

ITEM FOR FINANCE COMMITTEE

HEAD 106 - MISCELLANEOUS SERVICES

New Capital Account Subhead “One-Off Grants to the Municipal Councils”

Members are invited to approve a new commitment of \$2,613 million for making one-off grants to the Provisional Urban Council and the Provisional Regional Council.

PROBLEM

We need to meet the shortfall in rates revenue of the Provisional Urban Council (PUC) and the Provisional Regional Council (ProRC) as a result of the Government’s decision to rebate one quarter rates payment to all ratepayers in 1998-99.

PROPOSAL

2. We propose to make one-off grants of \$1,526 million to the PUC and \$1,087 million to the ProRC to meet their shortfall in rates revenue as a result of the rates rebate.

JUSTIFICATION

3. On 22 June 1998, the Chief Executive announced a package of measures to provide relief to the community in the current economic situation. One of the measures to ease the costs of families and business is to provide a rebate of one quarter rates payment to all ratepayers. The rebate will be credited against the 1998-99 third quarter rates bill of those who had paid rates in respect

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of a tenement in the first quarter of 1998-99. This measure benefits over two million ratepayers but was estimated at the time of the announcement to result in revenue loss of about \$1,500 million to the PUC and about \$1,100 million to the ProRC, in addition to a reduction in general rates revenue of \$1,280 million.

4. Prior to the Chief Executive's announcement of the relief measures on 22 June 1998, we met with the Chairmen of the two Councils and received clear feedback that the Councils would not be able to live within the reduced rates revenue. In light of this reaction, the Financial Secretary said at the time that in order to effect this relief measure, the Administration had agreed to apply to Finance Committee of the Legislative Council for additional funds to make up for the Councils' loss in rates revenue. According to the latest estimate from the Commissioner for Rating and Valuation, the PUC will receive \$1,526 million less in revenue in its quarterly rates receipts in January 1999 as a result of the rates rebate. The corresponding figure for the ProRC is \$1,087 million. We therefore propose that total funds of \$2,613 million be approved for making one-off grants to the two Councils in January 1999 to make up for their losses.

5. In preparing for this funding submission, the two Councils have re-affirmed that while they will continue to exercise prudence and economy in managing their finances, they cannot absorb the sizeable shortfalls. They have advised that without extra funding injections of equivalent amounts from the central Government, their financial plans will be upset, services disrupted and provision of municipal facilities delayed. Details of the two Councils' assessment and justifications in support of the Administration's funding application are at Enclosures 1 and 2 respectively.

Encls. 1&2

FINANCIAL IMPLICATIONS

6. If Members approve the proposal, we will pay the two Councils their respective grants in one lump-sum in January 1999. There are no recurrent financial implications.

BACKGROUND INFORMATION

7. Rates provide a stable source of revenue to the two Municipal Councils. At present, about 80% and 85% of the revenue of the PUC and the ProRC respectively come from rates. Under the Rating Ordinance, rates include both general rates and the PUC rates in relation to the PUC area; and general rates

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and the ProRC rates in relation to the ProRC area. General rates collected becomes general revenue while the revenue from the PUC rates and ProRC rates go to the two Councils directly (though the Rating and Valuation Department acts as the collecting agent). The overall rates percentage charge for any given year is prescribed by resolution of the Legislative Council which also prescribes the percentage split between general rates and the two respective Municipal Council rates.

8. The Government reviews the rates revenue requirement of the two Councils once every three years to tie in with the rates revaluation cycle. In considering the two Councils' funding requirements from rates revenue, the Government takes account of all relevant factors such as the Councils' past and projected expenditure and non-rates revenue, their accumulated reserves, the overall state of the economy and the Government's overall budgetary policy and guidelines. The Government's overall aim is to ensure that the two Councils will be given a reasonable level of rates revenue to enable them to provide their services to the community. The two Councils' rates revenue requirement are then translated into specified rates percentages for the PUC and the ProRC areas which are subsequently approved by the Legislative Council. For the triennium 1997-98 to 1999-2000, the PUC rate is 2.6% and the ProRC rate is 4.2%.

9. Rates are collected quarterly. During the triennium, the Councils receive their rates revenue every three months in arrears. Within the rates revenue provided, the two Councils have full financial autonomy; they are free to determine their expenditure priorities and to manage their finances in the manner they choose.

**Funding Application in respect of the
Provisional Urban Council**

The Provisional Urban Council (PUC) is a financially autonomous body with its major source of revenue (around 80%) coming from its share of the rates revenue. Under the Rating Ordinance (Chapter 116), the prevailing overall PUC area rates of 4.5% includes both general rates of 1.9% and PUC rates of 2.6%. The PUC rates percentage is determined having regard to the rates revenue requirements of the Council which is estimated by Government in the course of rates negotiations conducted once every three years. The current percentage of 2.6% was determined in early 1997 when rates negotiations for the current triennium (1997-98 to 1999-2000) took place.

