

**SUBCOMMITTEE TO FOLLOW UP THE OUTSTANDING
CAPITAL WORKS PROJECTS OF THE
FORMER MUNICIPAL COUNCILS**

Matters arising from meeting held on 3 May 2001

INTRODUCTION

At a meeting of the said Subcommittee held on 3 May 2001, Members requested the Administration to provide -

- (a) a list of ex-Provisional Municipal Council (PMC) projects for which funding has been sought and approved after the dissolution of the PMCs; and
- (b) the five-year programmes of capital works projects involving municipal services/facilities before and after dissolution of the two PMCs, and the average annual provision(s) for such facilities.

THE ADMINISTRATION'S RESPONSE

Projects funded

2. In late 1999, the Finance Committee of the Legislative Council approved an allocation of \$5.4 billion to fund 149 capital works projects and over 3 000 minor items for which the two PMCs had entered into contractual commitment. Government also undertook to earmark funding, in the order of \$2.4 billion, to deal with the 12 other projects which had secured PMC's funding approval even though there were no contractual commitments associated with these projects at the time. Details on these projects were set out in PWSC(1999-2000)76 and FCRI(1999-2000)17.

3. In the context of the 2000 capital works resource allocation exercise, the Secretary for Home Affairs and Secretary for Environment and Food secured a further allocation of some \$1 billion for nine other projects, as listed in the Annex. None of their bids on former PMC projects was rejected.

/Five-year

Five-year programme

4. The Administration will develop a rolling five-year programme for the provision of leisure and cultural facilities. Pending completion of this exercise hopefully around late 2001, we are not yet in a position to assess in a comprehensive manner how the capital works programmes on the above services compare before and after the dissolution of the PMCs. The following, however, provides a snapshot at the moment.

5. Records indicate that for the five years before the dissolution of the ex-PMCs (1995-97 triennium to 31 December 1999), the two PMCs approved on average a funding commitment of some \$2.4 billion per annum on related capital projects. The average expenditure on these projects was \$1.9 billion per annum.

6. In the past one and half year that has lapsed since the dissolution of the PMCs, we have already set aside some \$8.8 billion for ex-PMC projects, averaging a commitment of \$5.9 billion per annum in total or \$2.3 billion per annum if the former contractual commitments are excluded. For the five-year period ending 31 March 2005, we expect to spend about \$6.2 billion on the projects which have secured funding; this implies an average spending of some \$1.2 billion per annum.

7. The Administration will continue to vet and process as appropriate all the outstanding capital works projects initiated by the PMCs. We will also initiate new projects provided sufficient justification exists.

Environment and Food Bureau
Home Affairs Bureau
Finance Bureau
June 2001

List of two former Provisional Municipal Councils projects
with earmarked funding since their dissolution

<u>Project Title</u>	<u>Project Estimate</u> (\$ million in September 2000 prices)
1. Provision of a multi-purpose grass pitch on Sai Tso Wan former landfill (Note: Finance Committee approved the upgrading of this project to Category A in January 2001.)	38
2. Aldrich Bay Complex	222
3. Kwai Chung ambulance depot with Fire Services Department (FSD) offices and refuse collection point at Hing Shing Road in Area 10B, Kwai Chung	93 (including FSD facilities)
4. Temporary off-street RCP cum public toilet at Ma Tau Kok Road	<15
5. Improvement works to Lei Yue Mun Park and Holiday Village	100
6. Kwai Chung Park Football Training Centre	400
7. Grass pitches in Tseung Kwan O Landfill	91
8. Additional open space to Tsuen Wan Town Hall	36
9. Indoor Recreation Centre, Area 17, Tin Shui Wai	210