MESSAGE

The overall aim of the Efficiency Unit is to co-ordinate and resource the Serving the Community Programme to help bring about the transformation in the way Government manages and delivers public services.

Although primary responsibility for the outcome of this work rests with policy secretaries, heads of department and senior management across Government, the Efficiency Unit is committed to supporting, with ideas, experience and practical assistance, all those involved in change.

Last year, a number of Efficiency Unit's programmes and initiatives came to fruition, including the soft launch of an integrated call centre, the development and promotion of a private sector involvement programme and a number of customer service and productivity improvement initiatives. In all these cases, the Efficiency Unit looks to use new technology and best practice to ensure that Government services are delivered more effectively and efficiently.

Looking ahead, as for last year, private sector involvement and exploiting technology will be our primary focuses for achieving improvement in the effectiveness and efficiency of services and they will be accorded top priority. Our private sector involvement programme will support the improvement of existing and new outsourcing contracts as well as implement selected flagship public/private partnership projects. We will build on our early role in piloting E-government applications through our support of programmes of the Information Technology and Broadcasting Bureau. Where appropriate, we will also take a lead in identifying business applications for new technology and provide support to the process reengineering required to ensure that real benefits flow from implementing them.

In addition to these two priorities, we will continue to raise awareness of, and support for, programmes to enhance customer service, improve general productivity, and measure and manage performance.

(Colin Sankey)
Head, Efficiency Unit

Continuous Improvement in Public Services

Policy Objective
and
Key Result Areas

Continuous Improvement in Public Services

Our Policy Objective is to promote a measurable transformation in the management and delivery of public services so that the community's needs are met in the most effective and efficient manner.

Overall Targets

In pursuing this Policy Objective, we seek to achieve overall improvements in Government's productivity and customer service. We continue to work to develop measures which can be used to track improvements across the range of Government services.

In the meantime, we have set targets to further the Serving the Community agenda, which include –

- Providing managers with the necessary tools, support and research of best practice to enable them to:
    - develop clear objectives, targets and performance measures
    - measure customer satisfaction and maintain high standards of customer service
    - optimise private sector involvement
    - exploit the potential of information technology
- Working with bureaux and departments to develop and implement improvement projects
- Raising awareness and building support across Government for the Serving the Community Programme

Progress

Last year, we improved the management and delivery of public services through our key programmes, with particular success in exploiting technology and using private sector involvement. The integrated call centre project is already achieving improvements in the quality and productivity

of customer enquiries and complaints handling. The longer term goal is to expand the integrated call centre so that it can serve the community's need for information and advice across all bureaux and departments that interact with the public at large.

We have also worked closely with the Business Advisory Group to identify within Government where the services provided have potential to make better use of the skills and resources of the private sector. We have recently established a steering group to co-ordinate and support Government's promotion of private sector involvement in the delivery of public services.

Other projects on performance management and customer service implemented during the year have secured good support from bureaux and departments. These are covered in more detail under the various Key Result Areas (KRAs) and initiatives described in this booklet.

We achieved the following progress in our three KRAs.

1   Identify opportunities

We continued to search for opportunities to increase public sector productivity in order to maximise the use of limited resources. We identified a number of opportunities to bring together new technologies and private sector involvement as a means of transforming the way we deliver services. We also conducted studies on how to secure best value from support services.

With regard to new technology, we explored with the Information Technology and Broadcasting Bureau a range of E-government opportunities and initiatives, to be taken forward by a newly established E-government Co-ordination Office. We will continue to contribute ideas and practical assistance through active participation in the Steering Committee on E-government.

We have formulated a strategy to enhance private sector participation in the delivery of services to the community. A booklet has been issued to managers, setting out Government's private sector involvement policy in clear terms, and providing a useful reference to departments exploring the potential for greater partnership between the public and private sectors. More detailed practical guides on aspects such as outsourcing are being prepared.

In respect of support services, we initiated research studies into opportunities for improving the management and delivery of architectural, rating and valuation and other support services, drawing lessons from the private sector and other governments. Significant scope for improvements were identified and we are following up with bureaux and departments concerned to develop detailed proposals.

2   Develop proposals and secure support

Studies have been conducted for a number of departments into the feasibility of improving their productivity and service quality through institutional change. Business and process reviews have been conducted into specific services to maximise value for money and efficiency gains. We have also worked closely with the Information Technology and Broadcasting Bureau to develop E-government proposals, and we will continue to support the Bureau in pursuing business applications.

