

For Information

## **Legislative Council Panel on Public Service**

### **Outsourcing Plans of the Leisure and Cultural Services Department**

At the Panel Meeting on 17 October 2005, a member requested information on the outsourcing plans of the Leisure and Cultural Services Department (LCSD). This paper provides the information sought.

#### **Background**

2. The Government has all along upheld the policy objective of maintaining an efficient and small government with a view to ensuring the public services can be provided in a cost-effective manner and promoting business opportunities and jobs in the private sector. Subject to the principles that no civil servant would be made redundant and the standard of services would not be affected, it is Government's established policy to outsource the public services under suitable circumstances.

#### **Outsourced Services**

3. The majority of the cleansing, security guard and horticultural maintenance services for cultural and leisure venues and facilities in all 18 districts have been outsourced. The management services of some sports facilities were contracted out with the objective of delivering quality services to the public in a more cost-effective manner and making use of the private sector's expertise in the management of these facilities. Currently, the major contracts managed by the department include 57 cleansing contracts, 38 security guard contracts, 22 horticultural maintenance contracts and 8 sports centre management contracts with a total value of \$1,463 M undertaken by 51 contractors and engaging around 5,800 workers. Tender returns for the management of two sports centres to meet with the commissioning of new facilities are being processed. No staff is made redundant as a result of the outsourcing exercise.

## **Upcoming Outsourcing Plan**

4. In drawing up the outsourcing plans, the department adopts the following principles –

- it must be cost-effective;
- the standard of service must not be lowered;
- the contract is commercially viable; and
- there should not be any staff redundancy.

5. The LCSD is currently handling the tender results of the management of two sports centres to cope with the planned commissioning of two new facilities. No civil servants nor any existing non-civil service full-year contract staff will be affected as a result. The department estimates that an average savings of 25% would be achieved as compared with the in-house operating cost for management of such sports centres.

6. The department has no definitive plan for further outsourcing of other cultural and leisure facilities at the moment.

## **Staff Consultation**

7. Staff concerned are fully consulted on the outsourcing exercise through the Departmental Consultative Committee meetings and the regular meetings between management and staff unions. The department will strive to explain to its staff concerned that outsourcing will not lower the level of services and affect staff's employment opportunities.

## **Conclusion**

8. Members are invited to note the context of this paper.

Leisure and Cultural Services Department  
November 2005