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**Joint Subcommittee to Monitor the Implementation of the
West Kowloon Cultural District Project**

**Background brief prepared by the Legislative Council Secretariat
for the meeting on 14 January 2011**

**Resignation and recruitment of senior executives
of the West Kowloon Cultural District Authority**

Purpose

This paper provides background information on the resignation of Mr Graham SHEFFIELD from the post of Chief Executive Officer ("CEO") of the West Kowloon Cultural District Authority ("WKCD") and highlights the relevant concerns raised by members in the past discussions about the resignation and recruitment of senior executives of WKCD.

Background

Mr SHEFFIELD's resignation

2. On 24 March 2010, Mr SHEFFIELD was appointed CEO of WKCD and officially assumed duty on 12 August 2010. On 7 January 2011, WKCD announced his resignation. The relevant press release is in **Appendix I**. The transcript of remarks by the Chairman of the Board of WKCD ("the Board") on the matter is in **Appendix II**.

3. Below is the key information provided by WKCD about Mr SHEFFIELD's resignation:

- (a) Mr SHEFFIELD advised WKCD of his intention to resign for health reasons shortly before Christmas in 2010;

- (b) Mr SHEFFIELD had been advised by his doctor to resign with immediate effect; and
- (c) WKCDA had reviewed the case thoroughly and the Chief Executive ("CE") of the Hong Kong Special Administrative Region had agreed to WKCDA's recommendation to release Mr SHEFFIELD from his duties with immediate effect.

4. According to WKCDA, a global search for a replacement will commence to identify Mr SHEFFIELD's successor as soon as possible. During the interim period, chairmen of various committees under the Board would work with the management team of WKCDA to share out the work left by Mr SHEFFIELD to ensure that WKCDA would deliver the various key projects as scheduled.

5. Mr Sheffield is the second senior executive of WKCDA to resign shortly after assuming duty. On 3 June 2009, WKCDA announced the appointment of Mr Angus CHENG as Executive Director ("ED") (Project Delivery) of WKCDA, but Mr CHENG tendered his resignation for personal reasons on 16 June 2009.

CEO's responsibilities

6. Under section 6 of the WKCDA Ordinance (Cap. 601), CEO is a member of the Board. According to WKCDA's organization structure during the planning stage from 2009 to 2011, CEO reports to the Board and is responsible for providing leadership to initiate, lead and manage all initiatives and projects to develop WKCD. This includes the overall responsibility for creating the strategic direction, project delivery, operations, financial management, policy and programme development, and government and stakeholder relations to effectively start up and achieve the goals of WKCDA. In addition, CEO needs to lead the fund raising and sponsorship activities for WKCDA.

Appointment requirement

7. In accordance with WKCDA's CEO recruitment advertisement posted on 14 August 2009, the candidate should:

- (a) process a recognized university degree (or equivalent);
- (b) have at least 20 years of relevant experience, of which 15 years are experience at the senior executive level in a multi-faceted environment (covering strategic development, financial planning and business modelling);
- (c) have experience in the arts and cultural environment and in publicly representing an organization; and
- (d) be able to master a broad range of stakeholder relations in both the public and private sectors.

Recruitment process

8. The whole process for the recruitment of Mr SHEFFIELD as CEO (i.e. from the start of recruitment in August 2009 to his assumption of duty in August 2010) took about one year. WKCDA commissioned head-hunters to carry out the open recruitment and subsequently set up a recruitment board to identify the suitable person for the post. The CEO's remuneration package was determined by WKCDA according to the qualification and experience of the selected candidate. WKCDA must obtain CE's prior approval for the appointment of the selected candidate as CEO.

9. In a paper issued to the Joint Subcommittee in September 2009, the Administration stated that as the recruitment of CEO was WKCDA's responsibility and would involve sensitive issues, the Administration considered it more appropriate to leave it to WKCDA to decide the actual recruitment procedures, terms of appointment and remuneration for the post.

Members' concerns

10. The relevant concerns expressed by members of the Joint Subcommittee about the recruitment and resignation of senior executives of WKCDA are highlighted in the ensuing paragraphs.

Recruitment process

11. Regarding the early resignation of ED (Project Delivery) of WKCD, some members raised concern about its impact on the image of the WKCD project, the operation of WKCD and the public engagement exercise. A member opined that the resignation revealed an apparent maladministration of WKCD. Another member considered that WKCD should find out whether there was any problem in the recruitment procedure and devise remedial measures in the appointment of staff in future.

