

立法會
Legislative Council

LC Paper No. CB(1)730/18-19
(These minutes have been
seen by the Administration)

Ref : CB1/PL/DEV

Panel on Development

Minutes of meeting
held on Tuesday, 27 November 2018, at 2:30 pm
in Conference Room 1 of the Legislative Council Complex

Members present : Hon LEUNG Che-cheung, SBS, MH, JP (Chairman)
Hon Kenneth LAU Ip-keung, BBS, MH, JP (Deputy
Chairman)
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon CHAN Hak-kan, BBS, JP
Hon CHAN Kin-por, GBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon Frankie YICK Chi-ming, SBS, JP
Hon CHAN Chi-chuen
Hon CHAN Han-pan, BBS, JP
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Dr Hon Elizabeth QUAT, BBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting

Hon Holden CHOW Ho-ding
Hon Wilson OR Chong-shing, MH
Hon CHAN Chun-ying, JP
Hon Tanya CHAN
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung
Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
Hon Gary FAN Kwok-wai
Hon Vincent CHENG Wing-shun, MH
Hon Tony TSE Wai-chuen, BBS

Member attending : Hon AU Nok-hin

Members absent : Hon Abraham SHEK Lai-him, GBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon MA Fung-kwok, SBS, JP
Hon Jeremy TAM Man-ho

Public officers attending : **Agenda item III**

Mr LAM Sai-hung, JP
Permanent Secretary for Development (Works)

Mr John KWONG Ka-sing
Head of Project Cost Management Office
Development Bureau

Mr Joseph LO Kwok-kuen
Chief Assistant Secretary for Development (Works)¹

Agenda item IV

Ms Margaret HSIA Mai-chi
Principal Assistant Secretary for Financial Services
and the Treasury (Treasury) (Works)

Mr David LAM Chi-man
Principal Assistant Secretary for Development
(Planning & Lands)⁵

Mr Joseph LO Kwok-kuen
Chief Assistant Secretary for Development (Works)1

Mr Chris FUNG Pan-chung
Principal Assistant Secretary for Food and Health
(Health)3

Mr Albert CHEUNG Ka-lok
Assistant Director/Specialist 3
Lands Department

Ms Lily CHIU Lee-lee
Chief Estate Surveyor/Acquisition
Lands Department

Mr LEUNG Kam-pui
Assistant Director (Property Services)
Architectural Services Department

Mr Dennis LAW Kar-cheuk
Chief Property Services Manager (3)
Architectural Services Department

Mr MAK Ka-wai, JP
Deputy Director
Drainage Services Department

Mr Ricky LAU Chun-kit, JP
Director of Civil Engineering and Development

Dr Samuel CHUI Ho-kwong
Assistant Director (Waste Infrastructure Planning)
Environmental Protection Department

Mr Tony CHEUNG Wai-hung
Principal Environmental Protection Officer (Waste
Management Policy)
Environmental Protection Department

Mr CHUI Wing-wah
Deputy Director of Highways

Mr Sam LAM Sai-wing
Chief Engineer 1/Major Works
Highways Department

Ms Eugenia CHUNG Nga-chi, JP
Assistant Director (2)
Home Affairs Department

Mr Martin KWAN Wai-cheong
Chief Engineer (Works)
Home Affairs Department

Miss Winnie WONG Ming-wai
Deputy Secretary-General (1)
University Grants Committee Secretariat

Mr LEE Sin-wah
Chief Maintenance Surveyor (School Premises
Maintenance)
Education Bureau

Ms PING Tak-wai
Senior Maintenance Surveyor (School Premises
Maintenance)
Education Bureau

Mr Alex WONG Kwok-chun
Assistant Director (Subventions)
Social Welfare Department

Mr Sebastian TSE Shu-to
Chief Social Work Officer (Elderly)²
Social Welfare Department

Mr NG Yiu-hing
Chief Executive Officer (Planning)¹ (Acting)
Social Welfare Department

Mr CHAU Sai-wai, JP
Deputy Director of Water Supplies

Mr Michael HONG Wing-kit
Chief Civil Engineer (Public Works Programme)
(Acting)
Transport and Housing Bureau

Agenda item V

Ms Bernadette LINN, JP
Permanent Secretary for Development (Planning &
Lands)

Mr Jackie LIU
Principal Assistant Secretary for Development (Planning
& Lands)7

Mr Mike NG
Assistant Secretary for Development (Planning)4

Mr Alan LO
Assistant Director (Specialist 2)
Lands Department

Clerk in attendance : Ms Doris LO
Chief Council Secretary (1)2

Staff in attendance : Miss Rita YUNG
Senior Council Secretary (1)2

Mr Keith WONG
Council Secretary (1)2

Ms Christina SHIU
Legislative Assistant (1)2

Action

- I Information paper(s) issued since the last meeting**
(LC Paper No. CB(1)74/18-19(01) — Administration's response
to the letter dated 13
September 2018 from

Hon Wilson OR on reviewing the tree management system [LC Paper No. CB(1)1416/17-18(01)]

Members noted that the above information paper had been issued since the last meeting on 23 October 2018.