We assisted a number of departments in developing proposals to facilitate greater private sector participation in the delivery of services. We will continue to support and encourage departments to explore outsourcing options to enhance productivity and service quality.

Work commenced in developing mechanisms to assess public sector productivity and community and customer satisfaction. Action is also in hand to conduct a survey to assess the level of awareness and understanding of the public sector reform agenda within the Civil Service.

3   Implement programmes and monitor results

The ultimate measure of success for our Policy Objective is evidence that the proposals we have made have been implemented and have led to improvements in customer service and productivity. All projects under this KRA have been implemented as scheduled, with the intended results broadly achieved.

The integrated call centre project is being implemented as scheduled, with the soft launch being operational since July 2001. A number of departments have already requested us to extend the call centre's coverage to their services, and we are working on the detailed plan. Other customer service and performance measurement initiatives have either been completed or are progressing well as planned.

We made good progress in promoting and facilitating private sector involvement. The recently issued booklet on using the private sector and the newly established outsourcing help desk have attracted a lot of enquiries and requests for assistance from departments. We will work with them to make the best use of the private sector's skills and capabilities to deliver public services.

The Serving the Community Festival which will take place in January 2002 will be a highlight event to promote awareness of and support for the Serving the Community Programme and the theme of "A Civil Service for Asia's World City".

Progress on each previously announced initiative under the above KRAs is set out in the "Detailed Progress" section of this report.

Looking Forward

In drawing up this year's Policy Objective, we have reviewed our KRAs to see if the existing structure remained effective in achieving our overall targets. We have decided to change our KRAs from the existing process-based format to an outcome-based format in order to more closely reflect the improvements we want. The new outcome-based KRAs are:

- KRA 1 : Improve productivity and quality of service
- KRA 2 : Facilitate better performance measurement
- KRA 3 : Building support for the Serving the Community Programme

We describe below, in more detail, the initiatives that we will undertake and the targets that we have set for each of these KRAs.

1   Improve productivity and quality of service

The Efficiency Unit's (EU) fundamental task is to support bureaux and departments in continuously improving the way the public services are managed and delivered so that the community's needs are met in the most effective and efficient manner. We identify problems and opportunities for improvement by collecting information on current performance through our membership of high-level groups and our network of contacts across Government, and by drawing on lessons and developments both from the private sector and other governments. We then work in partnership with bureaux and departments to develop both broad directions of reform and specific proposals that target measurable improvement.

The EU often acts as lead agency or facilitator for the implementation of individual projects. These projects are delivered by mixed project teams including staff from the EU, the Management Services Agency and, where appropriate, external consultants.

We will assess our performance in respect of this KRA against the following indicators –

- Evidence of an active investigation of opportunities and a programme of proposals being developed and implemented to improve productivity and quality of service. Our targets are:
  - to identify at least 20 new opportunities during 2002;
  - to develop proposals for some 50% of the opportunities for discussion/approval during 2002; and
  - to implement 80% of the developed proposals within an identified time frame.
- Evidence of the delivery of the outcomes for the proposals being implemented. Our target is to confirm, through conducting post-implementation reviews, that all targetted productivity and service improvements are achieved.

- Evidence of an active programme of management improvement projects within departments to improve flexibility, service quality and operational efficiency. Our targets are:

  – to conduct at least 20 management improvement projects during 2002; and

  – to confirm, through conducting post-implementation reviews, that all targetted improvements are achieved.

We will pursue the following initiatives and targets to deliver results in this area –

Initiative*	Target
To develop proposals to extend the call centre concept beyond environmental hazards and cleanliness issues *(Efficiency Unit (EU))*	- To identify and agree the second phase of work by mid-2002 - To implement the second phase by end-2002
To develop proposals for a unified contact centre supported by a shared database that will provide consistency of information and customer convenience *(EU)*	To have the proposals ready for consultation by end-2002
To take forward the management changes of the Survey and Mapping Office *(Planning and Lands Bureau/EU)*	To implement changes by end-2002
To identify and develop best practices to improve the way the public and private sectors work together to deliver public services *(EU/Management Services Agency (MSA))*	To research and publish a number of practical guides in 2002

*   the bracketed information denotes the agency with lead responsibility for the initiative

Initiative	Target
To identify opportunities and develop proposals on private sector involvement and other productivity improvements *(EU/MSA)*	• To identify at least 20 opportunities during 2002 • To develop proposals for some 50% of the opportunities for discussion/approval during 2002 • To implement 80% of the developed proposals within an identified time frame • To conduct post-implementation reviews to confirm that the targetted productivity and service improvements are achieved
To conduct management improvement projects within departments to improve flexibility, service quality and operational efficiency *(MSA)*	• To conduct at least 20 management improvement projects during 2002 • To assist in implementing improvement measures arising from such projects as appropriate • To conduct post-implementation reviews to confirm that the targetted improvements are achieved

2   Facilitate better performance measurement

The ultimate measure of success for our Policy Objective is the achievement of improvements in productivity and customer service throughout Government. This requires managers to be able to monitor and measure performance and service quality.

