

**立法會**  
***Legislative Council***

LC Paper No. CB(2) 2373/00-01  
(These minutes have been seen by  
the Administration)

Ref : CB2/HS/1/00

**Subcommittee to follow up  
the outstanding capital works projects  
of the former municipal councils**

**Minutes of meeting  
held on Thursday, 3 May 2001 at 8:30 am  
in Conference Room A of the Legislative Council Building**

**Members Present** : Dr Hon TANG Siu-tong, JP (Chairman)  
Hon Fred LI Wah-ming, JP  
Hon Andrew WONG Wang-fat, JP  
Hon WONG Yung-kan  
Hon Albert CHAN Wai-yip  
Hon IP Kwok-him, JP

**Members Absent** : Hon Cyd HO Sau-lan  
Hon CHAN Yuen-han, JP  
Hon LAU Wong-fat, GBS, JP  
Hon WONG Sing-chi  
Hon LAU Ping-cheung

**Public Officers Attending** : Miss Elizabeth TSE  
Deputy Secretary for the Treasury 3  
  
Mrs Stella HUNG  
Deputy Secretary for the Environment and Food (A)  
  
Ms Eva TO  
Principal Assistant Secretary for the Environment and Food (A) 3

Mr Paul WONG  
Chief Executive Officer (Planning) 1  
Food and Environmental Hygiene Department

Mrs Angel CHOI  
Chief Executive Officer (Planning) 2  
Food and Environmental Hygiene Department

Mr K K LEE  
Assistant Director (Operations) 2  
Food and Environmental Hygiene Department

Mr WONG Shiu-kwan  
Project Director 3  
Architectural Services Department

Mr NG Shek-hon  
Deputy Secretary for Home Affairs (3)

Mr Jonathan McKinley  
Principal Assistant Secretary for Home Affairs  
(Sport Policy Review)

Ms Lolly CHIU  
Deputy Director of Leisure and Cultural Services  
(Administration)

Mr YUEN KWONG Wai-king  
Chief Executive Officer (Planning) 2

**Clerk in Attendance** : Mrs Constance LI  
Chief Assistant Secretary (2)5

**Staff in Attendance** : Miss Betty MA  
Senior Assistant Secretary (2)1

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**I. Confirmation of minutes of meeting**  
[LC Paper No. CB(2) 1398/00-01]

The minutes of meeting held on 1 March 2001 were confirmed.

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**II. Funding mechanism for the ex-PMC projects**  
[LC Paper Nos. CB(2) 1410/00-01(01) & (02)]

2. The Chairman said that he had written to the Secretary for the Treasury conveying the subcommittee's concern about the funding for the 169 outstanding capital works projects of the two former Provisional Municipal Councils (PMCs). The Secretary for the Treasury's reply dated 25 April 2001 was circulated to members vide LC Paper No. CB(2) 1410/00-01(01).

3. At the invitation of the Chairman, Deputy Secretary for the Treasury (DS/Tsy) explained the funding mechanism for the ex-PMC projects. She said that the Government was fully committed to the implementation of the ex-PMC projects, and the Finance Bureau (FB) had the responsibility for allocating resources for the implementation of these and other public works projects. She explained that three stages would normally be involved in taking forward a public works project -

- (a) The department would define the project scope, request the works agent (i.e. Architectural Services Department (ArchSD) for ex-PMC projects) to carry out preliminary feasibility study of the project, and seek policy approval from the relevant policy bureau and FB for the proposed project to be included in Category C of the Public Works Programme (PWP).
- (b) Funds would be bidded under Government's annual resource allocation mechanism for upgrading the project to Category B of PWP, and detailed design work would proceed after funds had been reserved.
- (c) When the project was ready for upgrading to Category A of PWP, funding approval would be sought from the Public Works Subcommittee and Finance Committee (FC); subject to FC's approval, tender would be called for to enable the project to commence.

