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Panel on Home Affairs

**Updated background brief prepared by the Legislative Council Secretariat
for the meeting on 10 April 2015**

Signature Project Scheme

Purpose

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

Background

Objective and nature of SPS

2. To fulfill the aspiration of District Councils ("DCs") for carrying out projects of a larger scale in order to meet the specific needs of their districts, 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.

3. 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.

Timeframe and funding approval procedure

4. The Administration has initially set 31 March 2013 as the earliest target for DCs to submit their proposals to the Home Affairs Department ("HAD"), but it appreciates that some DCs may need more time to deliberate on the matter before submitting their proposal(s) to HAD. DCs will be given a high degree of flexibility to plan and formulate their proposals and can submit their project proposals when considered mature for detailed investigation and planning for implementation. While the Administration does not prescribe that the projects should be completed within the current DC term, it is hoped that the projects can commence or even be accomplished as early as practicable.

5. Regarding the funding approval procedure, DCs are required to follow the established procedures to seek funding approval from LegCo for implementation of individual SPS projects. If an SPS project has a works component, it will be submitted to the Finance Committee ("FC") for funding approval upon obtaining the endorsement of the Public Works Subcommittee ("PWSC"). For projects that are non-works in nature or the non-works components of any SPS projects costing more than \$10 million, they will be submitted directly to FC for funding approval. If the non-works component of an SPS project costs \$10 million or less, the Administration will follow the established mechanism to seek funding approval under delegated authority from within the Government.

Major views and concerns expressed by LegCo Members

6. The views and concerns expressed by LegCo Members on SPS at various committee meetings, including the Panel on Home Affairs ("the Panel"), PWSC and FC, are summarized in the ensuing paragraphs.

Objective and nature of SPS projects

7. When the 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 SPS projects having regard to their unique 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.

8. According to the Administration, the objective of SPS was mainly to provide a larger amount of resources to DCs for implementing larger 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.

Resources support for implementing SPS projects

9. 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. Apart from five time-based civil servant posts created in HAD, additional time-based non-civil servant contract posts would be created in HAD and relevant works departments to support the work of individual DCs.

10. 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 and also at a number of Panel meetings when discussing the proposed SPS projects submitted by DCs. 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

11. 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.

12. Some other Members, however, pointed out that given the experience gained in the implementation of the District Minor Works 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 SPS projects.

13. At the PWSC meeting on 13 March 2013, the Administration advised that the SPS projects would be subject to multi-level monitoring, and members of the community might 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 to ensure that there was no duplication of work among different government departments during project implementation. DCs would make appropriate arrangements to ensure that public requests for use of the facilities would be handled in a fair and open manner.

Progress of the SPS projects

14. Members raised concern time and again about the progress and implementation of SPS projects in various districts at the Panel meetings. Concern was also raised about when and how funding applications on these projects would be submitted to LegCo.

15. The Administration advised that all the 18 DCs had agreed on their preliminary SPS proposals. HAD and respective District Offices were working closely with DCs, relevant government bureaux and departments and where applicable, partner organization(s) in taking forward these projects, including examining their technical feasibility, before seeking Members' views and FC's funding approval. The Administration would submit the remaining SPS proposals to the Panel in batches for consideration.

16. There was also concern over the impact of the prolonged proceedings of PWSC and FC meetings in recent months on the commissioning of SPS projects proposed by DCs. In Members' view, it would be desirable that the proposed SPS projects could be commenced or implemented within the current DC term. There was a view that the Administration should consider devolving more power to DCs with a view to enhancing their autonomy in finance and

implementation of district projects, including those planned under SPS. The Administration advised that all DCs were required to follow the established procedures to seek funding approval from LegCo for implementation of individual SPS projects. To expedite the process, the SPS proposals would be submitted to the Panel in batches for consideration as soon as the necessary procedures were completed.

17. Noting that the Administration planned to submit a total of 19 remaining SPS proposals in batches for the Panel's consideration between the 2nd quarter of 2015 and the 1st quarter of 2016 and the next DC election would be held in November 2015, concern was raised that the consensus among DC members on some SPS projects might be affected when the new term of DCs commenced in January 2016. The Administration was urged to expedite the submission of the remaining SPS projects to the Panel for consideration.

Latest developments

18. Of the eight SPS projects previously discussed by the Panel¹, funding approval has been obtained for the Kwai Tsing District's "Enhancement of Community Healthcare Service" project, and the related services were scheduled to be launched by phase starting from January 2015. The other two projects (i.e. Wong Tai Sin District's "Expansion and Improvement of Wong Tai Sin Square" project and Sham Shui Po District's "Shek Kip Mei Community Services Centre" project) were endorsed by PWSC at its meeting on 18 March 2015, and would be submitted to FC for approval.

19. The Administration will brief the Panel on SPS projects of Wong Tai Sin District, Sham Shui Po District, Tsuen Wan District and Sha Tin District at the meeting on 10 April 2015.

¹ These projects included (a) Kwai Tsing District's "Enhancement of Community Healthcare Service" discussed at the meeting on 10 January 2014; (b) Wong Tai Sin District's "Expansion and Improvement of Wong Tai Sin Square" discussed at the meeting on 23 July 2014; (c) Sham Shui Po District's "Shek Kip Mei Community Services Centre" discussed at the meeting on 12 December 2014; and (d) Central and Western District's "Harbourfront Enhancement and Revitalization at the Western Wholesale Food Market", Islands District's projects of "Yung Shue Wan Library cum Heritage and Cultural Showroom, Lamma Island" and "Improvement Works at Silvermine Bay Beach, Mui Wo, Lantau Island", and North District's projects of "Improvement of Trails and Provision of Ancillary Facilities at Wu Tip Shan and Wa Mei Shan in Fanling" and "Improvement of Trails and Provision of Facilities in Sha Tau Kok" discussed at the meeting on 24 March 2015.

Relevant papers

20. A list of the relevant papers on the LegCo website is in the **Appendix**.

Council Business Division 2
Legislative Council Secretariat
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Appendix

Relevant papers on Signature Project Scheme

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
	18.2.2013 (Item V)	Agenda Minutes
Public Works Subcommittee	13.3.2013 (Item No. 1 - PWSC(2012-13)59)	Agenda Minutes
Finance Committee	10.5.2013 (Item No. 1 - FCR(2013-14)2)	Agenda Minutes
	11.7.2014 (Item No. 18 - FCR(2014-15)21)	Agenda Minutes
Panel on Home Affairs	10.1.2014 (Item IV)	Agenda Minutes
	23.7.2014 (Item III)	Agenda Minutes
	12.12.2014 (Item IV)	Agenda Minutes
	24.3.2014 (Item V)	Agenda