We will assess our performance in respect of this KRA against the following indicator –

- Availability of systems, tools and performance measures for managing performance and service quality at all levels of Government. Our target is to develop mechanisms for broad application across Government to assess and manage public service productivity and customer and community satisfaction.

We will pursue the following initiatives and targets to deliver results in this area –

Initiative	Target
To support policy bureaux in improving performance measures *(Efficiency Unit (EU))*	To respond to all requests from bureaux
To scope the potential of an Executive Information System to provide a hierarchy of performance information from Policy Objectives to departmental initiatives *(EU)*	To develop detailed proposals by mid-2002
To develop a risk management and assurance service *(EU/Management Services Agency)*	To develop detailed proposals and implementation plan by end-2002

Initiative	Target
To continue to implement models for measuring community and customer satisfaction to provide up-to-date data on Government's performance *(EU)*	To extend the models to cover 15 bureaux and departments by end-2002
To develop a mechanism and collect data to assess public sector productivity and provide high-level targets *(EU)*	• To develop a mechanism by end-2001 • To collect data and set targets by end-2002

3 Building support for the Serving the Community Programme

Effective communication, building awareness of the need for improvement and generating support for public sector reform, remains a key element of Efficiency Unit's (EU) programmes. We will promote awareness of and support for the Serving the Community Programme and our initiatives through structured events, including training modules and award schemes. We will also continue to develop EU's webpage as an effective interactive tool for collecting and disseminating information on the achievement of our Policy Objective as well as a good database of best practice in public service management and service delivery.

We will assess our performance in respect of this KRA against the following indicators –

- Evidence of an active programme to raise awareness and build support for the Serving the Community Programme. Our target is to co-ordinate and organise a range of service-wide activities covering all major aspects of the agenda.

- Evidence of the public sector being aware of and understanding the programme. Our target is to confirm, through reviews and surveys, that there is general acceptance of the need for the programme.

We will pursue the following initiatives and targets to deliver results in this area –

Initiative	Target
To develop and implement proposals for training modules and programmes *(Efficiency Unit (EU)/Management Services Agency)*	• To organise a series of seminars on private sector involvement in 2002-03 • To organise eight workshops on performance measurement by end-2002

Initiative	Target
To promote and recognise improvements in service quality and productivity through an awards scheme *(EU)*	To organise the second Productivity Achievement Awards by end-2002
To provide opportunities for departments to demonstrate to the public their support for the Serving the Community Programme *(Civil Service Bureau/EU)*	To organise a Serving the Community Festival in January 2002
To develop EU's webpage as a communication tool for promoting best practice in the management and delivery of public services *(EU)*	• To organise all reference material and practical guides on EU's webpage for Civil Service access and downloading by end-2001 • To launch a newsletter on EU's webpage by end-2002

Continuous Improvement in Public Services

Detailed Progress

1   Identify opportunities

To achieve results in this area, various initiatives have been undertaken in the past year. Details are set out below –

Initiative *	Target #	Present Position +
To scope the potential of an Executive Information System (EIS) to provide a hierarchy of performance information from Policy Objectives to departmental initiatives *(Efficiency Unit (EU))*	To complete study by June 2001 *(2000)*	Initial study on the overall measures of productivity and measures of success for policy objectives was conducted. Further work on the elements of the EIS is required. This initiative will be followed up in 2001 under a new target set out under KRA 2. *(Action Completed)*
To formulate a strategy for private sector involvement for the most efficient and effective delivery of services *(EU)*	To formulate the strategy by March 2001 *(2000)*	The strategy has been formulated, and a booklet on the strategy was issued. *(Action Completed)*

*   the bracketed information denotes the agency with lead responsibility for the initiative