2. Under the PUC's current financial plan, together with the reserve at the beginning of the triennium and revenue expected to be generated, e.g. market rental, admission fees of venues etc., the PUC rates of 2.6%, or \$18.7 billion in dollar terms estimated at the time of the triennial discussions, is required to finance the Council's expenditure requirement of the current triennium, as follows -

	1997-98	1998-99	1999-2000	
	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Total</u>
	\$ billion	\$ billion	\$ billion	\$ billion
Expenditure				
Personal Emolument	4.13	4.42	4.76	13.31
Operational Expenditure	1.96	2.49	2.75	7.20
Special Expenditure	0.25	0.44	0.47	1.16
Capital Expenditure	<u>0.80</u>	<u>1.32</u>	<u>1.38</u>	<u>3.50</u>
	7.14	8.67	9.36	25.17
	—	—	—	
Less: <u>Revenue</u> –Rates (latest estimate before taking account of rebate)				(18.31)
Other income				(3.76)
Less: Opening Reserves				<u>(3.12)</u>
Closing Reserves			Surplus	<u>0.02</u>

3. The rebate of one quarter rates payment to all ratepayers will result in a loss of \$1,526 million rates revenue due to be received by the Council in January 1999. It will not be appropriate nor practicable for the Council to absorb this amount for the following reasons -

- (a) the PUC is a financial autonomous body and under the established funding mechanism between Government and the Council, rates revenue of the Council is agreed at the beginning of the three-year period. Once the grant (expressed in terms of rate percentage) is agreed, it will be up to the Council to manage its finance as it considers appropriate. The rebate of one quarter rates payment to all ratepayers to alleviate burden on them in the prevailing economic climate is a move of Government and it will not be appropriate for the consequence to be transferred to the Council;
- (b) from the practical point of view, it will be most difficult for the Council to absorb this amount. A reduction in rates receipts of \$1.5 billion represents 25% of the Council's rates revenue in 1998-99 or 8% of the entire amount that the Council is expected to receive from rates over the three-year period. It will be impossible to absorb this amount without significantly affecting services to the public (in particular the three-year period is already more than half way through). Furthermore, the Council might have to suffer a loss of \$0.4 billion in rates revenue as a result of the projection that there will be fewer new buildings coming on stream; and
- (c) the budget of the Council comprises three main components, namely Personal Emoluments, Operational and Special Expenditure and Capital Works. As regards *Personal Emoluments*, while much effort is being made to achieve savings, over 95% of the Council's posts are filled by Permanent and Pensionable civil servants. It will be difficult to make significant cut other than by natural wastage. As regards *Operational and Special Expenditure*, this is essential expenditure such as electricity, repair and maintenance, cleansing and security contracts etc. in which it will be difficult to make significant reduction. In any case, Operational and Special Expenditure

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constitutes only a quarter of the budget. As for *Capital Works*, given the lead time for planning, most projects have already been committed. Whilst it is possible to delay planning of some projects which are still uncommitted, this will defer the provision of much needed municipal facilities to the public. A list of capital works projects to be implemented in the current triennium is at the Annex.

4. Full reimbursement by Government of the shortfall in rates revenue of \$1,526 million due to the rates rebate is therefore necessary.

Urban Services Department
November 1998

**Funding Application in respect of the
Provisional Regional Council**

The Provisional Regional Council (ProRC) is a financially autonomous body with its major source of revenue (around 85%) coming from its share of the rates revenue. Under the Rating Ordinance (Chapter 116), the prevailing overall ProRC area rates of 4.5% includes both general rates of 0.3% and ProRC rates of 4.2%. The ProRC rates percentage is determined having regard to the rates revenue requirements of the Council which is estimated by Government in the course of rates negotiations conducted once every three years. The current percentage of 4.2%, or an estimated \$14 billion in dollar terms at the time of the triennial discussions, was determined in early 1997 when rates negotiations for the current triennium (1997-98 to 1999-2000) took place.

2. The Government's rebate of the 1998-99 first quarter rates will lead to a loss of \$1,087 million in the ProRC's rates revenue. A reduction of this magnitude represents 25% of the Council's rates revenue in 1998-99 or 8% of the entire amount that the Council is expected to receive from rates over the three-year period.

3. The Council has carefully assessed the impact of the rates revenue loss on its finances. Its conclusion is that additional funds from the Government of an equivalent amount are necessary for it to meet its funding needs in the current triennium.

4 At present, a large share of the Council's expenditure is on providing municipal services and is recurrent in nature. The Council has identified very limited scope for trimming this part of the expenditure even with re-adjustment of priorities and greater economy.

5. The Council has also reviewed its capital works programme to see if any projects can be cancelled, delayed or scaled down, so as to save capital works expenditure and the additional recurrent costs of operating new facilities. It has found little leeway for revising its capital works programme (Annex A) as most of the projects are committed. Fifty-six have been completed but with outstanding residual payments (Group A), 23 are in progress (Group B) and two have been contracted to

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start (Group C). There are only three projects on the programme for which the Council has not entered into any contractual commitment (Group D). The total value of the contractual payments arising from the Groups A to C projects that have to be settled amounts to some \$1,140 million in 1998-99 and \$780 million in 1999-2000.

