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Panel on Home Affairs

**Updated background brief prepared by the Legislative Council Secretariat
for the meeting on 18 January 2016**

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 did not prescribe that the projects should be completed within the fourth term of DC (2012-2015), it was hoped that the projects could 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. Some Members considered that individual DCs should be allowed with flexibility in the planning of SPS projects having regard to their unique and special circumstances. However, the Administration should give directions to DCs on what and how SPS projects should be taken forward and provide yardsticks for DCs to evaluate 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 additional 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. Some Members enquired 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 a number of Panel meetings as well as the FC meeting on 10 May 2013 and the PWSC meeting on 30 June 2015 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. Moreover, NPO should ensure that all earnings arising from the operation of an SPS project would be ploughed back to the project so as to sustain the operation on a self-financing basis in the long run. Guidelines for the selection of NPO partners would be issued to DCs for reference. The management and maintenance responsibilities of SPS projects would have to be agreed upon by the relevant stakeholders before submitting the project proposals to the Panel for consideration. The Administration aimed to encourage tripartite co-operation involving the Government, the community and the business sector in implementing SPS projects. Some Members took the view that the Administration should consider increasing the resources allocated to DCs to facilitate their implementation of larger scale and sustainable SPS projects when the Administration reviewed the way forward for SPS.

11. At the Panel meeting on 10 April 2015, some members expressed concern about why funds were earmarked under some SPS projects for the employment of non-civil service contract ("NCSC") staff, as a total of \$200 million had already been set aside for use by the HAD Headquarters and 18 District Offices to, among others, finance the employment of NCSC staff. The Administration advised that the \$200 million provision was reserved for financing preliminary studies and consultancies and employment of NCSC staff for carrying out the requisite preparatory and support work, whereas the additional allocations by individual DCs were for the purpose of employing NCSC staff to oversee the implementation of the SPS projects.

Monitoring of SPS projects

12. 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.

13. Some other Members, however, pointed out that given the experience gained from 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 put in place for compliance by 18 DCs in implementing SPS projects.

14. 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

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

16. 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 as soon as the necessary procedures were completed.

17. There was also concern over the impact of the prolonged proceedings of PWSC and FC meetings on the commissioning of SPS projects proposed by DCs. In some Members' view, it would be desirable that the proposed SPS projects could be commenced or implemented within the fourth term of DC. 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.

18. At the Panel meeting on 24 March 2015, the Administration indicated that the remaining SPS proposals would be submitted in batches for the Panel's consideration between the second quarter of 2015 and the first quarter of 2016. The Administration was urged to expedite the submission of the remaining SPS projects to the Panel for consideration.

19. Members may wish to note that of the 27 SPS projects proposed by 18 DCs, 20 have been considered by the Panel. Funding approval from FC has been obtained for **11** of the 20 SPS projects. A summary of the latest position of the 20 SPS projects is at **Appendix I**.

Latest development

20. The Administration will consult the Panel on the SPS projects of Eastern DC, Kowloon City DC and Tai Po DC at the next meeting on 18 January 2016.

Relevant papers

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

Appendix I

20 SPS projects previously discussed by the Panel on Home Affairs

	District	Project Title	Date on which the project was discussed by the Panel	Date on which the project was endorsed by PWSC	Date on which funding approval was obtained from FC
1	Kwai Tsing	Enhancement of Community Healthcare Service	10.1.2014	19.3.2014	12.7.2014
2	Wong Tai Sin	Expansion and Improvement of Wong Tai Sin Square	23.7.2014	18.3.2015	17.4.2015
3		Enhancement of Leisure Facilities of Morse Park	10.4.2015	30.6.2015	14.7.2015
4	Sham Shui Po	Shek Kip Mei Community Services Centre	12.12.2014	18.3.2015	17.4.2015
5		Mei Foo Neighbourhood Activity Centre	10.4.2015	30.6.2015	14.7.2015
6	Central and Western	Harbourfront Enhancement and Revitalization at the Western Wholesale Food Market	24.3.2015		
7	Islands	Yung Shue Wan Library cum Heritage and Cultural Showroom, Lamma Island			
8		Improvement Works at Silvermine Bay Beach, Mui Wo, Lantau Island			

	District	Project Title	Date on which the project was discussed by the Panel	Date on which the project was endorsed by PWSC	Date on which funding approval was obtained from FC
9	North	Improvement of Trails and Provision of Ancillary Facilities at Wu Tip Shan and Wa Mei Shan in Fanling	24.3.2015		14.7.2015
10		Improvement of Trails and Provision of Facilities in Sha Tau Kok			
11	Tsuen Wan	Redevelopment of the Sai Lau Kok Garden	10.4.2015	30.6.2015	Not yet submitted to FC
12	Sha Tin	Revitalization of Shing Mun River Promenade near Sha Tin Town Centre			14.7.2015
13		Decking of Tai Wai Nullah in Sha Tin			
14	Kwun Tong	Construction of Lift Tower at Shung Yan Street in Kwun Tong			Not yet submitted to FC
15		Construction of Music Fountains at Kwun Tong Promenade			
16	Yau Tsim Mong	Yau Tsim Mong Multicultural Activity Centre	11.5.2015	Not yet considered by PWSC (originally scheduled for discussion at PWSC's meeting on 30.6.2015)	Not yet submitted to FC
17	Tuen Mun	Revitalisation of Tuen Mun River and Surrounding Areas			
18		Promotion of Youth Development in Tuen Mun			

	District	Project Title	Date on which the project was discussed by the Panel	Date on which the project was endorsed by PWSC	Date on which funding approval was obtained from FC
19	Yuen Long	Construction of a Yuen Long District Community Services Building	11.5.2015	Not yet considered by PWSC (originally scheduled for discussion at PWSC's meeting on 30.6.2015)	Not yet submitted to FC
20	Wanchai	Construction of Moreton Terrace Activities Centre	17.7.2015	Not yet submitted to PWSC	

Appendix II

Relevant papers on Signature Project Scheme

Committee	Date of meeting	Paper
Panel on Home Affairs	18.1.2013 (Item IV)	Agenda Minutes
	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
Panel on Home Affairs	10.1.2014 (Item IV)	Agenda Minutes
Finance Committee	11.7.2014 (Item No. 18 - FCR(2014-15)21)	Agenda Minutes
Panel on Home Affairs	23.7.2014 (Item III)	Agenda Minutes
	12.12.2014 (Item IV)	Agenda Minutes
	24.3.2015 (Item V)	Agenda Minutes
	10.4.2015 (Item V)	Agenda Minutes
Finance Committee	17.4.2015 (Item No. 2 - FCR(2015-16)2)	Agenda Minutes

Committee	Date of meeting	Paper
Panel on Home Affairs	11.5.2015 (Item V)	Agenda Minutes
Public Works Subcommittee	30.6.2015 (Item No. 1- PWSC(2015-16)32 and Item No. 16 - PWSC(2015-16)43)	Agenda Minutes
Panel on Home Affairs	17.7.2015 (Item IV)	Agenda Minutes

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