect from June 2016 onwards.

Note 1 Members approved the uplifting of regulatory actions taken against two involved building contractors, namely Shui On and China State, together with one related company to China State, namely China Overseas, in November 2015 and January 2016 respectively (Paper Nos. **TC 115/2015** and **TC 11/2016** refer)

Note 2 (a) Adopting the Development Bureau's List of Approved Suppliers of Materials and Specialist Contractors for Public Works, PI Category (i.e. PI List), as contract requirement for the main contractor to appoint its DPSC, and all the above-ground drainage works be taken up by DPSC;

(b) Adopting two-tier restriction on sub-contracting of plumbing installation works;

(c) Introducing workload capping limits for DPSC and LP; and

(d) Provision of a competent personnel with relevant qualification in English to support the plumbing and associated works handled by LP, if necessary.

8. The Report of the Commissioner of Inquiry (COI) into excess lead found in drinking water was released on 31 May 2016. Members were informed of the major findings of the report during TC meeting on 16 June 2016 and 14 July 2017 (Paper No. **TC 76/2016** refers). The Department would keep in view of the relevant criminal investigation. Further actions against implicated parties might be considered upon completion of the criminal investigations and legal proceedings, if any.

Cancellation of a Building Tender

9. In June 2016, Members approved the cancellation of the building tender for the Construction of Public Rental Housing (PRH) Development at Fanling Area 49 ^{Note 3} due to a serious delay of about five months in the foundation contract caused by poor workmanship of the foundation contractor and, re-starting the re-tender exercise (Paper No. **TC 55/2016** refers). In May 2016, we also reported to Building Committee on the delay and the project completion of Fanling Area 49 would slip from March 2019 to August 2019 after taking all possible mitigation measures into consideration i.e. from year 2018/19 to 2019/20 (Paper No. **BC 33/2016** refers). Eventually, the building contract (re-tender) for PRH at Fanling Area 49 was issued and awarded in September 2016 and January 2017 respectively, with the anticipated contract completion date in August 2019 (Paper No. **TC 3/2017 (Revised)** refers).

FINANCIAL PERFORMANCE

10. The provisional expenditure for the year ended 31 March 2017 was \$101M, which was \$10M or 9.0% lower than the Revised Budget of \$111M. The variance was mainly due to the lower personal emoluments in the year. The provisional expenditure against the Revised Budget is provided in **Annex C**.

INFORMATION

11. This paper is issued for Members' information.

Note 3 The original building tender was issued on 1 April 2016 and scheduled to be awarded in September 2016 to tie in with the completion of the foundation contract.

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(Development and Construction Division)
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Year-end Review of Key Activities 2016/17
Procurement

Key Activity	Performance Goal ^{Note}	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
New Initiatives				
Theme 1 : Providing Quality Homes				
<u>KA01</u> To explore and implement measures to assure proper use of materials on site to safeguard fresh water quality; review and enhance site inspection procedures in respect of assuring proper use of materials for all critical site works and installations for capital works new works projects.	<u>PG01*</u> Explore and implement new specification clauses for the inspection and testing of materials used in fresh water inside service, such as – a) Explore the use of pipes and fittings bearing the British Standard Kitemark; b) Explore introducing product certification to some plumbing fittings; c) Require the building contractor to submit a Sub-contractor Management Plan; and d) Require the testing of water samples in addition to those required by Water Supplies Department (WSD). Review for adequacy and explore further enhancements as appropriate.	1 st Q 2017	We explored and implemented new specification clauses for the inspection and testing of materials used in fresh water inside service, including – a) The use of copper pipes and fittings bearing the British Standard Kitemark. The relevant specifications have been issued; b) Explored product certification of some plumbing fittings in collaboration with WSD and relevant stakeholders. WSD would consider its implementation on a territory wide perspective; c) The standard specifications to require building contractors to submit Sub-contractor Management Plans; d) The standard specifications to require the testing of water samples in addition to those required by WSD; e) The requirement of material verification tests for copper pipes, solder in integral solder ring fittings and gate valves; f) The mandatory use of integral solder ring fittings; g) The enhanced submission requirements of pipes, fittings and joints; and (h) The enhancement of technical specifications for plumbing materials.	Action Completed

Note Performance Goals marked “ * ” are also applicable to the Programme of Activities for Development & Construction. Performance Goals marked “ # ” are also applicable to the Programme of Activities for Subsidised Housing.

Key Activity	Performance Goal ^{Note}	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<p><u>PG02*</u> Implement the updated Performance Assessment Scoring System (PASS) manual and site inspection guide, incorporating enhanced assessments for material compliance in fresh water inside service, such as –</p> <ul style="list-style-type: none"> a) More stringent assessment and score deduction for major material non-compliance; b) Registering the delivery of soldering materials; and c) Random audit checking of delivered soldering materials for compliance; d) Remedial Works PASS for plumbing remedial works in completed estates affected by excess lead in fresh water. <p>Review for adequacy and explore further enhancements as appropriate.</p>	On-going	<p>We continued to implement the updated PASS manual incorporating enhanced assessments for material compliance in fresh water inside service, such as –</p> <ul style="list-style-type: none"> a) Tightened PASS to address major material non-compliance with deduction of the overall Management Input score; b) Registering the delivery of soldering materials in the Site Inspection Guide; c) Audit checking of delivered soldering materials for compliance in Site Inspection Guide; and d) Remedial Works PASS for Water Quality Issue for completed estates affected by excess lead in fresh water. 	On-going
	<p><u>PG03*</u> Implement list and contractual control measures to secure the employment of competent plumbing sub-contractors and licensed plumbers, such as –</p> <ul style="list-style-type: none"> a) Adopting a list of plumbing sub-contractors; and b) Setting plumbing sub-contractors' and Licensed Plumbers' workload capping limits. <p>Review for adequacy and explore further enhancements as appropriate.</p>	1 st Q 2017	<p>We implemented the list and contractual control measures in the second Quarter of 2016. We will continue to review for adequacy and explore further enhancements as appropriate.</p>	Action Completed

Key Activity	Performance Goal ^{Note}	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<p><u>PG04*</u> Review specification library, site inspection guide and PASS manual in respect of the adequacy and effectiveness of site inspection procedures for assuring proper use of materials for all critical site works and installations for capital works new works projects. Devise and implement enhanced control measures for quick wins and establish relevant KPIs where appropriate, and consider engaging consultants to conduct a comprehensive study to ensure completeness in the long run.</p>	1 st Q 2017	<p>We have reviewed the specification library and promulgated the new/revised specification for risk control of material covering the architectural components of aluminium window, timber doorset, metal gateset and cooking bench in the first quarter of 2017.</p> <p>We have reviewed and prepared the proposed PASS Manual revision in respect of the adequacy and effectiveness of site inspection procedures for assuring proper design, purchase, delivery, storage and use of all materials and proper workmanship for all critical site works and installations for capital works new works projects, in response to the enhanced measures on material control and monitoring by the Material Task Group.</p> <p>We also implemented the specification for random audit checking for compliance of soldering, brazing and copper pipe materials during the 10% inspection of plumbing works.</p>	Action Completed

Key Activity	Performance Goal ^{Note}	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
On-going Initiatives				
Theme 1 : Providing Quality Homes				
<u>KA02</u> To promote and streamline “green” procurement including the use of “green” materials, “green” construction methods, resource conservation technologies, and the simultaneous and integrated application of different environment-friendly material labelling schemes.	<u>PG05*</u> To liaise with HKGBC and CIC on the integration of HKGBC Green Building Product Labelling Scheme, CIC Carbon Labelling Scheme, and HA’s product certification scheme.	On-going	A proposal to explore the integration of three schemes in BEAM Plus assessment is being studied by the consultant under BEAM Plus assessment review exercise. Also, we had liaised with HKGBC and they agreed to include product certification into their Consultant Study for BEAM Plus NB Major Revision.	On-going
	<u>PG06*</u> To prepare and implement new specification clauses for the co-ordinated implementation of the three schemes in the above PG.	On-going	We have been keeping in view the development of the labelling or certification schemes involved and will prepare and implement new specification clauses for their co-ordinated implementation.	On-going
	<u>PG07</u> To explore the incorporation of more green elements in the new works and maintenance works specifications.	On-going	We continued to explore the incorporation of more green elements in the new works and maintenance works specifications. We planned to conduct a study to trial out the use of manufactured sand and glass cullet in ready-mixed mortar to verify their application for architectural finishes works at one of our projects in mid-2017. In the first quarter of 2017, we have also incorporated Highways Department’s revised specification on use of recycled glass cullet as aggregates for precast concrete paving block in our General Specification for maintenance works. We have promulgated the mandatory use of B5 bio-diesel as fuel for all non-road based	On-going

Key Activity	Performance Goal ^{Note}	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
			construction machinery on Site in the fourth quarter of 2016, after consultation with the HKCA and Contractors.	
	<u>PG08*</u> To implement BEAM Plus specification clauses in all new works projects, and register selected ones with the Hong Kong Green Building Council for assessment and certification in order to obtain GFA concession and increase development potential.	On-going	We applied BEAM Plus specification clauses in all new works projects. In the financial year, we registered seven new works projects with the Hong Kong Green Building Council for assessment and rating under the BEAM Plus assessment scheme.	On-going
	<u>PG09*</u> To update the Guide for specifying “green” materials and products for maintenance and improvement (M&I) works.	On-going	We will keep in view on development of HKGBC Green Product Accreditation & Standards Scheme and update the guide as appropriate.	On-going
	<u>PG10</u> To explore the possibility to inject more green elements into the specifications for general goods and services.	On-going	We had reviewed the purchases of general goods and services, including IT equipment, in collaboration with the respective users with a view to adopting the relevant recommendations of the Environmental Protection Department.	On-going
	<u>PG11*</u> To partner with green groups to organise our long-term community environmental programme “Green Delight in Estates” to raise environmental awareness among residents and instill a lifestyle culture that will protect and improve the environment.	On-going	GDE Phase 9 was completed in the third quarter of 2016 and the Post-programme resident environmental survey has also been completed. GDE Phase 10 has commenced in the third quarter of 2016 and it will end in the third quarter of 2017. We continue to adopt “Reduction of Municipal Solid Waste” as its overall programme theme to echo the government’s current policy. “Household Waste Audit” will be the highlighted campaign for all public housing estates. Green groups continued to promote	On-going

Key Activity	Performance Goal ^{Note}	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
			waste reduction and waste separation at source to residents in 33 estates through in-depth educational programmes. We also extended the educational programme to five commercial centres to promote waste reduction including food waste to commercial tenants as well as our residents.	
<u>KA03</u> To improve building standards, quality and productivity in construction by conducting research on building design and construction, implementing a quality management system and product certification, as well as liaising with industry stakeholders.	<u>PG12*</u> To explore the implementation of product certification in more building materials and components for new works projects to effect upstream control of manufacturing quality.	On-going	We had previously implemented product certification in 11 types of building materials and building services. We target to implement product certification for paint products in 2017/18.	On-going
Theme 2 : Promoting Sustainable Living				
<u>KA04</u> To enhance the service standards and the awareness of our business partners, including contractors, sub-contractors, suppliers and service providers, of their corporate social responsibility.	<u>PG13</u> To continue to improve procurement practices and maintain lists of contractors, sub-contractors and service providers.	On-going	We continued to maintain the HA lists of contractors, sub-contractors and service providers.	On-going
	<u>PG14</u> To enhance tender assessment either by conducting pre-qualification and/or employing two-envelope tendering system where applicable.	On-going	We continued to pre-qualify tenderers from the HA Lists, the Development Bureau's Lists or by gazette where applicable, and had been applying a two-envelope tendering system to building, foundation, demolition and ground investigation contracts classified as "complex".	On-going

Key Activity	Performance Goal ^{Note}	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<u>PG15</u> To review performance reporting and review mechanism for non-HA list contractors and service providers.	On-going	We had reviewed the monitoring mechanism for non-HA list contractors and service providers. We had formulated and implemented a set of management procedures.	On-going
	<u>PG16</u> To implement and monitor PASS in new works building, building services, piling, demolition, soft landscape and ground investigation contracts.	On-going	We continued to monitor and implement PASS in new works building, building services, foundation, demolition, soft landscape and ground investigation contracts.	On-going
	<u>PG17[#]</u> To implement and monitor the Maintenance Assessment Scoring System (MASS) in building maintenance contracts, and the Building Services (BS) MASS in BS maintenance contracts.	On-going	We continued to implement and monitor the MASS in building maintenance contracts and the (BS) MASS in BS maintenance contracts.	On-going
	<u>PG18</u> To implement the Preferential Tender Award System (PTAS) for District Term Contracts (DTCs).	On-going	We continued to implement the PTAS for DTCs.	On-going
	<u>PG19</u> To implement Wage Monitoring System (WMS) to monitor contractors' performance in securing wage payment to workers for works contracts, services contracts, DTCs and lump sum M&I contracts. Monitor and review the system for effectiveness.	On-going	We continued to implement WMS to monitor contractors' performance in securing wage payment to workers for works contracts, services contracts, DTCs and lump sum M&I contracts. The Contractor's Guideline on WMS was updated in Feb 2016 and May 2016 to include Timely Wage Payment for Corporate Score (WMS) for new works and maintenance works contracts respectively.	On-going

Key Activity	Performance Goal ^{Note}	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<p><u>PG20</u> To maintain and enhance the consistency and standard of WMS by deploying Labour Relations Officers in relevant new works and maintenance works contracts.</p>	On-going	<p>We continued to maintain and enhance the consistency and standard of WMS by deploying Labour Relations Officers (LRO) in relevant new works and maintenance works contracts. We had conducted process verification (former name as “internal audit”) on LRO’s work.</p>	On-going
	<p><u>PG21</u> To monitor the implementation of “Statutory Minimum Wage (SMW)” on all HA contracts.</p>	On-going	<p>We had implemented contract requirements for SMW in all cleansing and security service contracts, management contracts for commercial properties and property services contracts. We had been monitoring the application of these requirements.</p>	On-going
	<p><u>PG22</u> To continue to convene the “Working Group for Monitoring Wage Payment to Workers” to monitor and review the effectiveness of the system.</p>	On-going	<p>We held the 10th “Working Group Meeting for Monitoring Wages Payment to Workers” in the Second Quarter of 2016 to monitor and review the effectiveness of WMS. We would hold the 11th Meeting in the second quarter of 2017.</p>	On-going
	<p><u>PG23</u> To work with industry stakeholders to – a) Monitor and review the requirements for Trade Tested Workers in new works and maintenance contracts in response to the labour supply situation in the building industry; and b) Monitor and review the application of the streamlined Supplementary Labour Scheme (SLS) to new works contracts.</p>	On-going	<p>We have revised and issued the relevant Specifications for various types of Works Contracts, i.e. Building, Piling, Demolition, Civil, Geotechnical, Building Services Works to cope with the implementation of “Designated Workers for Designated Skills” (專工專責).</p> <p>We also continued to closely liaise with CIC for the provisions of “Designated Workers for Designated Skills” (專工專責) under the Construction Workers Registration Ordinance for maintenance contracts. SLS application has not been submitted by contractors in 2016. We will keep in view for new</p>	On-going

Key Activity	Performance Goal ^{Note}	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
			applications from contractors, and further enhancement of the scheme by Development Bureau, if any.	
	<u>PG24</u> To ensure financial capability of tenderers by conducting writ search during shortlisting and tender assessment for new works projects.	On-going	We continued to conduct writ search for the lowest three tenderers or the top three scorers of new works projects.	On-going
	<u>PG25</u> To implement “Statutory Declaration” for list admission and renewal of contractors and service providers.	On-going	Starting from the second Quarter of 2013, we had been requiring every works contractor applying for admission to, or retention on, the HA Lists of Works Contractors to submit a statutory declaration on – a) The Company was not insolvent or had not been wound up or dissolved; b) No winding-up petition or order had been made against the Company; c) No receiver had been appointed to realise or take control of the Company’s assets or business; and d) The Company had not received any demand letter or notice for payment of debt before a winding-up petition would be made against the Company.	On-going
<u>KA05</u> To promote partnering with stakeholders, such as conducting regular seminars and maintaining continuous communication in the development process of procurement initiatives.	<u>PG26</u> To enhance stakeholders’ awareness of HA’s procurement principle and systems, and to conduct briefing sessions, regular seminars and experience sharing sessions for users, such as contractors and service providers on HA’s list or involving in procurement of goods and services, on tender assessment systems and/or the specific contract requirements, and review its effectiveness.	On-going	We continued to conduct briefing sessions, regular seminars and experience sharing sessions for users.	On-going

