

**For discussion
on 12 November 2012**

**Legislative Council Panel on
Information Technology and Broadcasting**

**Capital Works Reserve Fund Head 710 Computerisation
Subhead A007GX (Block Allocation) –
New administrative computer systems**

Introduction

This paper seeks Members' support for the funding requirement for 2013-14 for the implementation of computerisation projects under the Capital Works Reserve Fund (CWRF) Head 710 Computerisation Subhead A007GX (Block Allocation) – New administrative computer systems.

Background

2. The sources of funding and approving authority of computerisation projects can be broadly classified as follows -

(a) CWRF Head 710 Computerisation

This is the Head of Expenditure used for funding administrative computer systems, consultancies for feasibility studies and system development. These projects primarily serve to deliver the strategic outcome of the action area "Enabling the next generation of public services" under the Digital 21 Strategy.

- (i) *Projects costing above \$10 million each* – these projects are subject to the specific approval of the Finance Committee (FC) of the Legislative Council and are to be funded under separate subheads of CWRF Head 710. The subject bureaux/departments (B/Ds) as the project owners of these major

computerisation projects are responsible for submitting funding proposals to the FC and monitoring project delivery.

- (ii) *Projects costing above \$150,000 but not exceeding \$10 million each* – these projects are funded through a block allocation under CWRP Head 710 Subhead A007GX (the block allocation). The Financial Secretary has delegated to the Government Chief Information Officer (GCIO) the power to approve projects and authorise expenditure under the block allocation. Projects funded this way are normally called block vote projects.

(b) General Revenue Account

Projects each costing \$150,000 or below – these projects are approved by individual B/Ds and funded through their respective operational expenses subheads under the General Revenue Account.

CWRP block allocation

3. The proposed block allocation for a given financial year will fund the estimated cash flow requirements arising from block vote projects proposed by B/Ds and approved or to-be approved by GCIO. Each year, the Office of the Government Chief Information Officer estimates the funding requirements for the block allocation in the following financial year by taking into consideration the cash flow requirements of approved block vote projects, new proposals submitted by B/Ds and anticipated new projects for various e-government initiatives to be submitted, as well as the spending position of the block allocation.

4. To ensure optimal utilisation of the block allocation, GCIO will review the estimated cash flow requirements of approved block vote projects on a half-yearly or quarterly basis. Owners of individual projects will be required to closely monitor and review the project schedule in order to provide realistic cash flow requirements based on the latest project

implementation progress. This arrangement will avoid unnecessary locking up of funds by individual projects and enable GCIO to deploy funds to meet the requirements of other urgent or higher priority projects.

Funding Requirement for 2013-14

5. Taking into account the proposals submitted by B/Ds and our forecast of other projects to be initiated in the coming financial year, we estimate that a block allocation of **\$890 million** will be required under CWRP Head 710 Subhead A007GX for 2013-14. The proposed allocation is \$30 million (about 3.5%) higher than the provision of \$860 million for 2012-13. The higher provision will enable Government to keep pace with the increasing use of information and communications technology for service transformation, improve customer services and enhance system security. We will monitor and manage the use of the approved funds to ensure due adherence to prevailing government policies and relevant legislation, and the proper delivery of the desired outcomes for the key action areas of the Digital 21 Strategy.

6. The estimated cash flow requirements of projects initiated / to be initiated in 2012-13 or earlier as well as new projects to be initiated in 2013-14, are at **Annex A**. The new projects to be funded by the block allocation can be broadly classified into the following four main categories -

- (a) projects to protect data and system security;
- (b) projects to maintain systems critical to service delivery or to meet statutory and regulatory requirements;
- (c) projects to enable delivery of policy commitments; and
- (d) projects to improve customer service and enhance productivity.

Examples of new projects to be initiated in 2013-14 are given at **Annex B**.

7. B/Ds are required to observe the following guiding principles in formulating computerisation project proposals -

- (a) support e-government strategies for the management and use of information and communications technology;

- (b) integrate e-government into their overall business plans to derive more business benefits and as a fundamental part of their service delivery approach;
- (c) embrace a citizen-centric culture and adopt customer relationship management principles and best practices in the delivery of public services;
- (d) build in service transformation and business process re-engineering in all organisation/business reviews;
- (e) proactively identify opportunities for joining up services across departmental boundaries, take ownership of the projects and account for their performance/benefits; and
- (f) rationalise service delivery channels and migrate customers to the most efficient, user-friendly and cost-effective channels.