----- (A summary of the projected cashflow requirements of these projects is at Annex B.) Failure to discharge these payments would damage the Council's reputation, lead to legal claims from contractors and seriously delay the completion of some of its projects.

6. Full reimbursement by Government of the shortfall in rates revenue of \$1,087 million due to the rates rebate is therefore required to enable the Council to fulfil its contractual commitments arising from the projects in Groups A to C of its capital works programme within this triennium.

Regional Services Department
November 1998

Provisional Urban Council**List of Capital Works Projects to be implemented in the current triennium**

<u>Project No. and Title</u>	<u>Stage</u>	<u>Start Date</u>	<u>Target Compl. Date</u>	<u>Approved Project Estimate (\$m)</u>	
<u>Completed Projects</u>					
019CA UC Chambers Exhibition Centre	C	3/97	12/97	12.32	@
019CC Phase II Enhancement Works for Hong Kong Coliseum	C	8/97	4/98	12.24	
020CC Enhancement Works for Queen Elizabeth Stadium (Phase II)	C	8/97	3/98	11.47	
046CE Redevelopment of Parkes Street RCP and Public Toilet cum Bathhouse	C	10/95	10/97	11.59	
055CE Reprovisioning of Cemeteries/Crematoria Office at Oil Street	C	2/97	3/98	5.59	@
056CE Refuse Collection Point at Tung Hei Road	C	5/97	8/98	12.96	@
072CM Provision of Air Conditioning to the Cooked Food Centre of UC Java Road Complex	C	1/98	10/98	37.07	@
073CM Improvement to Cooked Food Centre of UC Sheung Wan Complex (Formerly 121MM)	C	6/97	3/98	21.66	@
203CR Lok Kwan Street Park	C	8/96	11/97	30.15	
308CR Recreational Development of the `DO' Site at North Ap Lei Chau Reclamation (Stage II of Phase I)	C	7/97	7/98	11.13	@
328CR Redevelopment of the Service Building at Tai Hang Tung Recreation Ground	C	12/95	11/97	15.02	
362CR Conversion of Water Sterilization System and Installation of Water Play Equipment at Kennedy Town Swimming Pool	C	12/96	2/98	26.65	

List of Capital Works Projects to be implemented in the current triennium

<u>Project No. and Title</u>	<u>Stage</u>	<u>Start Date</u>	<u>Target Compl. Date</u>	<u>Approved Project Estimate (\$m)</u>	
# 367CR Reprovisioning of Pokfulam Road Playground	C	3/95	4/98	-	
378CR Improvements to Sycamore Playground	C	9/96	11/97	11.58	
127CR Repulse Bay Beach Building	C	4/97	9/98	28.94	
364CR Shing Yip Street Rest Garden (upgraded from 560MR)	C	11/96	10/98	11.19	
# 370CR Temporary Open Space at Belcher Bay Reclamation	C	4/97	8/98	-	
434CR Provision of Air-conditioning to Shek Tong Tsui Complex IGH	C	12/97	10/98	12.61	@
435CR Provision of Air-conditioning to Chai Wan IGH	C	12/97	11/98	19.04	@
420CR Provision of Air-conditioning to Sheung Wan Complex IGH	C	5/97	2/98	11.95	@
Total		<u>20</u> Projects		<u>303.16</u>	

List of Capital Works Projects to be implemented in the current triennium

Project No. and Title	Stage	Start Date	Target Compl. Date	Approved Project Estimate (\$m)	
<u>Project under construction</u>					
005CL Hong Kong Central Library	I	8/96	11/99	594.83	
# 011CU Hong Kong Museum of History	I (pending commissioning)	10/95	5/98	-	
022CM Redevelopment of Sai Ying Pun Market	I	10/96	3/99	145.95	
061CM Yee On Street Market and Roof Garden	I	12/96	3/99	70.35	
035CR Ho Man Tin Recreation Ground	I	11/96	3/99	268.09	
047CX Improvements to the UC Lockhart Road Complex (Formerly 018CA)	I	10/96	11/98	53.00	
# 057CE Provision of Monitoring & Telemetry System to Cremators at Cape Collinson Crematorium	I	11/98	7/99	-	
080CR Hong Ning Road Park (Phase I)	I	11/96	3/99	62.74	
112CR Shun Lee Tsuen Recreation Ground	I	11/96	6/99	236.34	
129CR Aberdeen Tennis and Squash Centre	I	12/96	11/98	60.21	
207CR Film Archive and Leisure Centre on Sai Wan Ho Reclamation	I	7/96	4/00	513.37	
309CR LO Development at Fung Tak Road	I	1/97	06/01	0.50	@
# 334CR Provision of Open Space at Central Reclamation Phase I	I	4/97	12/98	-	
369CR Improvements to Anchor Street Playground	I	10/97	11/98	30.19	@