4. DS/Tsy pointed out that after the dissolution of the two PMCs, the following funding arrangements had been made in respect of the ex-PMC capital works projects-

- (a) the 149 projects which the PMCs had entered into contractual commitment had been directly included in Category A of PWP in December 1999;
- (b) funding had been set aside for the 12 projects which had secured funding approval from the two PMCs although there was no contractual commitment; and

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- (c) as regards the remaining 169 projects which were in various stages of planning, FB was prepared to process the Client Project Briefs (CPB) and Preliminary Project Feasibility Studies (PPFS) for these projects in a flexible manner, in recognition of the previous planning work. Although a special category had not been created for these ex-PMC projects, FB had simplified the CPB and PPFS formats for straightforward and rather standard facilities, such as open space. FB had also agreed to waive the prerequisite PPFS and set aside funding for nine projects in last year's Capital Works Resource Allocation Exercise (RAE), and these nine projects would be directly included in Category B of PWP, subject to the completion of PPFS.

5. The Chairman enquired about the provisions earmarked for the 16 projects for retro-fitting of air-conditioning to existing public markets and the 21 projects involving leisure and cultural facilities.

6. DS/Tsy responded that the 2001 Capital Works RAE had not yet started and it was not possible to provide information at the moment. She said that Food and Environmental Hygiene Department (FEHD) and Leisure and Cultural Services Department (LCSD) had fully reflected members' concern on the early implementation of the ex-PMC projects. As regards the total provisions for ex-PMC projects since the dissolution of the two PMCs, DS/Tsy informed members that some \$10 billion was reserved in the Capital Works RAE for ex-PMC projects, which included -

- (a) an allocation of \$5,400 million approved to finance the 149 capital works projects in paragraph 4(a), and over 3 000 minor items for which the two PMCs had entered into contractual commitment;
- (b) about \$2,400 million set aside for the 12 projects in paragraph 4(b), which had already secured PMC's funding approval; and
- (c) another \$1,000 million or so for nine projects approved in the 2000 Capital Works RAE.

7. Mr Fred LI said that while he appreciated FB's efforts in making provisions for the ex-PMC projects in the past years, he expressed concern that it would take many years to implement the 169 outstanding ex-PMC projects under the current financial arrangement. Mr LI said that previously the two PMCs approved some \$2.4 billion each year to finance capital works projects for the provision of municipal services. He strongly requested that the Administration should maintain a similar level of expenditure for the provision of municipal services.

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8. DS/Tsy pointed out that the 169 outstanding ex-PMC projects were at different planning stages, and the majority was still at a relatively early stage of development and had not yet secured funding approval of the PMCs. She said that even the two former PMCs would have to implement these projects by phases. She explained that in allocating resources for capital works projects, the primary consideration was whether the project was deserving. She said that some projects would deserve a higher priority than others at certain times. She pointed out that unlike the provision for annual recurrent expenditure, there were practical difficulties to pre-determine a specific level of funding for capital works projects for a particular service. This would go against the policy for PWP and the working of the RAE.

9. In respect of the expenditure of the PMCs, DS/Tsy said that the number of projects and funding approved varied from year to year, depending on the justifications and readiness of individual projects. As an illustration, she provided the expenditure of leisure and cultural facilities approved by the two ex-PMCs as follows -

<b>Financial year</b>	<b>Number of projects approved</b>	<b>Provisions approved (\$ million)</b>
1995-96	13	3,200
1996-97	8	500
1997-98	16	2,300

10. Mr Fred LI agreed that not all the 169 outstanding projects could receive the necessary approvals from the PMCs. However, the PMCs would discuss at open meetings whether or not these projects would be taken forward so that the public was made aware of the latest development, particularly if certain projects were to be aborted. Mr IP Kwok-him expressed a similar view that if certain projects could not be proceeded further, the Administration should sound out its intention clearly at an early stage.

