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#### **Panel on Home Affairs**

## Background brief prepared by the Legislative Council Secretariat for the meeting on 10 January 2014

### Signature Project Scheme

#### Purpose

This paper summarizes the major views and concerns expressed by Legislative Council ("LegCo") Members on the Signature Project Scheme ("SPS").

#### Background

2. According to the information provided by the Administration in February 2013, since its last review of the role, functions and composition of District Councils ("DCs") in 2006, the 18 DCs have been given increased responsibilities (e.g. participation in the management of some district facilities) and resources to launch Community Involvement ("CI") programmes and District Minor Works ("DMW") projects. However, when it comes to district facilities/services or local CI programmes, DCs aspire to carry out projects of a larger scale in order to meet the specific needs of their districts.

3. To fulfill this aspiration of DCs, the Chief Executive announced in his 2013 Policy Address that a one-off allocation of \$100 million would be earmarked for each district to initiate one to two SPS projects. All the projects have to be proposed, discussed and agreed by DCs before they are put to implementation. The DC concerned must be satisfied that the project will address local needs or be able to highlight the characteristics of the district, having a visible and lasting impact in the community.

4. An SPS project may be works or non-works in nature, or a mixture of both. All SPS projects will be subject to a lower limit of \$30 million and an upper limit of \$100 million. To enhance creativity and flexibility, DCs may

partner with relevant non-profit-making organizations ("NPOs"), business organizations, statutory bodies or government departments to implement the SPS projects.

## Major views and concerns expressed by LegCo Members

5. The views and concerns expressed by LegCo Members on SPS at various committee meetings, including the Panel on Home Affairs ("HA Panel"), the Public Works Subcommittee ("PWSC") and the Finance Committee ("FC"), are summarized in the ensuing paragraphs.

## Objective and nature of the SPS projects

6. When the HA Panel discussed the Administration's proposal to enhance the District Administration Scheme at its meeting on 18 February 2013, some Members considered that individual DCs should be allowed with flexibility in the planning of signature projects having regard to their special circumstances. Some other Members, however, hoped that the Administration would give directions to DCs on what and how SPS projects should be taken forward and provide yardsticks for DCs for evaluating proposals, so as to facilitate DCs to resolve differences on project(s) to be implemented and assist them in identifying the SPS project(s) that could best cater for the overall needs of local communities.

7. According to the Administration, the objective of SPS was mainly to provide a larger amount of resources to DCs for implementing large-scale and sustainable projects to address the specific needs of individual districts. It was the aim of the Government to make the best use of community wisdom in going for SPS. As DCs would have the full discretion to utilize the fund allocated under SPS, it was for individual DCs to decide on the process of evaluation.

## Timeframe and funding for the projects

8. Noting that the Administration had set 31 March 2013 as the earliest target for DCs to submit their proposals to the Home Affairs Department ("HAD"), Members expressed concern whether there was a specific deadline for submission of proposals. An enquiry was also raised as to whether the 18 DCs would be required to carry out and complete their signature projects before the end of the current DC term.

9. The Administration explained that 31 March 2013 was only an indicative target which was set with a view to facilitating the conduct of preliminary studies and employment of non-civil service contract staff by HAD for the

preparatory and support work, so that funding approval could be sought as early The Administration appreciated that some DCs might need more as possible. time to deliberate on the matter before submitting their proposal(s) to HAD. А high degree of flexibility would be allowed for DCs to plan and formulate their proposals and they could submit their project proposals when considered mature investigation detailed and planning for implementation. for The Administration recognized the difficulty in setting a definite timetable as the implementation progress would depend on the nature and scale of the SPS projects taken forward by DCs. While the Administration did not prescribe that the projects should be completed within the current DC term, it was hoped that the projects could commence or even be accomplished as early as practicable.

10. As regards the funding approval procedure, the Administration advised that all SPS projects would be subject to a lower limit of \$30 million and an upper limit of \$100 million, and DCs were required to follow the established procedures to seek funding approval from LegCo for implementation of individual SPS projects. If an SPS project had a works component, it would be submitted to FC for funding approval upon obtaining the endorsement of PWSC. For the works-related components of SPS projects costing \$30 million or less, they would be funded by the proposed block allocation to be established under the Capital Works Reserve Fund. For projects that were non-works in nature or the non-works components of any SPS projects costing more than \$10 million, they would be submitted directly to FC for funding approval. If the non-works component of an SPS project cost \$10 million or less, the Administration would follow the established mechanism to seek funding approval under delegated authority from within the Government.