List of Capital Works Projects to be implemented in the current triennium

Project No. and Title	Stage	Start Date	Target Compl. Date	Approved Project Estimate (\$m)	
* 382CR Reprovisioning of Un Chau Street Estate Playground	I	2/96	11/98	-	
403CR Lai Chi Kok Temporary Recreation Ground	I	10/97	12/98	15.69	@
# 012CU Lei Yue Mun Museum	I	9/97	6/99	-	
036CX Sam Ka Tsuen Complex	I	4/97	8/99	241.88	
040CX UC Ap Lei Chau Complex	I	3/96	11/98	175.32	
043CX UC Chai Wan Complex	I	12/96	9/99	370.28	
# 066CE Reprovisioning of PUC Facilities at Central Reclamation Phase I (Environmental Health Facilities)	I	12/97	11/98	-	
088CM Temporary Reprovisioning of the Stanley Market (Formerly 090MM)	I	11/97	12/98	14.96	@
163CR Ping Shek Playground	I	5/98	2/00	142.93	@
270CR Sheung Lok Street Rest Garden (Site A)	I	10/98	10/99	23.81	@
348CR Jordan Valley Playground (Phase II)(Stage 1)	I	11/98	4/00	49.14	@
379CR Hong Ning Road Park (Phase II)	I	6/98	1/00	41.90	@
389CR Improvement to Saigon Street Playground	I	8/98	8/99	18.05	@
395CR Improvement Works to Lower Ngau Tau Kok Estate Playground No. 8	I	3/98	4/99	10.53	@
396CR Improvements to Rutland Quadrant Children's Playground	I	3/98	2/99	13.49	@

List of Capital Works Projects to be implemented in the current triennium

Project No. and Title	Stage	Start Date	Target Compl. Date	Approved Project Estimate (\$m)	
404CR Proposed Footbridge and Signalised Pedestrian Crossing to Shun Lee Tsuen Recreation Ground	I	6/98	12/99	25.95	
436CR Provision of Air-conditioning to Po On Road IGH	I	12/97	11/98	14.42	@
437CR Provision of Air-conditioning to Ngau Tau Kok IGH	I	12/97	11/98	9.10	@
439CR Extension of Forbes Street Playground (Formerly A86MR)	I	12/97	2/99	10.60	@
445CR Landscaped Deck across Fung Tak Road	I	2/98	11/98	30.43	
446CR Reprovisioning of Stanley Playground and Public Toilet (Formerly 762MR)	I	11/97	12/98	14.86	@
448CR Provision of Air-conditioning to Kai Tak East IGH	I	6/98	4/99	11.76	@
449CR Provision of Air-conditioning to Hiu Kwong Street IGH	I	6/98	3/99	18.69	@
450CR Provision of Air-conditioning to Kowloon Bay IGH	I	6/98	3/99	13.85	@
451CR Provision of Air-conditioning to Chuk Yuen IGH	I	10/98	7/99	10.38	@
452CR Provisioning of Air-conditioning to Yue Kwong Road IGH	I	6/98	4/99	10.69	@

List of Capital Works Projects to be implemented in the current triennium

Project No. and Title	Stage	Start Date	Target Compl. Date	Approved Project Estimate (\$m)
455CR Lai Chi Kok Park Stage III (Landscape portion-Phase Ia)(formerly 323CR)	I	4/98	10/99	238.92 @
Total		<u>41</u> Projects		<u>3.563.20</u>
<u>Projects with approved layout & cost estimates</u>				
# 053CE Reprovisioning of Paterson Street RCP	II	-	-	-
Total		<u>1</u> Projects		<u>0.00</u>
Grand Total of all stages		<u>62</u> Projects		<u>3.866.36</u>

Notes :-

1. Stage
 - C** Completed Project
 - I** Projects Under Construction
 - II** Projects with approved layout & cost estimates
2. @ Approved Project Estimate in MOD price
3. # Government Funded Projects
4. * Non-PUC funded projects
5. Amount shown under Approved Project Estimate excludes on-cost