11. Mr IP Kwok-him expressed concern that even if a project could be upgraded to Category B of PWP, it still need to compete for resources with other capital works projects within Government and that it might be given a low priority. He asked whether the Administration had any mechanism to assess the priority of the 169 outstanding ex-PMC projects. He considered that there should be some special arrangement for ex-PMC projects, otherwise they would not be able to proceed further. He said that it was not possible for the subcommittee to monitor these projects for an indefinite period.

12. DS/Tsy said that she did not envisage funding to be a key constraint in taking forward the ex-PMC projects. She explained that under Government's resource allocation mechanism, the respective bureau secretaries would be responsible for setting priorities for those projects under their purview. FB would look at the

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priorities set by the policy bureau(x) and see whether the project scope and technical feasibility of the project had been agreed to. The major concern of FB was whether the project had obtained the necessary policy approval and met the basic technical requirements, and whether the departments concerned had the capability to take the project forward if funding was approved. DS/Tsy added that in the past few years, there had not been much problem in securing funding for the ex-PMC projects and the question was whether the departments could justify and implement these projects. She said that for those municipal services projects which were not expensive, FB also hoped that they could be taken forward as soon as possible.

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13. Mr IP Kwok-him sought clarification as to whether there would be adequate resources for the implementation of ex-PMC projects and that FB would not object to the funding requests. He also asked for a list of ex-PMC projects which the policy bureaux had bid for funds since the dissolution of the two PMCs, and the provision approved. The Chairman also requested the Administration to provide the implementation time-table for the 169 ex-PMC projects.

14. DS/Tsy said that the two PMCs were dissolved on 1 January 2000; since then only one Capital Works RAE had been carried out. All funding applications under the 2000 Capital Works RAE for implementing the ex-PMC projects were approved, except for one or two projects which were deferred because the project scope was not yet defined.

15. Mr Albert CHAN shared Mr IP's concern about the long time required to include the ex-PMC projects in the PWP. He said that it was not possible for the subcommittee to review and discuss each and every project in detail. In this connection, he requested the Administration to provide the five-year programmes of the PMCs in respect of the capital works projects involving municipal services and facilities before and after the dissolution of the two PMCs, as well as the average annual provisions for such facilities. He hoped the Administration could undertake to earmark a provision similar to the five-year expenditure of the former PMCs for such projects, so that Home Affairs Bureau (HAB) and Environment and Food Bureau (EFB) could proceed with the necessary planning and implementation work. Mr CHAN said that HAB and EFB would be responsible for any delay in the implementation of these projects if resources were earmarked for their implementation. The subcommittee would also feel more assured if the Administration could provide a rolling five-year programme for the implementation plan of the ex-PMC projects.

16. Mr WONG Yung-kan asked whether certain minor projects, e.g. the provision of open spaces, could be expedited to meet the needs of individual districts.

17. DS/Tsy said that as she had explained to members, FB had already reserved a provision of \$7,800 million for a total of 161 ex-PMC projects for which the two

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PMCs had entered into contractual commitment or given funding approval. In addition, about \$1,000 million was allocated in last year's RAE for the implementation of nine ex-PMC projects. The reserved funding was estimated to be spent over a period of three to four years. These represented an annual allocation in the region of \$2,200 million, which was close to the level of expenditure of the two PMCs. DS/Tsy advised that for projects which were estimated to cost below \$15 million, they could be carried out under the block allocation for minor works projects. She further said that the policy bureaux were well aware of the outcome of resource allocation after each RAE. As regards Mr Albert CHAN's request for a comparison of the five-year provision for capital works projects involving municipal services and facilities before and after the dissolution of the ex-PMCs, DS/Tsy agreed to consider. However, she stressed that the estimated expenditure for the coming five years could only be an estimate and did not necessarily mean that the projects would be completed in five years. The actual provisions might also vary as the project details were subject to modification when they were taken forward.

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18. Mr Albert CHAN asked whether the delay in implementing these projects was due to manpower constraints in ArchSD, if there was no problem in obtaining funding approval for the ex-PMC projects. He said that he would not insist on implementing all the 169 outstanding projects, as LegCo had to be satisfied that these projects were necessary and that public money was spent in a cost-effective manner. However, he stressed that there should not be a reduction in the level of provision of municipal services after the dissolution of the two PMCs. The Chairman concurred with Mr CHAN.

