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**Subcommittee on Members' Remuneration and
Operating Expenses Reimbursement**

**Report on the Survey on
Members' Operating Expenses Reimbursement**

Part II: Members' need for the Setting-up of District Offices

Purpose

This paper presents the findings of the study on Members' need for setting up district offices to facilitate their work. It also sets out the operating characteristics of district offices and central offices.

Background

2. Members were invited on 20 October 2010 vide LC Paper No. AS 28/10-11 to participate in a survey on their needs for setting up district offices to service their constituents. The survey is part of the recent study conducted by the Legislative Council ("LegCo") Secretariat on the necessary resources required by individual LegCo Members to carry out their LegCo duties. On 14 September 2010, members of the Subcommittee on Members' Remuneration and Operating Expenses Reimbursements ("the Subcommittee") noted the outcome of the first part of the study on the staffing requirement. The study found that on average, each Member requires the support of 7 full-time staff members for operating three offices, including a central office and two district offices. This survey aimed to further ascertain the requirement in the number of district offices, analyze the operating characteristics of district offices, assess the resources required for the operation of district offices, and understand Members' aspirations in setting up district offices to

discharge their work. The Secretariat also took the opportunity to seek Members’ views on the central offices to be provided in the new LegCo Complex at Tamar.

Survey results

3. Forty-one Members, including 21 from the functional constituencies and 20 from the geographical constituencies, responded to the survey. The information presented below was prepared on the basis of the valid responses from Members.

District offices

Purposes of maintaining a district office

4. The respondents largely agreed that the setting-up of a district office could enable them to stay in easy contact with their constituents, keep in touch with local affairs, and provide a working place for their staff.

Purposes	To stay in easy contact with the public/constituents	To keep in touch with local affairs	To provide a working place for staff	Others
Average rating	From “1” (strongly disagree) to “6” (strongly agree)			
Functional Constituencies (13 respondents)	5.08	4.38	5.00	0.46 ¹
Geographical Constituencies (19 respondents)	5.84	5.68	4.89	0.63 ²
Weighted average	5.53	5.16	4.94	0.56

Remarks:

¹ to maintain a district office to organize gatherings and activities (1 respondent)

² to maintain a district office to liaise with local government offices and organizations; to maintain relationship with volunteer workers; and to provide services to citizens (2 respondents)

Existing accommodation and manning expenses per district office

5. The survey revealed that on average, the recurrent expense for running a district office was about \$45,000 per month, which included

office operating expenses (\$8,900) such as rent, management fee, rates, government rent, utility charges, communication charges, etc., and staff remuneration (\$34,900). The average accommodation and staff expenses per district office as revealed in the survey are as follows:

	Accommodation expenses* \$	Staff remuneration \$	Total per office \$
Functional Constituencies	15,400 (10 offices)	55,400 (15 offices)	87,100 (9 offices) [#]
Geographical Constituencies	7,500 (48 offices)	28,200 (46 offices)	36,500 (44 offices) [#]
Average	8,900 (58 offices)	34,900 (61 offices)	45,000 (53 offices)

* inclusive of rent, management fee, rates, government rent, water, electricity, telephone lines, fax lines and broadband service

[#] based on those offices for which both figures for rent and staff remuneration are provided

Utilization of district offices

6. On average, district offices were opened **5.39 days** a week. The average manpower required to run a district office was 190.56 man-hour in a month. This is equivalent to about having **3.16 staff members** (including full-time and part-time staff and volunteers) stationed in each office during the operating hours.

	No. of days operated in a normal week	Average no. of hours operated in a normal month	Average no. of assistants stationed in the office during operating hours
Functional Constituencies (16 offices)	5.66	207.81	3
Geographical Constituencies (50 offices)	5.31	185.04	3.21
Weighted average	5.39	190.56	3.16

7. District offices could serve as information dissemination centres. They also enabled Members to have face-to-face contact with their constituents. The survey revealed that on average, the number of visits paid by constituents to a district office amounted to some 250:

	Number of visits by members of the public in a month (per office)
Functional Constituencies (9 offices)	141
Geographical Constituencies (42 offices)	275
Weighted average	251

8. It was noted from the survey that through district offices, the following LegCo-related services could be provided to members of the public:

- receive residents/complaints
- collect public views
- provide legal consultation
- organize activities
- provide public information
- conduct research
- provide job information
- handle council and committee meetings related businesses
- liaise with local government offices and other organizations

Optimum number of district offices

9. On average, the optimum number of district offices suggested by the respondents was **3.84 offices**, whereas the present average number of district offices operated by the respondents was **2.20 offices**:

