

**For information**

**Legislative Council Panel on Constitutional Affairs**

**Review on the Role, Functions and Composition of District Councils**

**Purpose**

In his 2005-06 Policy Address, the Chief Executive (CE) announced that we would allow District Councils (DCs) to assume responsibility for the management of some district facilities and an implementation plan for this proposal would be worked out in the context of the ongoing review of the functions and composition of DCs. The Administration releases the consultation document (attached) on the review today (27 April 2006) for a three-month public consultation which will end on 31 July 2006. This paper sets out the background to the review and briefly introduces the proposals for Members' information.

**Background**

2. A review on DCs was conducted in 2001 and a package of measures has since been introduced to enhance the Administration's support for and communication with DCs. In the Policy Addresses of 2004 and 2005, the then CE undertook to launch a further review of the role, functions and composition of DCs.

3. In his inaugural Policy Address of 2005-06, the CE announced that DCs would be allowed to assume responsibility for the management of some district facilities, such as libraries, community halls, leisure

grounds, sports venues and swimming pools, within the limits of the existing statutory powers and resources of the executive departments.

## **The Review**

4. The following basic parameters have been adopted for the review –

- (a) the existing legal provisions relating to DCs, including Article 97 of the Basic Law which provides that DCs shall not be organs of political power, and section 61 of the District Councils Ordinance which sets out the functions of DCs;
- (b) existing powers and responsibilities of the relevant statutory authorities responsible for the delivery of district services;
- (c) the need for a prudent and gradual approach to ensure no disruption to the delivery of public services at district level; and
- (d) the need for continued support to be provided by relevant Government departments in taking forward the DCs' advice or decisions in view of staffing implications.

5. The review seeks to enhance the role of DCs in the management of some district facilities, to strengthen the role of District Officers (DOs), to enhance communication between DCs and the Administration and to improve the remuneration package of DC members. The review also sets out proposals on some DC election-related matters and invites the public to give views on the composition of DCs. A summary of the proposals is set out in Chapter Ten of the consultation document. The key proposals are set out in paragraphs 6 to 18 below.

## **Management of District Facilities**

6. To enhance the role of DCs in district management, we propose to enable DCs to play an active part in not only the management of the “hardware” of the district facilities, but also the accompanying “software” for promoting the use of those facilities. A District Facilities Management Committee (DFMC) would be set up under each DC to initiate/consider and endorse proposals regarding the management of district facilities. Without prejudice to the statutory powers<sup>1</sup> and obligations of the departments concerned and subject to the financial authorities of these departments, relevant international professional or safety standards, prevailing government policies on staff and resources management (including government fees and charges), they will follow the decisions of the DCs as far as possible.

7. We propose that as a start and on a pilot basis, DCs would participate in the management of district-based leisure and sports facilities of Leisure and Cultural Services Department (LCSD), namely district libraries, leisure grounds (including parks, local open space and sitting out areas), sports venues (playgrounds and indoor sports centres) and swimming pools (including beaches) and community halls under Home Affairs Department (HAD). DCs’ involvement in the management of these district facilities would be supported by a proposed dedicated capital works vote for minor works and increased provision of DC funds for programmes and community involvement projects, both to the tune of \$300 million each year on a full year 18-district basis. We further propose in the consultation document that the new arrangements be implemented on a pilot basis, initially in several districts.

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<sup>1</sup> Under the Public Health and Municipal Services Ordinance (PHMSO), the Director of Leisure and Cultural Services (DLCS) is the public officer designated as the “authority” to manage and control those leisure and cultural facilities covered by the PHMSO. This statutory authority will not be altered by the proposed arrangements to involve DCs in the management of some district facilities.

## **Strengthening the role of District Officers and enhancing communication with DCs**

8. We propose to set up a Steering Committee on District Administration (SCDA), to be chaired by the Secretary for Home Affairs (SHA) or Permanent Secretary for Home Affairs (PSHA) and attended by the relevant Heads of Departments (HoDs). Its objectives are to provide a forum for top management in various departments to exchange views on issues of mutual concern and resolve inter-departmental district management issues. More importantly, it will formulate strategies and provide a steer to DOs and District Management Committees on enhancing district work.

9. The SCDA may also be tasked to consider and endorse the distribution of DC funds and the allocation of the capital works block vote funding to districts. It may also be asked to look into cases where DCs/DFMCs are not satisfied with the relevant departments' response in respect of the management of district facilities. If there are any significant issues that cannot be resolved by the SCDA, SHA/PSHA will escalate the matter to the Policy Committee.