19. Responding to Mr Albert CHAN's concern about the manpower of ArchSD to cope with the planning of the ex-PMC projects, Project Director 3/ArchSD (PD3/ArchSD) said that his department would provide necessary technical support for the ex-PMC projects according to the time-table of the policy bureaux and FB. If there was insufficient manpower or expertise in his department, outside consultants would be engaged to ensure that the project would be implemented according to the approved time-table.

20. Deputy Secretary for Home Affairs (DS(HA)) added that HAB would make its best efforts to streamline the procedures and make objective assessments of the outstanding projects. The Administration would continue to discuss with the District Councils (DCs) how to take these projects forward.

Provision for new municipal services projects

21. Mr Fred LI said that the former PMCs regularly discussed with DCs new projects for the provision of municipal services. He asked whether the Administration

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would adopt a similar policy to identify new projects after the dissolution of the two PMCs.

22. DS(HA) responded that there were new projects under planning. He said that HAB was conducting a strategic study on the provision of major recreation and sports venues in the territory, and a consultancy study was commissioned to review the policy of provision of civic centres in Hong Kong. These studies would throw light on the provision of new leisure and cultural facilities. In the meantime, new projects and some minor works were being carried out to meet the needs of the districts. DS(HA) assured members that LCSD would maintain close liaison with DCs to gauge their views on the need for new facilities.

23. Deputy Secretary for the Environment and Food (DS(EF)) pointed out that out of the 37 ex-PMC projects which involved food and environmental hygiene facilities and had been directly injected into Category A of the PWP, 28 projects had been completed and nine were in progress. As regards the retro-fitting of air-conditioning to existing public markets, DS(EF) said that the Administration was critically examining the scope and feasibility of projects in Phases I and II, with a view to putting forward funding applications in the Capital Works RAE this year. She stressed that EFB was open-minded on the proposals of new projects for the provision of food and environmental hygiene facilities. She would welcome suggestions from members.

24. The Chairman advised that any new projects for municipal services should more appropriately be discussed by the respective Panels.

**III. Retro-fitting of air-conditioning to existing markets and cooked food centres**

[LC Paper No. CB(2) 1216/00-01(01)]

25. DS(EF) said that subject to the views of the subcommittee, the Administration would consult the stall lessees in the public markets concerned on the retro-fitting of air-conditioning projects when detailed arrangements were available, as these would affect their operation and incur additional recurrent expenses. To expedite the implementation process, ArchSD would speed up the PPFs for these projects. If these projects were confirmed to be technically feasible, the Administration would bid funds under the Capital Works RAE this year to start those projects in Phases I and II.

26. PD3/ArchSD said that his department was discussing with FB and EFB ways to expedite the implementation of these projects. He further said that before the dissolution of the two PMCs, their capital works projects were also subject to detailed feasibility studies before implementation. However, the previously carried out feasibility studies might not fully meet the requirements of the PPFs in the PWP



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procedures. In order to avoid abortive work, FB had agreed to process the PPFs for the air-conditioning retro-fitting works in a flexible manner. He expected that his department could complete PPFs for these projects in the middle of this year, and the application for funds would be made under the Capital Works RAE later this year for upgrading of these projects to Category B of PWP.

27. Members raised no objection to these projects and urged the Administration to consult DCs and stall lessees concerned as soon as possible. In reply to the Chairman, DS(EF) said that the retro-fitting projects would take about two and a half years to commence.

28. Mr Albert CHAN asked whether the Administration would review the policy for the provision of cooked food centres. As the patronage level of most of the cooked food centre was rather low, Mr CHAN considered it not cost-effective to retro-fit air-conditioning to these cooked food centres. He said that the affected lessees might not be willing or able to bear the additional recurrent costs. He suggested that Government should consider the long-term financial commitments before taking these projects forward.