2. Mr Tony TSE and Mrs Regina IP requested the Administration to update members on the professional standard of the Tree Management Office of the Development Bureau ("DEVB"), with an explanation on its staffing establishment and the professional qualifications of its staff. They would also like to be briefed on the recruitment progress of the Head of Greening, Landscape and Tree Management Section of DEVB. The Chairman took note of Mr TSE's and Mrs IP's views and instructed the Clerk to relay their views to the Administration.

(Post-meeting note: Mr TSE's and Mrs IP's views were reflected on the list of outstanding items for discussion by the Panel, and brought to the attention of the Administration thereby.)

II Items for discussion at the next meeting

(LC Paper No. CB(1)190/18-19(01) — List of outstanding items for discussion

LC Paper No. CB(1)190/18-19(02) — List of follow-up actions)

3. Members agreed that the next regular meeting would be scheduled for Wednesday, 19 December 2018, from 2:30 pm to 5:15 pm to discuss the following items proposed by the Administration:

- (a) Proposed creation of two directorate posts in the Government Property Agency to support the implementation of "Single Site, Multiple Use" initiative;
- (b) PWP Item No. 6188TB — Footbridge near MTR Kowloon Bay Station Exit B;
- (c) Implementation of Electronic Submission Hub; and
- (d) Measures to revitalize industrial buildings.

(Post-meeting note: The item on "Strengthening the staffing of the Civil Engineering and Development Department, Lands Department and Planning Department to enhance land supply" was not discussed at the meeting on 27 November 2018 due to insufficient meeting time. At the request of the Administration and with the concurrence of the Chairman, an item on "Strengthening the staffing of the Civil Engineering and Development Department, Lands Department, Planning Department and Government Property Agency to enhance land supply" was included in the agenda of the December meeting (Item IV) to cover the above carried-over item and item (a) above, with a view to facilitating discussion on the staffing proposals that were related to strengthening departmental manpower for enhancing land supply. On the instruction of the Chairman, the scheduled meeting time on 19 December 2018 was extended to 5:30 pm to allow more time for discussion. Members were informed of the changes on 4 December 2018 vide LC Paper No. CB(1)255/18-19.)

III Strengthening cost management and uplifting performance of public works projects

(LC Paper No. CB(1)35/18-19(05) — Administration's paper on strengthening cost management and uplifting performance of public works projects)

4. With the aid of a powerpoint presentation, Head of Project Cost Management Office, Development Bureau ("Head/PCMO/DEVB"), briefed the Panel on the proposal to upgrade and expand the Project Cost Management Office ("PCMO") to the Project Strategy and Governance Office ("PSGO") on 1 April 2019, so as to strengthen cost management and uplift the performance of public works projects. In this connection, the Administration would seek the recommendation of the Establishment Subcommittee ("ESC") and the approval of the Finance Committee ("FC") to (a) create one permanent Principal Government Engineer ("PGE") post to head PSGO, and (b) convert a time-limited Government Engineer ("GE") post in PCMO to a permanent GE post.

(Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members vide LC Paper No. CB(1)233/18-19(01) by email on 28 November 2018.)

Major achievements of the Project Cost Management Office

5. Mr Tony TSE, Mr CHAN Chun-ying and Mrs Regina IP noted that PCMO had managed to achieve a cost saving of \$27 billion since its establishment after scrutinizing 130 projects with estimated cost of \$260 billion. Mr TSE asked about the breakdown of the cost saved in terms of types of works (i.e. civil engineering works or building works) and types of/reasons for cost saved (e.g. labour cost, material cost, optimization of design or work process, etc.). Mrs IP made a similar enquiry. Mr CHAN asked about the number of projects which had been completed among the 130 projects scrutinized, whether these projects were completed within budget, and whether the cost saving was attributed to the fact that the actual expenditure on contingencies was less than the budgeted amount. The Administration undertook to provide a written response to members' questions after the meeting.

(Post-meeting note: The Administration's written response was circulated to members vide LC Paper No. CB(1)347/18-19(01) on 17 December 2018.)

