

**Business Facilitation Advisory Committee  
Retail Task Force**

*Review findings on processing fitting-out submission for  
business premises in housing estates*

**Purpose**

This paper presents the findings of the review conducted in-house by the Housing Department (HD) on the processing arrangement for fitting-out works applications.

**Background**

2. In response to the concerns of the food retail business, the Retail Task Force (RTF) reviewed and made improvement recommendations on the licensing processes and procedures for the food retail business in HD premises in July 2005. Apart from the long-term recommendation of setting up a central repository of building records by end of 2009, all other improvement measures were expected to be fully implemented by mid 2006. The HD met the mid 2006 implementation target and followed by conducting a review of the initiatives to shorten the fitting-out works application processing time. Under the new initiatives, works applications were classified<sup>1</sup> into Classes 1, 2, 3 with pledged time of 7, 14 and 21 working days respectively.

**Review findings**

3. The HD completed a review of the processing of fitting-out works applications received between January and mid-June 2006. The review findings suggest that the Housing Managers (HM) were still taking a long time in processing applications with minor and/or considerable amount of building works (summary of the findings is at **Appendix I**).

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<sup>1</sup> The classification of an application is made known to the applicant upon specific request.

4. From the findings, it is noted that –
- (a) The overall average processing time of 21.3 and 28.3 days for applications with Class 1 (minor) and Class 2 (considerable amount of) building works were much longer than the pledged time of 8.5 and 17 days (or 7 and 14 working days)<sup>2</sup> respectively;
  - (b) the 12 days of processing time taken by the HM for applications with Class 1 building works was even longer than the 9.3 days spent by the Works Team (WT) on the actual technical vetting of proposed works;
  - (c) the 7.6 days of processing time taken by the HM in processing applications with Class 2 building works already consumed 45% of the pledged time (17 days), leaving little time for vetting by the WT; and
  - (d) the average processing time of 9.3 and 20.7 days taken by the WT for applications with Class 1 and Class 2 building works were 109% and 122% of the pledged time for the respective classes of works. Taking the handling by the HM into account, the overall processing time for the two classes of works were increased by 151% and 66% over the respective pledged times.

### **HD's improvement proposals**

5. In view of the review findings, further suggestions were made to the HD to speed up the processing of fitting-out works applications. **Appendix II** summarises these suggestions and HD's response.

6. The HD considered that the root cause for the long processing time was communication and monitoring amongst frontline staff. To address the issue, the HD drew up the following proposals:

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<sup>2</sup> 8.5 days is equivalent to 7 working days.

(a) Improving communication to prevent breakdown

The HD top management fully agreed with the importance of prompt customer services. In addition to the meeting conducted in August for middle managers on the need for prompt customer services, a series of briefing sessions explaining the importance of customer services, prompt reply, workflow, time frame and monitoring have also been given to frontline staff (including the HM and all staff in the WTs) in October.

(b) Classification of cases

Clearer guidelines for classification of cases will be given to frontline staff because the HM is already empowered under the existing arrangement to approve simple cases (i.e. Class 1 cases) without referrals to WTs.

(c) Delivery time of documents

The HM will be encouraged to use email and fax to transmit the fitting-out applications to WTs for A4 size drawings. For larger drawings, the HM will be encouraged to send them to WTs by hand through urgent dispatch service.

(d) Monitoring the vetting process

The HM shall maintain proper record once a fitting-out application is received. He shall monitor the progress and remind the WTs when the time pledge is approaching.

**Advice sought**

7. Members are invited to give views on the review findings and further improvement proposals.

## Appendix I

### Findings of the review on processing of fitting-out applications

Class	Pledged time (days)	No. of cases under review	No.	%	Average handling time (days)			% of overall handling time taken by HM
			of cases meeting the pledge	Overall time taken by department	Time taken by HM	Time taken by WT		
1	8.5	3	1	33%	21.3	12.0	9.3	56%
2	17	13	8	62%	28.3	7.6	20.7	27%
3	25.5	7	7	100%	11.1	3.4	7.7	31%
Total:		23						

**Notes:**

*Days – 8.5 days is equivalent to 7 working days. The pledges for the 3 classes of building works are 7, 14 and 21 working days respectively.*

*Classes of building works –*

*Class 1: minor building works and no structural alteration involved (e.g. repainting, change of signage, etc)*

*Class 2: considerable amount of building works (e.g. relocation of internal partitions, slab opening and some structural alterations)*

*Class 3: major building works (e.g. new load bearing structure to be constructed, additional floor, etc)*

*HM – Housing Manager*

*WT – Works Team comprises officers of three disciplines, viz. Building Works, Building Services and Structural Engineering*

**HD's response to further suggestions for speeding up the processing of fitting-out works applications**

Suggestions	HD's response
<p>i. Tenants can be asked to submit fitting-out proposals to the respective Works Team directly instead of routing through the Housing Manager (HM).</p>	<p>Retain existing arrangement for tenants to submit fitting out proposals to respective Works Teams (WTs) through the HM because:</p> <ul style="list-style-type: none"> <li>▪ The arrangement of the HM being the first and single point of contact is welcome by customers.</li> <li>▪ WTs are located in Regional Offices which are far away from the tenants' estates. It is very inconvenient for the tenants to submit their fitting-out proposals to these Regional Offices. The HM is, however, located in close proximity to the tenants' business locations.</li> </ul>
<p>ii. Amongst the three disciplines of the Works Teams (i.e. BW, BSE and SE), assign one as the focal point of contact with tenants on fitting-out matters instead of the HM.</p> <p><i>Notes:</i>  <i>BW – building works</i>  <i>BSE – building services engineering</i>  <i>SE – structural engineering</i></p>	<p>Retain existing arrangement of the HM being the focal point of contact with tenants on fitting-out matters because:</p> <ul style="list-style-type: none"> <li>▪ In addition to vetting Class 1 fitting-out submission, the HM has to vet the tenancy matter as well.</li> <li>▪ Leasing terms under tenancy agreement will affect tenants' application for fitting-out works e.g. rent-free period. Thus, the HM will be in a better position to</li> </ul>

Suggestions	HD's response
	<p>coordinate comments from the WT for consolidated reply.</p> <ul style="list-style-type: none"> <li>▪ The HM is already empowered under existing arrangement to approve simple cases (i.e. Class 1 cases) without referral to the WT.</li> </ul>
<p>iii. Works Teams can accord priority for handling fitting-out works application to avoid unnecessary delay.</p>	<p>Agreed.</p> <p>The HD top management fully supports the need of prompt customer services. Meeting for middle managers and briefing sessions to frontline staff were conducted in Aug and Sep respectively to improve communication and monitoring.</p>
<p>iv. Works Teams can contact the tenant or his contractor / consultant direct for clarification / supplementary information.</p>	<p>Agreed.</p> <p>This measure was stated in HD's internal instruction issued in Dec 2005.</p> <p>We re-iterated this point in briefing sessions to frontline staff held in Sep. WTs would be encouraged to call/meet the tenants for clarification/further details rather than rejecting the case as far as practicable for saving time for re-submission</p>