

# 立法會 *Legislative Council*

LC Paper No. CB(2)97/16-17(08) (Revised)

Ref : CB2/PL/HA

## **Panel on Home Affairs**

### **Background brief prepared by the Legislative Council Secretariat for the meeting on 11 November 2016**

#### **Expansion and improvement project of the Wanchai campus of the Hong Kong Academy for Performing Arts**

#### **Purpose**

This paper summarizes the major concerns expressed by Legislative Council Members on the expansion and improvement project of the Wanchai campus of the Hong Kong Academy for Performing Arts ("HKAPA") ("the Project").

#### **Background**

2. In April 2012, the Administration briefed the Panel on Home Affairs ("the Panel") of its proposal on the Project, which aimed to relieve the space shortage problem of HKAPA<sup>1</sup> and to meet the growing space demand arising from the implementation of a four-year undergraduate degree programme structure. The proposed scope of the Project comprised:

- (a) an on-campus expansion project to accommodate classrooms, studios, laboratories, music rooms, offices, workshops and support facilities by the construction of:
  - (i) a nine-storey annex building block adjoining the existing Theatre Block;
  - (ii) a one-storey light-weight structure on the roof of the Theatre Block; and

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<sup>1</sup> The Wanchai campus site is the main campus of HKAPA. Since 2006, HKAPA established its second campus in Bethanie in Pokfulam, which principally houses specialist facilities for the School of Film and Television of HKAPA.

- (iii) an additional floor at the void space on the upper ground floor of the Theatre Block;
  - (b) conversion of the existing fountain pump room into an administration office and a store room; and
  - (c) redesign and reconfiguration of the existing library including establishment of learning commons with group study rooms.
3. The proposal was supported by the Panel and subsequently endorsed by the Public Works Subcommittee ("PWSC"). In June 2012, the Finance Committee ("FC") approved a funding of \$444.8 million for HKAPA to carry out the Project, which was expected to commence in April 2013 and to be completed in the fourth quarter of 2015.

### **Concerns expressed by Members on the Project**

4. The major concerns expressed by Members at the meetings of the Panel and PWSC held on 20 April 2012 and 16 May 2012 respectively are summarized below.

#### Demand for space under the new four-year academic structure

5. Noting that the undergraduate degree programme structure would migrate from the three-year to a four-year structure from the 2012-2013 academic year onwards, Members in general expressed concern about whether there would be a greater demand for campus space of HKAPA to support the grooming of arts talents for Hong Kong. Some Members questioned whether the large variety of self-financing extension programmes currently provided by HKAPA would exacerbate the shortage of campus space for full-time equivalent students of HKAPA.

6. HKAPA advised that the current proposal had struck a balance among the existing building design, the constraints of the site and the imminent space demand of HKAPA for implementing the new academic structure. While HKAPA offered a wide range of self-financing part-time courses/extension programmes in various fields of performing arts, students of the full-time programmes of HKAPA had the priority to use the campus. Facilities of HKAPA were rented out for use by extension programmes only when they were not in use by HKAPA programmes, mainly during weekday evenings, weekends and summer holidays.

### Long-term measures to address shortfall of space provision

7. Members noted that there would still be a shortfall of space provision for HKAPA under the new academic structure even with the provision of some additional 5 120 m<sup>2</sup> in net operating floor area under the Project. Some Members considered it not desirable for HKAPA to continue renting commercial premises for teaching and rehearsal activities. They suggested that consideration be given to identifying a suitable site for long-term use by HKAPA to meet the space demand. In this connection, some Members enquired about the feasibility of constructing two additional floors, instead of one floor, over the Theatre Block to provide more space.

8. HKAPA explained that the proposal of constructing a one-storey lightweight structure on the roof of the Theatre Block and an additional floor at the void space on the upper ground floor of the Theatre Block had taken into account the structural constraint of the existing building. In view of the space shortfall, HKAPA had to continue to rent commercial premises to provide the necessary teaching and rehearsal space. Nevertheless, it would take the opportunity of the Project to redesign and reconfigure its existing library to rationalize its layout, and enhance the learning environment by improving the layout of the common area to facilitate self-study, project work and co-operative learning. Noting that the harbourfront promenade would provide more open space in Central and Wanchai, some Members requested the Administration to explore the feasibility of including the existing small playground adjacent to HKAPA in the Project. The Administration agreed that it would explore the suggestion in collaboration with HKAPA.