Key Activity	Performance Goal ^{Note}	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<u>PG27</u> To maintain continuous communication and encourage partnering with contractors and service providers on HA's list, labour unions, professional institutions, academic institutions, other public organisations and stakeholders by conducting regular meeting with business partners.	On-going	We continued to conduct regular meetings with business partners.	On-going
	<u>PG28</u> To conduct briefing and/or debriefing sessions and site visits for active and wildcard contractors to disseminate HA's requirements.	On-going	We continued to conduct briefing and debriefing sessions and site visits for active and wildcard contractors.	On-going
<u>KA06</u> To monitor and enhance the quality of development and environment, as well as health and safety at HA's construction sites, and improve the environmental, social and economic aspects of sustainability.	<u>PG29</u> To monitor the listing requirements on safety management system, with a view to identifying further enhancement.	On-going	We continued to identify further enhancement on the listing requirements on safety management system.	On-going
	<u>PG30*</u> To enhance safety awareness and practices at new works and maintenance works construction sites by continuing to – a) Issue circulars and organise Site Safety Forum/site safety seminars on topical issues; b) Conduct safety training programme for contractors' employees and HD staff; c) Engage stakeholders to promote best practices; and d) Maintain a Site Safety website with site safety information and multi-media materials.	On-going	We continued to enhance safety awareness and practices at new works and maintenance works construction sites by continuing to – a) Issue alerts and organise Site Safety Forum/site safety seminars on topical issues; b) Conduct safety training programme for contractors' employees and HD staff; c) Engage stakeholders to promote best practices; d) Maintain a Site Safety website with site safety information and multi-media materials; and e) Update the publications of "Site Safety Handbook" and "Pictorial Guide to Planning and Design for Safety".	On-going

Key Activity	Performance Goal ^{Note}	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<p><u>PG31</u> To continue implementing the Housing Authority Safety Auditing System (HASAS) for on-going new works contracts and the Housing Authority Safety Auditing System for maintenance and improvement works (HASAS (M&I)) covering five types of M&I contracts, namely DTCs, Redecoration Contracts, Lift Addition Contracts, Lift Modernisation Contracts and Lift Maintenance Contracts.</p>	On-going	We continued to implement the HASAS for on-going new works contracts and the HASAS (M&I) covering five types of M&I contracts, namely DTCs, Redecoration Contracts, Lift Addition Contracts, Lift Modernisation Contracts and Lift Maintenance Contracts.	On-going
	<p><u>PG32*</u> To work with the Occupational Safety and Health Council to implement and further develop standardised Pointing-and-Calling (指差呼稱) oral commands for use by contractors in high risk activities.</p>	On-going	We continued to work with the Occupational Safety and Health Council to implement and further develop standardised Pointing-and-Calling (指差呼稱) oral commands for use by contractors in high risk activities. Posters “Use of ‘Pointing and Calling’ to Ensure Safety of Electrical Work” and “Use of ‘Pointing and Calling’ to Ensure Safety of Working at Height” were jointly published by OSHC and HA in 2016.	On-going
	<p><u>PG33[#]</u> To implement OHSAS 18001 Occupational Health and Safety Management System (OHSMS) for planned maintenance and improvement works.</p>	On-going	We continued to implement OHSAS 18001 OHSMS for planned maintenance and improvement works.	On-going
	<p><u>PG34*</u> To implement and monitor Surprise Safety Inspection Programme (SSIP) in on-going new works contracts, and surprise check on safety in M&I contracts to tighten vigilance on high risk operations.</p>	On-going	We continued to implement and monitor Surprise Safety Inspection Programme (SSIP) in on-going new works contracts, and Surprise Safety Inspection System (SSIS) in M&I contracts to tighten vigilance on high risk operations. We introduced alert and warning trigger to contractor on account of unsatisfactory performance under SSIP for new works contractors.	On-going

Key Activity	Performance Goal ^{Note}	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<p><u>PG35*</u> To monitor and review the effectiveness of the safety management system, including the Integrated Pay for Safety, Environment and Hygiene Scheme for new works, the Pay for Safety Scheme for M&I contracts, and surveillance checks under the Independent Safety Audit System in new works and M&I contracts.</p>	On-going	<p>We continued to monitor and review the effectiveness of the safety management system, including the Integrated Pay for Safety, Environment and Hygiene Scheme for new works, the Pay for Safety Scheme for M&I contracts, and surveillance checks under the Independent Safety Audit System in new works and M&I contracts.</p> <p>Regulatory measures were applicable to building services nominated subcontractors on account of unsatisfactory site safety audit performance. We started to incorporate the safety audit score into the BSPASS from the first assessment quarter of 2017. We completed the enhancement of Housing Authority Lift and Escalator Nominated Subcontracts Safety Auditing System (HALENSAS) version 1.0 to 1.1.1, the enhancement of HASAS(M&I) version 1.1 to 1.1.1 and continued to monitor the Pay for Safety Scheme for M&I contracts.</p>	On-going
	<p><u>PG36</u> To enhance safety in lift modernisation and maintenance works through surprise checks by the Department's staff, safety audit by independent organisation, and training of worker by contractors.</p>	On-going	<p>We continued to conduct site safety audits and surprise checks by in-house staff for lift maintenance works, lift modernisation works and lift addition works.</p> <p>We also continued to implement the site safety audits by independent organisation for lift maintenance works, lift improvement projects and lift subcontract of lift addition works.</p>	On-going

Key Activity	Performance Goal ^{Note}	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<p><u>PG37*</u> To implement the Housing Authority Occupational Injury and Disease Surveillance System on new works construction sites.</p>	On-going	We implemented the Housing Authority Occupational Injury and Disease Surveillance System on new works construction sites in the second Quarter of 2016 and we continued to monitor its implementation.	On-going
	<p><u>PG38</u> To implement, where appropriate, underground utilities investigation term contract to identify the existing underground utilities for new works at project planning and design stages.</p>	On-going	We implemented the 3 rd underground utilities investigation term contract which is in progress and target for completion in the second Quarter of 2017. Tender for the fourth contracts was issued in the fourth quarter of 2016 and target to commence in the second Quarter of 2017.	On-going
	<p><u>PG39*</u> To step up training and coaching of new recruits of the industry to enhance efficiency and effectiveness of the available manpower resources and to pave the way for the implementation of “Designated Workers for Designated Skills” (專工專責) in April 2017 under the Construction Workers Registration Ordinance, including implementing –</p> <p>a) HA’s version of Contractor Cooperative Training Scheme (CCTS) in HA’s new works building contracts and building services sub-contracts; and</p> <p>b) The training scheme for riggers/metal formwork erectors in selected new works sites.</p>	On-going	<p>We have requested active contractors to encourage their qualified workers to register as skilled workers by the end of the third Quarter of 2016, and requested them to plan ahead and take appropriate actions for the implementation of “Designated Workers for Designated Skills”. We will continue to arrange with CIC to conduct further briefings to all our active building and piling contractors before actual implementation in the second Quarter of 2017.</p> <p>Trial runs for “Designated Workers for Designated Skills” were conducted in the first quarter of 2017 in building sites and piling sites to let the labours and contractors understand the enforcement practice and also reminded them to obtained registration timely.</p> <p>We have implemented our own version of CCTS since August 2012. As at end of March</p>	On-going

Key Activity	Performance Goal ^{Note}	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
			<p>2017, it has been incorporated in 42 building contracts, specifying 515 CCTS trainees. 260 CCTS trainees have commenced training, of which 145 have completed. There are also 39 building services nominated sub-contracts specifying 78 CCTS(BS) trainees.</p> <p>We have continued to provide training opportunities for riggers/ metal formwork erectors in some of our building sites, and will encourage contractors to implement such scheme for the newly commenced contracts.</p>	
Theme 3 : Optimising and Rationalising the Use of Public Resources				
<u>KA07</u> To maintain an open, fair, transparent and cost-effective procurement environment and enhance value-for-money through procurement practices for works, services and goods.	<u>PG40</u> To apply different procurement strategies to meet the housing production target, including but not restricted to bundling of contracts for small sites and ancillary works, and using the Integrated Procurement Approach for large, complex projects.	On-going	We continued to apply different procurement strategies to meet the housing production target, and to suit the nature and requirements of different projects.	On-going
	<u>PG41</u> To review the adequacy of HA Lists of Contractors and to encourage more contractors to apply for inclusion in HA lists so as to gain more competition.	On-going	We continued to review the adequacy of HA Lists of Contractors for report to TC biennially.	On-going
	<u>PG42</u> To review the price-to-technical ratio in the scoring system to ensure value-for-money and fine-tune various score-weighting mechanism for tender assessment.	On-going	We continued to review the price-to-technical ratio in the scoring system and fine-tune various score-weighting mechanism for tender assessment, with a view to enhance the effectiveness of the tender assessment system and to streamline the assessment process.	On-going

Key Activity	Performance Goal ^{Note}	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<p><u>PG43</u> To apply “Quarantine” System under the tender evaluation mechanism for Capital Works new works contracts and M&I contracts for tenderers, if they are one of the top three scorers, for any serious incidents occurring within the six-month period preceding the tender closing date or within the tender assessment period preceding the tender award date.</p>	On-going	We continued to apply “Quarantine” System under tender evaluation mechanism for Capital Works new works contracts and M&I contractors for the concerned tenderers.	On-going
	<p><u>PG44</u> To monitor the implementation of the Integrated Contract for Anderson Road Site A and Site B.</p>	On-going	We continued to monitor the implementation of the Integrated Contract for Anderson Road Site A and Site B.	On-going
	<p><u>PG45</u> To implement and monitor the application of the General Conditions of Contract (GCC) for HA Capital Works Contracts in HA’s new works contracts.</p>	On-going	We continue to implement and monitor the application of the HA’s GCC in Capital Works new works contracts. The GCC has been uploaded to the HA’s website for public reference.	On-going
	<p><u>PG46</u> To continue to apply and monitor the on-demand bond requirement to Capital Works new works contracts and nominated sub-contracts.</p>	On-going	We continued to apply and monitor the on-demand bond requirement to Capital Works new works contracts and nominated sub-contracts.	On-going
	<p><u>PG47</u> To strengthen procurement practices, review and update the “Guide to Registration of Works Contractors and Property Management Services Providers” on a need basis.</p>	On-going	We continued to strengthen procurement practices, review and update the “Guide to Registration of Works Contractors and Property Management Services Providers” on need basis.	On-going
	<p><u>PG48</u> To comprehensively review the Schedule of Rates (SOR) for three types of BS Term Maintenance Contracts, and prepare a new set of SOR for implementation in stages.</p>	2 nd Q 2016	We completed the review and the new set of SORs was endorsed in the second Quarter of 2016.	Action Completed

Key Activity	Performance Goal ^{Note}	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<u>PG49</u> To outsource Architectural, Engineering, Building Services Engineering and Quantity Surveying Services for selected new works projects to Professional Services Providers to alleviate the additional workload resulting from increased flat production targets.	On-going	We continued to outsource Architectural, Engineering, Building Services Engineering and Quantity Surveying Services for selected new works projects to Professional Services Providers to alleviate the additional workload resulting from increased flat production targets.	On-going
<u>KA08</u> To implement or enhance IT systems to support the evolving business requirements, as well as improve the overall operational efficiency and IT security.	<u>PG50</u> To implement and monitor the ERP project on procurement aspect.	On-going	We provide maintenance services of the ERP System by in-house IT staff with effect from September 2016 upon termination of the existing contract.	On-going
	<u>PG51</u> To implement and monitor the “L10 Pro” electronic tender booklet system in new works foundation and building contracts.	On-going	We have implemented the “L10 Pro” electronic tender booklet system in all tenders for new works foundation and building contracts prepared by the Department’s quantity surveying teams. We would closely monitor the operation of the system and would refine it where appropriate.	On-going
	<u>PG52*</u> To apply IT to improve design and construction processes, ensure quality of deliverables, reduce environmental impacts, and enhance construction safety for new works contracts, including – a) Implement and expand the application of Development and Construction Site Mobile System (DCSMS), a system utilising “Apps” on smart phones and mobile devices to assist the Department’s site staff in site inspection and site management tasks, and for exchanging related information with contractors;	On-going	We continued to apply IT to improve design and construction processes, ensure quality of deliverables, reduce environmental impacts, and enhance construction safety for new works contracts, including – a) Developing the DCSMS Phase 2 which includes the development of Housing Authority Occupational Injury and Disease Surveillance System in HA IT environment and new apps such as Reference Document App, Site Alert App, and Structural Inspection App as well as the Site Direction/Site Memo Web Module. Also,	On-going

Key Activity	Performance Goal ^{Note}	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<ul style="list-style-type: none"> b) Using Radio Frequency Identification (RFID) for delivery tracking of building components as well as for tracking construction waste from construction sites, and extending its application to selected Building Services installations; c) Widening the application of Building Information Modelling (BIM) in all disciplines and aspects of planning, design and construction of selected new works projects; d) Widening the application of Geographic Information System (GIS) for site potential studies ; and e) Maintaining and enhancing HOMES' applications and efficiency. 		<p>the implementation of enhancement for DCSMS Phase 1 which included the enhancement of the BW Inspection App, development of the Request for Inspection App and Record Filing Function was in progress;</p> <ul style="list-style-type: none"> b) Applied RFID for delivery tracking of concrete cubes and selected building components as well as tracking construction waste generated from construction sites; c) Applied BIM in all disciplines and aspects of planning, design and construction of new projects. More than 45 projects are now using BIM at various stages; d) Performed a total of 17 site potential and feasibility studies using GIS; and e) The HOMES Enhancement Batch 10 includes 21 enhancements, mainly on budget, payment and contract functions. 15 of the enhancement items have been completed by stages in 2016 while the remaining ones are in progress and will be completed in 2017. 	

Year-end Review of Key Performance Indicators 2016/17
Procurement

KPI	Targets for 2016/17	As at 31 March 2017	Year-end Status
(a) Training sessions on procurement principle and practice for users involving in procuring goods and services	Eight sessions per annum	We conducted eight training sessions and two workshops in this financial year.	Target Met
(b) Processing time for list admission	Three months	We completed seven list admission applications within three months of receipt of complete information.	Target Met
(c) Payment period to contractors engaged in capital works new works projects	Within 35 days	Average 32 days	Target Met
(d) Payment period to Professional Service Providers engaged in capital works new works and maintenances projects	Within 35 days	Average 23.9 days	Target Met
(e) Dialogue with stakeholders	Bi-monthly/ Quarterly/ Half-yearly/ Annual Meetings	We held regular meetings with respective Contractors' Associations and representatives.	Target Met

HONG KONG HOUSING AUTHORITY
Development and Procurement Sub-division (part) ^{Note 1}
2016/17 Provisional Expenditure and Revised Budget
Relating to Procurement, Environmental Management and Safety & Health Functions

	2016/17				
	2015/16	Provisional	Revised	Variance	
	Actual	Expenditure ^{Note}	Budget	\$M	%
	\$M	2	\$M	(a)-(b)	[(a)-(b)]/(b)
	(a)	(b)			
Recurrent Expenditure					
Personal Emoluments	64	64	71	(7)	(9.9)
Other Recurrent Expenditure	36	35	37	(2)	(5.4)
	100	99	108	(9)	(8.3)
Capital Expenditure					
Computer Expenditure	1	2	3	(1)	(33.3)
	1	2	3	(1)	(33.3)
Total	101	101	111	(10)	(9.0)

Note 1 Extracted from the budget and expenditure of the Development and Construction Division on the part relating to procurement, environmental management and safety & health functions.

Note 2 These are provisional figures which may be subject to year-end and audit adjustments upon finalisation of the 2016/17 annual

**Memorandum for the Building Committee of
the Hong Kong Housing Authority**

**Year-end Performance Review
Programme of Activities for Development & Construction in 2016/17**

PURPOSE

This paper presents the year-end performance review of the Programme of Activities for Development & Construction in 2016/17.

BACKGROUND

2. To ensure that a coherent and effective set of policies and programmes is put in place to achieve the Housing Authority's strategic objectives, Programmes of Activities are prepared for endorsement by relevant HA committees. The 2016/17 Programme of Activities (Paper No. **BC 89/2015** refers) was approved by Members in December 2015. This paper reports on the status of implementation of the Activities as at 31 March 2017.

PERFORMANCE REVIEW

Key Activities

3. The 2016/17 Programme of Activities covers a total of 16 Key Activities. The progress as at 31 March 2017 is summarised in Table 1 below and a detailed report on the progress of individual activities is at **Annex A**.

Table 1

Action Completed	On-going / On schedule / Partially Completed	Behind Schedule
-	16 (100%)	-

Key Performance Indicators (KPIs)

4. A total of 10 KPIs have been developed to measure the business performance. The position as at 31 March 2017 is summarised in Table 2 and detailed in **Annex B**.

Table 2

Meeting Target	Partially Meeting Target	Not Meeting target
9 (90%)	1 ^{Notes 1} (10%)	0 (0%)

Quality Assurance of Fresh Water Inside Service

5. We continued to explore and implement quality assurance measures for fresh water inside service since the onset of the excess lead found in drinking water incident in July 2015 (Paper No. **BC 29/2016** refers). We commenced the plumbing rectification works in the 11 affected estates in March 2016 (Paper No. **BC 35/2016** refers). As at end March 2017, we have almost completed all of the plumbing rectification works in common areas of all 11 affected estates and have proceeded with full scale implementation of inside flats rectification works in April 2017 with the experience gained in the trial in Lower Ngau Tau Kok Estate Phase 1 (Kwai Yuet House).