29. DS(EF) agreed with Mr CHAN. She said that the Administration would review the cost-effectiveness of and the technical difficulties for the proposed retro-fitting works in cooked food centres, before taking a decision as to whether to proceed with the projects. The Administration would also need to consult the stall lessees concerned to seek their agreement to bear the recurrent electricity and maintenance expenses. Principal Assistant Secretary for Environment and Food added that cooked food centres were subject to the more stringent fire and building safety requirements under the current Fire Safety Regulations. If retro-fitting of air-conditioning was to be carried out in cooked food centres, the premises would have to be completely closed during the construction period for hygiene reasons.

Admin 30. In reply to the Chairman, DS(EF) said that the Administration would report to the subcommittee the progress of the retro-fitting projects after completion of the Capital Works RAE.

**IV. Progress of the Hammer Hill District Park, Kowloon Bay Recreation Ground and Stanley Complex**  
[LC Paper No. CB(2) 1410/00-01(03)]

Stanley Complex

31. Deputy Director of Leisure and Cultural Services (DD/LCSD) informed members that subsequent to FEHD's decision that no public market would be provided

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in the complex, the Administration had come up with a new style complex comprising a sports arena and a multi-purpose hall. In addition, to maximize the site utilisation, there would be a public toilet, a small library and a sub-office of Southern District Office to re-provision the one currently housed in leased premises. DD/LCSD further said that the proposed complex would be the first building project providing integrated district-based facilities to serve cultural, sports, recreation and community building purposes. DD/LCSD added that LCSD would consult the Southern DC on the project in June 2001.

32. Mr Albert CHAN expressed support for the provision of integrated district-based facilities in the proposed Stanley Complex. He requested the Administration to provide members with details of the design. DD/LCSD noted the request.

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Hammer Hill Road District Park

33. The Chairman informed members that the feasibility study report on the Hammer Hill Road District Park project prepared by the Chi Lin Nunnery had been circulated to members vide LC Paper No. CB(2) 1063/00-01 on 13 March 2001.

34. DD/LCSD said that LCSD had met with Chi Lin Nunnery to discuss the preliminary feasibility study report prepared by Chi Lin. There was an exchange of views on the overall design and technical details of the project. DD/LCSD further said that the estimated project cost, based on Chi Lin's feasibility study report, would be in the region of \$212 million, which exceeded the original project estimate of \$177 million. The Administration would further discuss with Chi Lin the project cost.

35. Mr Albert CHAN and Mr WONG Yung-kan expressed reservation about the proposed design as the estimated construction cost was on the high side. They were of the view that the project cost could be trimmed down substantially as the artificial landscape and the construction of pavilions were unnecessary. Mr CHAN pointed out that the proposed design would also give rise to substantial recurrent expenditure for maintenance. Mr CHAN and Mr WONG were in support of a more natural landscape for district parks. They said that more greenery was preferred.

36. Mr Albert CHAN suggested that the Administration could first determine the policy direction and the standard cost for district parks with reference to overseas experience. DS(HA) said that the Administration would convey members' views to Chi Lin and consult DCs on the matter. He added that there had been lengthy discussion on the project in view of the suggestion that the Hammer Hill Road District Park should match with the architecture of Chi Lin, so that the whole area would become a landmark for tourism of strategic value. DS(HA) assured members that the Administration would be prudent in spending public money and that members' views would be taken into account when taking the project forward.

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Kowloon Bay Recreation Ground

37. DD/LCSD said that LCSD was working with ArchSD on the revised design and aimed to upgrade the Kowloon Bay Recreation Ground project to Category A of PWP by the end of 2001.

**V. Any other business**

38. Members agreed to schedule a meeting after summer to discuss the Administration's response to outstanding issues and concerns raised by members at previous meetings. Members would be informed of the meeting date in due course.

Clerk

39. There being no other business, the meeting ended at 9:55 am.

Legislative Council Secretariat

4 October 2001