\#   the bracketed information denotes the year in which the target was set

+   the bracketed information denotes the status of the target

Initiative	Target	Present Position
To work with the Information Technology and Broadcasting Bureau to formulate a strategy for the innovative use of technology to radically improve the way services are managed and delivered *(Information Technology and Broadcasting Bureau/ EU)*	To formulate the strategy by March 2001 *(2000)*	The strategy was formulated. Some key opportunities identified will be taken forward through the Steering Committee on E-government. *(Action Completed)*
To identify further opportunities to improve customer service and raise public sector productivity through best practice and stocktaking studies *(EU)*	To conduct three studies during 2001 *(2000)*	Studies were conducted into architectural services, rating and valuation and consumer protection issues. *(Action Completed)*

2 Develop proposals and secure support

To achieve results in this area, various initiatives have been undertaken in the past years. Details are set out below –

Initiative	Target	Present Position
To support the on-going programme of Fundamental Expenditure Reviews (FERs) of Policy Objectives to identify savings and re-deployment opportunities *(Efficiency Unit (EU))*	To support three further FERs by end-2001 *(2000)*	Following the completion of the FERs on planning and lands, tourism and youth, we have reviewed our approach and have decided to switch the focus to reviewing specific services. Such reviews will be followed up by a new initiative/target in 2001 under KRA 1. *(Action Completed)*
To work with the Finance Bureau (FB) to develop proposals for transforming Government's internal support services and to increase the visibility of costs to maximise value for money *(Finance Bureau (FB)/ EU)*	To develop two proposals by end-2001 *(2000)*	Reviews have been conducted into architectural services and the provision of government offices. Proposals for improvement were forwarded to relevant departments for follow-up actions. *(Action Completed)*
To work with the FB and the Civil Service Bureau (CSB) to develop proposals for introducing institutional change and more management flexibility *(FB/Civil Service Bureau (CSB)/EU)*	To develop three proposals by end-2001 *(2000)*	Three proposals were developed, and we are following up with the bureaux and departments concerned. *(Action Completed)*

Initiative	Target	Present Position
To work with the Information Technology and Broadcasting Bureau (ITBB) to develop E-government proposals pursuing business applications *(Information Technology and Broadcasting Bureau/ EU)*	To develop the first group of proposals by mid-2001 *(2000)*	Proposals have been developed and are followed up by the ITBB. *(Action Completed)*
To develop proposals to extend the call centre concept beyond environmental hazards and cleanliness issues as a key driver to provide a life event (one-stop shop), customer-centric approach to service delivery *(EU)*	To develop proposals by end-2001 *(2000)*	The Integrated Call Centre on Environmental Hazards and Cleanliness is being implemented as scheduled, with the first tranche of services operational since July 2001. Consideration is given to extending the concept to two other Government services. *(Action Completed)*
To develop a mechanism to assess public sector productivity to provide high level measures and targets *(EU)*	To develop mechanism by end-2001 *(2000)*	Some initial work was done. The scope and approach will be examined. This initiative has been revised to combine with the outstanding work of the next initiative, and will be followed up by a new initiative/target in 2001 under KRA 2. *(Action Completed)*

Initiative	Target	Present Position
To develop a mechanism for collection and collation of data on public sector productivity and community and customer satisfaction to provide an up-to-date picture on Government's performance *(EU)*	To develop mechanism by end-2001 *(2000)*	Mechanisms for measuring community and customer satisfaction were developed. Some initial work was done on that for public sector productivity, and the scope and approach will be examined. We have combined this work with the previous initiative, which will be followed up by a new initiative/target in 2001 under KRA 2. *(Action Completed)*
To carry out surveys to assess the level of understanding and support for public sector reform within the Civil Service *(EU)*	To complete surveys by end-2001 *(2000)*	The survey methodology has been designed, and the surveys will commence in November 2001. *(Action in Progress: On Schedule)*
To develop new models and approaches for transforming the way the public and private sectors work together to deliver services *(EU)*	To develop two proposals during 2001 *(2000)*	Proposals for the use of different modes of public/private partnerships for property construction and maintenance have been developed. *(Action Completed)*
To develop outsourcing/contracting out proposals to optimise private sector involvement with a view to help containing the size of the Civil Service *(EU)*	To develop a range of proposals during 2001 *(2000)*	We have explored the feasibility of outsourcing proposals in the fields of leisure and cultural services, education and health. *(Action Completed)*

