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Panel on Home Affairs

**Updated background brief prepared by the Legislative Council Secretariat
for the meeting on 21 December 2017**

Signature Project Scheme

Purpose

This paper provides background information on the Signature Project Scheme ("SPS") and summarizes the major views and concerns expressed by Legislative Council ("LegCo") Members on the subject.

Background

Objective and nature of SPS

2. To fulfill the aspiration of District Councils ("DCs") for carrying out projects of a larger scale in order to meet the specific needs of their districts, the Chief Executive announced in his 2013 Policy Address that a one-off allocation of \$100 million would be earmarked for each district to initiate one to two SPS projects. All the projects have to be proposed, discussed and agreed by DCs before they are put to implementation. The DC concerned must be satisfied that the project will address local needs or be able to highlight the characteristics of the district, having a visible and lasting impact in the community.

3. An SPS project may be works or non-works in nature, or a mixture of both. All SPS projects will be subject to a lower limit of \$30 million and an upper limit of \$100 million. To enhance creativity and flexibility, DCs may partner with relevant non-profit-making organizations ("NPOs"), business organizations, statutory bodies or government departments to implement the SPS projects.

Timeframe and funding approval procedure

4. The Administration has initially set 31 March 2013 as the earliest target for DCs to submit their proposals to the Home Affairs Department ("HAD"), but it appreciates that some DCs may need more time to deliberate on the matter

before submitting their proposal(s) to HAD. DCs will be given a high degree of flexibility to plan and formulate their proposals and can submit their project proposals when considered mature for detailed investigation and planning for implementation. While the Administration did not prescribe that the projects should be completed within the fourth term of DC (2012-2015), it was hoped that the projects could commence or even be accomplished as early as practicable.

5. Regarding the funding approval procedure, DCs are required to follow the established procedures to seek funding approval from LegCo for implementation of individual SPS projects. If an SPS project has a works component, it will be submitted to the Finance Committee ("FC") for funding approval upon obtaining the endorsement of the Public Works Subcommittee ("PWSC"). For projects that are non-works in nature or the non-works components of any SPS projects costing more than \$10 million, they will be submitted directly to FC for funding approval. If the non-works component of an SPS project costs \$10 million or less, the Administration will follow the established mechanism to seek funding approval under delegated authority from within the Government.

Major views and concerns expressed by LegCo Members

6. The views and concerns expressed by LegCo Members on SPS at various committee meetings, including the Panel on Home Affairs ("the Panel"), PWSC and FC, are summarized in the ensuing paragraphs.

Objective and nature of SPS projects

7. Some Members considered that individual DCs should be allowed with flexibility in the planning of SPS projects having regard to their unique and special circumstances. However, the Administration should give directions to DCs on what and how SPS projects should be taken forward and provide yardsticks for DCs to evaluate proposals, so as to facilitate DCs to resolve differences on project(s) to be implemented and assist them in identifying the SPS project(s) that could best cater for the overall needs of local communities.

8. According to the Administration, the objective of SPS was mainly to provide additional resources to DCs for implementing larger scale and sustainable projects to address the specific needs of individual districts. It was the aim of the Government to make the best use of community wisdom in going for SPS. As DCs would have the full discretion to utilize the fund allocated under SPS, it was for individual DCs to decide on the process of evaluation.

Resources support for implementing SPS projects

9. Some Members enquired how the Administration would provide resources to enable DCs to carry out non-works SPS projects. According to the Administration, resources for non-works projects had been earmarked in its annual Estimates of Expenditure. Apart from five time-based civil servant posts created in HAD, additional time-based non-civil servant contract posts would be created in HAD and relevant works departments to support the work of individual DCs.