12. Some members were worried that the senior executives recruited might not be able to work independently during the transitional period when WKCD was administered by government officials. A member urged the Administration to ensure that the WKCD project would be profession-led instead of government-led.

13. In response to the resignation of ED (Project Delivery) of WKCD, the Administration and WKCD advised that WKCD would conduct a review on the recruitment process and make necessary improvements. In the forthcoming recruitment, WKCD would enhance the dissemination of information and provide the candidates with more details on the job requirement, the challenge anticipated, and the organization structure agreed by the Board. The Administration and WKCD also advised that as a statutory body accountable to the public and the Legislative Council ("LegCo"), WKCD had to ensure that staff recruitment should be conducted in a fair and open manner.

Appointment requirement

14. A member took the view that the CEO should be an art professional with a cultural vision, strong mission and leadership, and WKCD should avoid setting restrictions on the autonomy of CEO. The Administration and WKCD agreed that the CEO should possess arts and cultural background in addition to experience in large development projects.

Relevant papers

15. A list of relevant papers with their hyperlinks at LegCo's website is in **Appendix III**.

Council Business Division 2

Legislative Council Secretariat

13 January 2011

Appendix I

7 January 2011

Graham Sheffield Resigns from WKCD for Health Reasons

The West Kowloon Cultural District Authority announced today (Jan 7) that Mr Graham Sheffield had resigned from the post of Chief Executive Officer of the Authority.

Making the announcement, Chairman of the Authority's Board, Mr Henry Tang, said Mr Sheffield advised the Authority of his intention to resign for health reasons shortly before Christmas. He has been advised by his doctor to resign with immediate effect. "The Board has reviewed the case thoroughly and the Chief Executive has agreed to our recommendation to release Mr Sheffield from his duties with immediate effect."

Mr Tang said: "Over the past few months Graham has made significant contribution to the work of the Authority in conceiving the arts and culture software of WKCD and engaging the public in the discussion of the development plan for the district. With his wealth of experience he has also developed close partnership with various stakeholders, in particular the local arts and culture circle. His departure is a great loss to the Authority and my colleagues and I are sorry to see him go. We fully respect his decision and would like to offer him our best wishes," said Mr Tang.

A global search for a replacement will commence forthwith to identify as soon as possible an able candidate to succeed Mr Sheffield.

"During this interim period, Chairmen of the various committees under the Board will work closely with the Management Team to share out the work left by Graham to ensure that the Authority deliver the various milestones of the project as scheduled," added Mr Tang.

"We now have a core Management Team comprising professionals and experts from various fields that has been in place for quite some time. With the dedication and team spirit of staff, as well as the guidance and support of the Board and its various committees, I am confident that they would continue with their good work," he said.

Reflecting on his work at the Authority, Mr Sheffield said: "I'm proud to have been part of this wonderful project and to have contributed to substantial progress since last summer. "

"I'm grateful for the support of the Board and my excellent colleagues in our new team and I look forward to seeing further progress from afar as the plan develops into reality," he added.

Mr Sheffield was appointed CEO of the Authority in March 2010 and reported duty in August.

Press Release

Transcript of remarks by Chairman of Board of West Kowloon Cultural District Authority

The following is issued on behalf of the West Kowloon Cultural District Authority:

Following is the transcript of remarks by the Chairman of the Board of the West Kowloon Cultural District Authority (Board Chairman), Mr Henry Tang, at a media session at Central Government Offices today (January 7):

Question: You have two global searches already. You have come up with two people, both for different reasons resigned. How would you address.....

Board Chairman: The two departures are entirely different circumstances and the circumstances are unique, so I would not put them together in the same basket. Secondly, you remember, the recruitment exercise was conducted about a year ago. A year has elapsed since then and I believe people's personal circumstances do change. So we will embark on a global search immediately for his successor.

Reporter: He is not the only person who left the authority. I mean you have people of different levels that have left in the authority, obviously it looks like something's wrong in there, how do you explain that?

Board Chairman: You are jumping to conclusions. In Hong Kong, because we have a very big demand for talents in all fields, so regular turnover in the organisation is accepted. We of course regret the departure of Mr Sheffield. In our press statement as agreed with Graham, he has made a few points of his own: he loves Hong Kong, he loves the team, he loves the project. It is for health reasons that he has to leave immediately.