Provisional Regional Council - Capital Works Programme Projected Cashflow for 1998/1999 and 1999/2000							
Project No.	Project Title	Cat	Approved Project Estimate (\$M)	Cumulative Expenditure Up To 31.3.98 (\$M)	Projected Cashflow for 1998/1999 (\$M)	Projected Cashflow for 1999/2000 (\$M)	Status/Remarks
Group A : Projects already completed but with some residual payment outstanding.							
003LS	TAK WAH PARK PHASE 2 AREA 18 TSUEN WAN	1	34.25	26.36	0.50	1.00	Completed but with residual payment outstanding.
009SP	RSD VEHICLE DEPOT AREA 8 TAI PO (REGIONAL COUNCIL TAI PO DEPOT)	1	84.21	75.41	0.20	0.10	Completed but with residual payment outstanding.
010CE	IMPROVEMENT TO TSUEN WAN TOWN HALL	1	8.00	7.17	0.71	0.00	Completed but with residual payment outstanding.
011LS	SHA TIN JOCKEY CLUB PUBLIC SWIMMING POOL(PHASE II) (AT YUEN WO ROAD)	1	57.28	54.13	1.50	1.50	Completed but with residual payment outstanding.
011MF	REGIONAL COUNCIL MARKET COMPLEX AREA 7 FANLING/ SHEUNG SHUI (REGIONAL COUNCIL SHEK WU HUI COMPLEX)	1	205.96	184.26	0.18	0.00	Completed but with residual payment outstanding.
012LS	HIN TIN PUBLIC LEISURE POOL PHASE I (NEAR HIN KING ESTATE)	1	71.64	63.92	0.01	0.00	Completed but with residual payment outstanding.
012SP	REGIONAL COUNCIL CHAMBERS AND RSD HEADQUARTERS	1	207.55	104.80	0.20	0.30	Completed but with residual payment outstanding.
013MF	REGIONAL COUNCIL COMPLEX AT MUI WO	1	57.50	55.66	0.05	0.00	Completed but with residual payment outstanding.
014LS	DISTRICT OPEN SPACE AREA 7 TSUEN WAN (PHASE I) (SHING MUN VALLEY PARK))	1	87.20	73.27	1.20	2.00	Completed but with residual payment outstanding.
017MF	LOCAL OPEN SPACE AND PUBLIC TOILET AREA 13A FANLING/SHEUNG SHUI (FANLING STATION PLAYGROUND AND FANLING STATION SITTING-OUT AREA)	1	6.14	3.79	0.10	0.80	Completed but with residual payment outstanding.
020EH	SHA TAU KOK MARKET AND COOKED FOOD CENTRE (SHA TAU KOK MARKET)	1	24.70	23.75	0.05	0.21	Completed but with residual payment outstanding.
023LS	TAI PO SWIMMING POOL AREA 22 - PHASE II (TAI PO PUBLIC SWIMMING POOL)	1	57.24	48.67	0.50	0.10	Completed but with residual payment outstanding.
026LS	LOCAL OPEN SPACE AREA 2 TSING YI (TSING YI PARK - Phase I)	1	13.46	13.41	0.01	0.00	Completed but with residual payment outstanding.
030EH	PUBLIC TOILET AT NGONG PING LANTAU ISLAND	1	7.80	7.52	0.28	0.33	Completed but with residual payment outstanding.
031EH	FOOD CONTROL OFFICE AT MAN KAM TO CHECKPOINT (MAN KAM TO FOOD CONTROL OFFICE)	1	35.00	11.91	0.01	0.00	Completed but with residual payment outstanding.
037LS	SWIMMING POOL COMPLEX AREA 100 MA ON SHAN (AT MA ON SHAN TOWN CENTRE)	1	168.67	158.06	2.70	0.51	Completed but with residual payment outstanding.
049LS	DISTRICT OPEN SPACE AREA 35 TUEN MUN (TUEN MUN RIVER PARK)	1	30.30	18.49	0.50	0.70	Completed but with residual payment outstanding.
060LS	TSING YI SWIMMING POOL AND TSING YI SPORTSGROUND	1	211.43	190.21	5.00	5.00	Completed but with residual payment outstanding.

Provisional Regional Council - Capital Works Programme
Projected Cashflow for 1998/1999 and 1999/2000