10. To provide a regular dialogue between senior Government officials and DCs, and to ensure that HoDs have a better feel of the sentiments of DC members on issues within their purview, we propose that HoDs who have direct interface with the public should be required to attend one DC meeting every two to three months.

11. We propose that CE should host an annual District Administration Summit. The Summit will serve to enhance communication between the Administration and DCs at the most senior level, and to provide a forum for discussion on the further development of district administration.

### **Partnership between DCs and other sectors**

12. With the proposed increase in DC funds for community involvement projects and the greater involvement of DCs in the management of district facilities, we propose that DCs should draw up plans for collaboration with other sectors and initiate proposals with district characteristics aiming to achieve a wide spectrum of social objectives. The Commission on Poverty's initiative of a district-based poverty alleviation programme for which \$30 million has been included in HAD's 2006-07 Estimates for funding worthwhile projects would be taken forward in this context.

### **Support for DC members**

13. Taking into account the views of DC members over the inadequacy of the existing remuneration package and the proposed strengthening of DCs' functions, we propose to raise the level of DC members' honorarium and Operating Expenses Allowance by 10% and introduce a new non-accountable Miscellaneous Expenses Allowance and two new accountable allowances on the setting-up and winding-up of members' ward offices. It should be noted that the proposed changes to the remuneration package of DC members are subject to consideration by the Independent Commission on Remuneration of Members of the District Councils and the Finance Committee of the Legislative Council (LegCo).

### **Composition of DCs - Appointed and Ex-officio Seats**

14. Appointed DC membership provides a channel for community leaders and individuals with relevant expertise to serve the community. Over the years, appointed members have made constructive and useful contribution to the work of DCs. DCs have an important role in ensuring efficient delivery of services at district level. This consideration will be particularly relevant to the proposed enhancement in the role of DCs. It may be desirable to continue to retain appointed seats for the next term DCs in 2008 to ensure the smooth delivery of

district services.

15. As for ex-officio members, they are all Chairmen of Rural Committees and have strong ties with the rural community. They provide a very effective channel of communication between the Government and the rural community. Over the years, ex-officio members have helped ensure that the interests of village inhabitants are adequately represented.

16. On the basis that there should continue to be appointed and ex-officio seats for DCs for the term commencing in 2008, we welcome views from the public on the future composition of DCs.

### **Financial Assistance to DC Election Candidates**

17. We propose to introduce a financial assistance scheme to DC election candidates. Under the proposed scheme, candidates who get elected, or those who received 5% of valid votes or more, are eligible for financial assistance. The subsidy rate is set at \$10 per vote, capped at 50% of the actual election expenses of the candidates. The Panel has been consulted on the proposal at its meeting on 21 April 2006.

### **Shortening DCs' Suspension Period**

18. The District Councils Ordinance requires that, before each DC election, DCs should cease operation to facilitate the conduct of elections. There is no provision for DCs to resume operation after the polling day, and they remain in suspension usually for five more weeks after the polling day until the end of their term. We propose to shorten this suspension period by scheduling the polling day in December instead of November in future DC elections. The arrangement does not require legislative amendments and would minimise the impact of suspension on the discharge of DC duties.

## **Timetable**

19. Subject to public consultation on the DC review, the implementation of the proposals in light of favourable response towards the proposals will proceed according to the following timetable –

Public consultation	27 April to 31 July 2006
Finance Committee's approval of the financial implications of the proposals	November 2006
Implementation of pilot scheme in respect of management of district facilities	January 2007
Implementation of the proposals to enhance communication between DCs and the Administration and collaboration between DCs and other sectors in all districts	January 2007
Implementation of DC election-related matters	2007 DC Election
Implementation of new remuneration package for DC members (except the winding-up allowance which may be implemented in the current term to benefit DC members not seeking re-election)	January 2008

## **Financial Implications of the Proposals**

20. Assuming the proposals set out in the consultation document are implemented, we estimate that when compared with the 2005-06 provision, the proposals will require additional provision of \$105 million for works projects every year, additional recurrent expenditure of \$160 million and non-recurrent expenditure of \$47.75 million every four-year term. This has included a rough estimate of the staffing requirements in HAD and LCSD for implementing the proposals in, say

five districts. The estimated staffing requirement for implementation of the district management proposals in all 18 districts will be worked out in light of actual experience of the pilot scheme. Subject to views received in the public consultation, we will seek additional resources in the relevant years' Resource Allocation Exercises.

### **Next Steps**

21. A press conference will be held on the afternoon of 27 April 2006 to announce the publication of the consultation document. The document will be distributed at District Offices and posted on a webpage set up to invite views from the public. To reach out to more people at district level, a leaflet has been published for wider distribution.

Home Affairs Bureau

Constitutional Affairs Bureau

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