Risk Assessment and Treatment of Building Materials

6. In response to the Commission of Inquiry (COI) into Excess Lead Found in Drinking Water's Report published on 31 May 2016, recommending a review of all plumbing materials in identifying potential hazards and contamination in drinking water, we have taken further steps and completed in December 2016 a risk assessment exercise, which followed the principle and guidelines of the International Standard ISO 31000 on Risk Management on about 2 300 building materials used in architectural, building services, structural, civil engineering, geotechnical engineering and landscaping works. We have engaged the contractors and other stakeholders including government departments, trade associations, institutions, academia, professional service providers, suppliers etc. in the assessment exercise (Paper No. **BC 71/2016** refers). We have evaluated the risk assessment results and are developing corresponding risk treatment measures. The first batch of risk treatment measures for architectural components has rolled out in January 2017.

Note 1 KPI 01 on production target was only partially met due to the completion date of four projects, namely Anderson Road Site C1, Tuen Mun Area 54 Site 2 Phase 1, Tuen Mun Area 54 Site 2 Phase 2 and Tung Chung Area 56 having slipped to 2017/18 as a result of an industry-wide shortage of labour, the slow progress of contractors and inclement weather.

FINANCIAL PERFORMANCE

Construction Expenditure

7. The provisional expenditure for the year ended 31 March 2017 was \$17,184M, which was \$1,119M or 6.1% lower than the Revised Budget of \$18,303M. The variance was mainly due to construction programme adjustments of some projects. A summary of the provisional expenditure against the Revised Budget is provided at **Annex C**.

Review of Project Costs of Completed Projects

8. 12 projects were completed and one partially completed in the financial year 2016/17. Their estimated final project costs are all within the approved project budgets shown in **Annex D**.

INFORMATION

9. This paper is issued for Members' information.

Miss Angie AU YEUNG
Secretary, Building Committee
Tel. No. : 2761 7465
Fax No. : 2761 0019

File Ref. : HD(DC) 250/6
(Development and Construction Division)
Date of Issue : 3 August 2017

Year-end Review of Key Activities 2016/17
Development & Construction

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
New Initiatives				
Theme 1 : Providing Quality Homes				
<u>KA01</u> To explore and implement measures to assure proper use of materials on site to safeguard fresh water quality; review and enhance site inspection procedures in respect of assuring proper use of materials for all critical site works and installations for capital works new works projects.	<u>PG01*</u> Explore and implement new specification clauses for the inspection and testing of materials used in fresh water inside service, such as – a) Explore the use of pipes and fittings bearing the British Standard Kitemark; b) Explore introducing product certification to some plumbing fittings; c) Require the building contractor to submit a Sub-contractor Management Plan; and d) Require the testing of water samples in addition to those required by Water Supplies Department (WSD). Review for adequacy and explore further enhancements as appropriate.	1 st Q2017	We explored and implemented new specification clauses for the inspection and testing of materials used in fresh water inside service, including – a) The use of copper pipes and fittings bearing the British Standard Kitemark. The relevant specifications have been issued; b) Explored product certification of some plumbing fittings in collaboration with WSD and relevant stakeholders. WSD would consider its implementation on a territory wide perspective. c) The standard specifications to require building contractors to submit Sub-contractor Management Plans; d) The standard specifications to require the testing of water samples in addition to those required by WSD; e) The requirement of material verification tests for copper pipes, solder in integral solder ring fittings and gate valves; f) The mandatory use of integral solder ring fittings; g) The enhanced submission requirements of pipes, fittings and joints; and (h) The enhancement of technical specifications for plumbing materials.	Action Completed

[1] Performance Goals marked “ * ” are also applicable to the Programme of Activities for Procurement. Performance Goals marked “ # ” are also applicable to the Programme of Activities for Subsidised Housing.

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<p><u>PG02*</u> Implement the updated Performance Assessment Scoring System (PASS) manual and site inspection guide, incorporating enhanced assessments for material compliance in fresh water inside service, such as –</p> <ul style="list-style-type: none"> a) More stringent assessment and score deduction for major material non-compliance; b) Registering the delivery of soldering materials; c) Random audit checking of delivered soldering materials for compliance; and d) Remedial Works PASS for plumbing remedial works in completed estates affected by excess lead in fresh water. <p>Review for adequacy and explore further enhancements as appropriate.</p>	On-going	<p>We continued to implement the updated PASS manual incorporating enhanced assessments for material compliance in fresh water inside service, such as –</p> <ul style="list-style-type: none"> a) Tightened PASS to address major material non-compliance with deduction of the overall Management Input score; b) Registering the delivery of soldering materials in the Site Inspection Guide; c) Audit checking of delivered soldering materials for compliance in Site Inspection Guide; and d) Remedial Works PASS for Water Quality Issue for completed estates affected by excess lead in fresh water. 	On-going
	<p><u>PG03*</u> Implement list and contractual control measures to secure the employment of competent plumbing sub-contractors and licensed plumbers, such as –</p> <ul style="list-style-type: none"> a) Adopting a list of plumbing sub-contractors; and b) Setting plumbing sub-contractors' and Licensed Plumbers' workload capping limits. <p>Review for adequacy and explore further enhancements as appropriate.</p>	1 st Q2017	<p>We implemented the list and contractual control measures in the second Quarter of 2016. We will continue to review for adequacy and explore further enhancements as appropriate.</p>	Action Completed

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<p><u>PG04*</u> Review specification library, site inspection guide and PASS manual in respect of the adequacy and effectiveness of site inspection procedures for assuring proper use of materials for all critical site works and installations for capital works new works projects. Devise and implement enhanced control measures for quick wins and establish relevant KPIs where appropriate, and consider engaging consultants to conduct a comprehensive study to ensure completeness in the long run.</p>	1 st Q2017	<p>We have reviewed the specification library and promulgated the new / revised specification for risk control of material covering the architectural components of aluminium window, timber doorset, metal gateset and cooking bench in the first quarter of 2017.</p> <p>We have reviewed and prepared the proposed PASS Manual revision in respect of the adequacy and effectiveness of site inspection procedures for assuring proper design, purchase, delivery, storage and use of all materials and proper workmanship for all critical site works and installations for capital works new works projects, in response to the enhanced measures on material control and monitoring by the Material Task Group.</p> <p>We also implemented the specification for random audit checking for compliance of soldering, brazing and copper pipe materials during the 10% inspection of plumbing works.</p>	Action Completed

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
On-going Initiatives				
Theme 1 : Providing Quality Homes				
<u>KA02</u> To identify sites in a suitable condition to expedite the development of housing units and conduct detailed studies on selected sites in order to achieve the production targets of domestic flats and facilities as planned in the Public Housing Construction Programme, and optimize the development potential of the sites and maximize the supply of domestic flats.	<u>PG05</u> To construct 19 000 PRH flats, 3 000 SSF flats, 7 500 m ² GFA of retail facilities and 670 nos. of car / lorry parking spaces. ^[2]	1 st Q2017	We completed the construction of about 11 300 PRH flats ^[3] , 3 000 SSF flats, 1 900 m ² GFA of retail facilities ^[4] and 520 car / lorry parking spaces ^[5] in the financial year. ^[2]	On-going
	<u>PG06</u> To continuously work in close liaison with all concerned Government bureaux and departments to – <ul style="list-style-type: none"> a) Provide suitable and “spade ready” sites which are properly zoned, resumed, cleared and formed with adequate provision of infrastructure for public housing development; b) Carry out comprehensive studies on selected sites to facilitate and advance the readiness of such sites for public housing development; c) Increase the plot ratio and relax building height and non-building areas of suitable public housing development sites; 	On-going	We held regular meetings and will continue to liaise with Government bureaux and departments concerned to – <ul style="list-style-type: none"> a) Identify and endorse potential sites suitable for public housing development; b) Facilitate and advance the site availability for public housing development and to agree on the programme of the comprehensive studies for selected sites; c) Increase the plot ratios of suitable public housing sites and relax building height and non-building areas of suitable public housing development sites; d) Optimize development potential; and 	On-going

[2] Figures rounded to the nearest hundred for flat production and retail provision, and to the nearest ten for car / lorry parking spaces.

[3] Including about 1,200 PRH flats from Au Tau Departmental Quarters rescheduled for completion from 2015/16 to 2016/17 and excluding about 9,000 PRH flats from Tung Chung Area 56, So Uk Phase 1 (Block 14), Anderson Road Site C1, Tuen Mun Area 54 Site 2 Phases 1 and 2 rescheduled for completion from 2016/17 to 2017/18.

[4] Including about 1,000m² retail GFA in Au Tau Departmental Quarters rescheduled for completion from 2015/16 to 2016/17 and excluding about 6,600m² retail GFA in Tung Chung Area 56, So Uk Phase 1 (Block 14), Tuen Mun Area 54 Site 2 Phases 1 and 2 rescheduled for completion from 2016/17 to 2017/18.

[5] Including about 120 parking spaces in Shatin Area 52 Phase 2 and Au Tau Departmental Quarters rescheduled for completion from 2015/16 to 2016/17 and excluding about 270 parking spaces in Tung Chung Area 56, Anderson Road Site C1, Anderson Road Site C2 Phase 2, Tuen Mun Area 54 Site 2 Phases 1 and 2 rescheduled for completion from 2016/17 to 2017/18.

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<p>d) Optimize the development potential of domestic facilities, and non-domestic facilities where possible; and</p> <p>e) Expedite the provision of formed sites and infrastructure for public housing developments, including securing the necessary funding from Government.</p>		<p>e) Keep track of the status of funding approval for Government infrastructure works and their implementation in a coordinated and timely manner to meet the public housing construction programme.</p>	
	<p><u>PG07*</u> To implement BEAM Plus specification clauses in all new works projects, and register selected ones with the Hong Kong Green Building Council for assessment and certification in order to obtain GFA concession and increase development potential.</p>	On-going	<p>We applied BEAM Plus specification clauses in all new works projects. In the financial year, we registered 7 new works projects with the Hong Kong Green Building Council for assessment and rating under the BEAM Plus assessment scheme.</p>	On-going
	<p><u>PG08</u> To adopt site-specific design of domestic blocks to optimize site potential and maximize supply of flats through comprehensive planning and design, taking into consideration adjacent developments, views of local communities and requirements of relevant Government departments, including welfare facility requirements.</p>	On-going	<p>We continued to adopt comprehensive planning and site-specific design for all domestic blocks in new projects to best respond to site conditions, utilize plot ratio and maximize flat production, taking into consideration the views of the local community and the requirements of Government departments, with an aim to providing the essential facilities while optimizing the development potential.</p>	On-going
<p><u>KA03</u> To monitor town planning and associated processes affecting housing development, and mitigate any adverse impact on site availability for construction.</p>	<p><u>PG09</u> Closely liaise with relevant Government departments on the progress of planning and rezoning applications which may have implications on the acquisition of sites for commencement of construction works.</p>	On-going	<p>We continued to closely liaise with relevant Government departments on the progress of planning and rezoning applications for timely commencement of construction works.</p>	On-going

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<u>PG10</u> Should unpredictable or unpreventable issues concerning or affecting HA's sites arise, such as judicial review, local demand for additional facilities, etc., liaise closely with relevant Government departments to mitigate delay in site availability. At the same time, explore and implement measures to expedite subsequent construction, e.g. the use of advance hoarding works or other preparation works.	On-going	We continued to maintain close liaison with Development Bureau and Planning Department on the progress of the Outline Zoning Plans (OZPs) affected by judicial review and its implications on public housing development. We will continue to take the projects forward, in a way that minimises abortive use of resources, so that we do not waste time while waiting for the decision on the OZPs.	On-going
<u>KA04</u> To monitor public objections to housing development, take measures to avoid interruption to site works and mitigate any effect on progress.	<u>PG11</u> Closely liaise with district councillors and local community to gain support on new development proposals.	On-going	We continued to closely liaise with district councillors and local community to gain support on new development proposals.	On-going
	<u>PG12</u> Should protests occur at construction sites, liaise with protesters to address their concerns with the aim to ending the protests the soonest possible. Work closely with relevant contractors to implement necessary measures to avoid disruption to the works and mitigate delay.	On-going	During the year, there is no protest at our construction sites. We will liaise with protesters to address their concerns with the aim of ending protests the soonest possible and work with contractors to avoid disruption to the works should protest occur at construction sites.	On-going
<u>KA05</u> To explore and implement initiatives to expedite construction of new works projects.	<u>PG13</u> To use separate advance hoarding contracts for suitable sites and adopt hoarding erection in two stages using a standardized design.	On-going	We continued to use separate advance hoarding contracts for suitable sites and we adopted hoarding erection in two stages. We had standardized the hoarding design and had prepared standard drawings for adoption in projects.	On-going
	<u>PG14</u> To prepare major Excavation and Lateral Support Works plans and submit to ICU to secure first approval before tender.	On-going	We continued to prepare major Excavation and Lateral Support Works plans and submit them to ICU to secure first approval before tender in all HA piling contracts and combined building and piling contracts.	On-going

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<u>PG15</u> To submit piling record plan and consent for pile cap construction concurrently.	On-going	We continued to submit piling record plan and consent for pile cap construction concurrently in all HA piling contracts and combined building and piling contracts.	On-going
	<u>PG16</u> To liaise closely with Direct Testing Contractors to effect early planning and booking for pile tests.	On-going	We continued to liaise closely with Direct Testing Contractors to effect early planning and booking for pile tests in all HA piling contracts and combined building and piling contracts.	On-going
	<u>PG17</u> To use draft or preliminary pile test reports to speed up the processing and reporting of foundation works completion.	On-going	We continued to use draft or preliminary pile test reports to speed up the processing and reporting of foundation works completion in all HA piling contracts and combined building and piling contracts.	On-going
	<u>PG18</u> To implement streamlined joint survey and submission procedures at the foundation contract / building contract interface.	On-going	We had established streamlined joint survey and submission procedures, and had been implementing them at the foundation contract / building contract interface.	On-going
	<u>PG19</u> To streamline the checking and approval process of material sample submissions from contractors by operating a Control Vetting Team to centrally vet standardized Base Drawings of concerned building components and building services components submitted directly by suppliers in advance.	On-going	We continued to operate a Control Vetting Team and closely liaised with suppliers for necessary updating of Base Drawings. The Base Drawings for precast concrete components have been progressively rolled out since March 2017.	On-going
	<u>PG20</u> To implement streamlined inspection procedures for soil bearing conditions of minor footings.	On-going	We had established streamlined inspection procedures for soil bearing conditions of minor footings, and had been implementing them at construction sites.	On-going

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<u>PG21</u> To implement streamlined site audits for 19 projects consisting of buildings of 30 storeys or less.	On-going	In the year, we have implemented streamlined site audits for 7 projects consisting of buildings of 30 storeys or less.	On-going
	<u>PG22</u> To apply standardized falsework details for precast facades and semi-precast slabs in suitable projects.	On-going	We had been applying standardized falsework details and specification clauses for precast facades and semi-precast slabs in suitable projects.	On-going
	<u>PG23</u> To use the following standardized precast elements in suitable projects – a) Lift machine room above main roof; b) Roof water tanks; c) Roof parapets; d) Manholes and cable draw pits; and e) Drainage channels.	On-going	We had been using standardized precast elements in suitable projects, including – a) Precast lift machine rooms; b) Precast roof water tank; c) Precast roof parapets; d) Precast manholes, cable draw pits; and e) Precast drainage channels.	On-going
	<u>PG24</u> To use labour saving installation methods, including - a) Mechanical coupling joint for fire service pipework; b) Prefabricated trunking in meter rooms and for lift installation.	On-going	We had been using labour saving installation methods, including – a) Mechanical coupling joint for fire service pipework; and b) Prefabricated trunking in meter rooms and for lift installation.	On-going
<u>KA06</u> To develop a comprehensive range of modular flats for PRH and SSF to suit the diverse needs of the public.	<u>PG25</u> To continuously review the PRH and SSF flat types in the modular flat library for suitability of meeting changing and varying needs.	On-going	We had regularly reviewed the PRH and SSF flat types in the modular flat library for suitability of meeting changing and varying needs.	On-going

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
<p><u>KA07</u> To adopt environmentally responsive planning and design, and optimize greening in housing estates to promote a green and healthy environment.</p>	<p><u>PG26</u> To employ micro-climate studies and Air Ventilation Assessment to optimize natural ventilation and use of daylight in the planning and design of new estates.</p>	On-going	In the financial year, we conducted micro-climate studies in 37 on-going projects and carried out AVA in 25 on-going projects. The findings were applied in the design.	On-going
	<p><u>PG27</u> To plan new estates with a greening ratio of at least 20%, and at least 30% for sites over two hectares where GFA concessions are required. To adopt a tree planting ratio of not less than 1 tree per 15 flats for new housing developments. To monitor the cost effectiveness of greening.</p>	On-going	We had planned all new estates with a greening ratio of at least 20%, with a target of 30% for large projects over two hectares, and a tree planting ratio of not less than one tree per 15 flats. We had also been monitoring the cost effectiveness of greening.	On-going
	<p><u>PG28</u> To apply balanced ecological planning and design principles in suitable new works projects.</p>	On-going	We had applied balanced ecological planning and design principles in suitable projects.	On-going
	<p><u>PG29</u> To use acoustic windows, acoustic balconies, other features and configurations to domestic flats to mitigate extreme noise impact at selected new works projects.</p>	On-going	We had used different types of noise mitigation measures, including acoustic windows, acoustic balconies, acoustic fins and noise barriers, etc., in different projects to suit the site-specific characteristics.	On-going
	<p><u>PG30</u> To apply Carbon Emission Estimation at the design stage of new development projects. The estimation will include carbon emission in construction stage and throughout the life cycle of the building.</p>	On-going	We conducted CEE for 14 projects in the financial year, and would implement it in all projects in the design stage.	On-going
	<p><u>PG31</u> To align the design of new works projects requiring GFA concessions with the prescribed Residential Thermal Transfer Values promulgated in the "Guidelines on the Design and Construction Requirements for Energy Efficiency of Residential Buildings" (the Guidelines). To liaise with the Buildings Department (BD) on the impact of the principles for natural ventilation set out in the Guidelines.</p>	On-going	We had been liaising regularly with BD in the design of our domestic blocks for energy efficiency and BD had issued the new "Guidelines on the Design and Construction Requirements for Energy Efficiency of Residential Buildings" (the Guidelines) in the third Quarter of 2014. HA's new works projects can generally fulfil the mandatory requirements on Residential Thermal Transfer Values	On-going