	Average optimum number of district office as suggested by respondents	Actual number of district offices operated by respondents
Functional Constituencies	2.31 (13 respondents)	1.33 (12 respondents)
Geographical Constituencies	4.89 (19 respondents)	2.78 (18 respondents)
Overall	3.84 (32 respondents)	2.20 (30 respondents)

Preferred size of a district office

10. The survey revealed that on average, the preferred size of a district office indicated by respondents was **62 sq m** whereas the present average was only **34 sq m**:

	Preferred size of a district office (sq m)				Actual size of district office (sq m)
	Range		Median (middle value)	Average	Average
	Max	Min			
Functional Constituencies (13 respondents)	250	30	50	70	39 (12 respondents)
Geographical Constituencies (19 respondents)	200	40	50	57	33 (18 respondents)
Weighted average (32 respondents)	250	30	50	62	34 (30 respondents)

Preferred locations (by property type) of district offices

11. The most preferred location of a district office indicated by respondents was in a **public housing estate (39%)**, followed by **shopping arcades** in public housing areas (**16%**) or in private properties (**12%**). Breakdown of the 32 respondents' preferences in the distribution of their district offices is as follows:

	Office building	Shopping arcade		Private residential area	Public housing estate	Tenement building	Respondent's suggestions	
	(private sector)	(private sector)	(public housing)				Village house	Premises provided by Gov't
Functional Constituencies (13 respondents)	33%	10%	13%	3%	38%	–	–	3%
Geographical Constituencies (19 respondents)	8%	13%	17%	14%	40%	6%	2%	–
Weighted average	14%	12%	16%	11%	39%	5%	2%	1%

Estimated rental expenses per district office under the optimum situation

12. Members were also invited to estimate the rental expenses for maintaining the optimum number of district offices they suggested in the survey. On average, the estimated rental expenses for each district office amounted to some **\$11,798 per month:**

Functional Constituencies	\$13,541
Geographical Constituencies	\$11,248
Weighted average	\$11,798

* inclusive of rent, management fee, rates and government rent

Manning scale

13. Based on the responses from 32 respondents, **2 staff members** would be required to man a district office.

Alternative means of achieving the purposes of a district office

14. Members were invited to indicate whether other alternatives were available instead of setting up district offices to receive their constituents and to perform other LegCo duties. The respondents' ratings for these alternatives are as follows:

Alternative means \ Average rating	Via telecommunication systems such as telephone, fax, video conferencing and Internet	Through newsletters	Shared use of out-stations to be set up by the LegCo Secretariat in response to Members' requests	Use of government offices/District Council offices to meet constituents/residents
	From "1" (strongly disagree) to "6" (strongly agree)			
Functional Constituencies (13 respondents)	3.38	3.15	3.08	3.08
Geographical Constituencies (19 respondents)	3.84	3.37	3.11	2.95
Weighted average	3.66	3.28	3.09	3.00

15. The reasons behind the ratings shown in the preceding paragraph were also rated by the respondents:

Reasons	An office within walking distance is the only feasible option for maintaining contact with the residents in view of their age, economic condition	Constituents/residents prefer face-to-face personal contact at times convenient to them	Trust could be more easily built up through immersing in the local community	More out-reaching work has to be done through a base close to the constituents/residents	Other means of communication could only take a supplementary role	Others
Average rating	From "1" (strongly disagree) to "6" (strongly agree)					
Functional Constituencies (13 respondents)	2.85	3.46	3.31	3.46	3.23	0.46 ¹
Geographical Constituencies (19 respondents)	4.11	4.42	4.53	4.95	4.47	0.32 ²
Weighted average	3.59	4.03	4.03	4.34	3.97	0.38

Remarks:

¹ to liaise with constituents (1 respondent)

² to strengthen the understanding of the needs of the local people (1 respondent)

Central office

Major functions of the central office

16. Thirty-nine respondents rated the major functions of the central office, which will be located at the new LegCo Complex:

	Working place for the Member and his/her core support team	Meeting with constituents/the public	Research centre	Repository for LegCo documents	Planning and coordination centre for district offices
Functional Constituencies (19 respondents)	5.37	4.47	5.21	4.95	3.32
Geographical Constituencies (20 respondents)	5.55	4.60	5.15	5.05	3.90
Weighted average	5.46	4.54	5.18	5.00	3.62

No. of staff to be stationed in the central office

17. To fulfill functions of the central office, **60%** of the respondents indicated that they would need to station **three to four staff members** in the central office:

	No. of staff members			
	0	1-2	3-4	5-6
Functional Constituencies (19 respondents)	–	17%	66%	17%
Geographical Constituencies (20 respondents)	5%	10%	55%	30%
Weighted average	3%	13%	60%	24%

Insufficient office space

18. In view of the number of staff to be housed in the central office and the other functions to be carried out in the office, the 60 sq m central office only barely meets the respondents’ space requirement:

	Adequate in size
	From “1” (strongly disagree) to “6” (strongly agree)
Functional Constituencies (19 respondents)	2.89
Geographical Constituencies (20 respondents)	3.25
Weighted average	3.00

Additional space for the central office

19. The respondents also indicated that they would need, on average, an additional space of **23.85 sq m**:

	Preferred increase in size (sq m)
Functional Constituencies (19 respondents)	24.74
Geographical Constituencies (20 respondents)	23.00
Weighted average	23.85

Observations

20. The findings in this survey can be summarized as follows:

- (a) Both Members from Functional Constituencies and Geographical Constituencies find that there is a strong need

for setting up district offices for maintaining close contact with their constituencies and for understanding the needs of the community;

- (b) On average, each Member has set up two district offices but they hope to have 3 to 4 offices;
- (c) On the size of a district office, Members' aspiration is 62 sq m while the present average is 34 sq m;
- (d) On the location of district offices, the first choice is public estate, second choice is shopping arcade in public estate and third choice is shopping arcade in private estate;
- (e) The office accommodation expenses, after deducting staff costs, at present amount to \$8,900 per month per office, while the estimated expenses after taking into account the larger size of the office would amount to \$11,798 per month;
- (f) Each district office is manned by 2 staff members; and
- (g) The 60 sq m central office will only barely meet their present needs, and Member hope to have an additional space of 23.85 sq m to accommodate their core team (which on average is about 3-4 staff members) and to meet their constituents.

21. At present, the ceiling of Members' Office Operation Expenses Reimbursement ("OOER") is \$1,654,750 per annum (i.e. \$137,896 per month). Based on projections of the latest statistics up to 2008-2009 (LC Paper No. AS 307/09-10), about 70% of the OOER is spent on staffing related expenses, while the remaining 30%, i.e. about \$41,000 per month is for running of Members' central and district offices. Of the remaining 30%, about 7% (i.e. about \$9,650 as projected) is spent on office accommodation and about 12 % (i.e. about \$16,550 as projected) is spent on publicity, communication, printing, consultancy, furniture and equipment, stationery, repair and maintenance, office insurance, information services, activities, etc. About 10% of Members' OOER (i.e. about \$14,000 as projected) is not utilized though about one-third of the Members uses up all their OOER and another one-third uses up to more

than 90% of their OOER.

22. If the office accommodation expenses (mainly rent, management fee, rates government rent) for two district offices are to be increased to \$23,596 (i.e. \$11,798 per office as estimated in paragraph 12 above), the additional provision required in this respect would be about \$14,000 a month.

23. At present, expenditure on consultancy has to be paid out of the non-staff portion of the OOER. If an additional provision of \$11,145 per month (i.e. \$133,740 per annum) for research work undertaken by outside consultants is sought from the Administration as detailed in LC Paper No. AS 135/10-11, Members will have more resources left in the non-staff portion of their OOER (i.e. the remaining 30%) to cover the additional office accommodation expenses as set out in paragraph 22.

24. Separately, a survey on Members' requirements for furniture and equipment was also conducted in the last quarter of 2010. The survey revealed that Members would require \$482,422 to cover the standard furniture and equipment items for one central office and two district offices. The survey report (LC Paper No. AS 136/10-11) suggested that the levels of Setting Up Expenses Reimbursement ("SUER", \$150,000 per term) and Information Technology and Communication Equipment Expenses Reimbursement ("ITER", \$100,000 per term) be reviewed to cover the estimated shortfall of \$232,422. In recent years, about \$1,000 per month per Member was claimed under OOER. If the ceilings for SUER and ITER are raised, the furniture and equipment items to be claimed under OOER would be reduced. This will leave more resources for Members' other operating expenses.

25. Notwithstanding that Members may not have adequate resources to operate more than two district offices, it is likely that the additional office accommodation expenses as revealed in the survey can be covered if the revised remuneration packages as detailed in LC Paper Nos. AS 135/10-11 and AS 136/10-11 are adopted.

Accounts Office

Legislative Council Secretariat

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