

## **ITEM FOR FINANCE COMMITTEE**

### **HEAD 63 – HOME AFFAIRS DEPARTMENT**

#### **Subhead 700 General non-recurrent**

#### **New Item “Enhancing Diversified Community Activities”**

Members are invited to approve a new commitment of \$180 million for “Enhancing Diversified Community Activities”.

### **PROBLEM**

There is a need for further strengthening our efforts in community building and in stimulating local economic activities when Hong Kong is confronted with economic challenges.

### **PROPOSAL**

2. The Director of Home Affairs (DHA), with the support of the Secretary for Home Affairs (SHA), proposes to provide a one-off funding of \$180 million to organise diversified community activities in Hong Kong.

### **JUSTIFICATION**

#### **The One-off Funding**

3. When Hong Kong is coping with one of the most challenging economic situations in recent years, it is necessary to reinforce the community spirit through the further strengthening of community building efforts. Some of these efforts would also have the effect of stimulating local economic activities. Against this background, the proposed one-off funding of \$180 million (the Fund) seeks to achieve multiple objectives, including fostering community building, enhancing

social cohesion, promoting cultural and sports activities, stimulating consumption and domestic demand, and creating business opportunities for local tourism. We propose to allocate the Fund in the following areas –

- (a) \$108 million (i.e. 60% of the Fund) for District Councils (DCs), and through them to support local organisations, in launching a wide variety of community activities to promote local culture and arts, sports, local tourism as well as a caring and inclusive society;
- (b) \$45 million (i.e. 25% of the Fund) for government departments, in consultation with the DCs concerned where necessary, to centrally coordinate the launching of programmes around the themes of “Sports for All”, “Arts for All”, “Cultural/Ecological Tourism for All” and “Care for All”, with a view to promoting the spirit of sportsmanship, arts appreciation and festive atmosphere. Individual DCs may also submit or refer proposals to the Home Affairs Department (HAD) to apply for extra funding to launch cross-district or cross-sectoral programmes around these themes; and
- (c) \$18 million (i.e. 10% of the Fund) for HAD to employ contract staff to assist DCs and the department in implementing the above programmes and activities, and \$9 million (i.e. 5% of the Fund) for publicity and contingency.

The proposed allocation is elaborated in the ensuing paragraphs.

#### *Allocation for organising district activities*

4. DCs have been playing an important role in advising the Government on matters affecting the well-being of people, provision of public services and facilities, and promotion of recreational and cultural activities in districts. As DC members are familiar with district needs and have rich experience in vetting applications for district programmes or activities, we consider that DCs are best placed to oversee the disbursement of the bulk of the Fund to achieve the above objectives.

5. We propose to allocate \$108 million for 18 DCs, and through them to local organisations, for launching a wide variety of community activities which help promote sports, culture and arts, local tourism and a caring and inclusive society. We consider that these activities can benefit the local residents and people working or studying in the districts, in particular the underprivileged, by providing opportunities to appreciate distinctive natural, cultural and historical characteristics

of individual districts in Hong Kong and to mingle with family members and others in the community in a joyful setting. These activities will also help enhance family cohesion and residents' sense of belonging to the community, as well as strengthen mutual help. Some will help generate local economic activities. The \$108 million will be shared among the 18 districts on an equal basis, while each district will determine how its share of funding should be allocated.

*Allocation for promoting thematic activities*

6. To complement the efforts of the DCs, we propose that HAD and the relevant government departments centrally coordinate the launching of programmes around the themes of “Sports for All”, “Arts for All”, “Cultural/ Ecological Tourism for All” and “Care for All” as follows –

- (a) Sports for All: To encourage Hong Kong people to take part in sports and physical activities, the Leisure and Cultural Services Department (LCSD) proposes to organise a wide range of promotional and publicity activities including territory-wide activities, such as the “Hong Kong Walking Day” and the “Physical Activity Award Scheme”, with a view to enhancing people’s understanding of the benefits and importance of participation in sports and physical activities; tailor-made recreational and sports activities for people in different age groups and with various needs; and more district-based recreational and sports activities to encourage community participation in sports and physical activities/competitions.
- (b) Arts for All: LCSD proposes to help strengthen arts and cultural development and education programmes, in order to promote arts at the district level. These programmes include specially curated cultural and entertainment programmes and community arts activities; arts education programmes and workshops in collaboration with district arts groups; music and dance programmes; and exhibitions of local artists’ work at indoor and outdoor venues of civic centres, community halls, schools, bamboo theatres, district venues and shopping malls to promote diversified arts.
- (c) Cultural/Ecological Tourism for All: HAD, in conjunction with the Agriculture, Fisheries and Conservation Department and other relevant departments/agencies, proposes to organise programmes to promote district features of cultural and ecological interests including the various geo-sites of Hong Kong National Geopark and other heritage spots or paths at the districts, as well as to organise

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promotion programmes and events to attract both local and overseas visitors. These activities may include producing publicity materials and websites in different languages; organising local tour guide training programmes, and designing guided tours, etc. Not only will these activities enable the public to have opportunities to appreciate the distinctive features of districts in Hong Kong, they will also help to forge closer relationships among family members through their joint participation in recreational activities.