Project No.	Project Title	Cat	Approved Project Estimate (\$M)	Cumulative Expenditure Up To 31.3.98 (\$M)	Projected Cashflow for 1998/1999 (\$M)	Projected Cashflow for 1999/2000 (\$M)	Status/Remarks
064LS	DISTRICT OPEN SPACE AREA 26 TAI PO (TAI PO WATERFRONT PARK) (FORMERLY KNOWN AS TAI PO PROMENADE)	1	52.22	48.68	0.05	0.00	Completed but with residual payment outstanding.
070LS	WATERFRONT PARK AREA 33 TAI PO (TAI PO WATERFRONT PARK)	1	159.00	141.32	4.50	5.00	Completed but with residual payment outstanding.
080LS	LAI KING INDOOR RECREATION CENTRE AND LAI KING SOCCER PITCH	1	50.74	38.13	0.10	0.00	Completed but with residual payment outstanding.
084LS	INDOOR RECREATION CENTRE AREA 6 TSUEN WAN (WAI TSUEN INDOOR RECREATION CENTRE)	1	74.44	64.66	0.50	1.70	Completed but with residual payment outstanding.
099LS	LOCAL OPEN SPACE PACKAGE 4 MUI WO	1	6.64	2.85	0.10	1.21	Completed but with residual payment outstanding.
103LS	LOCAL OPEN SPACE PACKAGE 4 CHEUNG CHAU (CHEUNG CHAU PARK)	1	23.70	14.49	0.06	0.00	Completed but with residual payment outstanding.
106LS	INDOOR RECREATION CENTRE AREA 2 TSUEN WAN (TSUEN WAN WEST INDOOR RECREATION CENTRE)	1	70.00	65.48	1.00	1.00	Completed but with residual payment outstanding.
108LS	INDOOR RECREATION CENTRE AND SWIMMING POOL COMPLEX AREA 14 TIN SHUI WAI (TIN PAK ROAD)	1	160.92	137.95	1.20	2.00	Completed but with residual payment outstanding.
124LS	ON LUK STREET PARK (AT MA ON SHAN TOWN CENTRE)	1	22.27	16.85	0.50	0.30	Completed but with residual payment outstanding.
126LS	DISTRICT OPEN SPACE AREA 8 TUEN MUN (YEUNG KING PLAYGROUND)	1	44.40	30.26	1.50	1.50	Completed but with residual payment outstanding.
139LS	DISTRICT OPEN SPACE IN AREA 12 TSEUNG KWAN O (PO TSUI PARK)	1	47.37	46.57	0.02	0.01	Completed but with residual payment outstanding.
144LS	DISTRICT OPEN SPACE AREA 25 TSEUNG KWAN O (PO HONG PARK)	1	66.83	50.52	2.00	2.50	Completed but with residual payment outstanding.
146LS	DISTRICT OPEN SPACE AREA 2A TUEN MUN (TSING TIN PLAYGROUND)	1	49.60	36.24	2.50	2.00	Completed but with residual payment outstanding.
157LS	LOCAL OPEN SPACE AREA 24 SHA TIN (NEAR SUN CHUI ESTATE)	1	18.89	16.30	0.20	0.10	Completed but with residual payment outstanding.
163LS	LOCAL OPEN SPACE AREAS 8 AND 9 TAI PO (CHUNG NGA ROAD CHILDREN'S PLAYGROUND AND CHUEN ON ROAD GARDEN)	1	17.92	13.26	0.06	0.01	Completed but with residual payment outstanding.
165LS	LOCAL OPEN SPACE AREA 7 FANLING/SHEUNG SHUI (SHEUNG SHUI GARDEN NOS 1-4)	1	19.50	18.78	0.01	0.00	Completed but with residual payment outstanding.
175LS	11-A-SIDE SOCCER PITCH-CUM-ATHLETIC FACILITIES AREA 14 TUEN MUN (SIU LUN SPORTSGROUND)	1	26.79	24.30	0.02	0.01	Completed but with residual payment outstanding.
206LS	DISTRICT OPEN SPACE AREA 46 FANLING/SHEUNG SHUI (WAI MING STREET GARDEN)	1	9.70	7.01	1.00	2.28	Completed but with residual payment outstanding.
210LS	MA ON SHAN PARK (AT MA ON SHAN TOWN CENTRE)	1	95.99	48.40	10.00	3.50	Completed but with residual payment outstanding.

**Provisional Regional Council - Capital Works Programme
Projected Cashflow for 1998/1999 and 1999/2000**

Project No.	Project Title	Cat	Approved Project Estimate (\$M)	Cumulative Expenditure Up To 31.3.98 (\$M)	Projected Cashflow for 1998/1999 (\$M)	Projected Cashflow for 1999/2000 (\$M)	Status/Remarks
217LS	TIN SHUI WAI PARK PHASE I AREA 22 TIN SHUI WAI (TIN SHING ROAD)	1	29.60	25.96	0.01	0.00	Completed but with residual payment outstanding.
222LS	HUNG SHING YEH BEACH BUILDING LAMMA	1	29.83	27.34	2.00	1.00	Completed but with residual payment outstanding.
235LS	WONG UK GARDEN (NEAR BELAIR GARDENS)	1	8.29	7.03	0.01	0.00	Completed but with residual payment outstanding.
241LS	DISTRICT OPEN SPACE AREA 7 TSUEN WAN (PHASE II) (SHING MUN VALLEY PARK)	1	43.00	31.52	0.50	0.60	Completed but with residual payment outstanding.
244LS	LOCAL OPEN SPACE AREA 2 TSUEN WAN (HOI ON ROAD PLAYGROUND)	1	12.04	8.49	0.50	1.00	Completed but with residual payment outstanding.
249LS	ADDITIONAL FACILITIES FOR TSO KUNG TAM OUTDOOR RECREATION CENTRE	1	44.33	33.11	0.50	1.20	Completed but with residual payment outstanding.
250LS	TOILET FACILITIES AND REFUSE CONVEYANCE SYSTEM FOR LIDO AND CASAM BEACHES TSUEN WAN	1	14.60	14.43	0.05	0.00	Completed but with residual payment outstanding.
254LS	IMPROVEMENTS TO TANG SHIU KIN SPORTSGROUND TUEN MUN (NEAR TAI HING ESTATE)	1	18.80	11.22	0.00	0.00	Completed but with residual payment outstanding.
263LS	LOCAL OPEN SPACE IN AREA 22 TSEUNG KWAN O (YAU YUE WAN PLAYGROUND)	1	6.89	5.74	0.01	0.00	Completed but with residual payment outstanding.
266LS	DISTRICT OPEN SPACE AREAS 1&2 TSING YI (TSING YI PARK - PHASE II)	1	56.07	51.01	0.05	0.30	Completed but with residual payment outstanding.
267LS	YUEN CHAU KOK PARK (NEAR BELAIR GARDEN)	1	27.40	23.16	0.40	0.05	Completed but with residual payment outstanding.
268LS	SIU LEK YUEN ROAD PLAYGROUND (NEAR CITY ONE)	1	50.00	47.22	0.20	0.05	Completed but with residual payment outstanding.
279LS	IMPROVEMENT TO SHA TSUI ROAD PLAYGROUND	1	17.34	16.75	0.01	0.00	Completed but with residual payment outstanding.
281LS	INSTALLATION OF THE OZONE SYSTEM AT Pro RC'S SWIMMING POOLS	1	174.15	161.32	0.50	1.80	Completed but with residual payment outstanding.
286LS	DISTRICT OPEN SPACE PHASE II AREA 44 TUEN MUN (TUEN MUN PROMENADE)	1	15.20	13.40	0.01	0.01	Completed but with residual payment outstanding.
289LS	PROVISION OF AIR-CONDITIONING AND IMPROVEMENT WORKS TO PROVISIONAL REGIONAL COUNCIL INDOOR RECREATION CENTRES	1	468.11	377.56	18.00	3.00	Completed but with residual payment outstanding.
290LS	PROVISION OF HEATED POOL FACILITIES TO YUEN LONG, SHATIN JOCKEY CLUB AND TUEN MUN PUBLIC SWIMMING POOLS	1	30.14	26.42	0.50	0.00	Completed but with residual payment outstanding.
295LS	ECOLOGICAL FACILITIES AT TUEN MUN PARK (REPTILE HOUSE)	1	12.70	7.20	1.50	0.50	Completed but with residual payment outstanding.
297LS	INSTALLATION OF SHARK PREVENTION NETS	1	11.73	10.94	2.00	0.00	Completed but with residual payment outstanding.
Total number of project : 56		Sub-total :	3,455.47	2,842.66	65.77	45.18	