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
			promulgated in the Guidelines. We would continue to liaise with BD on refining the recommended requirements for natural ventilation set out in the Guidelines, for which BD was in the process of collecting data for further research with a view to formulating a benchmark in the long run.	
	<u>PG32</u> To provide a “smart meter monitoring and information display system” at main entrance lobbies of new domestic blocks for tenants’ information and peer comparison of communal and tenants’ consumption of electricity, gas and fresh water.	On-going	We continued to provide “Smart meter” monitoring system with displays at the main entrance lobbies of all new domestic blocks. We also prepared the standard specifications for project teams’ use.	On-going
	<u>PG33</u> To implement hybrid ventilation systems in suitable commercial projects.	On-going	We continued to implement hybrid ventilation systems in suitable commercial projects. We also prepared the application criteria and guidelines for project team’s reference. There were a total of three projects with hybrid ventilation system installed since March 2010.	On-going
	<u>PG34</u> To install green roofs in suitable new works projects, and review the effectiveness of other environmental initiatives for further application, including - a) Zero Irrigation Planting System (ZIPS), including Sustainable Urban Drainage System and Sub-irrigation Planting System to reduce water consumption in irrigation; b) Bio-filtration installation consisting of spent mushroom to reduce air pollutants in car parks and busy roads; and c) Recycling felled trees as bulking agent to produce gardening compost.	On-going	We installed green roofs in suitable new works projects and continued to review the effectiveness of other environmental initiatives for further application, including – (a) Trial of Zero Irrigation System in new public housing projects which was proven to be effective. It would be adopted to replace the rain water harvesting system; (b) Trial for Bio-filtration installation consisting of spent mushroom to reduce air pollutants in car parks and busy roads which had been completed, pending the final report by the third quarter of 2017; and	On-going

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
			(c) Trial for recycling felled trees as bulking agent to produce gardening compost at Hung Fuk Estate which has been completed. This study has provided reference on the criteria for selection of composting machine and the optimum application rate of wood waste and garden waste for production of compost. However, since it is not cost effective, it will not be continued. Instead, trial for recycling felled trees as mulch for landscaping works will be conducted in other appropriate projects in the future.	
	<p><u>PG35</u> To evaluate the performance of the trial implementation of "Environmental Protection Window - 環保之窗" Scheme ^[6] to disseminate messages on environmental protection in a selected existing estate.</p>	On-going	<p>We completed the evaluation of the performance of the trial implementation of "Environmental Protection Window - 環保之窗" Scheme. The study findings concluded that the effectiveness of the Scheme was not noticeable due to limitations of data collection of utility consumption of households in existing estate and hence, would not be further proceeded. In view that the "Smart Metering cum Energy Information Display System" has been provided for all new development projects since December 2015 and found more effective, we will keep in view to enriching the display data of this System for promotion of energy conservation.</p>	Action Completed
	<p><u>PG36</u> To coordinate with the Development Bureau on tree preservation and management works, and on new guidelines and contractual requirements.</p>	On-going	<p>We continued to co-ordinate with the Development Bureau on tree preservation and management works, new guidelines and contractual requirements through regular liaison meetings and working group meetings.</p>	On-going

[6] This scheme broadcasts information on the amount of natural resources tenants have consumed and news of environmental protection around the world, so as to encourage them to treasure resources and lead an environment-friendly lifestyle.

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<u>PG37</u> To upload the data of all trees in existing PRH estates and construction sites to the Geographic Information System (GIS) Tree Database after the annual tree risk assessment works in order to facilitate tree preservation and protection.	On-going	We completed uploading the 2016 tree data from existing PRH estates to the GIS Tree Database. We would upload tree data from new works projects to the GIS Tree Database upon completion of planting works.	On-going
	<u>PG38</u> To conduct tree risk assessment works for construction sites and existing estates and carry out necessary remedial works.	On-going	We completed the 2016 tree risk assessment (TRA) for construction sites and existing PRH estates and the related tree remedial works in the second Quarter of 2016. We commenced the 2017 tree risk assessment & management (TRAM) for construction sites and existing PRH estates in the third quarter of 2016 and completed more than 80% of tree risk assessments.	On-going
<u>KA08</u> To promote and streamline “green” procurement including the use of “green” materials, “green” construction methods, resource conservation technologies, and the simultaneous and integrated application of different environment-friendly material labelling schemes.	<u>PG39*</u> To liaise with HKGBC and CIC on the integration of HKGBC Green Building Product Labelling Scheme and CIC Carbon Labelling Scheme, and HA’s product certification scheme. (See also PG65.)	On-going	A proposal to explore the integration of three schemes in BEAM Plus assessment is being studied by the consultant under BEAM Plus assessment review exercise. Also, we had liaised with HKGBC and they agreed to include product certification into their Consultant Study for BEAM Plus NB Major Revision.	On-going
	<u>PG40*</u> To prepare and implement new specification clauses for the co-ordinated implementation of the three schemes referred to in the above PG.	On-going	We have been keeping in view the development of the labelling or certification schemes involved and will prepare and implement new specification clauses for their co-ordinated implementation.	On-going
	<u>PG41</u> To adopt “green” construction methods in new works projects, such as FSC timber for temporary work and modular water tank.	On-going	We continued to adopt “green” construction methods, including the use of FSC timber for temporary work and ground granulated blast-furnace slag (GGBS) etc.	On-going

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<p><u>PG42</u> To use precast segmental roof water tanks of standardized design in suitable new works projects.</p>	On-going	<p>We had been using precast segmental roof water tanks of standardized design in suitable new works projects.</p> <p>We are also preparing the instruction on “Implementation of Precast Construction at Roof of Domestic Block” (previously named “Implementation of Precast Construction in Common Area of Domestic Block”) and target to issue for implementation in the second Quarter of 2017.</p>	On-going
	<p><u>PG43</u> To widen the use of precast concrete components including volumetric precast elements in new works projects.</p>	On-going	<p>We continued to explore wider use of precast concrete components including volumetric precast balcony. The standard structural drawings for volumetric precast acoustic balcony were targeted to be completed by the second quarter of 2017.</p>	On-going
	<p><u>PG44</u> To pilot the use of nanotechnology for sound insulation on floor slabs and for thermal insulation on gable end walls of new domestic blocks.</p>	4 th Q2016	<p>We completed the trial for Foamed Concrete for sound insulation and found it ineffective. We started a study on Foamed Concrete for thermal insulation on gable end walls and a Mock-up test in Mainland China in the third Quarter of 2016. Preliminary results indicated that the system is able to reduce the temperature by 3 to 4°C. The test is still on-going and target for completion by end of 2017.</p>	On-going
	<p><u>PG45</u> To use synthetic macro-fibre reinforcement in on-grade slabs in new works projects where applicable.</p>	On-going	<p>We continued to use synthetic macro-fibre reinforcement in on-grade slabs in new works projects where applicable.</p>	On-going
	<p><u>PG46</u> To use Ground Granular Blast Furnace Slag (GGBS) to partially replace cement in precast concrete facades and to explore its use in other precast structural elements.</p>	On-going	<p>We had specified the mandatory use of GGBS for precast façades and precast staircases in all new projects under construction from the first Quarter of 2016. Full scale mock-up test for the use of GGBS in semi-precast slab is on-going and the test would be completed in second quarter of 2017</p>	On-going

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<u>PG47</u> To adopt re-usable modular hoarding with bolt-and-nut fixing in suitable new works projects.	On-going	We had adopted re-usable modular hoarding with bolt and nut fixings in suitable projects.	On-going
	<u>PG48</u> To use re-cycled materials in new works projects to reduce the use of new materials and carbon emission.	On-going	We continued to use re-cycled materials such as paving blocks with recycled glass content in new works projects to reduce the use of new materials and carbon emission.	On-going
	<u>PG49</u> To use hard paved construction at all piling and building construction sites.	On-going	We had adopted precast concrete hard paving in all HA piling and building contracts.	On-going
	<u>PG50</u> To adopt DEVB's implementation plan to phase out the use of four types of Exempted Non-Road Mobile Machinery (NRMM) in HA' construction sites for contracts with estimated value greater than \$200M, namely – a) Generators; b) Air compressors; c) Excavators; and d) Crawler cranes.	On-going	We had adopted DEVB's implementation plan (the Plan) to phase out the use of four types of exempted NRMM for HA's contracts with estimated value greater than \$200M with an escape clause to exempt the requirement subject to Contractor's justifiable substantiation. Foundation Contractors have agreed to add filters to their plants and machines to reduce air pollution when applying exemption for those types of NRMM with phasing out percentage less than the Plan specified.	On-going
	<u>PG51</u> To implement innovations in the PRH Development at Anderson Road Sites A and B Phases 1 and 2.	On-going	We continued to implement the following innovations in the PRH Development at Anderson Road Sites A and B Phases 1 and 2. a) In "5D Building Information Modelling" (5D BIM), a fourth dimension of 'time' and a fifth dimension of 'cost' were added to the conventional three dimensions to facilitate project management; and b) In "Structural Soil", the planting soil mixtures not only comply with load-bearing	On-going

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
			requirements but also allow root growth for vegetation at the same time. Various soil mixes was tested in the laboratory and two trees were planted with structural soil as trial in the fourth Quarter of 2016.	
	<u>PG52</u> To apply installations and specification to save resources, such as the use of softwood doors and Water Efficiency Labelling Scheme (WELS) registered plumbing fixtures.	On-going	We specified all softwood and at least 50% of all timber used to be from sustainable sources for all types of doors; and also the use of WELS registered mixers and plumbing fixtures. We have extended the Chain of Custody (COC) certification for timber from sustainable source to the doorset manufacturer / supplier who should produce a Certificate of Registration issued by an independent certification body certifying compliance with the COC standard of an independent certification scheme.	On-going
	<u>PG53</u> To install rain water harvesting system for irrigation at suitable new public rental housing projects, and install Zero Irrigation Planting System and review its effectiveness. (See also PG34.)	On-going	Trial of Zero Irrigation System in new public housing projects was proven to be effective and the system would be adopted to replace rain water harvesting system due to high maintenance cost in water sampling tests.	On-going
	<u>PG54*</u> To update the Guide for specifying “green” materials and products for maintenance and improvement (M&I) works.	On-going	We will keep in view the development of HKGBC Green Product Accreditation & Standards Scheme and update the Guide as appropriate.	On-going
<u>KA09</u> To promote energy conservation.	<u>PG55</u> To analyse the effectiveness of applying low emissivity glass.	On-going	Trial installation results of low emissivity glass in Lei Yue Mun Estate indicated insignificant reduction of solar heat gain. An academic expert was appointed and completed further studies in March 2017. The report findings concluded that application of low-e glass in PRH is not cost effective since –	Action Completed

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
			<p>(a) the heat gain reduced by low-e glass) is offset by the release of latent heat from the concrete wall; and</p> <p>(b) the overall performance of 6mm tinted glass is comparable to 10mm low e-glass.</p> <p>Also, HA's new works projects can generally fulfil the mandatory requirements on Residential Thermal Transfer Values promulgated in the BD's Practice Note.</p>	
	<p><u>PG56</u> To meet energy efficiency requirements according to the Building Energy Codes issued by EMSD in new works projects.</p>	On-going	We had complied with the Building Energy Codes issued by EMSD in all new works projects. There were a total of 11 projects with Certificate of Compliance Registration issued since August 2015.	On-going
	<p><u>PG57</u> To implement grid-connected photovoltaic system for electricity generation in new PRH projects, and install solar-powered lighting in suitable estates.</p>	On-going	We had installed grid-connected photovoltaic (PV) system in suitable PRH domestic blocks and installed solar-powered lighting in all new estates. There were a total of 18 projects with PV system installed since March 2009.	On-going
	<p><u>PG58</u> To implement two-level lighting system for barrier free access in domestic and non-domestic blocks of new works projects.</p>	On-going	We had adopted two-level lighting system in all new domestic blocks.	On-going
	<p><u>PG59</u> To adopt energy efficient LED bulkhead lights in public areas of domestic blocks of new works projects.</p>	On-going	We had adopted LED bulkhead lights in public areas of domestic blocks of new works projects.	On-going
	<p><u>PG60</u> To install electric vehicle charging facilities in car parks of all new estates.</p>	On-going	We had provided electric vehicle charging facilities in indoor car parks of all new estates under design.	On-going

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<u>PG61</u> To adopt energy efficient gearless lifts in domestic blocks to new works projects and adopt permanent magnet synchronous motors (PMSM) for the gearless lifts if readily available in the market.	On-going	We had adopted PMSM in some projects, and had stipulated the use of gearless lift machine in the latest specification for new lift installations of domestic blocks to reap the benefit of lower motor power. There were a total of 13 projects with PMS lift motor installed since April 2014.	On-going
	<u>PG62</u> To adopt regenerative power for lift systems using motors with power rating of 18kW or above in new works projects.	On-going	We had stipulated the use of regenerative power for lift motors of 18kW or above in the latest specification for new lift installations. To further expand its application to other motor ratings below 18kW, we were in liaison with the Lift and Escalator Contractors Association on the market availability.	On-going
<u>KA10</u> To improve building standards, quality and productivity in construction by conducting research on building design and construction, implementing a quality management system and product certification, as well as liaising with industry stakeholders.	<u>PG63</u> To conduct regular R&D Steering Committee meetings to monitor the progress of and upkeep a series of construction-related R&D activities, and explore new initiatives.	On-going	We had held regular R&D Steering Committee meetings to monitor on-going activities and explore new initiatives. We had also reviewed and updated the R&D database regularly. The total number of research studies in the database was updated to 249. New studies commenced during the year include – a) Foam concrete for heat and sound insulation; b) Testing and Investigation Survey on Polypropylene (PP) Drainage Traps; c) Construction monitoring with Internet of Thing (IoT) technology; and d) BIM-enabled Semi-automated Foundation Design (BIM-SAFD).	On-going
	<u>PG64</u> To collect feedback and liaise with stakeholders to improve building standards and productivity in construction through regular meetings, forums and seminars and to promulgate policies and drive new initiatives in the above platforms.	On-going	We liaised regularly with stakeholders, including local communities, District Councils (DC), the Hong Kong Construction Association Limited (HKCA), etc., through different platforms, such as partnering workshop, DC meetings, consultation sessions, etc.	On-going

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<u>PG65*</u> To explore more building materials and components for implementation of product certification in new works projects to effect upstream control of product quality in manufacturing factories. (See also PG39.)	On-going	We had previously implemented product certification in 11 types of building materials and building services. We target to implement product certification for paint products in 2017/18.	On-going
	<u>PG66</u> To review specification to improve productivity, buildability and quality in new works projects.	On-going	We had regularly reviewed our specification for improvement. We promulgated new / revised specifications for procurement of play/fitness equipment, impact absorbing surfacing materials (IASM) and proprietary external furniture in the first half of the financial year. We also promulgated the first batch of new / revised specification for risk control of material covering the architectural components of aluminium window, timber doorset, metal gateset and cooking bench in the first quarter of 2017.	On-going
	<u>PG67</u> To review and enhance the General Specification for Maintenance Works to meet the contemporary requirements and standards for building materials, and enhanced measures to safeguard the quality of fresh water supply in replumbing works.	On-going	We had regularly reviewed the specification for maintenance and replumbing works in order to meet the requirements and standards.	On-going
Theme 2 : Promoting Sustainable Living				
<u>KA11</u> To promote partnering with stakeholders, such as engaging the community in the development process, as well as promoting social cohesion through the planning and design of estates.	<u>PG68</u> To develop new estates with their own identities through planning and designing according to site character and to promote social cohesion through designing common areas to facilitate social interaction and neighbourliness.	On-going	We had planned and designed new estates according to site character to foster their own identities. We had suitably designed common areas to promote social interaction and neighbourliness.	On-going