- (d) Care for All: In order to enable citizens, especially the underprivileged, to better integrate into the society and to foster social cohesion, HAD proposes that programmes and activities be launched to encourage families and the underprivileged to participate in community affairs, such as arranging cross-district functions for the new arrivals and organising large-scale visits and assistance programmes to the singleton elderly, etc.

7. Through organising these thematic programmes, we can further help foster sports and cultural ambience in the community, as well as enhance the quality of life in the territory. The relevant government departments will take the lead in coordinating these activities to ensure smooth implementation. Individual DCs may also submit or refer project proposals to HAD for local organisations to launch cross-district or cross-sectoral programmes around these themes.

#### ***Allocation for employing contract staff and contingency***

8. We propose to allocate \$18 million for HAD to employ additional contract staff to assist in implementing the diversified community activities. Such arrangement is in line with the current practice that not more than 10% of the DC funds dedicated to organising community involvement projects may be used for employing contract staff to assist in coordinating, administering and promoting such projects. We also propose to earmark \$9 million for a coordinated publicity programme and contingency.

#### **Administration and control of the one-off funding**

9. Regarding the 60% of the Fund to be allocated to the 18 DCs, we propose to draw up a set of guidelines, modeled on the current “Manual on the Use of District Council Funds”, with suitable modifications to reflect the objectives of the proposed one-off funding. The proposed guidelines will cover areas including, inter alia, funding coverage, processing procedures, permissible

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Encl.

items of expenditure, cost ceilings, vetting criteria, administrative and financial arrangements, and monitoring mechanism, etc. A summary of the major provisions is set out at Enclosure. Moreover, we will include the following three guiding principles for DCs' reference in launching these community activities –

- (a) Continuity: In terms of project nature, priority should be given to projects which seek to plant seeds for more activities of similar nature in future, through various means such as cultivating collaboration or partnership between, for example, local organisations and small-to-medium sized arts troupes; start-up programmes like tour guide training and production of information leaflets on cultural or ecological tourism activities; and educational programmes and workshops including arts troupes' outreach programmes to schools to facilitate audience building for arts appreciation; or
- (b) Professionalism: In terms of organisers, priority should be given to local organisations which possess the necessary experience, capacity, resources and know-how relevant to the thematic community activities; or
- (c) Inclusiveness: In terms of participants, priority should be given to community activities targeted at the underprivileged such as the singleton elderly, the disabled, new arrivals and ethnic minorities, etc. as well as the family as a unit. Examples may include organising visits to the singleton elderly and the disabled, organising sports activities for children from families in need, and engaging the disabled and new arrivals in cultural or arts performances and visits to local tourism spots with ecological or cultural values, as well as organising community activities for families to spend more time together to foster family values.

10. Each DC will process the applications through the full Council or its relevant committees with the assistance of the DC Secretariat. Based on the merit of each application, DCs or their relevant committees will decide whether the applications should be supported and, if so, the funding to be approved.

11. The disbursement of the share of the Fund under HAD's disposal for organising activities will be subject to the prevailing relevant government regulations, circulars and departmental guidelines. Furthermore, we propose that SHA appoint an assessment panel which comprises non-official members with expertise in the relevant fields (e.g. sports, arts and culture, and tourism) to advise DHA on the broad allocation of this portion of the Fund. The assessment panel will be responsible for endorsing the proposed vetting criteria, broad allocation to government departments and thematic programmes submitted or referred by DCs, as well as monitoring the progress of the approved programmes/activities.

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12. HAD will coordinate a summary of the community activities funded under this proposal to the Legislative Council Panel on Home Affairs at the end of the 2010-11 financial year.

## FINANCIAL IMPLICATIONS

13. We propose to create a new commitment for the proposed one-off funding of \$180 million. The estimated cash flow requirement is as follows –

| Financial year | \$ million |
|----------------|------------|
| 2009-10        | 18         |
| 2010-11        | 162        |
| <b>Total</b>   | <b>180</b> |

The proposal has no additional recurrent financial implications.