Provisional Regional Council - Capital Works Programme
Projected Cashflow for 1998/1999 and 1999/2000

Project No	Project Title	Cat	Approved Project Estimate (\$M)	Cumulative Expenditure Up To 31.3.98 (\$M)	Projected Cashflow for 1998/1999 (\$M)	Projected Cashflow for 1999/2000 (\$M)	Status/Remarks
Group B : Projects under construction							
003CE	KWAI TSING THEATRE (ADJACENT TO METRO PLAZA AND OPPOSITE KWAI FONG MTR STATION)	1	468.00	238.79	100.00	60.00	Under construction.
004CE	YUEN LONG THEATRE (YUEN LONG TAI YUK ROAD)	1	565.00	151.83	100.00	110.00	Under construction.
005CE	HONG KONG HERITAGE MUSEUM	1	839.00	222.02	250.00	94.00	Under construction.
018MF	SWIMMING POOL COMPLEX LIBRARY INDOOR RECREATION CENTRE AND DISTRICT OPEN SPACE AREA 24 TSEUNG KWAN O (NEAR KING LAM ESTATE)	1	656.44	170.28	174.50	83.50	Under construction.
020MF	REGIONAL COUNCIL COMPLEX TSING YI TOWN CENTRE	1	291.74	71.86	80.00	28.00	Under construction.
023MF	STABILITY ASSESSMENT OF SLOPES AND RETAINING WALLS IN PROVISIONAL REGIONAL COUNCIL VENUES	1	16.59	2.33	3.50	1.40	Under construction.
029LS	DISTRICT OPEN SPACE AREA 35 TSUEN WAN TSUEN WAN PARK (PHASE I)	1	107.19	74.19	7.00	3.00	Under construction.
033EH	PENG CHAU MARKET PENG CHAU	1	56.00	28.73	7.00	5.00	Under construction.
034EH	IMPROVEMENT TO PROVISIONAL REGIONAL COUNCIL MARKETS	1	64.00	12.64	17.50	5.50	Under construction.
035EH	IMPROVEMENT SCHEME FOR PUBLIC TOILET FACILITIES IN THE PRO RC AREA	1	261.00	115.44	35.00	8.00	Under construction.
036EH	IMPROVEMENT TO PROVISIONAL REGIONAL COUNCIL REFUSE COLLECTION POINTS	1	22.00	9.79	1.00	1.00	Under construction.
038EH	REFUSE COLLECTION POINT AT MUI WO LANTAU ISLAND	1	12.93	2.69	6.00	1.22	Under construction.
039EH	REFURBISHMENT OF TAI WAI PUBLIC TOILET AND BATHHOUSE AND ADDITION OF A REFUSE COLLECTION POINT SHA TIN (AT SHING HO ROAD)	1	14.33	0.17	2.50	7.50	Under construction.
039LS	MA ON SHAN SPORTSGROUND PHASE I (NEAR YIU ON ESTATE)	1	152.93	29.94	60.00	40.00	Under construction.
040EH	REFUSE COLLECTION POINT AREA 12 TUNG CHUNG TOWN LANTAU ISLAND	1	13.77	2.10	5.75	2.30	Under construction.
043EH	PHASE II IMPROVEMENT SCHEME FOR PUBLIC TOILET FACILITIES IN THE PROVISIONAL REGIONAL COUNCIL AREA	1	241.00	0.00	55.00	70.00	Under construction.

