

**Appendix VI**

A comparison between the cost of outsourcing the services and that of providing the services by LCSD; and the change in efficiency before and after outsourcing

The major outsourced services such as cleansing, security guard services, horticulture maintenance and venue management of indoor games halls have achieved cost savings ranging from 20% to 60%.

Outsourcing has optimized the use of market skills, resources, technology and innovation to –

- enhance quality, efficiency and cost savings;
- reduce operating costs through productivity gains, economies of scale, scope and specialization
- inject new initiatives, skills and technology in public services
- relieve staffing constraints in implementing new initiatives/services; and
- minimize the lead time for service provision and more rapidly delivering new services to the community.

**Establishment of the Former Municipal Services Departments  
and the Leisure and Cultural Services Department**

Grade	Establishment of the former municipal services departments <sup>@</sup> (a)	Establishment of LCSD as at 1.1.2000* (b)	(b) – (a) (%)	Establishment of LCSD as at 1.1.2001* (c)	(c) – (b) (%)	Establishment of LCSD as at 1.1.2002* (d)	(d) – (c) (%)	Projected Establishment of LCSD as at 31.3.2003* (e)	(e) – (d) (%)
<b>Directorate Establishment</b>	<b>17</b>	<b>12 #</b>	<b>-5</b> (-29.4%)	<b>12 #</b>	<b>0</b> (0%)	<b>10</b>	<b>-2</b> (-16.7%)	<b>10</b>	<b>0</b> (0%)
<b>Non-Directorate Establishment</b>									
Departmental Grades (i.e. Leisure Services Manager, Librarian, Curator, Manager (Cultural Services), Amenities Assistant, etc.)	2,838	2,704	-134 (-4.7%)	2,716	12 (0.4%)	2,728	12 (0.4%)	2,773	45 (1.6%)
Common Grades (i.e. Foreman, Artisan, Workman, etc.)	4,809	4,671	-138 (-2.9%)	4,370	-301 (-6.4%)	3,858	-512 (-11.7%)	3,383	-475 (-12.3%)
General Grades (i.e. Clerical, Secretarial, Motor Driver, Chinese Language Officer, etc.)	2,382	2,167	-215 (-9%)	2,160	-7 (-0.3%)	2,150	-10 (-0.5%)	2,113	-37 (-1.7%)
<b>Sub-total</b>	<b>10,029</b>	<b>9,542</b>	<b>-487</b> (-4.9%)	<b>9,246</b>	<b>-296</b> (-3.1%)	<b>8,736</b>	<b>-510</b> (-5.5%)	<b>8,269</b>	<b>-467</b> (-5.3%)
<b>Grand Total</b>	<b>10,046</b>	<b>9,554</b>	<b>-492</b> (-4.9%)	<b>9,258</b>	<b>-296</b> (-3.1%)	<b>8,746</b>	<b>-512</b> (-5.5%)	<b>8,279</b>	<b>-467</b> (-5.3%)

@Only including posts deployed on the delivery of leisure and cultural services.

\*Excluding posts created to accommodate surplus staff arising from the reorganization.

# Including the supernumerary DD(A) and AD(F) posts.