Initiative	Target	Present Position
To review and consider the outcome of the consultancy study on options for efficient and cost-effective delivery of water supply services *(Works Bureau/EU)*	To complete the review and decide on the broad strategy by March 2000 *(1999)*	Proposals for efficiency and productivity gains at the operational level have been followed up by the Water Supplies Department. *(Action Completed)*
To secure private sector participation in the licensing of drivers and vehicles *(Transport Department/ EU)*	To complete the programme by 2001 *(1998)*	Funding approval was obtained in June 2001 for the existing Vehicles and Drivers Licensing Integrated Data System to be upgraded by adopting the "Open Access Model". The Transport Department is following up with the implementation work. *(Action Completed)*

3 Implement programmes and monitor results

To achieve results in this area, various initiatives have been undertaken in the past year. Details are set out below –

Initiative	Target	Present Position
To implement the communications strategy to build and maintain enthusiasm and support for continuous improvement in public services *(Efficiency Unit (EU))*	To apply the strategy to all programmes launched in 2001 *(2000)*	A team was established to develop improvements to EU's webpage. The standards established in the communications strategy have been applied to EU's activities. *(Action Completed)*
To provide support to policy bureaux in refining performance measures and targets *(EU)*	To provide assistance to all seeking help in time for the 2001 Policy Address *(2000)*	General advice was rendered to bureaux. *(Action Completed)*
To improve performance measurement across Government departments through a series of workshops *(EU)*	To organise six workshops by December 2001 *(2000)*	Five departments participated in the first workshop. We are exploring the possibility of co-organising with the Civil Service Training and Development Institute a programme of such workshops. This initiative will be followed up by a new initiative/target in 2001 under KRA 3. *(Action Completed)*

Initiative	Target	Present Position
To continue to implement models for measuring community and customer satisfaction *(EU)*	To extend the models to cover another 12 bureaux and departments by December 2001 *(2000)*	The model on measuring customer satisfaction has been rolled out to 10 departments. We are working with another two departments. We are also in discussion with a number of bureaux on implementing the model on measuring community satisfaction. *(Action Completed)*
To implement the Integrated Call Centre for Environmental Hazards and Cleanliness *(EU)*	To have the Call Centre operational for the first tranche of services by mid-2001 and fully operational by mid-2002 *(2000)*	The first tranche of services was operational in July 2001, handling some 1 000 calls per day. Preparation work for the implementation of the next tranche of services is underway. *(Action in Progress: On Schedule)*
To promote and recognise improvements in service quality and productivity through an awards scheme *(EU)*	To organise the second Performance Pledge Awards by June 2001 *(2000)*	All departments publishing performance pledges will compete for the awards for the best designed pledge and most informative pledge. Roadshows with public voting were organised in September 2001. The judging panel will meet to decide on the awards in November 2001. *(Action Completed)*

Initiative	Target	Present Position
To promote awareness of and support for the Serving the Community Programme *(EU)*	To organise a Serving the Community Week by December 2001 *(2000)*	The event, now known as the Serving the Community Festival, has to be re-scheduled to January 2002, having regard to the availability of the venue for launching the event and the operational convenience of participating departments. Preparatory work is already underway. More than 50 departments will participate, launching more than 200 activities for the event. This event has been re-scheduled and will be followed up by a new initiative/target in 2001 under KRA 3. *(Action Completed)*
To continue to implement improvements in EU's Internet webpage as a mechanism for promoting best practice in the management and delivery of public services *(EU)*	To achieve 10% increase in the number of hits to the webpage *(2000)*	The monthly average number of hits in 2000 is 2 200. It has risen to 3 500 representing an increase of 59%. *(Action Completed)*
To set up a help desk to assist departments in undertaking outsourcing *(EU/Management Services Agency (MSA))*	To set up the service by March 2001 *(2000)*	An Outsourcing Helpdesk Hotline was established in MSA. *(Action Completed)*

Initiative	Target	Present Position
To take forward corporatisation of the Survey and Mapping Office *(Planning and Lands Bureau/EU)*	To introduce into the Legislative Council a bill on the corporatisation of the Survey and Mapping Office in 2001 *(2000)*	The relevant Panels of the Legislative Council have been consulted and their views are being considered. *(Action in Progress: On Schedule)*
To support the implementation of outsourcing projects *(EU)*	To implement a range of projects by end-2001 *(2000)*	Departments have already outsourced suitable services in respect of social welfare, land transport and catering. We will continue to support departments' outsourcing initiatives. *(Action Completed)*
To transfer appropriate activities in the Intellectual Property Department to the private sector *(Intellectual Property Department/EU)*	To complete the programme by 2001 *(1998)*	The tender for the outsourcing of the Intellectual Property Department's information technology management and electronic commerce functions was approved in September 2001. The Department will follow up with the award of contract. *(Action Completed)*