### **Reduction in scope of the Project**

9. In its Report No. 66 published in July 2016, the Public Accounts Committee ("PAC") noted the findings of the Director of Audit that after funding approval by FC, the Home Affairs Bureau ("HAB") and HKAPA had worked out a cost containment proposal to contain the project cost within the approved project estimate by excluding the construction of the one-storey lightweight structure on the roof of the Theatre Block<sup>2</sup>. HAB/HKAPA were recommended to monitor closely the progress of the related construction works to ensure the completion within budget by December 2017. Concerns were raised by PAC as to whether the delay and the reduction in scale would affect

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<sup>2</sup> In an information paper entitled "Progress Report on the Expansion and Improvement Project of the Wanchai Campus of the Hong Kong Academy for Performing Arts" [LC Paper No. CB(2)1201/15-16(01)] provided by HAB in March 2016, the Administration updated Panel members that the contract for the on-campus expansion project was awarded in August 2014 with the works targeted for completion by end 2017. The other parts of the Project (i.e. the pump room and the library) were completed on schedule and within budget.

the operation of HKAPA; what measures would be taken to minimize the impact on the HKAPA's delivery of its academic programmes; and how the Government would ensure that there would be no more cost overrun and delay of the Project.

10. According to the Administration/HKAPA, HKAPA had worked out alternative space arrangements before the commissioning of new facilities so that the requisite hardware requirements for its delivery of academic programmes would not be compromised by the delay. HAB and HKAPA had stepped up the monitoring of the progress of the contractor's programme to prevent any further delay.

11. Further details of the Audit's recommendations regarding the campus improvement and expansion of HKAPA and the latest progress of follow-up actions taken by HAB/HKAPA were provided in the Government Minute tabled at the Council meeting of 2 November 2016 (**Appendix I**).

### **Latest development**

12. The Administration will brief the Panel on the latest progress of the Project and seek members' views on the HKAPA's plan to enhance the application of technologies in the performing arts through the procurement of professional equipment at the next meeting on 11 November 2016.

### **Relevant papers**

13. A list of the relevant papers on the Legislative Council website is in **Appendix II**.

Extract from the Government Minute in response to  
the Report of the Public Accounts Committee No. 66 of July 2016

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## Enclosure 5

**Hong Kong Academy for Performing Arts (HKAPA)**  
**Progress in Implementing the PAC's and Audit's Recommendations**  
**(position as at 19.10.2016)**

Para. No.	Issues examined	Audit's Recommendations	Progress to date
4.39	Investment of surplus funds	<p>Audit has recommended that the HKAPA should:</p> <p>(a) expand its list of banks for obtaining interest rate quotations and placing time deposits;</p> <p>(b) explore the possibilities of increasing the amount of time deposits for earning more interest income; and</p> <p>(c) finalise its investment guidelines for investing surplus funds.</p>	<p>(a) and (b) The HKAPA plans to seek its Council's endorsement at its next meeting in November 2016 to expand its list of banks for obtaining interest rate quotations and placing time deposits, with a view to enhancing interest income while ensuring sufficient liquidity for operations.</p> <p>(c) The draft Investment Policies and Guidelines stipulated principles, objectives, policies and guidelines which governing the overall investment management of the Academy, was approved by the Council on 14 June 2016 and took immediate effect. The Academy should observe the policy and guidelines therein on investing surplus funds.</p> <p>For item (c), as the HKAPA has taken forward the Audit's recommendations and the improvement measure will be implemented on an on-going basis, we recommend deleting this part from the next progress report.</p>
PART 5	CAMPUS IMPROVEMENT AND EXPANSION		
5.16	Wanchai Campus expansion project	<p>Audit has recommended that the HKAPA should:</p> <p>(a) endeavour to complete the OCE project within</p>	<p>On <u>paras. 5.16 (a) and 5.17 (a)</u></p> <p>Construction of the new building block under the on-campus expansion (OCE) project has been progressing well and the project is targeted to be completed by end 2017.</p>

Para. No.	Issues examined	Audit's Recommendations	Progress to date
		<p>budget by December 2017;</p> <p>(b) for future government-subsidised capital works projects, implement the project in strict accordance with the scope of the project as approved by the Finance Committee (FC) of LegCo, and avoid making changes to the design and specifications of the project that would increase the approved project estimate (APE) after funding approval; and</p> <p>(c) make necessary arrangements to deal with the impact of the delay and reduction in scope of the OCE project on delivering its academic programmes and other services.</p>	<p>Enhanced measures, including conducting weekly technical meetings with contractor to identify and resolve critical issues which might adversely affect the project cost and programme; and enhancing coordination with the contractor for early submissions of materials (e.g. complicated works procedures) for early review and approval, have been implemented by the HKAPA thereby stepping up the monitoring of critical path and milestone dates of the contractor's programme to ensure timely completion of the project.</p> <p>HAB will continue to closely monitor the progress of the project through quarterly reports from HKAPA and close liaison with the project team to ensure that the OCE project be completed within budget by December 2017.</p> <p>HKAPA agrees to the recommendation in <u>para. 5.16(b)</u>.</p> <p>On <u>para. 5.16 (c)</u></p> <p>On the provision of service during the construction period, the HKAPA has worked out alternative space arrangements before the commissioning of new facilities so that the requisite hardware requirements for its delivery of academic programmes would not be compromised because of the project delay. Parts of the OCE project, including the conversion works of the existing fountain pump room and the redesign/reconfiguration of the existing library, have been completed and the new facilities (including office and storage space for the Internal Audit and Administration departments provided in the pump room project; and research consultation rooms, information commons, learning commons and seminar rooms</p>

