

**Legislative Council Panel on Home Affairs  
11 January 2002**

**Scheme for Contracting Out  
Cultural, Arts, Recreational and  
Sports Services and Venue Management**

**Purpose**

To inform Members of the schemes of the Leisure and Cultural Services Department (LCSD) for contracting out its cultural, arts, recreational and sports services and venue management.

**Background**

2. LCSD was set up on 1 January 2000 to assume the overall responsibilities for the provision of leisure and cultural facilities and services to the public. In line with the Government's objective for more private sector input to enhance the quality of public service, LCSD has been pursuing cost-effective outsourcing of its activities with the aim of enhancing service standards.

3. In line with the outsourcing schemes, we have also strengthened our contract management mechanism and capabilities. Frontline supervisors and staff have also been trained to better equip them in monitoring the delivery of contracted services.

**Current Outsourcing Schemes**

4. As at 1 December 2001, LCSD has altogether over 221 service contracts with a total value of \$1,509.5 million. The annual expenditure on outsourced services is about \$763.3 million, which accounts for about 14.6% of LCSD's annual expenditure in 2001-02. A list of the service contracts is at Appendices I and II.

5. On the *recreation and sports services front*, the main outsourcing activities are related to cleansing and supporting services, security guard services, horticulture maintenance, and maintenance and inspection services for shark prevention nets. In addition, pilot schemes have also been put in place for outsourcing the management of six indoor games halls and 12 fee-paying car-parks as well as the electrical and mechanical maintenance services of LCSD venues in Tai Po District.

6. On the *cultural services front*, the major outsourcing schemes are professional sound and technical support services for cultural venues, security guard services, cleansing and supporting services, and agency services for the supply of library assistants and computer technicians. Other contracting-out services include printing, piano tuning, stage setting, exhibition production, admission and crowd control, photo-finishing, graphic reproduction, and type-setting. We have also engaged a local commercial ticketing agent to sell tickets on-line via Internet and to provide user-friendly credit card telephone booking service for LCSD presentations.

7. The above outsourcing schemes have enhanced our service quality and cost efficiency, apart from relieving staffing constraints in manning new facilities. The high subscription rate to the Voluntary Retirement Scheme in LCSD (involving about 1 200 staff) has enabled us to bring forward some of our outsourcing schemes.

### **Future Outsourcing Schemes**

8. Plans are in hand to outsource the development of a new and improved ticketing service to replace the existing URBTIX ticketing services, part of the programming functions at Yuen Long Theatre and North District Town Hall to arts organizations through a pilot Programme Partnership Scheme, the management of fee-paying car parks at 36 leisure venues and two cultural venues, and the electrical and mechanical services of LCSD venues in two districts. We shall further outsource the services for pre-press, printing and finishing for pamphlets, posters, and for the production, installation and dismantling of materials for museum exhibitions and activities.

9. In accordance with the recommendations of a Consultancy Study <sup>1</sup>, we plan to engage a professional public relations company to provide general marketing services for four Community Arts Centres, and to launch a pilot service contract for all non-stage facilities management services at the Ko Shan Theatre and further Programme-Partnership Schemes in two of these centres.

10. The above outsourcing plans aim at optimizing the use of market skills, resources and technology to provide new impetus to our service delivery. For instance, we shall engage the expertise of a commercial ticketing agent to develop a new ticketing system for our presentations. Under the Programme Partnership Schemes, we shall involve arts organizations in the planning and organization of cultural programme, capitalizing on their creativity in using venue facilities and developing audience for the arts.

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<sup>1</sup> In 2001, LCSD has completed a Consultancy Study on the feasibility of transferring some of the management functions of the four Community Arts Centres (namely, Ko Shan Theatre, Sai Wan Ho Civic Centre, Sheung Wan Civic Centre and Ngau Chi Wan Civic Centre).

11. Staffing implication is an important factor for consideration in planning our outsourcing activities. Other considerations include the contractors' capability to provide quality service, as well as the costs involved. We shall assess and adequately brief staff on the staffing implications of the impending outsourcing schemes, and maintain an open dialogue with them. Our aim is to work out a coordinated and balanced approach to avoid creating staff redundancy, which for us as well as for our staff, is always a major concern.

### **Presentation**

12. This paper is presented to Members of the LegCo Panel on Home Affairs for information.

Leisure and Cultural Services Department  
January 2002

## Appendix I

### Contracts for the Provision of Services

| Service Type   | No. of Contracts | Total Contract Value (\$M) |          |
|--|------------------|----------------------------|----------|
| (a) I.T. Products & Maintenance                                | 9                | 394.9                      | (26.17%) |
| (b) Cleansing  | 60               | 426.6                      | (28.26%) |
| (c) Security   | 28               | 181.5                      | (12.02%) |
| (d) Horticultural maintenance, gardening & undergrowth cutting | 17               | 168.0                      | (11.13%) |
| (e) Venue management service                                   | 7                | 90.8                       | (6.02%)  |
| (f) Professional sound & technical support services            | 1                | 72.1                       | (4.78%)  |
| (g) Maintenance & inspection service for shark prevention nets | 5                | 36.6                       | (2.42%)  |
| (h) Maintenance & repair of playground equipment               | 2                | 26.9                       | (1.78%)  |
| (i) Equipment maintenance                                      | 9                | 20.9                       | (1.38%)  |
| (j) Design & production  | 4                | 3.2                        | (0.21%)  |
| (k) Piano tuning and stage setting                             | 4                | 1.6                        | (0.11%)  |
| (l) Others (see <b>Appendix II</b> )                           | 75               | 86.4                       | (5.72%)  |
| <i>Total</i>   | 221              | 1509.5                     | (100%)   |

**A List of Other Service Contracts**

- Agency Services
- Air Freight Services
- Audio-visual Recording Services
- Audio-Visual Services
- Binding Services
- Commercial Distribution
- Conservation Services
- Data Entry Services
- Electrical Services
- Film Printing Services
- Graphic Reproduction and Computer output
- Hiring Services
- Installation and Fabrication for Exhibitions
- Insurance Services
- Laundry Services
- Making-up of Uniform
- Online Database Search Services
- Printing Services
- Removal or Transportation Services
- Repair of Furniture
- Sound and Lighting Services
- Telecommunication Service
- Translation Service
- Vetting Services