

**Reply to the LegCo CA Panel on the DC Review
At Meeting on 15 May 2006**

Response to part (a)

Minor works and facility improvement projects in the districts

As set out in the consultation document on the Review of the Role, Functions and Composition of District Councils (DCs), we propose to create a dedicated capital works block vote with an annual provision of \$300 million for DCs to endorse or implement works projects, under the cost of \$15 million each, to provide or enhance district facilities so as to better meet local needs.

2. The new dedicated block vote will replace three existing sources of funding for district minor works projects, namely –

- (a) the block vote on Minor Building Works under the Capital Works Reserve Fund (CWRF);
- (b) the Urban Minor Works (UMW) Programme block vote under CWRF; and
- (c) DC funds for “Minor Environmental Improvement” (MEI) projects.

3. Projects funded by the block vote on Minor Building Works under the CWRF are of a relatively larger scale each costing less than \$15 million, while projects funded by UMW vote and the MEI projects are of a much smaller scale.

4. Under the current arrangements, Government departments will need to go through the process of submitting bids to the Architectural Services Department (ArchSD) to secure funds under the block vote for Minor Building Works. The Leisure and Cultural Services Department (LCSD) and the Home Affairs Department (HAD), along with other policy bureaux and Government departments, will hence need to bid for funds, under the block vote, to provide or enhance district facilities such as leisure grounds and communityhalls.

5. These bids are currently vetted within the Government by an Accommodation Strategy Group (ASG) tasked to vet the bids submitted by all policy bureaux and Government departments in accordance with a set of

criteria including compliance of the project with the Government's policy objectives and its ability to meet statutory requirements. These bids will be assessed by the ASG before funds are ear-marked for the implementation of the projects. DC's support, where appropriate, will be obtained before bids are submitted for funding approval.

6. LCSD would submit bids to ASG for funding Minor Building Works projects on an annual basis and review the situation closely. In the year 2006-07, there are 24 projects costing about \$184 million supported by the DCs and endorsed by ASG. Of these projects, funding approval for seven projects at a total cost of \$53 million has been obtained while the remaining ones are under active planning and processing by the LCSD. As the bidding for resources is done on an annual basis, under the current arrangement, LCSD will draw up a fresh list of projects for resource allocation every year.

7. As regards the minor works and facility improvement projects under the purview of HAD, there are currently around 35 projects with a total cost of about \$13 million under the Urban Minor Works programme being processed by HAD for implementation in 2006-07. In addition, there are also around 175 projects under the Minor Environmental Improvement programme with a total cost of about \$22 million for implementation in 2006-07.

Response to part (b)

Implementation and Monitoring of District Minor Works Projects by LCSD and HAD

8. Works projects to provide or enhance district facilities are currently undertaken by works departments such as the Architectural Services Department (Arch SD) or outsourced to contractors and consultants outside the Government.

9. For projects under LCSD, it has been the practice for the department to work with ArchSD in the planning stage to define the user requirements. As LCSD's works agent, ArchSD would engage a works contractor to implement the projects. The Arch SD would provide technical and professional input and be responsible for the monitoring of project implementation.

10. As regards projects under HAD, respective District Offices (DOs) would work with the Works Section in the HAD Headquarters for the planning and implementation of projects. The Works Section would provide professional support to DOs in areas such as defining user requirements, determining technical feasibility and engaging contractors to implement the projects. The DOs concerned and the Works Section would work closely to monitor implementation of the project.

11. Under the proposal to enhance the involvement of DCs in the design and execution of the district works projects, DCs may opt for the established mechanism as set out in paragraphs 9 and 10. Arch SD will serve as the works agent for projects undertaken by LCSD. The other minor works will be undertaken by works departments or contractors entrusted by HAD. Some DCs may also opt for direct engagement of contractors or consultants to carry out minor works projects in close collaboration with HAD and Arch SD.

12. To facilitate smooth implementation of the works projects initiated by DCs in future, we are prepared to provide additional resources to strengthen enhance the technical and professional support for the design, tender and supervision of these works projects.

Home Affairs Department
May 2006