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<p><u>PG69</u> To plan and design new housing developments for socio-spatial equity, including adopting Universal Design in modular flats and communal facilities, planning Integrated Community Play Areas for all ages and abilities, and implementing Barrier Free Access to block entrances, strategic estate facilities and transportation nodes.</p>	On-going	We had adopted Universal Design principles in the design and planning of community facilities and domestic flats. We had provided Integrated Community Play Areas for all ages and abilities and Barrier Free Access, including footbridges, lifts and escalators with suitable illumination, in new estates.	On-going
	<p><u>PG70</u> To ensure timely provision of ancillary facilities in the community to tie in with population in-take, including liaison with other Government departments on bidding of fund and carrying out entrustment work as necessary.</p>	On-going	We maintained close liaison with other Government departments to secure timely availability of funding for facilities. We had also maintained close liaison with the Civil Engineering and Development Department, its contractors and other departments to monitor the progress of infrastructure works and co-ordinate interfacing works.	On-going
	<p><u>PG71</u> To engage the community in the planning, design, construction and flat intake process, including conducting workshops, Residents Surveys and Post Completion Reviews, to obtain communities' feedback and organising activities such as "Action Seedling" during construction and near flat intake stage to nurture social interaction.</p>	On-going	<p>We continued to consult district councils for all new developments.</p> <p>We conducted community engagement activities to present development proposals and obtain feedback on the planning and design of projects. These activities include engagement workshops, forums and meetings for project proposals. For example, we conducted lobbying sessions with DC Members for Pok Fu Lam and Wah Fu Redevelopment, and On Muk Street.</p> <p>We conducted surveys of residents' views in 5 newly completed estates and post-completion review workshops for 4 projects.</p>	On-going

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<p><u>PG72</u> To complete the remaining small portion of barrier free access improvement works tied in with the Lift Modernisation Programme in 2016/17, subsequent to completion of the majority of the BFA retrofitting works in 2014/15.</p>	On-going	The remaining small portion of barrier free access improvement works tied in with the Lift Modernisation Programme was completed in the first quarter of 2017.	Action Completed
	<p><u>PG73*</u> To partner with green groups to organise our long-term community environmental programme “Green Delight in Estates” (GDE) to raise environmental awareness among residents and instill a lifestyle culture that will protect and improve the environment.</p>	On-going	<p>GDE Phase 9 was completed in the third quarter of 2016 and the Post-programme resident environmental survey has also been completed.</p> <p>GDE Phase 10 has commenced in the third quarter of 2016 and it will end in the third quarter of 2017. We continue to adopt “Reduction of Municipal Solid Waste” as its overall programme theme to echo the government’s current policy. “Household Waste Audit” will be the highlighted campaign for all public housing estates. Green groups continued to promote waste reduction and waste separation at source to residents in 33 estates through in-depth educational programmes. We also extended the educational programme to five commercial centres to promote waste reduction including food waste to commercial tenants as well as our residents.</p>	On-going
	<p><u>PG74</u> To share HA's initiatives through presenting papers or by giving talks at local and international conferences and publications.</p>	On-going	We published and presented papers, and gave talks regularly in both the local and international arenas to share HA’s initiatives.	On-going

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
<p><u>KA12</u> To monitor and enhance the quality of development and environment, as well as health and safety at the HA's construction sites, and improve the environmental, social and economic aspects of sustainability.</p>	<p><u>PG75</u> To implement ISO 9001 and ISO 14001 in the management and operation of Development and Construction work.</p>	On-going	We continued to implement the ISO standards in our management and operations. We target to transit to 2015 editions of ISO 9001 & ISO 14001 in the fourth quarter of 2017.	On-going
	<p><u>PG76</u> To implement the European Foundation for Quality Management (EFQM) Excellence Model for DCD's development and construction work.</p>	On-going	We continued to implement the EFQM Excellence Model in our management and operations.	On-going
	<p><u>PG77</u> To implement ISO 9001 and ISO 14001 in the planning, design, project management and contract administration of planned M&I works in existing estates.</p>	On-going	We continued to implement ISO 9001 and ISO 14001 in the planning, design, project management and contract administration of planned maintenance and improvement works in existing estates.	On-going
	<p><u>PG78</u> To implement ISO 19011 Auditing Management System for M&I works in PRH estates.</p>	On-going	We continued to implement ISO 19011 Auditing Management System for M&I works in PRH estates.	On-going
	<p><u>PG79</u> To enrol DCD's development and construction work annually in the HKQAA Corporate Social Responsibility (CSR) Index and obtain the HKQAA Advocate Mark.</p>	On-going	We continued to enrol our development and construction work annually in the HKQAA CSR Index for obtaining the HKQAA Advocate Mark.	On-going
	<p><u>PG80[#]</u> To complete the feasibility study on enrolment in HKQAA CSR Index Plus for EMD.</p>	4 th Q2016	We completed the feasibility study on enrolment in HKQAA CSR Index Plus for EMD in September 2016.	Action Completed
	<p><u>PG81</u> To implement ISO 31000 Risk Management System for Maintenance and Improvement (M&I) works in PRH estates.</p>	On-going	We continued to implement ISO 31000 Risk Management System for M&I works in PRH estates.	On-going

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<u>PG82</u> To implement ISO 50001 on energy management system for domestic blocks in new development projects and to require the contractors on HA's Lists of Building (NW) and Piling Contractors to implement this ISO standard.	On-going	We continued to implement ISO 50001 on energy management system for domestic blocks in new development projects and to require the contractors on HA's Lists of Building (NW) and Piling Contractors to implement this ISO standard.	On-going
	<u>PG83[#]</u> To implement ISO 50001 energy management system for existing PRH estates.	On-going	We continued to implement ISO 50001 energy management system for domestic blocks in existing PRH estates and the renewal of certification by HKQAA for all existing PRH estates was successfully awarded in April 2016. Internal audit was carried out in the fourth Quarter of 2016. Training classes to refresh, enhance or introduce the energy management system were held in the first Quarter of 2017. Annual management review report of energy management system for all PRH estates for financial year 2015/16 was completed.	On-going
	<u>PG84[#]</u> To implement OHSAS 18001 Occupational Health and Safety Management System (OHSMS) for planned maintenance and improvement works.	On-going	We continued to implement OHSAS 18001 Occupational Health and Safety Management System (OHSMS) for planned maintenance and improvement works.	On-going
	<u>PG85</u> To monitor site safety at construction sites to achieve accident rate of no more than 9 accidents per 1000 workers for New Works contracts and Maintenance contracts, and achieve zero fatal accident.	On-going	We continued to monitor site safety at construction sites to achieve accident rate of not more than 9 accidents per 1000 workers for New Works contracts and Maintenance contracts, and achieve zero fatal accident.	On-going
	<u>PG86*</u> To enhance safety awareness and practices at construction sites by continuing to – a) Issue circulars and organize Site Safety Forum, site safety seminars on topical issues;	On-going	We continued to enhance safety awareness and practices at construction sites by continuing to – a) Issue alerts and organize Site Safety Forum, site safety seminars on topical issues;	On-going

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	b) Conduct safety training programme for contractors' employees and HD staff; c) Engage stakeholders to promote best practices; and d) Maintain a Site Safety website with site safety information and multi-media materials.		b) Conduct safety training programme for contractors' employees and HD staff; c) Engage stakeholders to promote best practices; d) Maintain a Site Safety website with site safety information and multi-media materials; and e) Update publications including 'Site Safety Handbook' and 'Pictorial Guide to Planning and Design for Safety'.	
	<u>PG87</u> To explore and implement measures in new works construction contracts to enhance safe and healthy image of the construction industry.	On-going	We continued to explore and implement measures in new works construction contracts to enhance safe and healthy image of the construction industry such as the new requirement to provide anti-heat stress site uniform to site workers, reflective vest for operative and supervisory staffs involved in lifting operation, road works and controlling vehicular traffic, and specifying the standard of y-type chin strap.	On-going
	<u>PG88</u> To enhance the work environment and work practices at new works construction sites through contract measures.	On-going	We continued to enhance the work environment and work practices at new works construction sites through contract measures, such as specifying the requirements of undertaking of bamboo scaffolding work by scaffolding companies certified under OSH Star Enterprise – RMAA Safety Accreditation Scheme, details of temporary staircase, provision of warning notice to the danger area and hand straps for handheld tools.	On-going
	<u>PG89*</u> To monitor and review the effectiveness of the safety management system, including the Integrated Pay for Safety, Environment and Hygiene Scheme for new works, the Pay for Safety Scheme for M&I contracts, and surveillance checks under the Independent Safety Audit System in new works and M&I contracts.	On-going	We continued to monitor and review the effectiveness of the safety management system, including the Integrated Pay for Safety, Environment and Hygiene Scheme for new works, the Pay for Safety Scheme for M&I contracts, and surveillance checks under the Independent Safety Audit System in new works and M&I contracts. Regulatory	On-going

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
			measures were applied to building services nominated subcontractors on account of unsatisfactory site safety audit performance. We started to incorporate the safety audit score into the BSPASS from the first assessment quarter of 2017. We completed the enhancement of Housing Authority Lift and Escalator Nominated Subcontracts Safety Auditing System (HALENSAS) version 1.0 to 1.1.1, the enhancement of HASAS (M&I) version 1.1 to 1.1.1 and continued to monitor the Pay for Safety Scheme for M&I contracts.	
	<p><u>PG90*</u> To work with the Occupational Safety and Health Council to implement and further develop standardized Pointing-and-Calling (指差呼稱) oral commands for use by contractors in high risk activities.</p>	On-going	We continued to work with the Occupational Safety and Health Council to implement and further develop standardized Pointing-and-Calling (指差呼稱) oral commands for use by contractors in high risk activities. Posters “Use of ‘Pointing and Calling’ to Ensure Safety of Electrical Work” and “Use of ‘Pointing and Calling’ to Ensure Safety of Working at Height” were jointly published by OSHC and HA in 2016.	On-going
	<p><u>PG91*</u> To implement and monitor Surprise Safety Inspection Programme (SSIP) in on-going new works contracts, and surprise check on safety in M&I contracts to tighten vigilance on high risk operations.</p>	On-going	We continued to implement and monitor Surprise Safety Inspection Programme (SSIP) in on-going new works contracts, and Surprise Safety Inspection System (SSIS) in M&I contracts to tighten vigilance on high risk operations. We introduced alert and warning trigger to contractor on account of unsatisfactory performance under SSIP for new works contractors.	On-going
	<p><u>PG92*</u> To implement the Housing Authority Occupational Injury and Disease Surveillance System on new works construction sites.</p>	On-going	We implemented the Housing Authority Occupational Injury and Disease Surveillance System on new works construction sites in the second Quarter of 2016 and we continued to monitor its implementation.	On-going

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
Theme 3 : Optimizing and Rationalizing the Use of Public Resources				
<u>KA13</u> To identify aged PRH Estates fit for redevelopment for optimization of site development potential and enhancement of facilities.	<u>PG93</u> To consider redevelopment of aged estates on an estate-by-estate basis, with reference to four basic principles – <ol style="list-style-type: none"> Structural conditions of buildings; Cost-effectiveness of repair works; Availability of suitable rehousing resources in the vicinity of the estates to be redeveloped; and Build-back potential upon redevelopment. 	On-going	We continued to carry out detailed studies on the redevelopment potential of individual aged estates on an estate-by-estate basis in accordance with the redevelopment policies and criteria.	On-going
	<u>PG94</u> To complete the transformation of Chai Wan Factory Estate to PRH through adaptive re-use.	2 nd Q2016	We completed the transformation of the Chai Wan Factory Estate to PRH providing 187 flats, and ancillary facilities in the second of Quarter 2016.	Action Completed
<u>KA14</u> To prolong the useful life of some aged estates, and enhance the provision of housing development and facilitate the maintenance of older estates.	<u>PG95[#]</u> To implement Comprehensive Structural Investigation Programme (CSIP) and Estate Improvement Programme (EIP) for older estates.	On-going	We continued to implement CSIP for older estates as scheduled. Repair and improvement works under the EIP in some older estates were in progress as scheduled.	On-going
	<u>PG96[#]</u> To implement Responsive In-flat Maintenance Services (RIMS) in existing estates and extend the scheme to new estates.	On-going	We had implemented RIMS in 219 PRH estates during the year.	On-going
	<u>PG97[#]</u> To enhance building care through proper maintenance in Total Maintenance Scheme (TMS).	On-going	We had commenced TMS in 13 estates during the year.	On-going
	<u>PG98</u> To obtain final certification to BEAM Plus for Existing Buildings for Kwai Shing West Estate.	4 th Q2016	We obtained final BEAM Plus Platinum Rating for Existing Buildings for Kwai Shing West Estate in the fourth Quarter of 2015.	Action Completed

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
<p><u>KA15</u> To monitor the construction cost and improve the cost-effectiveness of construction.</p>	<p><u>PG99</u> To improve cost effectiveness through “Lean Design and Construction” in new works projects, including the exploration and application of innovative construction methods to save labour, time and resources.</p>	On-going	<p>The standard modular flat design facilitates precast construction, including acoustic balcony which is newly introduced as noise attenuation measure in projects with constraints of severe traffic noise impact.</p> <p>We have consulted HKCA and other active contractors on the construction details for the prefabrication of acoustic balcony of standard modular flat. Corresponding standard details incorporating stakeholders’ feedback were targeted to be completed by the second quarter of 2017.</p>	On-going
	<p><u>PG100</u> To benchmark the average construction cost of HA’s residential buildings against residential buildings of average standard in the private sector, and closely monitor the market cost trend and seek approval to adjust project budgets in a timely manner.</p>	On-going	<p>We continued to closely monitor the market cost trend and the project construction cost at detailed design, tender and construction stages against approved project budgets.</p> <p>According to the latest tender price movements, the construction cost of the superstructure of PRH was on average about 48% lower than that of private sector residential buildings of average standard.</p>	On-going
	<p><u>PG101</u> To monitor the construction cost per flat for PRH and SSF against the respective alert levels to trigger projects for submission to the Strategic Planning Committee for approval by discussion instead of by presumption.</p>	On-going	<p>We continued to closely monitor the construction cost per flat at feasibility study stage in order to achieve cost effectiveness in PRH and SSF developments.</p>	On-going
	<p><u>PG102</u> To consolidate cost-effective initiatives, appraise and review the provision standard for domestic flats in new works projects.</p>	On-going	<p>We continued to appraise and review our design provisions in light of user feedback and at the same time balance improvements against cost-effectiveness. We have consulted HKCA and other active contractors on the construction details for the</p>	On-going

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
			<p>prefabrication of acoustic balcony of standard modular flat. Corresponding standard details incorporating stakeholders' feedback were under preparation.</p>	
	<p><u>PG103*</u> To step up training and coaching of new recruits of the industry to enhance efficiency and effectiveness of the available manpower resources and to pave the way for the implementation of “Designated Workers for Designated Skills” (專工專責) in April 2017 under the Construction Workers Registration Ordinance, including implementing –</p> <p>a) HA's version of Contractor Cooperative Training Scheme (CCTS) in HA's new works building contracts and building services sub-contracts; and</p> <p>b) The training scheme for riggers / metal formwork erectors in selected new works sites.</p>	On-going	<p>We have requested active contractors to encourage their qualified workers to register as skilled workers by the end of the third Quarter of 2016, and requested them to plan ahead and take appropriate actions for the implementation of “Designated Workers for Designated Skills”. We will continue to arrange with CIC to conduct further briefings to all our active building and piling contractors before actual implementation in the second Quarter of 2017.</p> <p>Trial runs for “Designated Workers for Designated Skills” were conducted in the first quarter of 2017 in building sites and piling sites to let the labours and contractors understand the enforcement practice and also reminded them to obtained registration timely.</p> <p>We have implemented our own version of CCTS since August 2012. As at end of March 2017, it has been incorporated in 42 building contracts, specifying 515 CCTS trainees. 260 CCTS trainees have commenced training, of which 145 have completed. There are also 39 building services nominated sub-contracts specifying 78 CCTS(BS) trainees.</p> <p>We have continued to provide training opportunities for riggers / metal formwork erectors in some of our building sites, and will encourage contractors to implement such scheme for the newly commenced contracts.</p>	On-going

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<u>PG104</u> To update M&I cost indicators for budgeting purpose.	On-going	We update the M&I cost indicators for PRH estates annually and use the M&I cost indicators as a benchmark in the preparation of estate action plans and budget preparation.	On-going
KA16 To implement or enhance IT systems to support the evolving business requirements, as well as improve the overall operational efficiency and IT security.	<u>PG105*</u> To implement and expand the application of Development and Construction Site Mobile System (DCSMS), a system utilising "Apps" on smart phones and mobile devices to assist the Department's site staff in site inspection and site management tasks, and for exchanging related information with contractors.	On-going	We continued to develop the DCSMS Phase 2 which includes the development of Housing Authority Occupational Injury and Disease Surveillance System in HA IT environment and new apps such as Reference Document App, Site Alert App, and Structural Inspection App as well as the Site Direction/Site Memo Web Module. Also, the implementation of enhancement for DCSMS Phase 1 which included the enhancement of the BW Inspection App, development of the Request for Inspection App and Record Filing Function was in progress.	On-going
	<u>PG106*</u> To apply Radio Frequency Identification (RFID) for delivery tracking of concrete cubes and selected building components as well as for tracking construction waste generated from construction sites, and extend its application to selected Building Services installations.	On-going	We continued to apply RFID for delivery tracking of concrete cubes and selected building components as well as tracking construction waste generated from construction sites.	On-going
	<u>PG107</u> To apply RFID technology to the maintenance of buildings.	On-going	We had applied RFID as trial to the maintenance of basketball stands, pressure release valves and gauges for flushing water system, glazed entrance doors to estate offices and commercial centres, the external metal gates for ball courts, park entrance, estate entrance, refuse collection points in seven estates. We continued to monitor and review the effectiveness in using the RFID in building maintenance.	On-going