Para. No.	Issues examined	Audit's Recommendations	Progress to date
			<p>in the reconfigured library) have already been put into use in February 2014 and November 2015 respectively. The six Schools of the HKAPA have strictly followed the space allocation principle that facilities for teaching and learning are given top priorities in space allocation.</p>
5.17	Wanchai Campus expansion project (cont'd)	<p>Audit has recommended that the Secretary for Home Affairs should:</p> <p>(a) monitor closely the progress of the OCE project to ensure that the HKAPA completes it within budget by December 2017;</p> <p>(b) in performing the role of vote controller of subvented capital works projects, provide timely guidance to subvented organisations to remind them to implement subvented projects in strict accordance with the approved scope of the projects, and complete the projects on time and within budget; and</p>	<p>HAB agrees to the recommendation in <u>para. 5.17(b)</u>.</p> <p>On <u>para. 5.17(c)</u></p> <p>The construction project is targeted to be completed by end 2017. HAB has issued an information note to the LegCo Panel on Home Affairs in March 2016 to keep members posted on the progress of the works project.</p> <p>On paras. 5.16 and 5.17, as follow up actions were completed and improvement measures will be implemented on an on-going basis, we recommend deleting these two parts from the next progress report.</p>

Para. No.	Issues examined	Audit's Recommendations	Progress to date
		(c) report the progress of the OCE project to LegCo with a detailed account of the delay and reduction in project scope.	
5.18	Wanchai Campus expansion project (cont'd)	Audit has recommended that the Secretary for Financial Services and the Treasury should consider developing suitable guidelines and procedures for approving changes in scope of capital works projects, with criteria for assessing whether a change in scope is significant and requires the approval of LegCo.	<p>The Treasury Branch of the Financial Services and the Treasury Bureau (FSTB) will consider developing suitable guidelines and procedures for approving changes in scope of capital works projects as part of its efforts to review the relevant financial circulars.</p> <p>We recommend deleting this part from the next progress report as updating of financial circular is an on-going measure.</p>
5.31	Planning for further campus expansion	<p>Audit has recommended that the HKAPA should:</p> <p>(a) re-examine its assessment of space requirements, using the up-to-date projection of student numbers, to provide a more accurate estimate;</p> <p>(b) compile a detailed SoA of its current</p>	<p>The HKAPA is in the process of updating its space shortfall for planning future development projects, taking into account the up-to-date space requirement and detailed schedule of accommodation (SoA) of its current space provision.</p> <p>The HKAPA will, in consultation with the HAB, determine the basis for assessing space requirement.</p> <p>The HKAPA is conducting a comprehensive review on the space inventory to produce an updated SoA, taking into account the new building or alternation, addition and improvement projects that have an impact on the space provision.</p>



<b>Para. No.</b>	<b>Issues examined</b>	<b>Audit's Recommendations</b>	<b>Progress to date</b>
		<p>space provision, taking account of the discrepancies between the 1999 SoA and the 2009 spreadsheet; and</p> <p>(c) update its space shortfall for planning future development projects, taking account of the results of (a) and (b) above.</p>	
5.32	Planning for further campus expansion (cont'd)	<p>Audit has recommended that the Secretary for Home Affairs should, in consultation with the Secretary for Education, examine the basis adopted by the HKAPA in its assessment of space requirement, including whether it should include the number of students of self-financing Master's degree programmes.</p>	<p>HAB will re-examine the basis on which space requirements for the HKAPA should be assessed having regard to all relevant factors including the nature of the programmes, performance/production requirements, and other teaching and learning needs. HAB will work closely with the HKAPA on the issue and will seek input from relevant parties, such as EDB or UGC if necessary.</p>

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**Relevant papers on  
Expansion and improvement project of the Wanchai campus of  
the Hong Kong Academy for Performing Arts**

Committee	Date of meeting	Paper
Panel on Home Affairs	20.4.2012 (Item III)	<u>Agenda</u> <u>Minutes</u>
Public Works Subcommittee	16.5.2012 (Item 6)	<u>Agenda</u> <u>Minutes</u>
Finance Committee	8.6.2012 (Item 1)	<u>Agenda</u> <u>Minutes</u>
Panel on Home Affairs	12.4.2016 (Item I)	<u>Information paper entitled "Progress Report on the Expansion and Improvement Project of the Wanchai Campus of the Hong Kong Academy for Performing Arts"</u>
Legislative Council	13.7.2016	Report of the Public Accounts Committee on the Reports of the Director of Audit on the Results of Value for Money Audits (Report No. 66) (July 2016) - <u>Chapter 5 of Part 4</u> - <u>Appendix 14 – Consolidated reply from the Secretary for Home Affairs and the Director of the Hong Kong Academy for Performing Arts</u>
Legislative Council	2.11.2016	<u>The Government Minute in response to the Public Accounts Committee Report No. 66 of July 2016</u> Pages 10 – 11 Enclosure 5 – Pages 82 – 86