10. Concern was raised about the arrangements for the management and maintenance of the SPS projects initiated by DCs at a number of Panel meetings as well as the FC meeting on 10 May 2013 and the PWSC meetings on 30 June 2015 and 20 April 2016 when discussing the proposed SPS projects submitted by DCs. The Administration advised that any project that by nature fell within the purview of a government department would be managed and operated by that department, with the recurrent expenditure being borne by the Government after project commissioning. If a DC partnered with an NPO in implementing an SPS project, the NPO would be required to bear the recurrent expenditure of the project. DCs would engage NPOs capable of operating the projects on a self-financing and sustainable basis as partners and use the revenue generated from the SPS projects to meet the recurrent expenditure in order to ensure sustainability of the projects. Furthermore, on a need basis, such as on the prerequisite that a project was not anticipated to be self-sustainable at the initial stage of operation, the DC could set aside a sum of not more than 5% of the construction and associated project costs out of the \$100 million reserved for each district. The fund could be used on a one-off basis to subsidize the costs of initial start-up, management, operation and/or maintenance of the project for up to a maximum of two years immediately after project commissioning. Some Members took the view that the Administration should consider increasing the resources allocated to DCs to facilitate their implementation of larger scale and sustainable SPS projects when the Administration reviewed the way forward for SPS.

11. At the Panel meeting on 10 April 2015, some members expressed concern about why funds were earmarked under some SPS projects for the employment of non-civil service contract ("NCSC") staff, as a total of \$200 million had already been set aside for use by the HAD Headquarters and 18 District Offices to, among others, finance the employment of NCSC staff. The Administration advised that the \$200 million provision was reserved for financing preliminary studies and consultancies and employment of NCSC staff for carrying out the requisite preparatory and support work, whereas the additional allocations by individual DCs were for the purpose of employing NCSC staff to oversee the implementation of the SPS projects. In response to Members' request made at

the PWSC meeting on 20 April 2016, the Administration provided supplementary information on the job duties of NCSC staff vide LC Paper No. PWSC206/15-16(01).

Monitoring of SPS projects

12. Some Members considered it of paramount importance for DCs to uphold the principles of transparency and fairness in the initiation, planning, selection of partner organizations, delivery as well as monitoring of all SPS projects. In their view, a mechanism should be put in place to prevent individual DC members from making use of the SPS projects to gain political capital for themselves, such as building up personal reputation or networks with district organizations. The Administration should request all DCs to conduct district consultation before deciding on whether or not a proposal should be pursued under SPS.

13. Some other Members, however, pointed out that given the experience gained from the implementation of the District Minor Works Programme, DCs would have the ability to discharge their duties effectively and impartially. To improve district administration, they agreed that a monitoring mechanism should be put in place for compliance by 18 DCs in implementing SPS projects.

14. At the PWSC meeting on 13 March 2013, the Administration advised that the SPS projects would be subject to multi-level monitoring, and members of the community might give views on prospective projects by participating in open meetings of DCs and various local consultation forums. Project proposals put forth by DCs would be processed by HAD and subject to LegCo's scrutiny, as DCs were required to follow the established procedures to seek funding approval from LegCo for individual SPS projects. HAD had formulated detailed operational procedures on SPS which set out the rules and principles in respect of the engagement of consultants and contractors as well as the monitoring of project implementation and delivery for compliance by 18 DCs in taking forward signature projects. The SPS projects would be taken forward by DCs with HAD's support and overall coordination to ensure that there was no duplication of work among different government departments during project implementation. DCs would make appropriate arrangements to ensure that public requests for use of the facilities would be handled in a fair and open manner.

15. Some Members expressed concern as to whether sufficient district consultations had been conducted by DCs before deciding whether or not a proposal should be pursued under SPS. They suggested that the Administration should enhance support for DCs to improve their websites on SPS. A thematic webpage should be launched by each DC to provide progress updates on its SPS project(s) to facilitate public monitoring and understanding of the relevant SPS

projects. In response to Members' concern, the Administration provided information on the number of consultations conducted by the 18 DCs for each of their SPS projects and the mechanism for handling opposing views against individual projects (see **Appendix I**).

Progress of the SPS projects

16. Members of the Panel raised concern time and again about the progress and implementation of SPS projects in various districts. Concern was also raised about when the funding applications on these projects would be submitted to LegCo.