Submission of Funding Application to FC

8. Funding approval for all CWRF block allocations (including the Subhead A007GX (Block Allocation)) will be sought from FC (tentatively in January 2013), after consultation with the Public Works Subcommittee (tentatively in December 2012).

Advice Sought

9. Members are invited to support the proposed block allocation to be sought from FC for CWRF Head 710 Subhead A007GX in 2013-14.

**Office of the Government Chief Information Officer
Commerce and Economic Development Bureau
November 2012**

**Tentative cash flow requirements of
the projects to be funded
under the proposed Block Allocation in 2013-14**

	<u>no. of projects</u>	<u>tentative cash flow requirements in 2013-14 (\$'M)</u>
Projects initiated / to-be initiated in 2012-13 or earlier	435	744
New projects to be initiated in 2013-14	152	146
Total:	<u>587</u>	<u>890</u>

Breakdown of 152 new projects -

	<u>no. of projects</u>	<u>tentative cash flow requirements in 2013-14 (\$'M)</u>
<i>(a) To protect data and system security</i>	<i>18</i>	<i>21</i>
<i>(b) To maintain systems critical to service delivery or to meet statutory and regulatory requirements</i>	<i>76</i>	<i>93</i>
<i>(c) To enable delivery of policy commitments</i>	<i>10</i>	<i>17</i>
<i>(d) To improve customer service and enhance productivity</i>	<i>48</i>	<i>15</i>
<i>Sub-total:</i>	<i><u>152</u></i>	<i><u>146</u></i>

Examples of new projects to be initiated in 2013-14

<u>item no.</u>	<u>project description</u>	<u>project estimate</u> (\$'M)
(a) To protect data and system security		
1.	Disaster Recovery Facilities for Cloud Computing Platform (Marine Department)	8.096
2.	Disaster Recovery service for the Central Computer Centre mainframe system (Inland Revenue Department)	5.082
3.	Revamp of Communication Backbone (Civil Engineering and Development Department)	3.500
4.	IT Security Risk Assessment and Audit (Intellectual Property Department)	2.000
5.	Security Risk Assessment for the Information Systems (Trade and Industry Department)	0.743
(b) To maintain systems critical to service delivery or to meet statutory and regulatory requirements		
6.	Redevelopment of Prosecution Management Information System (Department of Justice)	9.618
7.	Revamp of Slope Maintenance Information System (Lands Department)	9.604

<u>item no.</u>	<u>project description</u>	<u>project estimate</u> (\$'M)
8.	Upgrade of Digital Audio Recording and Transcription Services System (Judiciary)	8.822
9.	Establishment of web-based central repository of Population Related Surveys/Studies/Database (Census and Statistics Department)	6.746
10.	Extension of e-Billing Service (Rating and Valuation Department)	3.770
(c) To enable delivery of policy commitments		
11.	Revamp of Hong Kong Wetland Park Thematic Website and enhancement of Mobile Applications (Agriculture, Fisheries and Conservation Department)	6.736
12.	Implementation of Mobile Apps Store and Mobile Device Management (Office of the Government Chief Information Officer)	6.437
13.	Formulation of Departmental Electronic Information Management Strategy (Treasury)	4.330
14.	Redevelopment of the Public Works Programme Construction Site Safety and Environmental Statistics System (Development Bureau)	3.939

<u>item no.</u>	<u>project description</u>	<u>project estimate</u> (\$'M)
15.	Feasibility Study of Cloud Computing Service on Shared Platform (Leisure and Cultural Services Department)	1.950
(d) To improve customer service and enhance productivity		
16.	Revamp of Geographical Information System (Buildings Department)	9.855
17.	Implementation of the Music Office Integrated System (Leisure and Cultural Services Department)	8.950
18.	Implementation of Integrated Inventory System for Supplies Section (Environmental Protection Department)	3.210
19.	Implementation of Graphics Weather Presentation System (Hong Kong Observatory)	1.540
20.	Revamp of the Websites (Student Financial Assistance Agency)	1.200