11. At the PWSC meeting on 13 March 2013, a concern was raised about how the Administration would provide resources to enable DCs to carry out non-works SPS projects. According to the Administration, resources for non-works projects had been earmarked in its annual Estimates of Expenditure. Five time-based civil servant posts would be created in HAD, and additional time-based non-civil servant contract posts would be created in HAD and relevant works departments to support the work of individual DCs.

12. Concern was raised about the arrangements for the management and maintenance of the SPS projects initiated by DCs at the FC meeting on 10 May 2013. The Administration advised that if DCs partnered with government departments in implementing SPS projects, the partner departments would take up the subsequent management and maintenance. Where DCs partnered with NPOs, they would have to work out the share of responsibilities and the subsequent operation of the project. Guidelines for the selection of NPO partners would be issued to DCs for reference. The Administration hoped to

encourage tripartite co-operation involving the Government, the community and the business sector in implementing SPS projects.

## Monitoring of SPS projects

13. Some Members considered it of paramount importance for DCs to uphold the principles of transparency and fairness in the initiation, planning, selection of partner organizations, delivery as well as monitoring of all SPS projects. In their view, a mechanism should be put in place to prevent individual DC members from making use of the SPS projects to gain political capital for themselves, such as building up personal reputation or networks with district organizations. The Administration should request all DCs to conduct district consultation before deciding on whether or not a proposal should be pursued under SPS.

14. Some other Members, however, pointed out that given the experience gained in the implementation of the DMW Programme, DCs would have the ability to discharge their duties effectively and impartially. To improve district administration, they agreed that a monitoring mechanism should be in place for compliance by 18 DCs in implementing signature projects.

In response to an enquiry raised at the PWSC meeting on 13 March 2013, 15. the Administration advised that the SPS projects would be subject to adequate The objective of SPS was mainly to provide sufficient funds to monitoring. DCs for carrying out large-scale and sustainable projects to meet the specific needs of individual districts and bring tangible and long-term benefits to the To this end, DCs were responsible for engaging their stakeholders community. in the local community in drawing up their SPS project proposals. The SPS projects were subject to multi-level monitoring, and members of the community were able to give views on prospective projects by participating in open meetings of DCs and various local consultation forums. Project proposals put forth by DCs would be processed by HAD and subject to LegCo's scrutiny, as DCs were required to follow the established procedures to seek funding approval from LegCo for individual SPS projects. HAD had formulated detailed operational procedures on SPS which set out the rules and principles in respect of the engagement of consultants and contractors as well as the monitoring of project implementation and delivery for compliance by 18 DCs in taking forward signature projects. The SPS projects would be taken forward by DCs with HAD's support and overall coordination in ensuring no duplication different government departments during of work among project DCs would put in place appropriate arrangements to ensure implementation. that public requests for use of the facilities would be handled in a fair and open manner.

Enhancing DC's roles in district administration

16. Some Members considered that apart from allocating additional resources for DCs to implement SPS projects, the Administration should further enhance the roles and functions of DCs by delegating more power and responsibilities to DCs to enable them to undertake more district administration work, as well as to help groom political talents at district level. The Administration was urged to conduct a comprehensive review of the District Councils Ordinance (Cap.547) to delegate to DCs more powers that were previously exercised by the two former Municipal Councils so as to enable DCs to fulfill a more proactive and meaningful role in district administration.

#### **Recent developments**

17. The Administration will brief the Panel on the SPS proposal of Kwai Ching DC, which is non-works in nature, to enhance community healthcare within the district through the provision of a variety of community healthcare services (such as seasonal influenza vaccination, ophthalmic check and dental care) at the Panel meeting on 10 January 2014, before submitting the proposal to FC for approval.

#### **Relevant papers**

18. A list of the relevant papers on LegCo's website is in the **Appendix**.

Council Business Division 2 Legislative Council Secretariat 3 January 2014

Committee	Date of meeting	Paper
Panel on Home Affairs	18.1.2013 (Item IV)	Agenda   Administration's paper on   "2013 Policy Address - Policy   Initiatives of Home Affairs   Bureau"   2013 Policy Address
Panel on Home Affairs	18.2.2013 (Item V)	Agenda Minutes
Public Works Subcommittee	13.3.2013 (Item No. 1 - PWSC(2012-13)59)	<u>Agenda</u> <u>Minutes</u>
Finance Committee	10.5.2013 (Item No. 1 - FCR(2013-14)2)	Agenda Minutes

# **Relevant papers on Signature Project Scheme**

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