Key Activity	Performance Goal ^[1]	Time Goal	Year-end Progress as at 31 March 2017	Year-end Status
	<u>PG108*</u> To widen the application of Building Information Modelling (BIM) in all disciplines and aspects of the planning, design and construction of selected new works projects.	On-going	We continued to apply BIM in all disciplines and aspects of planning, design and construction of new projects. More than 45 projects are now using BIM at various stages.	On-going
	<u>PG109*</u> To widen the application of Geographic Information System (GIS) for site potential studies. Maintain and enhance HOMES applications and efficiency.	On-going	We have performed a total of 17 site potential and feasibility studies using GIS. The HOMES Enhancement Batch 10 includes 21 enhancements, mainly on budget, payment and contract functions. 15 of the enhancement items have been completed by stages in 2016 while the remaining ones are in progress and will be completed in 2017.	On-going
	<u>PG110</u> To use GIS in the management of centralized drawing records and for location identification in maintenance works orders.	On-going	We continued to use GIS in the maintenance of centralized drawing records and for location identification in maintenance works orders.	On-going
	<u>PG111</u> To enhance construction site security of new works contracts by installing CCTV cameras at strategic locations.	On-going	We had installed increased numbers of CCTV cameras at strategic locations for site security as well as surveillance of site testing and building works.	On-going

Year-end Review of Key Performance Indicators 2016/17
Development & Construction

KPI	Targets for 2016/17	As at 31 March 2017	Year-end Status
KPI 01 Housing production ^[1] <ul style="list-style-type: none"> - Number of PRH flats completed - Number of SSF flats completed - GFA of retail properties completed (m²) - Car / lorry parking spaces completed 	19 000 3 000 7 500 670	11 300 ^[2] 3 000 1 900 ^[3] 520 ^[4]	Target Partially Met
KPI 02 Average development lead time for typical PHCP projects with site formation by other departments	60 months	59.83 months	Target Met
KPI 03 Slippage in project completion <ul style="list-style-type: none"> - Number of completed projects within the year exceeding 10% slippage - Average slippage as a percentage of original contract periods for projects completed within the year 	Not more than one piling and one building contract Not exceeding 10%	Pil : 1 Bldg : 1 Pil : 2.26% Bldg : 4.17%	Target Met
KPI 04 Average construction cost for superstructure <ul style="list-style-type: none"> - Average construction cost per m² CFA for the superstructure of rental blocks - Average construction cost per m² CFA for the superstructure of HOS blocks 	Not exceeding \$13,320/m ² Not exceeding \$14,780/m ²	\$11,060/m ² \$12,020/m ²	Target Met

[1] Figures rounded to the nearest hundred for flat production and retail provision, and to the nearest ten for car / lorry parking spaces.

[2] Including about 1,200 PRH flats from Au Tau Departmental Quarters rescheduled for completion from 2015/16 to 2016/17 and excluding about 9,000 PRH flats from Tung Chung Area 56, So Uk Phase 1 (Block 14), Anderson Road Site C1, Tuen Mun Area 54 Site 2 Phases 1 and 2 rescheduled for completion from 2016/17 to 2017/18.

[3] Including about 1,000m² retail GFA in Au Tau Departmental Quarters rescheduled for completion from 2015/16 to 2016/17 and excluding about 6,600m² retail GFA in Tung Chung Area 56, So Uk Phase 1 (Block 14), Tuen Mun Area 54 Site 2 Phases 1 and 2 rescheduled for completion from 2016/17 to 2017/18.

[4] Including about 120 parking spaces in Shatin Area 52 Phase 2 and Au Tau Departmental Quarters rescheduled for completion from 2015/16 to 2016/17 and excluding about 270 parking spaces in Tung Chung Area 56, Anderson Road Site C1, Anderson Road Site C2 Phase 2, Tuen Mun Area 54 Site 2 Phases 1 and 2 rescheduled for completion from 2016/17 to 2017/18.

KPI	Targets for 2016/17	As at 31 March 2017	Year-end Status
<p>KPI 05 Cost variation</p> <ul style="list-style-type: none"> - Number of piling and building contracts exceeding original contract sum or revised contract value approved under Delegated Financial Authority (excluding contract price fluctuations) for contracts completed within the year - Average amount of variation works^[5] as a percentage of original contract sums or revised contract value approved under Delegated Financial Authority for piling and building contracts completed within the year 	<p>Not more than one piling and one building contract</p> <p>Not exceeding Pil : 5% Bldg : 2.5%</p>	<p>Pil.: 0 Bldg : 0</p> <p>Pil.: 1.0% Bldg : 1.2%</p>	Target Met
KPI 06 Average number of defects per flat at handover to tenants/owners for flats completed within the year	Not exceeding 0.7 per flat	Less than 0.1 per flat	Target Met
KPI 07 Customer satisfaction index	Not less than 80%	91.52%	Target Met
KPI 08 Average number of customer complaints on building and environment per 1000 flats within six months of intake for rental estates	Not exceeding two	0.85	Target Met
<p>KPI 09 Accident rate</p> <ul style="list-style-type: none"> - Average number of accidents per 1000 workers per year for new works contract - Number of fatal accident for new works contract 	<p>No more than 9</p> <p>0</p>	<p>New Works : 6.8^[6] M&I Works : 1.5^[6]</p> <p>0</p>	Target Met
<p>KPI 10 Energy Consumption</p> <ul style="list-style-type: none"> - Average energy consumption of building services installations in communal areas of domestic blocks designed within the year - Average energy consumption of building services installations in communal areas of existing domestic blocks (New) 	<p>Not exceeding 24 kWh/m²/Annum</p> <p>Not exceeding 645 kWh/Flat/Annum</p>	<p>22.8kWh/m²/Annum</p> <p>614 kWh/Flat/Annum</p>	Target met

[5] Exclude unforeseen contract variations not initiated by project team.

[6] Based on statistical data of 2016 from Labour Department.

HONG KONG HOUSING AUTHORITY
Development & Construction Division
2016/17 Provisional Expenditure and Revised Budget

	2016/17				
	2015/16 Actual	Provisional Expenditure ^[1]	Revised Budget	Variance	
	\$M	\$M (a)	\$M (b)	\$M (a)-(b)	% [(a)-(b)]/(b)
1. Housing Authority Projects					
(a) Rental Housing	11,596	10,025	10,439	(414)	(4.0)
(b) Subsidised Sale Flats	2,718	3,684	3,695	(11)	(0.3)
(c) Commercial, Carparks & Welfare	998	970	1,110	(140)	(12.6)
Sub-total (1)	15,312	14,679	15,244	(565)	(3.7)
2. Government Projects Funded by HA	36	23	35	(12)	(34.3)
Sub-total (1) + (2)	15,348	14,702	15,279	(577)	(3.8)
3. Government Funded Projects	225	388	584	(196)	(33.6)
Sub-total (1) + (2) + (3)	15,573	15,090	15,863	(773)	(4.9)
4. Overheads charged to Construction Projects					
Overheads					
(a) Pre SPC Approval Stage	215	214	256	(42)	(16.4)
(b) Post SPC Approval Stage					
- Direct Cost	1,519	1,471	1,697	(226)	(13.3)
- Indirect Cost	360	400	474	(74)	(15.6)
	2,094	2,085	2,427	(342)	(14.1)
Other Capitalised Expenses ^[2]	15	9	13	(4)	(30.8)
Sub-total (4)	2,109	2,094	2,440	(346)	(14.2)
Total Construction Expenditure (1) + (2) + (3) + (4)	17,682	17,184	18,303	(1,119)	(6.1)

[1] These are provisional figures which may be subject to year-end and audit adjustments upon finalisation of the 2016/17 annual accounts.

[2] Other capitalised expenses include ex-gratia allowance and government rent.

HONG KONG HOUSING AUTHORITY
Completed Projects
for the Year Ended 31 March 2017

	Approved Project Budgets (Note 1)	Estimated Final Project Costs (Note 2)	Savings	
	\$M (a)	\$M (b)	% (a-b) / (a)	
<u>Projects Completed</u>				
1. Conversion of Chai Wan Factory Estate to PRH	329	326	0.9%	Completed in the 1 st quarter of 2016/17
2. Anderson Road Site D	2,074	2,055	0.9%	} Completed in the 2 nd quarter of 2016/17
3. Ex-Au Tau Departmental Quarters (Note 3)	1,257	1,176	6.4%	
4. Shatin Area 52 Ph 3 (Note 4)	1,388	1,305	6.0%	} Completed in the 3 rd quarter of 2016/17
5. Shatin Area 52 Ph 4 (Note 4)	1,731	1,610	7.0%	
6. Anderson Road Site E Ph 2	1,543	1,510	2.1%	
7. Wang Yip Street West	457	435	4.8%	
8. Mei Mun Lane, Sha Tin Area 4C (Note 5)	295	266	9.8%	} Completed in the 4 th quarter of 2016/17
9. Pik Tin Street, Sha Tin Area 4D (Note 5)	413	367	11.1%	
10. San Po Kong Flatted Factory (Note 4)	739	686	7.2%	
11. Ching Hong Road (Note 5)	547	509	6.9%	
12. Sha Tsui Road (Note 5)	960	899	6.4%	
Total	11,733	11,144	5.0%	
<u>Projects Partially Completed</u>				
13. Anderson Road Site A & B (Note 6)	4,890	-	-	Completed in the 4 th quarter of 2016/17 [partial]. The estimated final project costs will be reported when the projects are fully completed.

Notes:

- (1) Project Budget excludes overheads.
- (2) Estimated final project cost includes anticipated future payments.
- (3) The savings is mainly due to savings of prime cost sums, provisional quantities and provisional sums in the building and foundation contracts.
- (4) The savings is mainly due to savings of prime cost sums, provisional quantities and provisional sums in the building and foundation contracts. Also there are some savings from "Other Project Cost" (e.g. material testing).
- (5) The savings is mainly due to savings of prime cost sums, provisional quantities and provisional sums in the building and foundation contracts. Also there are some savings from consultancy fees and "Other Project Cost".
- (6) Blks 1 and 2 were completed in the 4th Quarter of 2016/17 and Blks 3 to 9 will be completed in 2017/18.

**Memorandum for the Building Committee of
the Hong Kong Housing Authority**

**Year-end Performance Review
Programme of Activities for Building Control in 2016/17**

PURPOSE

This paper presents the year-end performance review of the Programme of Activities for Building Control in 2016/17.

BACKGROUND

2. To ensure that a coherent and effective set of policies and programmes is put in place to achieve the Housing Authority's strategic objectives, Programme of Activities are prepared for endorsement by relevant HA committees. The 2016/17 Programme of Activities (Paper No. **BC 90/2015**) was approved by Members in December 2015. This paper reports on the status of implementation of the Activities as at 31 March 2017.

3. Though the Independent Checking Unit (ICU) exercises dual control functions including the statutory building control to buildings^{Note} subject to the Buildings Ordinance (Cap 123) (BO) under the delegated authority from Director of Buildings as well as the administrative building control to buildings and works not subject to the BO by way of HA's administrative arrangement, this performance review is concerning its administrative control function only.

Note The following properties are subject to Buildings Ordinance –

- i. Properties in Public Rental Housing Estates with divested retail and car-parking facilities;
- ii. Properties in Courts under Home Ownership Scheme;
- iii. Properties in Estates under Tenant Purchase Scheme.

PERFORMANCE REVIEW

Key Activities (KA's)

4. The 2016/17 Programme of Activities covers a total of 3 KA's. They are all on-going activities. A detailed report on the progress of individual activities is at **Annex A**.

Key Performance Indicators (KPI's)

5. A total of 7 KPI's have been developed to measure the business performance. As at 31 March 2017, all of them met the target. A summary is at **Annex B**.

FINANCIAL PERFORMANCE

6. The Building Control provisional expenditure for the year ended 31 March 2017 was \$163M, representing 91% of the 2016/17 Revised Budget of \$180M. The lower spending was mainly due to lower personal emoluments. A summary of the year's provisional expenditure against the Revised Budget is provided at **Annex C**.

INFORMATION

7. This paper is issued for Members' information.

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Secretary, Building Committee
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File Ref. : HD(ICU)B 05/2/1
(Office of the Permanent Secretary for Transport and Housing
(Housing))
Date of Issue : 4 August 2017

Progress Report of Key Activities 2016/17
Building Control

Key Activity	Performance Goal	Time Goal	Year-end Progress as at 31.3.2017	Year-end Status
On-going Initiatives				
Theme 1 : Providing Quality Homes				
<u>KA01</u> To implement building control in the design, construction and post-occupation stages for the buildings developed by the HA, as well as monitor the use and operation of the lifts and escalators managed by the HA.	<u>PG1</u> To implement building control measures with reference to the practices of the Buildings Department on HA's new construction projects.	On-going	In the financial year, we processed 1 480 building submissions, 1 738 structural submissions, and 1 127 consents for New Construction projects. We also issued a total of 40 occupation permits and 168 structural certificates of completion for New Construction projects.	On-going
	<u>PG2</u> To process submissions for Alteration and Addition Works within the pledge period, and submissions for Minor Works, to former and existing HA properties with reference to the practices of the Buildings Department. To give advice to the Licensing Authorities within pledge periods.	On-going	In the financial year, we processed 2 228 submissions and 956 consents for Alteration and Addition Works within the statutory or pledge period. We processed 37 278 submissions under the Minor Works Control System. We issued 1 951 advices to Licensing Authorities within the pledge period.	On-going
	<u>PG3</u> To issue Quarterly Site Monitoring Reports to facilitate HA's risk management of new developments and Alteration and Addition Works, and conduct and/or participate in joint experience sharing sessions with new works Audit Team and Project Teams to explain building control feedback.	On-going	We had issued Quarterly Site Monitoring Reports for new construction projects as well as Alteration and Addition (A&A) works. ICU held Experience Sharing Sessions on A&A works for PSP on 30 September 2016.	On-going

Key Activity	Performance Goal	Time Goal	Year-end Progress as at 31.3.2017	Year-end Status
	<p><u>PG4</u> To monitor the use and operation of lifts and escalators of the HA to contain risk and ensure compliance with the Lifts and Escalators Ordinance by performing detailed testing to new lift and escalator installations as well as existing lifts and escalators which have undergone major alterations, carrying out audit checks on existing lifts and escalators and on HD's personnel (in respect of their duties as the Responsible Persons under the said Ordinance), and conducting investigations into accidents involving lifts or escalators.</p> <p>To uphold site safety in lift addition and modernisation contracts by carrying out surprise safety inspections.</p>	On-going	<p>We inspected 260 new lift installations and 2 new escalator installations.</p> <p>We carried out sampling inspections of 519 existing lift installations and 56 escalator installations.</p> <p>We conducted investigations for accidents involving 4 lifts and 2 escalators.</p> <p>We audited the safety aspect of the works for 11 lifts executed under lift addition/modernisation contracts.</p> <p>Duty of carrying out surprise safety inspection was transferred to EMD w.e.f. 30 June 2016 since they have set up their own inspection team.</p>	On-going

Key Activity	Performance Goal	Time Goal	Year-end Progress as at 31.3.2017	Year-end Status
Theme 2 : Promoting Sustainable Living				
<u>KA02</u> To monitor and enhance the quality of development and environment, as well as health and safety at the HA's construction sites, and improve the environmental, social and economic aspects of sustainability.	<u>PG5</u> To continue the implementation and maintaining ISO 9001 and ISO 14001 in the management and operation of building control.	On-going	We continued to implement the ISO systems to achieve the highest quality in services and environmental performance and to make continual improvement. In this year, we are preparing for the migration to the new edition of ISO 9001 and ISO 14001.	On-going
Theme 3 : Optimising and Rationalising the Use of Public Resources				
<u>KA03</u> To implement or enhance or upgrade IT systems to support the evolving business requirements, as well as improve overall operational efficiency and IT security.	<u>PG6</u> To implement the Electronic Submission and Processing System in the Independent Checking Unit (ICU) (HePlan).	On-going	HePlan has been fully implemented on 31 March 2016. System review and enhancements have been conducted to enhance the usability of the system.	On-going
	<u>PG7</u> To continue the implementation of the e-transfer of structural, building, geotechnical documents and supervision plans submissions to ICU until the submissions of all projects have been submitted via the new Electronic Submission and Processing System in ICU.	On-going	We continued to hold regular review on the operation of the e-transfer of structural, building and geotechnical documents submission to ICU.	On-going
	<u>PG8</u> To implement the electronic viewing of plans system for public (HeBROS).	On-going	Regular review and enhancements to the system have been done. Further enhancements to the system are being studied for better services to the users.	On-going

Year-end Review of 2016/17 Key Performance Indicators

KPI	Targets for 2016/17 <small>Note</small>	Year-end Progress as at 31.3.2017	Status
KPI 01 Processing plans for new construction projects within 60/40/30 days according to different submission natures (%)	90%	97%	Target Met
KPI 02 Processing applications for consent to commence new construction projects within 15 days (%)	90%	95%	Target Met
KPI 03 Processing applications for occupation permits for new construction projects within 15 days (%)	100%	100%	Target Met
KPI 04 Processing plans for alteration and addition works within 60 days (%)	90%	95%	Target Met
KPI 05 Processing re-submissions for alteration and addition works within 30 days (%)	90%	95%	Target Met
KPI 06 Processing applications for consent to commence alteration and addition works within 28 days (%)	90%	96%	Target Met
KPI 07 Advising on restaurant licence applications under the Application Vetting Panel System within 12 working days (%)	98%	99%	Target Met

Note The targets are in line with those of Buildings Department.