17. The Administration advised that all the 18 DCs had agreed on their preliminary SPS proposals. HAD and respective District Offices were working closely with DCs, relevant government bureaux and departments and where applicable, partner organization(s) in taking forward these projects, including examining their technical feasibility, before seeking Members' views and FC's funding approval. The Administration would submit the remaining SPS proposals to the Panel in batches for consideration as soon as the necessary procedures were completed.

18. There was also concern over the impact of the prolonged proceedings of PWSC and FC meetings on the commissioning of SPS projects proposed by DCs. In some Members' view, it would be desirable that the proposed SPS projects could be commenced or implemented within the fourth term of DC. There was a view that the Administration should delegate the power of approving the funding proposals for SPS projects to DCs, so as to fulfill the Government's promise to delegate more power to DCs upon the abolition of the two former Municipal Councils. Some Members also requested the Administration to consider seeking one-off funding approval from FC to meet the costs for implementing all the SPS projects, so as to expedite implementation of SPS. The Administration advised that all DCs were required to follow the established funding application procedures for implementation of SPS projects. The Administration was also obliged to adhere to the relevant procedures in processing all funding applications in order to ensure prudent use of public funds.

19. Some members expressed grave concern about the progress of SPS projects, and requested the Administration to explain how it would deal with the situation in which a certain project was not yet approved by FC before the prorogation of the Fifth LegCo and whether the DC concerned would have to carry out afresh the preliminary studies and consultation work for the project in question. The Administration advised that in the event that the funding proposals for these projects eventually were not approved by FC before the

prorogation of the Fifth LegCo, the relevant DCs would consider the way forward having regard to district circumstances.

20. Members may wish to note that before the prorogation of the Fifth LegCo, a total of 27 SPS projects¹ had been proposed by the 18 DCs, of which 26 had been considered by the Panel and 23 had obtained funding approval from FC.

Latest development

21. The Administration will consult the Panel on the SPS projects of Southern DC, Wan Chai DC and Kwun Tong DC at the next meeting on 21 December 2017.

Relevant papers

22. A list of the relevant papers on the LegCo website is in **Appendix II**.

Council Business Division 2
Legislative Council Secretariat
15 December 2017

¹ The 27 projects included one project proposed by the Southern DC ("SDC"). However, on 17 March 2016, SDC agreed to shelve the implementation of its proposed project having regard to various factors, and would proceed to identify alternative project proposal(s) and conduct public consultation.

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26 February 2016

Ms Joanne MAK
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[Fax No.: 2509 9055]

Dear Ms Mak,

**Panel on Home Affairs
Follow up to Meeting on 18 January 2016**

The Panel on Home Affairs discussed the Signature Project Scheme (SPS) projects of the Eastern District, Kowloon City District and Tai Po District at its meeting on 18 January 2016. At the meeting, a member requested information on the number of consultations conducted by the 18 District Councils (DCs) for each of their signature projects and the mechanism for handling opposing views against individual projects. Our response is set out in the ensuing paragraphs.

In accordance with the policy regarding SPS, all projects are for the DCs to advocate and decide. DCs are responsible for spearheading their implementation, including conducting district consultations, preparing implementation plans, monitoring the progress and assessing the effectiveness of the projects etc.

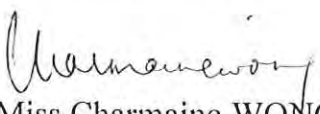
With regard to consultation on SPS projects, DCs adopted suitable channels having regard to the local circumstances to consult residents and

organisations and then discussed to select their SPS projects. During project implementation, DCs continue to hold different forms of public engagement and publicity activities to collect the views of residents and enhance their understanding of the projects. Consultation channels include public consultation sessions, briefing sessions, focus groups, questionnaire surveys, DC Members' consulting residents in their respective constituencies, views collection and information dissemination through DC websites.