Provisional Regional Council - Capital Works Programme
Projected Cashflow for 1998/1999 and 1999/2000

Project No.	Project Title	Cat	Approved Project Estimate (\$M)	Cumulative Expenditure Up To 31.3.98 (\$M)	Projected Cashflow for 1998/1999 (\$M)	Projected Cashflow for 1999/2000 (\$M)	Status/Remarks
102LS	SHING MUN VALLEY SWIMMING COMPLEX	1	432.07	258.58	52.50	18.80	Under construction.
127LS	IMPROVEMENTS TO CASTLE PEAK BEACH	1	97.00	2.56	20.40	26.00	Under construction.
142LS	DISTRICT OPEN SPACE IN AREA 40 TSEUNG KWAN O (NEAR ON NING GARDEN)	1	25.84	3.93	3.00	10.50	Under construction.
151LS	OPEN SPACE AREAS 10 & 21 TIN SHUI WAI (ADJACENT TO TIN SHUI ESTATE)	1	45.35	1.86	13.00	7.05	Under construction.
173LS	SAI KUNG SWIMMING POOL PHASE II (WATERFRONT NEAR SAI KUNG PIER)	1	146.20	0.00	23.50	50.00	Under construction.
288LS	REDEVELOPMENT OF SAI KUNG TANG SHIU KIN SPORTS GROUND	1	187.35	0.00	16.00	66.00	Under construction.
291LS	UPGRADED FACILITIES FOR SPORTSGROUND IN AREA 7 TSUEN WAN	1	10.15	3.30	1.60	2.00	Under construction.
Total number of projects : 23			Sub-total :	4,725.88	1,403.03	1,034.75	700.77

**Provisional Regional Council - Capital Works Programme
Projected Cashflow for 1998/1999 and 1999/2000**

Project No.	Project Title	Cat	Approved Project Estimate (\$M)	Cumulative Expenditure Up To 31.3.98 (\$M)	Projected Cashflow for 1998/1999 (\$M)	Projected Cashflow for 1999/2000 (\$M)	Status/Remarks
Group C : Projects contracted to start (including projects pending signing of contracts)							
309LS	RESURFACING WITH COLOUR COATING SYSTEM TO OUTDOOR HARD-SURFACED BALL COURTS	1	37.00	0.00	24.00	7.50	Tender invited in Jul/Aug 98.
310LS	INSTALLATION OF GOLF NET AT THE GOLF DRIVING RANGE IN TUEN MUN RECREATION AND SPORTS CENTRE	1	60.11	0.00	15.00	25.50	Tender invited in Jul 98.
Total number of projects : 2		Sub-total :	97.11	0.00	39.00	33.00	

**Provisional Regional Council - Capital Works Programme
Projected Cashflow for 1998/1999 and 1999/2000**

Project No.	Project Title	Cat	Estimated Cost (\$M)	Cumulative Expenditure Up To 31.3.98 (\$M)	Projected Cashflow for 1998/1999 (\$M)	Projected Cashflow for 1999/2000 (\$M)	Status/Remarks
Group D : Projects yet to commence and with no contractual commitment.							
012MF	REGIONAL COUNCIL TAI PO COMPLEX (AT THE EXISTING TAI PO PLAYGROUND)	1	1,139.69	7.33	6.90	132.37	Upgraded to Cat I in Jan 98. Pro RC will decide if the revised cost is acceptable. Subject to Pro RC's approval, project to commence in Apr 99.
275LS	REGIONAL INDOOR STADIUM AREA 11A FANLING/SHEUNG SHUI (ADJACENT TO NORTH DISTRICT GOVERNMENT OFFICES)	2	791.00	13.10	2.50	101.50	To be upgraded to Cat I in late 98.
044EH	PROVISION OF AIR-CONDITIONING AND IMPROVEMENT WORKS TO EXISTING PROVISIONAL REGIONAL COUNCIL MARKETS/COOKED FOOD CENTRE(PHASE I)	3	429.00	0.00	18.00	173.60	Upgraded to Cat I in Sep 98.
Total number of projects : 3			Sub-total :	2,918.35	20.43	27.40	407.47
			Grand Total :	11,198.81	4,266.12	1,166.92	1,186.42
			Say :			\$1.2 billion	\$1.2 billion
					(No slippage is allowed for 1998/1999)	but after allowing for 15% slippage, rounded off to \$1.0 billion	

**Summary of Projected Cashflow Requirements of
Provisional Regional Council Capital Works Projects**

Group	Item	Total number of projects	Estimated expenditure for 1998/1999	Estimated expenditure for 1999/2000
			(\$ million)	(\$ million)
A	Projects already completed but with some residual payment outstanding	56	65.77	45.18
B	Projects under construction	23	1,034.75	700.77
C	Projects contracted to start (including projects pending signing of contracts)	2	39.00	33.00
D	Projects yet to commence and with no contractual commitment	3	27.40	407.47
	Total	84	1,166.92	1,186.42