Hong Kong Housing Authority
Building Control (by Independent Checking Unit) ^{Note 1}
2016/17 Revised Budget and Provisional Expenditure

	2016/17				
	2015/16	Provisional	Revised	Variance	
	Actual <i>(for reference)</i>	Expenditure ^{Note 2}	Budget	\$M	%
	\$M	\$M	\$M	\$M	%
		(a)	(b)	(a) - (b)	[(a) - (b)]/(b)
Recurrent Expenditure					
Personal Emoluments	135	147	162	(15)	(9)
Maintenance & Improvements	1	1	1	-	-
Other Recurrent Expenditure	9	14	16	(2)	(13)
	<u>145</u>	<u>162</u>	<u>179</u>	<u>(17)</u>	<u>(9)</u>
Capital Expenditure					
Computer Expenditure	31	1	1	-	-
	<u>31</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total Expenditure	<u>176</u>	<u>163</u>	<u>180</u>	<u>(17)</u>	<u>(9)</u>

Notes:

1. It comprises figures for Independent Checking Unit and Lift Inspection Focus Team. Expenditure funded by the Government is not included.
2. These are provisional figures which may be subject to year-end and audit adjustments upon finalization of the 2016/17 annual accounts.

**Memorandum for the Finance Committee of
the Hong Kong Housing Authority**

**Year-end Performance Review
of the Programme of Activities for Corporate Services 2016/17**

PURPOSE

This paper presents the year-end performance review of the Programme of Activities (PoAs) for Corporate Services 2016/17.

BACKGROUND

2. Members endorsed the PoAs for Corporate Services 2016/17 in December 2015 vide Paper No. FC 48/2015. To monitor the overall implementation progress, mid-year and year-end progress reviews are conducted each year for the PoAs. This paper reports the year-end performance on the implementation of the key activities set out in the PoAs.

PERFORMANCE REVIEW

Key Activities

3. The PoAs for Corporate Services cover a total of 11 key activities. As at end-March 2017, two of them were completed and nine of them were on-going. A summary of the overall progress is as follows:

Total no. of Key Activities Committed	Progress as at 31 March 2017 ^{Note 1}		
	Action Completed	On-going	Behind Schedule
11	2 (18%)	9 (82%)	0 (0%)

A detailed report on the implementation progress of individual activities is at ----- **Annex A**.

4. Further to the creation of 730 civil service (CS) posts between 2012/13 and 2016/17 to meet the public housing supply target and implement housing related initiatives, we have secured another 37 posts in 2017/18 for the said purpose. We will continue to monitor the manpower situation and seek additional staff resources as and when necessary.

5. To implement the Long-term Manpower Strategy of the Housing Authority (HA), we had converted seven HA contract posts to be staffed by civil servants in the long run into CS posts in 2016/17. Together with the 537 HA contract posts converted since 2009/10, the total establishment of CS posts has increased by 7.1% since 1 April 2009 due to the conversion. Given that the same number of HA contract posts were deleted to offset the creation of corresponding CS posts, the conversion had no net effect on the overall establishment of the Housing Department (HD). For 2017/18, we have secured another 11 CS posts for conversion purpose.

6. To support staff development, we continued to run the HD Development Programme which covered topics such as policy making, strategic thinking, change management, leadership and team communication. A tailor-made Advanced Leadership Programme for officers at senior professional and D1 level had also been organised to prepare staff for greater responsibilities.

Note 1 The implementation progress of the key activities is categorised according to the following criteria –

- “Action Completed” for a key activity with all performance goals under it achieved.
- “On-going” for a key activity with all or some performance goals under it being pursued on an on-going basis.
- “Behind Schedule” for a key activity with all its performance goals behind schedule.

Executive talks, competency development seminars, national studies courses and familiarisation visits to the Mainland had been arranged to broaden staff's perspectives.

7. On the information technology (IT) front, the enhancement of the Host-based Intrusion Detection System was completed in May 2016, while the upgrade of the HA's network infrastructure and database system was put into production in March 2017. The standards and guidelines for better governance and management of the HA's mobile applications and devices were developed in March 2016, and an Enterprise Mobility Management Infrastructure was launched in October 2016.

8. In respect of funds management, an annual health check on the HA's Strategic Asset Allocation had been conducted. After taking into account the advice of the Funds Management Sub-Committee (FMSC), the findings and recommendations were reported to the Finance Committee (FC) at its meeting in May 2016. The recommendations as approved by the FC had been implemented in accordance with the FMSC's advice.

Key Performance Indicators

9. In addition to the key activities, we have developed 12 key performance indicators (KPIs) to facilitate evaluation of the performance of Corporate Services. The year-end position on achievement of KPIs is shown at
----- **Annex B.**

FINANCIAL PERFORMANCE

10. The 2016/17 provisional expenditure ^{Note 2} for Corporate Services Division was \$802M, which was \$63M or 7% lower than the Revised Budget of \$865M. The variance was mainly due to the lower than budgeted spending on personal emoluments, other recurrent expenditure and improvement works. A summary of the provisional expenditure and Revised Budget for the year ended
----- 31 March 2017 is set out at **Annex C (Page 1).**

Note 2 These are provisional figures which may be subject to year-end and audit adjustments upon finalisation of the 2016/17 annual accounts.

11. Since the PoAs for Corporate Services covers the environmental management and safety & health functions of the Development and Procurement Sub-division, the provisional expenditure and Revised Budget for the year ended 31 March 2017 for these functions subsumed under the Development and Construction Division are extracted and set out separately at **Annex C (Page 2)** for Members' reference.

INFORMATION

12. This paper is issued for Members' information.

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File Ref. : HD1-6/MSSD/1-125/3/03/16
(Corporate Services Division)
Date of Issue : 19 June 2017

Programme of Activities for Corporate Services 2016/17 Year-end Progress on Implementation of Key Activities

Theme: Optimising and Rationalising the Use of Public Resources

Objective		Progress as at 31.3.2017	Status	
Key Activity	Target			
	Performance Goal Time Goal			
Objective (1) Making the best use of human resources to meet corporate goals				
Key Activity (1) To achieve a lean, flexible and dynamic organisation with the capacity to respond to changes in service requirements	PG01 To continue to review the overall manpower plan, taking into account the prevailing staffing requirement and the increase in public housing production targets	On-going	<ul style="list-style-type: none"> ◆ Additional staff had been secured. As at 31 March 2017, the establishment of the Department was 9 800, representing a net increase of 186 posts as compared to the position as at end-March 2016. ◆ To meet the public housing supply target and implement housing related initiatives, another 37 posts have been secured for creation in 2017/18. 	On-going
	PG02 To monitor the implementation of the HA Long-term Manpower Strategy	On-going	<ul style="list-style-type: none"> ◆ Under the Long-term Manpower Strategy, seven contract posts had been converted into civil service (CS) posts in 2016/17. ◆ For 2017/18, we have secured another 11 CS posts for conversion purpose. 	On-going
Key Activity (2) To enhance staff engagement to nurture a committed and motivated workforce	PG03 To commence a new series of activities to reinforce the HA's core values among staff including organising award schemes, arranging training programmes and organising other promotional activities	On-going	<ul style="list-style-type: none"> ◆ The Extra Mile Card Plan for 2016/17 had been implemented. ◆ Eight Care@work workshops had been arranged for middle and junior managers. ◆ Promotional activities such as publicising success stories of exemplary teams and organising "Empowering Words Competition" had been implemented. 	On-going

Objective			Progress as at 31.3.2017	Status	
Key Activity	Target				
	Performance Goal	Time Goal			
	PG04	To introduce new activities and e-learning resources under the Employee Wellness Programme to promote physical, emotional, social and occupational wellness of staff	On-going	<ul style="list-style-type: none"> ◆ 15 seminars on topics such as mood disorders, dental care, work-life balance, prevention of lower limb disorder, super food and handling adversity had been arranged. ◆ New health articles and tips had been uploaded to the Health Portal. 	On-going
<p>Key Activity (3) To enhance staff competencies to support business objectives and needs</p>	PG05	To arrange management development programmes to prepare staff for greater responsibilities for succession planning purpose	On-going	<ul style="list-style-type: none"> ◆ The Advanced Leadership Programme had been arranged for 51 officers at senior professional and D1 level to broaden their perspective on leadership and equip them with essential administrative and managerial competence and knowledge on compliance to fulfil the role of a directorate officer. ◆ The 5-day Internal Attachment Programme had been arranged for 20 Housing Managers to gain exposure to handle work issues from different perspectives. ◆ The Development Scheme for Senior Professionals had been launched to widen promising officers' horizon and stretch their limits by attaching them to designated development posts. 	On-going

Objective			Progress as at 31.3.2017	Status	
Key Activity	Target				
	Performance Goal	Time Goal			
	<p>PG06 To arrange training on leadership and change management, and exchange with other organisations to widen staff exposure and facilitate sharing of experience</p>	On-going	<ul style="list-style-type: none"> ◆ Competency Development Seminars on change management, leading and impactful presentation skills had been arranged. ◆ The Bite-size Leadership Training for directorate officers of Development & Construction Division covering topics on making tough decisions, policy making and powerful communication had been arranged. ◆ The Leadership Insights Series for professionals and above of Estate Management Division had been arranged. 	On-going	
	<p>PG07 To arrange training for staff to support on-going and rolling out of new business initiatives and IT systems</p>	On-going		<ul style="list-style-type: none"> ◆ 35 classes of the new edition of ISO 9001:2015, ISO 14001:2015 and lead / internal auditor training had been arranged. ◆ A seminar on Waterworks Ordinance and Regulations had been arranged. ◆ Two briefing sessions on implementation of the Housing Subsidy Policy 2017 had been arranged. ◆ Ten training courses on Mobile Application System for Housing Management had been arranged. 	On-going
	<p>PG08 To enrich e-learning resources to facilitate continuous learning of staff anytime and anywhere</p>	On-going			<ul style="list-style-type: none"> ◆ 121 on-line learning resources had been produced.

Objective		Progress as at 31.3.2017	Status	
Key Activity	Target			
	Performance Goal			Time Goal
Objective (2) Making effective and wider application of IT to support business initiatives and enhance efficiency				
Key Activity (4) To implement or enhance IT systems to support the evolving business requirements, as well as improve the overall operational efficiency and IT security	PG09 To enhance the HA's IT infrastructure and provide IT support to various divisions in implementing IT systems and services to support the HA's evolving business needs - Enhance the Host-based Intrusion Detection System (HIDS) for better security protection for the HA's Internet-facing systems and services - Upgrade of the HA's network infrastructure and database system to enhance the capability in supporting the HA's IT systems and services	Q2 2016	◆ Enhancement of the HIDS was completed in May 2016.	Action completed
		Q1 2017	◆ Upgrade of the HA's network infrastructure and database system was put into production in March 2017.	Action completed
Key Activity (5) To review and implement the IT programmes set out in the IT Strategy formulated in early 2012 to meet the HA's business needs in the coming years	PG10 To implement an Enterprise Mobility Management Infrastructure (EMMI) and develop standards and guidelines for better governance and management of the HA's mobile applications and devices and supporting HA's new generation mobile applications	Q4 2016	◆ Development of standards and guidelines was completed in March 2016, and EMMI was launched in October 2016.	Action completed

Objective			Progress as at 31.3.2017	Status	
Key Activity	Target				
	Performance Goal	Time Goal			
	(e.g. Mobile Application System for Housing Management, Development and Construction Site Mobile System)				
Objective (3) Maintaining sound financial and funds management					
Key Activity (6) To review the HA's investment strategy and manage the HA's funds in accordance with the approved strategies and guidelines	PG11	To conduct an annual health check on the HA's Strategic Asset Allocation (SAA) with the advice of the Funds Management Sub-Committee (FMSC), taking into account the latest financial markets situation and risks	Q3 2016	◆ An annual health check on the HA's SAA had been conducted. The findings and recommendations were reported to the Finance Committee (FC) in May 2016.	Action completed
	PG12	To take forward any revisions to the HA's investment strategy, guidelines and/or manager structure	On-going	◆ The recommendations as approved by the FC in May 2016 had been implemented in accordance with the FMSC's advice.	On-going
	PG13	To closely monitor the performance of the HA's fund managers	On-going	◆ The performance of the HA's fund managers was monitored regularly by the Department and the FMSC in accordance with the approved monitoring framework.	On-going

Objective			Progress as at 31.3.2017	Status
Key Activity	Target			
	Performance Goal	Time Goal		
Key Activity (7) To manage the HA's finance in a prudent manner	PG14 To closely monitor the financial position of the HA taking into account the significant increase in public housing production targets, report to the FC on a regular basis, continue to exercise financial prudence and uphold strict fiscal discipline, and review the HA's financial management practice where appropriate	On-going	<ul style="list-style-type: none"> ◆ Monthly reviews of the financial positions and performance of the HA were performed and reported to FC. ◆ Annual review of the HA's financial and accounting regulations, accounting policies, costing manual and standing accounting instructions was completed in Q3 2016. 	On-going
	PG15 To continue to review the financial planning and budgeting process to enhance fiscal discipline	On-going		<ul style="list-style-type: none"> ◆ The financial planning and budgeting process was reviewed regularly. An updated Financial Instruction promulgating the main budgeting process and promoting cost consciousness had been issued.

Theme: Promoting Sustainable Living

Objective			Progress as at 31.3.2017	Status	
Key Activity	Target				
	Performance Goal	Time Goal			
Objective (4) Promoting understanding of the HA's work					
Key Activity (8) To build a proactive and caring corporate image of the HA and strengthen communication with our staff, tenants, partners and the general public	PG16	To engage public housing tenants in improving their awareness on healthy living environment and building caring communities	On-going	◆ Various community activities had been organised, covering themes such as fire safety, public hygiene, in-flat maintenance, epidemic prevention, healthy ageing, environmental protection, etc.	On-going
	PG17	To promote building quality, site safety and partnership between the HA and its stakeholders	On-going	◆ Through organising forums, seminars and awards, HA continued to partner with stakeholders in striving for excellence in site safety, quality and innovative technology, etc. ◆ Workshop on Innovative Technologies, Best Practices and Systems for Construction of Public Housing was held in December 2016. ◆ Estate Management Services Contractors Awards was held in March 2017 to commend those providing the best management services in HA properties.	On-going

Objective			Progress as at 31.3.2017	Status
Key Activity	Target			
	Performance Goal	Time Goal		
	<p>PG18 To foster the public's understanding of the HA's work, including various sales schemes of subsidised housing, through promotion programmes and media outreach activities</p>	On-going	<ul style="list-style-type: none"> ◆ HA's work had been promoted through the HA Exhibition Centre, and arrangement of tours and site visits for media as well as local, Mainland and overseas visitors. ◆ Publicity was arranged for the launch, ballot & flat selection of Green Form Subsidised Home Ownership Pilot Scheme (GSH), and the launch of the third batch of Home Ownership Scheme (HOS) flats and the first batch of rescinded flats. ◆ Preparation for the publicity of ballot & flat selection of the third batch and rescinded GSH/HOS was underway. ◆ Various tools/channels were employed to explain and promulgate the HA's policy and activities, including holding of press conferences, media briefings, interviews, lunch gatherings with editorial staff of the media, visits, issuing of caption stories, op-ed feature articles and press releases, with a view to receiving the right level of publicity. 	On-going
	<p>PG19 To make use of various communication channels for promulgating the HA's policies and initiatives</p>	On-going	<ul style="list-style-type: none"> ◆ Various information channels including press release, posters, newsletters, banners, leaflets, brochures, e-publications, videos, radio promos, print and electronic advertisements, Annual Reports, exhibitions, etc. were deployed to disseminate the HA's policies/messages, and related information to the public. 	On-going

Objective			Progress as at 31.3.2017	Status
Key Activity	Target			
	Performance Goal	Time Goal		
			<ul style="list-style-type: none"> ◆ Publicity campaigns were lined up to promote various housing policies and initiatives, e.g. Fight Tenancy Abuse, the Marking Scheme, Rent Assistance Scheme, etc. ◆ The HA/HD website, Facebook page and YouTube channel were updated regularly to strengthen communication with the public. 	
Objective (5)				
Enhancing environmental and safety awareness and practices in the HA's workplace				
Key Activity (9) To promote staff awareness of environmental protection issues	PG20 To enhance staff's awareness through setting up display panels to promote best practices in sustainable development, energy saving and environmental protection; and organising environmental recycling campaigns in the HA's major office buildings	On-going	<ul style="list-style-type: none"> ◆ To tie in with the World Environment Day, green display panels were set up in HA Headquarters from May to August 2016. ◆ Two Environmental Collection and Recycling Campaigns were organised in HA Headquarters, Lok Fu Customer Service Centre and Lung Cheung Office Block in June 2016 and January 2017. ◆ Regular reminders had been sent to staff members to encourage paper, water and energy saving. 	On-going

