

**Annual Report on
Head 708 Subhead 8083MM –
One-off Grant to the Hospital Authority for Minor Works Projects
for the 2014-15 Financial Year**

To provide sufficient resources and to allow greater flexibility for the Hospital Authority (HA) to plan and implement more intensive programmes to improve the condition and environment of HA's ageing facilities and to enhance the service capacity to complement other major new hospital or hospital renovation projects, the Legislative Council (LegCo) Finance Committee approved on 20 December 2013 a one-off grant of \$13 billion under the Capital Works Reserve Fund (CWRP) Head 708 **Subhead 8083MM** to HA for minor works projects for use in the next ten years or so starting from 2014-15. Each individual item is subject to a financial ceiling of \$75 million.

2. Since April 2014, the one-off grant under **Subhead 8083MM** has replaced the block allocation to HA through CWRP Head 708 **Subhead 8100MX** – “Hospital Authority – improvement works, feasibility studies, investigations and pre-contract consultancy services for building projects” until the one-off grant under **Subhead 8083MM** is depleted. Projects funded under **Subhead 8083MM** can be broadly grouped into “Facility Rejuvenation”, “Capacity Enhancement”, “Safe Engineering”, “Universal Accessibility” and “Others”, which are for regular maintenance, minor works or preparatory works for major capital works projects.

3. To ensure transparency and accountability on the use of the one-off grant, HA is required to deposit with the LegCo Secretariat annually a full list of all items proposed to be funded by the one-off grant in the following financial year. HA is also required to provide the Panel on Health Services and the Public Works Subcommittee of the LegCo with annual reports on the key minor works projects implemented in the past financial year as well as those to be implemented in the coming year, and to prepare audited financial statements on the use of the one-off grant on an annual basis.

Projects Implemented in 2014-15

4. HA has deployed \$890 million from the one-off grant under **Subhead 8083MM** to fund 1 271 on-going and new projects in 2014-15, including 110 items for facility rejuvenation, 84 items for capacity enhancement, 44 items for safe engineering, 88 items for enhancement of universal accessibility and 945 items for regular maintenance and preparatory works for major capital projects. The total cost of these 1 271 projects is estimated to be \$4,171 million. Upon their completion in two to three years' time, we will improve the environment of around 41 in-patient wards and three clinics, provide an additional of 275 beds, one additional operating theatre and 11 additional consultation rooms, the upgrading of nine lifts and three main distribution switchboards, and the enhancement of barrier free access facilities in 16 hospitals. Details of the implementation of minor works projects in 2014-15 are provided at **Annex A**.

2014-15 Audited Accounts

5. Mazars CPA Limited, the appointed external auditor, has completed the audit for the period from 12 February 2014 (date of funding received from the Food and Health Bureau) to 31 March 2015 and given an unqualified audit opinion on the accounts as set out at **Annex B**.

Planned Projects in 2016-17

6. For 2016-17, HA plans to implement 1 314 on-going and new projects with an annual expenditure of about \$1,225 million. This represents an increase of about 2% in funding requirement against the revised estimated expenditure of \$1,200 million in 2015-16¹. Among the 1 314 on-going and new projects, 296 are new projects which include 32 items for facility rejuvenation, 13 items for capacity enhancement, 17 items for safe engineering, 18 items for universal accessibility and 216 items for regular maintenance and preparatory works for major capital projects. The completion of these new projects in two to three years' time will result in the improvement of the environment of 30 in-patient wards and four clinics, the addition of 104 beds and 6 consultation rooms, the modernisation of 27 lifts, the upgrading of one emergency generator and five main distribution switchboards and the enhancement of barrier free access facilities in 14 hospitals.

7. Details of the on-going and proposed new minor works projects to be implemented in 2016-17 are provided at **Annex C**. A full list of all the items proposed to be funded by the one-off grant in 2016-17 has also been deposited with Secretariat, some of which are subject to site availability or technical feasibility. Adjustment may be made to the list during the course of the year to cater for evolving service needs or actual site situations.

Hospital Authority
February 2016

¹ We have reported vide CB(2)736/14-15(01) to the Panel on Health Services and PWSC85/14-15(01) to the Public Works Subcommittee on 29 January 2015 that we planned to proceed with 1 359 minor works projects at an annual expenditure of about \$1 billion in 2015-16.