**For discussion
on 20 October 2011**

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**Legislative Council Panel on
Information Technology and Broadcasting**

**Capital Works Reserve Fund Head 710 Computerisation
Subhead A007GX (Block Allocation) –
New administrative computer systems**

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Introduction

       This paper seeks Members' support for the funding requirement for 2012-13 for the implementation of computerisation projects under the Capital Works Reserve Fund (CWRF) Head 710 Computerisation Subhead A007GX (Block Allocation) – New administrative computer systems.

Background

2.   The sources of funding and approving authority of computerisation projects can be broadly classified as follows -

    (a)   CWRF Head 710 Computerisation

        This is the Head of Expenditure used for funding administrative computer systems, consultancies for feasibility studies and system development. These projects primarily serve to deliver the strategic outcome of the action area "Enabling the next generation of public services" under the Digital 21 Strategy.

      (i) *Projects costing above $10 million each* – these projects are subject to the specific approval of the Finance Committee (FC) of the Legislative Council and are to be funded under separate subheads of CWRF Head 710. The subject bureaux/departments (B/Ds) as the project owners of these major

      computerisation projects are responsible for submitting funding proposals to the FC and monitoring project delivery.

    (ii) *Projects costing above $150,000 but not exceeding $10 million each* – these projects are funded through a block allocation under CWRF Head *710* Subhead A007GX (the block allocation). The Financial Secretary has delegated to the Government Chief Information Officer (GCIO) the power to approve projects and authorise expenditure under the block allocation. Projects funded this way are normally called block vote projects.

    (b)   **General Revenue Account**

    Projects each costing $150,000 or below – these projects are approved by individual B/Ds and funded through their respective operational expenses subheads under the General Revenue Account.

CWRF block allocation

3.   The proposed block allocation for a given financial year will fund the estimated cash flow requirements arising from block vote projects proposed by B/Ds and approved or to-be approved by GCIO. Each year, the Office of the Government Chief Information Officer estimates the funding requirements for the block allocation in the following financial year by taking into consideration the cash flow requirements of approved block vote projects, new proposals submitted by B/Ds and anticipated new projects for various e-government initiatives to be submitted, as well as the spending position of the block allocation.

4.   To ensure optimal utilisation of the block allocation, GCIO will review the estimated cash flow requirements of approved block vote projects on a half-yearly or quarterly basis. Owners of individual projects will be required to closely monitor and review the project schedule in order to provide realistic cash flow requirements based on the latest project

implementation progress.   This arrangement will avoid unnecessary locking up of funds by individual projects and enable GCIO to deploy funds to meet the requirements of other urgent or higher priority projects.

Funding Requirement for 2012-13

5.   Taking into account the proposals submitted by B/Ds and our forecast of other projects to be initiated in the coming financial year, we estimate that a block allocation of **$860 million** will be required under CWRF Head 710 Subhead A007GX for 2012-13.   The proposed allocation is $80 million (about 10%) higher than the provision of $780 million for 2011-12.   The higher provision will enable Government to keep pace with the increasing use of information and communications technology for service transformation, improve customer services and enhance system security.   We will monitor and manage the use of the approved funds to ensure due adherence to prevailing government policies and relevant legislation, and the proper delivery of the desired outcomes for the key action areas of the Digital 21 Strategy.

6.   The estimated cash flow requirements of projects initiated / to be initiated in 2011-12 or earlier as well as new projects to be initiated in 2012-13, are at **Annex A.** The new projects to be funded by the block allocation can be broadly classified into the following four main categories -

   (a)   projects to protect data and system security;

   (b)   projects to maintain systems critical to service delivery;

   (c)   projects to enable delivery of policy commitments; and

   (d)   projects to improve customer service and enhance productivity.

Examples of new projects to be initiated in 2012-13 are given at **Annex B**.