Objective			Progress as at 31.3.2017	Status	
Key Activity	Target				
	Performance Goal	Time Goal			
	PG21	To disseminate information about environmental conservation activities organised by other organisations and invite staff members to participate	On-going	<ul style="list-style-type: none"> ◆ Staff members had been invited to participate in various external environmental conservation activities such as the Community Chest's Green Day held on 19 and 20 June 2016. ◆ 22 seminars and training courses on environmental management, waste minimisation, building energy efficiency, tree management, green construction, etc. had been arranged for staff. 	On-going
Key Activity (10) To promote staff awareness of and enhance their capacity to ensure occupational safety and health (OSH) in the HA's workplace	PG22	To conduct annual office safety inspection and take necessary follow-up actions to enhance OSH practices at the workplace	Q1 2017	<ul style="list-style-type: none"> ◆ Office safety inspections for over 360 offices were completed in May 2016 and follow-up actions had been taken to enhance OSH practices in the workplace. ◆ Five training classes (including refresher courses) were organised in March 2017 for Office Safety Inspection Assessors to equip them with the knowledge for conducting a new round of annual office safety inspection exercise commencing in March 2017. 	Action Completed
	PG23	To enhance staff's OSH awareness and knowledge by organising training and enriching the resources on the internal OSH website	On-going	<ul style="list-style-type: none"> ◆ Some 230 OSH related training courses, including first aid, construction safety, confined space, handling emotionally unstable customers, gas safety and fire safety had been arranged. 	On-going

Objective			Progress as at 31.3.2017	Status
Key Activity	Target			
	Performance Goal	Time Goal		
			<ul style="list-style-type: none"> ◆ The OSH guidelines, health tips and publications issued by the OSH Council and the Labour Department had been uploaded onto the dedicated OSH website on the HA Intranet for staff's information. 	
Key Activity (11) To join the Government carbon audit campaign and monitor carbon emission in the HA's buildings and workplace	PG24 To continue the carbon auditing in the three selected HA premises	Q1 2017	<ul style="list-style-type: none"> ◆ The carbon auditing activities had been carried out. Individual 8th Carbon Audit Report of each venue (covering the period from 1 August 2015 to 31 July 2016) had been finalised. 	Action Completed
	PG25 To monitor carbon emission in the selected environment and to implement improvement measures identified through audits	On-going	<ul style="list-style-type: none"> ◆ Carbon emission in the three HA premises was being closely monitored. We would continue to implement any necessary improvement measures identified through audits. 	On-going

Programme of Activities for Corporate Services 2016/17
Year-end Performance of Key Performance Indicators

KPI	Target for 2016/17	Position as at 31.3.2017
(a) Training investment per staff member	\$2,000	\$2,200
(b) Overall evaluation of the effectiveness of training programmes and services in achieving the specified objectives	85% with rating of very effective or above	97% with rating of very effective or above
(c) Hit rate to measure the utilisation of e-Learning Portal	6.5 million hits/annum	8.94 million hits/annum
(d) Percentage of completed IT projects ^[1] implemented within the approved planned schedule	70%	75%
(e) Percentage of completed IT projects ^[1] implemented within the approved budget of the original scope	90%	100%
(f) Overall system availability for HA users		
(1) Critical IT systems ^[2]	> 99.5%	99.97%
(2) Non-critical IT systems	> 98%	99.97%

[1] IT projects refer to those with one-off cost at \$1 million or above.

[2] Critical IT systems are systems that would have severe impact on the normal business operation if unavailable.

KPI	Target for 2016/17	Position as at 31.3.2017
(g) Media enquiries handled (1) General enquiry – within 48 hours (2) Enquiry requiring the collection of detailed information – within 10 days	95% 100%	99.5% 100%
(h) Public complaints and enquiries handled according to the Department’s services pledge ^[3]	100%	99.99% ^[4]
(i) Time to approve legal documents submitted by solicitors on staff loan mortgages, deeds of assignment due to change of ownership under various housing schemes, approval of non-standard legal charges, etc.	Not more than 30 working days from the time with all required information provided by solicitors	Target partially met ^[5]

[3] Pledge: Interim reply to be sent within 10 days and substantive reply within 21 days; for cases requiring longer processing time, explanations and progress updates to be provided within 21 days and on a monthly basis thereafter.

[4] Some 81,480 public complaints/enquiries were received from April 2016 to March 2017. The deviation from target on the number of complaints/enquiries handled within pledged time was due to a delay of four days in issuing an interim reply for one case. The subject officer concerned was reminded to promptly provide replies to complainants/enquirers as pledged at all times.

[5] From 1.4.2016 to 31.3.2017, a total of 2,275 cases were approved. Among those cases, around 60% were complex cases (Tenants Purchase Scheme, Assent and Legal Charge cases) which required longer processing time. More legal documents have to be checked and extra correspondences with the solicitors were required. Besides, there was staff turnover and also one staff taking long leave because of sickness and the shortage of staff had caused delay in case processing. As a result, 896 cases (around 40%) could meet the target approval time. As the target could not be met in full, we will critically review the relevant work process, the manpower resources devoted to the tasks and if the KPI can be refined with a view to improving our performance.

KPI	Target for 2016/17	Position as at 31.3.2017
(j) Paper consumption	1% lower than the consumption in 2013/14 under comparable operating conditions ^[6] <i>(Revised KPI)</i>	1.8% lower than the consumption in 2013/14 under comparable operating conditions
(k) Electricity consumption for office premises	2% lower than the consumption in 2013/14 under comparable operating conditions ^[7]	5.4% lower than the consumption in 2013/14 under comparable operating conditions
(l) Water consumption in HA Headquarters	11% lower than the consumption in 2007/08 ^[8]	26% lower than the consumption in 2007/08

[6] The 2016/17 target for paper consumption was revised. During the formulation of the Programme of Activities in 2015, we had set the 2016/17 target as 4% lower than the paper consumption in 2007/08 (i.e. 129 500 reams in 2016/17 and no change to 2015/16). The Department has implemented paper saving measures for years and was successful in reducing paper consumption gradually from 2003/04 to 2014/15. Due to the increase in manpower as well as business activities, there had been a general increase in paper consumption in nearly all offices in 2015/16 that the Department could not achieve its paper consumption target. In 2016, the Housing Department Environmental, Health and Safety Committee approved and the FC endorsed the setting of a sustainable target for 2016/17 (i.e. 1% lower than the consumption in 2013/14 under comparable operating conditions having regard to the manpower expansion) for better evaluating the performance of paper saving.

[7] In March 2015, the Government promulgated its new electricity saving target of achieving a 5% saving on the total electricity consumption in government buildings from 2015/16 to 2019/20 under comparable operating conditions, using 2013/14 as the baseline. Similarly, we also aim to align with the government target on electricity consumption to achieve a 5% saving from 2015/16 to 2019/20. Therefore, we have set the new electricity saving target at a 2% reduction in the consumption in 2016/17 compared with 2013/14 under comparable operating conditions having regard to the manpower expansion.

[8] At present, there is no government-wide saving target for water consumption. To demonstrate our commitment towards protecting the environment, we have set our own target on water consumption and used 2007/08 as the base year for comparison in the past few years. We target to achieve a further 2% reduction in the consumption in 2016/17 compared with 2015/16 through regular inspection to minimise pipe bursting and leakage and promotion of water saving tips to raise staff's awareness.

Corporate Services Division
2016/17 Provisional Expenditure and Revised Budget

	2015/16 Actual (for reference)	2016/17			
		Provisional Expenditure ^[1]	Revised Budget	Variance	
		\$M	\$M	\$M	\$M
		(a)	(b)	(a)-(b)	[(a)-(b)]/(b)
Recurrent Expenditure					
Personal Emoluments	498	520	552	(32)	(6)
Maintenance & Improvements	23	30	30	-	-
Other Recurrent Expenditure	184	194	205	(11)	(5)
	<u>705</u>	<u>744</u>	<u>787</u>	<u>(43)</u>	<u>(6)</u>
Capital Expenditure					
Computer and Motor Vehicle	39	46	55	(9)	(16)
Improvement Works	5	12	23	(11)	(48)
	<u>44</u>	<u>58</u>	<u>78</u>	<u>(20)</u>	<u>(26)</u>
Total	<u>749</u>	<u>802</u>	<u>865</u>	<u>(63)</u>	<u>(7)</u>

[1] These are provisional figures which may be subject to year-end and audit adjustments upon finalisation of the 2016/17 annual accounts.

Development and Procurement Sub-division (part)^[2]
2016/17 Provisional Expenditure and Revised Budget
Relating to Environmental Management and Safety & Health Functions

	2015/16 Actual (for reference)	2016/17			
		Provisional Expenditure ^[3]	Revised Budget	Variance	
		\$M	\$M	\$M	\$M
		(a)	(b)	(a)-(b)	[(a)-(b)]/(b)
Recurrent Expenditure					
Personal Emoluments	9	10	11	(1)	(9)
Maintenance & Improvements	-	-	-	-	-
Other Recurrent Expenditure	7	7	7	-	-
	<u>16</u>	<u>17</u>	<u>18</u>	<u>(1)</u>	<u>(6)</u>
Capital Expenditure					
Computer Expenditure	-	-	-	-	-
Improvement Works	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>16</u>	<u>17</u>	<u>18</u>	<u>(1)</u>	<u>(6)</u>

[2] Extracted from the budget and expenditure of the Development and Construction Division on the part relating to environmental management and safety & health functions.

[3] These are provisional figures which may be subject to year-end and audit adjustments upon finalisation of the 2016/17 annual accounts.

The Housing Authority (HA)'s Key Performance Indicators (KPIs) for 2016/17

	KPIs	2016/17 Target	Position as at 31 March 2017 (unless otherwise stated)
1.	New flats to be provided - Public Rental Housing (PRH) flats - Subsidised sale flats	19 000 ^{Note 1} 3 000 ^{Note 1}	11 300 ^{Note 1& 2} 3 000
2.	Average waiting time ^{Note 3} for PRH applications (years) - General applicants - <i>Among which, elderly one-person applicants</i>	3 2	4.6 ^{Note 4} 2.6
3.	Annual average cost per PRH unit under the management of the Housing Department (\$) - Direct management cost ^{Note 5} - Maintenance cost ^{Note 6}	6,030 4,380	5,593 ^{Note 7} 4,097 ^{Note 8}
4.	Proportion of rent arrears (%) - Domestic - Commercial Properties	Below 3.0 Below 2.5	1.28 1.5

Note 1 : Figures were rounded to the nearest hundred.

Note 2 : Including about 1 200 PRH flats from Au Tau Departmental Quarters rescheduled for completion from 2015/16 to 2016/17 and excluding about 9 000 PRH flats from Tung Chung Area 56, So Uk Phase 1 (Block 14), Anderson Road Site C1, Tuen Mun Area 54 Site 2 Phases 1 and 2 rescheduled for completion from 2016/17 to 2017/18.

Note 3 : Waiting time refers to the time taken between registration for PRH and the first flat offer, excluding any frozen period during the application period (e.g. when the applicant has not yet fulfilled the residence requirement; the applicant has requested to put his/her application on hold pending arrival of family members for family reunion; the applicant is imprisoned, etc). The average waiting time for general applicants (i.e. family and elderly one-person applicants) refers to the average of the waiting time of those general applicants who were housed to public rental housing in the past 12 months.

Note 4 : While the latest AWT for general applicants exceeds three years, we will strive to achieve the target of providing the first flat offer to general applicants at around three years on average in the long run.

Note 5 : The direct management cost comprises direct personal emoluments for property management only and other recurrent expenditure incurred at estate level.

Note 6 : The maintenance cost comprises cost of maintenance works incurred at estate level and the cost attributed to PRH maintenance allocated from indirect cost centres.

Note 7 : The lower provisional cost compared with the target was mainly due to lower than budgeted Estate Common Area management fee, personal emoluments, electricity and security charges.

Note 8 : The lower provisional cost compared with the target was due to lower spending on vacant flat refurbishment work, lift maintenance and re-roofing works.

	KPIs	2016/17 Target	Position as at 31 March 2017 (unless otherwise stated)
5.	Proportion of overcrowded families ^{Note 9} against total PRH families (%)	Below 0.55	0.54
6.	Vacancy rate (%) - PRH - Commercial Properties (shops)	Below 1.5 Below 2.5	0.4 2.1
7.	Average turnaround time for vacant flat refurbishment (days)	Not exceeding 44	40.89
8.	Average development lead time for housing projects (months)	60	59.83
9.	Average number of defects per flat at handover	Not exceeding 0.7	Less than 0.1
10.	Accident rate in HA construction sites ^{Note 10} - both New Works and Maintenance and Improvement (M & I) Works (No. of accidents per 1 000 workers)	Not exceeding 9.0	New Works : 6.8 ^{Note 11} M & I Works : 1.5 ^{Note 11}
11.	Media enquiries handled (%): - general enquiries (within 48 hours) - enquiries requiring the collection of detailed information (within 10 days)	95 100	99.5 100
12.	Training investment per staff member (\$)	2,000	2,200
13.	Overall evaluation of training course effectiveness (rating of very effective or above) (%)	85	97

Note 9 : “Overcrowded families” refer to those families with living density below 5.5 m² internal floor area per person.

Note 10 : Reportable accident as defined under the Factories and Industrial Undertakings Ordinance (Cap. 59) refers to fatal accidents, or accidents causing sick leave of over three days. It has all along been HA’s objective to keep fatal accidents at zero.

Note 11 : Based on statistical data in 2016 from the Labour Department.

	KPIs	2016/17 Target	Position as at 31 March 2017 (unless otherwise stated)
14.	Paper consumption (reams)	137 000 [1% lower than the consumption in 2013/14 under comparable operating conditions ^{Note 12}] (Revised target)	134 477 [1.8% lower than the consumption in 2013/14 under comparable operating conditions]
15.	Quantity of items collected from estates for recycling (tonnes) - Waste paper - Aluminum cans - Plastics bottles	Not less than 28 000 1 300 1 750	26 651 ^{Note 13} 1 338 1 362 ^{Note 13}
16.	Water consumption in HA Headquarters (m ³)	13 610 [11% lower than the consumption in 2007/08 ^{Note 14}]	11 316 [26% lower than the consumption in 2007/08]
17.	Electricity consumption for office premises (kWh)	35 900 000 [2% lower than the consumption in 2013/14 under comparable operating conditions ^{Note 15}]	34 850 777 [5.4% lower than the consumption in 2013/14 under comparable operating conditions]

Note 12 : The 2016/17 target for paper consumption was revised. During the formulation of the Programme of Activities in 2015, we had set the 2016/17 target as 4% lower than the paper consumption in 2007/08 (i.e. 129 500 reams in 2016/17 and no change to 2015/16). The Department has implemented paper saving measures for years and was successful in reducing paper consumption gradually from 2003/04 to 2014/15. Due to the increase in manpower as well as business activities, there had been a general increase in paper consumption in nearly all offices in 2015/16 that the Department could not achieve its paper consumption target. In 2016, the HD Environmental, Health and Safety Committee approved and the FC endorsed the setting of a sustainable target for 2016/17 (i.e. 1% lower than the consumption in 2013/14 under comparable operating conditions having regard to the manpower expansion) for better evaluating the performance of paper saving.

Note 13 : The amount of waste paper and plastic bottles recycled was lower than the target due to the supply and circulation of paper media and the collection of plastic by recyclers were both on a decline.

Note 14 : At present, there is no government-wide saving target for water consumption. To demonstrate our commitment towards protecting the environment, we have set our own target on water consumption and used 2007/08 as the base year for comparison in the past few years. We targeted to achieve a further 2% reduction in the consumption in 2016/17 (13 610m³ in numerical terms) compared with 2015/16 (13 910m³ in numerical terms) through regular inspection to minimise pipe bursting and leakage and promotion of water saving tips to raise staff's awareness.

Note 15 : In March 2015, the Government promulgated its new electricity saving target of achieving a 5% saving on the total electricity consumption in government buildings from 2015/16 to 2019/20 under comparable operating conditions, using 2013/14 as the baseline. Similarly, we also aim to align with the government target on electricity consumption to achieve a 5% saving from 2015/16 to 2019/20. Therefore, we have set the electricity saving target at a 2% reduction in the consumption in 2016/17 compared with 2013/14 under comparable operating conditions having regard to the manpower expansion.

Appendix G

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	KPIs	2016/17 Target	Position as at 31 March 2017 (unless otherwise stated)
18.	Average energy consumption of building services installations in communal areas of domestic blocks designed within the year (kWh/m ² /Annum)	Not exceeding 24	22.8
19.	Holding of bi-monthly Estate Management Advisory Committee meetings (number of meetings)	880	927