DCs have considered the public views received and incorporated them in the projects, where appropriate. For instance, DCs have examined the feasibility and potential benefits to the districts of other project proposals before making the selection. In the course of design, DCs will actively discuss and examine local views on project details, such as project planning, operational arrangements, details of services etc., and adopt suitable and viable suggestions as far as possible to refine the design or operation plan, with a view to better addressing local needs. For any concerns or views raised by local residents or organisations on other aspects of the projects such as potential benefits to the residents, adequacy of the proposed facilities, or possible traffic and environmental impacts on the neighbouring areas, DCs would communicate with the residents or representatives of the organisations concerned and elaborate on the objectives, details and operational arrangements to allay their concerns as far as possible. Where appropriate, they would also be invited to attend meetings of the DCs or the relevant committees for direct exchanges. In addition, with regard to the concerns of the residents or organisations, DCs may, as appropriate, make available a dedicated session on their websites, issue press release or make media interviews, etc. so as to provide detailed explanation and correct information.

The implementation of SPS serves to achieve the objective of enhancing district administration by enabling DCs to implement projects of a larger scale at the district level with a view to addressing local needs. The 18 DCs will continue to communicate with local residents and organisations and disseminate information on their SPS projects through different suitable channels to promote stakeholders' understanding of the details of the projects.

Yours sincerely,


(Miss Charmaine WONG)
for Director of Home Affairs

Appendix II

Relevant papers on Signature Project Scheme

Committee	Date of meeting	Paper
Panel on Home Affairs ("HA Panel")	18.1.2013 (Item IV)	Agenda Minutes
	18.2.2013 (Item V)	Agenda Minutes
Public Works Subcommittee ("PWSC")	13.3.2013 (Item No. 1 - PWSC(2012-13)59)	Agenda Minutes
Finance Committee ("FC")	10.5.2013 (Item No. 1 - FCR(2013-14)2)	Agenda Minutes
HA Panel	10.1.2014 (Item IV)	Agenda Minutes
FC	11.7.2014 (Item No. 18 - FCR(2014-15)21)	Agenda Minutes
HA Panel	23.7.2014 (Item III)	Agenda Minutes
	12.12.2014 (Item IV)	Agenda Minutes
	24.3.2015 (Item V)	Agenda Minutes
	10.4.2015 (Item V)	Agenda Minutes
FC	17.4.2015 (Item No. 2 - FCR(2015-16)2)	Agenda Minutes

Committee	Date of meeting	Paper
HA Panel	11.5.2015 (Item V)	Agenda Minutes
PWSC	30.6.2015 (Item No. 1- PWSC(2015-16)32 and Item No. 16 - PWSC(2015-16)43)	Agenda Minutes
HA Panel	17.7.2015 (Item IV)	Agenda Minutes
FC	14.7.2015 (Item No. 1 – FCR(2015-16)29)	Agenda Minutes
HA Panel	18.1.2016 (Item IV)	Agenda Minutes
PWSC	16.3.2016 (Item No. 2- PWSC(2015-16)58)	Agenda Minutes
HA Panel	12.4.2016 (item IV)	Agenda Minutes
PWSC	20.4.2016 (Item No. 1- PWSC(2016-17)2)	Agenda Minutes
FC	22.4.2016 (Item No. 9 – FCR(2015-16)36)	Agenda Minutes
	13.5.2016 (Item No. 1 – FCR(2016-17)20)	Agenda Minutes

Committee	Date of meeting	Paper
FC	10.6.2016 (Item No. 5 & 6 – FCR(2016-17)40 & 41)	Agenda Minutes
PWSC	11.6.2016 (Item No. 1- PWSC(2016-17)22)	Agenda Minutes
	15.6.2016 (Item No. 1- PWSC(2016-17)4)	Agenda Minutes
	20.6.2016 (Item No. 1- PWSC(2016-17)4)	Agenda Minutes
FC	28.6.2016 (Item No. 1- FRC(2016-17)57)	Agenda Minutes
	12.7.2016 (Item No. 5- FRC(2016-17)69)	Agenda Minutes

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