7.   B/Ds are required to observe the following guiding principles in formulating computerisation project proposals -

   (a)   support e-government strategies for the management and use of information and communications technology;

(b)   integrate e-government into their overall business plans to derive more business benefits and as a fundamental part of their service delivery approach;

(c)   embrace a citizen-centric culture and adopt customer relationship management principles and best practices in the delivery of public services;

(d)   build in service transformation and business process re-engineering in all organisation/business reviews;

(e)   proactively identify opportunities for joining up services across departmental boundaries, take ownership of the projects and account for their performance/benefits; and

(f)   rationalise service delivery channels and migrate customers to the most efficient, user-friendly and cost-effective channels.

Submission of Funding Application to FC

8.   Funding approval for all CWRF block allocations (including the Subhead A007GX (Block Allocation)) will be sought from FC (tentatively in December 2011), after consultation with the Public Works Subcommittee (tentatively in November 2011).

Advice Sought

9.   Members are invited to support the proposed block allocation to be sought from FC for CWRF Head 710 Subhead A007GX in 2012-13.

Office of the Government Chief Information Officer
Commerce and Economic Development Bureau
October 2011

**Tentative cash flow requirements of
the projects to be funded
under the proposed Block Allocation in 2012-13**

	no. of projects	tentative cash flow requirements in 2012-13 ($'M)
Projects initiated / to-be initiated in 2011-12 or earlier	**403**	**641**
New projects to be initiated in 2012-13	**167**	**219**
Total:	**570**	**860**

Breakdown of 167 new projects -	*no. of projects*	*tentative cash flow requirements in 2012-13 ($'M)*
(a) To protect data and system security	*30*	*36*
(b) To maintain systems critical to service delivery	*52*	*95*
(c) To enable delivery of policy commitments	*16*	*39*
(d) To improve customer service and enhance productivity	*69*	*49*
Sub-total:	*167*	*219*

Examples of new projects to be initiated in 2012-13

item no.	project description	project estimate ($'M)
(a) To protect data and system security		
1.	Enhancement of IT Security (Government Logistics Department)	4.520
2.	Upgrade of Email and Confidential Mail System (Judiciary)	4.136
3.	Implementation of Security Monitoring and Auditing System (Treasury)	1.650
4.	IT Infrastructure Enhancement (Television and Entertainment Licensing Authority)	0.990
5.	IT Security Risk Assessment and Audit (Radio Television Hong Kong)	0.400
(b) To maintain systems critical to service delivery		
6.	Revamp of Building Records Access and Viewing On-line System (Buildings Department)	9.716
7.	Asbestos Control Work Information Management System (Environmental Protection Department)	8.404

item no.	project description	project estimate ($'M)
8.	Replacement of Endangered Species Licensing and Enforcement System (Agriculture, Fisheries and Conservation Department)	8.294
9.	Upgrade of Land Boundary System (Customs and Excise Department)	5.632
10.	Redevelopment of the Seafarer Examination and Certificates System (Marine Department)	5.280

(c) To enable delivery of policy commitments

item no.	project description	project estimate ($'M)
11.	Mobile and Accessible Version of the MyGovHK Portal (Office of the Government Chief Information Officer)	9.300
12.	Common Platform cum Geographic Information System for Shop Inspection regarding Electrical Product Safety and Mandatory Energy Efficiency Labelling (Electrical and Mechanical Services Department)	7.500
13.	Enhancement of Leisure Link e-Services System to Integrate with MyGovHK (Leisure and Cultural Services Department)	7.320
14.	Strategy and Work Study for Electronic Information Management (Census and Statistics Department)	5.145
15.	Mobile Applications for Smart Phones (Water Supplies Department)	0.900

item no.	project description	project estimate ($'M)

(d) To improve customer service and enhance productivity

16.	Development of Common Shared Collaborative Workspace Service (Office of the Government Chief Information Officer)	8.152
17.	Implementation of Electronic Planning Application Submission System (Planning Department)	4.950
18.	Study on Customer Care and Billing System (Water Supplies Department)	4.000
19.	Information Management System for Central Registry for Rehabilitation (Labour and Welfare Bureau)	2.989
20.	Feasibility Study on a Non-fees Charging Venue Booking System (Leisure and Cultural Services Department)	2.400