Mr Allan Zeman: Honestly I can say, it is really really true he did leave for health reasons, no other reason. He does love Hong Kong, he does love his job, he was advised by his doctor, and we only just found out that he has to leave because of health reasons. So that is really really the factor and there is no other reason, so you don't have to think all the other stories. Honestly that is the truth.

Reporter: Secretary, given the whole length of time this project has taken from conception until now, a third search for a director, surely there is some sort of slippage in this whole

project in moving forward. Can you prevent that and if so, how?

Board Chairman: I have said in my statement that the project will go on as scheduled and as planned.

Reporter: Everyone can see that two people have left after working for seven days and five months. Are you worried that actually no one will be willing to take up the post in the future?

Board Chairman: All of you who are familiar with the arts and culture industry will know, this is the job of the moment. Everyone would be very keen to take over this position. Therefore, we are not worried that we would not be able to recruit anybody.

Reporter: You said in your statement that it's not going to slip. What steps are you going to take concretely to ensure that it won't fall behind?

Board Chairman: Our next major decision is the selection of the master layout plan. It will go on as scheduled. You just wait.

(Please also refer to the Chinese portion of the transcript.)

Ends/Friday, January 7, 2011

Issued at HKT 17:56

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<http://www.info.gov.hk/gia/general/201101/07/P201101070241.htm>

**Relevant documents on
Resignation and recruitment of senior executives
of the West Kowloon Cultural District Authority**

| Committee | Date of meeting | Documents/Papers | LC Paper No. |
|--|-----------------|--|--|
| Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project | 2009.1.13 | Paper provided by the Administration on Current Position of the West Kowloon Cultural District Project | CB(2)612/08-09(01) http://www.legco.gov.hk/yr08-09/english/panels/wkcd/papers/wkcd0113cb2-612-1-e.pdf |
| | 2009.6.19 | Minutes of meeting | CB(2)2431/08-09 http://www.legco.gov.hk/yr08-09/english/panels/wkcd/minutes/wkcd20090619.pdf |
| | 2009.9.7 | Paper provided by the Administration on “The West Kowloon Cultural District Project” | CB(2)2433/08-09(01) http://www.legco.gov.hk/yr08-09/english/panels/wkcd/papers/wkcd0907cb2-2433-1-e.pdf |
| | | Minutes of meeting | CB(2)402/09-10 http://www.legco.gov.hk/yr08-09/english/panels/wkcd/minutes/wkcd20090907.pdf |
| | 2009.11.16 | Submission on matters relating to the recruitment of the Chief Executive Officer of West Kowloon Cultural District Project from Zuni Icosahedron dated 16 November 2009 (Chinese version only) | CB(2)362/09-10(01) http://www.legco.gov.hk/yr09-10/chinese/panels/wkcd/papers/wkcdcb2-362-1-c.pdf |

| Committee | Date of meeting | Documents/Papers | LC Paper No. |
|--|-----------------|--|--|
| Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project | 2009.12.4 | Paper provided by the Administration on “The West Kowloon Cultural District Project” | CB(2)426/09-10(01) http://www.legco.gov.hk/y09-10/english/panels/wkcd/papers/wkcd1204cb2-426-1-e.pdf |
| | | Administration's supplementary information on composition of the recruitment boards for recruiting senior executives of the West Kowloon Cultural District Authority (WKCDA) | CB(2)800/09-10(01) http://www.legco.gov.hk/y09-10/chinese/panels/wkcd/papers/wkcd1204cb2-800-1-ec.pdf |
| | | Summary of local press reports on the West Kowloon Cultural District project from 8 September to 24 November 2009 prepared by Research and Library Services Division of the Legislative Council Secretariat (Chinese version only) | FS06/09-10 http://www.legco.gov.hk/y09-10/chinese/sec/library/0910fs06-c.pdf |
| | 2010.09.20 | Meeting with the Chief Executive Officer and other senior executives of the West Kowloon Cultural District Authority | CB(2)2257/09-10(01) http://www.legco.gov.hk/y09-10/english/panels/wkcd/papers/wkcd0920cb2-2257-1-e.pdf |

| Committee | Date of meeting | Documents/Papers | LC Paper No. |
|--|------------------------|---|---|
| Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project | 2010.09.20 | Summary of local press reports on the West Kowloon Cultural District project from 16 April to 14 September 2010 prepared by Research and Library Services Division of the Legislative Council Secretariat (Chinese version only) | FS06(01)/09-10 http://www.legco.gov.hk/yr09-10/chinese/sec/library/0910fs06-1-c.pdf |

Council Business Division 2

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