## PUBLIC CONSULTATION

14. On 22 October 2009, we consulted the DC Chairmen and Vice-chairmen on the proposal. All Chairmen and Vice-chairmen present were in support of the proposal. On 13 November 2009, we consulted the Legislative Council Panel on Home Affairs. Members were in general supportive of the proposal. The views expressed by some Members on the need to lay down guiding principles for the DC allocation of funds to local organisations have been incorporated in paragraph 9 above.

## BACKGROUND

15. The Financial Secretary announced on 26 May 2009 that the Government would allocate \$180 million to the 18 districts for providing more community tours and leisure activities so as to foster community building, enhance social cohesion, promote cultural and sports activities, stimulate consumption and domestic demand, and create business opportunities for local tourism.

**Summary of Major Provisions of Proposed Funding Guidelines on  
Diversified Community Activities for District Councils**

**(a) Ambit of the Fund**

- The proposed Fund will be used for organising programmes or activities to promote culture and arts, sports, local tourism, or a caring and inclusive society.

**(b) Allocation of the Fund**

- \$108 million will be allocated to the 18 District Councils (DCs) on an equal basis under a non-recurrent project vote on a one-off basis for funding the diversified community activities to be carried out in the financial years 2009-10 and 2010-11.

**(c) Types of Projects and Mode of Implementation**

- All projects financed may be implemented by either local organisations, or DCs or Committees/Working Groups (C/WGs) under DCs/District Offices (DOs).

**(d) Scope of Funding**

- A maximum amount of \$2.5 million may be approved for each project.
- Applicants will be advised of a list of permissible items of expenditure for the project, including employment of project staff, central administrative overheads, procurement of capitalised equipment, hire of transport, hire of venue, procurement of postage and stationery, payment fees to performers, purchase of beverages and light refreshments, purchase of souvenirs and prizes, expenses of hiring services from a certified public accountant (practising) (CPA), and hire of contractors for providing services for campaigns organised or sponsored by DCs, etc.
- Expenditure ceiling will be set for certain permissible items in the list. For example –
  - (i) an amount of not more than 25% of the approved project fund may be used by local organisations to cover cost for employing project staff;

- (ii) permissible spending amount on light refreshments/meals for activities lasting less than three hours is \$45 per head and for those lasting three hours or more is \$60 per head; and
- (ii) the limit of expenditure on purchase of souvenirs or gifts of a token nature is \$315 per item and the limit on purchase of prizes is \$1,200 per item.

**(e) Application for the Fund**

- Applicants are required to submit an application to the respective DC and the application should contain detailed information such as name and background of the organiser; nature and purpose of the project, work plan and timetable; budget of the project with an itemised breakdown; and the expected benefits/achievements of the project, etc.
- DCs may determine the respective priorities for expending the proposed fund. Priorities should be accorded to projects which feature **continuity**, **professionalism** and **inclusiveness**.

**(f) Administrative and Financial Arrangements**

- Local organisations will be required to observe the following procurement requirements –

| <b>Item of procurement</b> | <b>Estimated value</b> | <b>No. of written quotations required</b> |
|----------------------------|------------------------|---|
| Goods                      | \$5,000 or below       | Preferably 2                              |
|                            | \$5,001 – \$50,000     | 2   |
|                            | \$50,001 – \$1,300,000 | 5   |
| Services                   | \$9,000 or below       | Preferably 2                              |
|                            | \$9,001 – \$50,000     | 2   |
|                            | \$50,001 – \$1,300,000 | 5   |



- Open tendering should be used for procurement of goods and services exceeding \$1,300,000.
- The above procurement requirements will apply when DCs or their C/WGs under DCs/DOs organise projects in partnership with local organisations.
- Payment may be made in the form of advance payment. Arrangements may be made to authorise advance payments of up to 50% of the approved commitment of a project, provided that the total amount of advance payments of any district should not exceed a maximum of 25% of the respective district allocation at any one time.

**(g) Monitoring Mechanism**

- The grantee will be required to submit a project completion report to the DC Secretariat. DC members/co-opted members or Home Affairs Department staff will conduct visits to the programmes/activities on a random basis.
- Where the approved project fund exceeds \$600,000, the income and expenditure statement submitted by the grantee should be supported by a report prepared by CPA. Where the approved project fund is \$600,000 or below, the grantee may submit the income and expenditure statement either together with the original copy of supporting receipts or with a CPA report, where applicable.

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