Role and function of the Project Strategy and Governance Office

6. Some members pointed out that the public was very concerned about the cost overruns and programme delays of public works projects. Mr Gary FAN and Dr Elizabeth QUAT asked about the stage of programme implementation at which the proposed PSGO would start to intervene in the cost management of public works projects. Mr LAU Kwok-fan asked whether PSGO would keep on monitoring the development of the projects throughout the construction stage.

7. In response, Head/PCMO/DEVB explained that due to resources constraints, the existing PCMO had been focusing on projects which were due for submission to FC for funding approval. This snap-shot approach at such late stage was effective, but as the project design was often maturely developed for funding application, there was limited room for design optimization and hence less room for project cost saving. The proposed PSGO would tighten up project cost management and control throughout the implementation programme of public works projects to capitalize on all opportunities for cost saving, step up control on project budget and expenditure to curb cost overrun and programme delay, as well as conduct the project vetting process starting from inception stage (i.e. when a Category C works project was going to be established) with regular reviews and follow-up actions to track the development of projects through

detailed design and till funding application stage. PSGO would also expand the scope of cost control to projects at construction stage, and monitor the performance of the projects on a continuous basis until project completion.

8. Mr Gary FAN asked whether the work of PSGO would overlap with the existing project monitoring role of the responsible works departments. Dr CHENG Chung-tai asked whether PSGO could terminate the implementation of a works project if it considered that the project design was not cost-effective. Mr Tony TSE relayed the views of some project staff of the works departments that the existing PCMO had pushed for cost reduction even in the expenses of practicability and project constraints in some cases.

9. Permanent Secretary for Development (Works) ("PS/DEV(W)") responded that the role of PSGO was to carry out independent third party scrutiny of the estimates of public works projects at the planning and design stage to ensure their cost-effectiveness. PSGO aimed to achieve better cost management, but not necessarily cost reduction, through option formulation and design optimization. Authorities playing a similar role to safeguard the performance of public works projects were also established in some other jurisdictions.

10. Expressing concerns over many precedent cases of cost overrun of public works projects seeking supplementary funding approval from FC, Dr KWOK Ka-ki enquired how the proposed PSGO would minimize the risk of cost overrun and the need for seeking approval for supplementary funding provisions for public works projects. With regard to public works projects that involved high estimated cost (such as the Lantau Tomorrow Vision), Dr KWOK asked about the role PSGO would play in the cost management and control of such projects from the inception stage and whether it would advise on the cost effectiveness of such projects. Given that the construction works of public works projects were often contracted out to the private construction sector, the Deputy Chairman asked about how the terms and conditions of public works contracts could be improved to minimize the risk of budget overrun.

11. In response, PS/DEV(W) said that the Administration had been piloting the use of the New Engineering Contract ("NEC") since 2009. Through effective provisions, this contractual partnering contract form could foster an environment for the contracting parties to complete the works on time and within budget. The target cost option of NEC, which was generally more suitable for relatively large scale and complex projects, featured a pain-gain share mechanism under an open-book environment

whereby the contracting parties were required to bare cost overrun and entitled to share savings from the target cost, and hence provided a common objective for the contracting parties to enhance project management and cost control.

12. At the request of the Chairman, the Administration would provide a written response to Dr KWOK's questions after the meeting.

(Post-meeting note: The Administration's written response was circulated to members vide LC Paper No. CB(1)347/18-19(01) on 17 December 2018.)

13. The Deputy Chairman asked whether the proposed PSGO would review and follow up on those projects with cost overruns, so as to analyze the underlying reasons thereby enhancing abilities in cost surveillance in future. PS/DEV(W) replied in the affirmative.

14. The Chairman expressed support for the early stage involvement by the proposed PSGO in project cost management and control in the implementation programme of public works projects. He referred to the proposed elevated pedestrian corridor in Yuen Long Town connecting with Long Ping Station, of which the estimated cost of the project was over \$1,700 million in money-of-the-day prices. He asked about whether, from PCMO's point of view, the estimated cost of the project could be further lowered.

15. In response, Head/PCMO/DEVB said that the existing PCMO had vetted the design and cost estimates of the proposed elevated pedestrian corridor in Yuen Long Town. While the construction cost of the elevated structure was comparable to other similar projects, its total construction cost was found to be higher than that of other similar projects mainly due to such works complications as the presence of caverns underneath the project site that necessitated the use of a more costly method to lay the foundation. That said, despite the comparatively higher cost level, the scheme adopted for the proposed elevated pedestrian corridor was expected to meet the aspiration of the local community. He stressed that the Administration would ensure that the designs for public works projects had strictly observed the principles of "fitness-for-purpose" and "no-frills".

16. Mr LAU Kwok-fan asked whether the Administration would review and, if necessary, amend the Buildings Ordinance (Cap. 123) and related regulations to eliminate outdated and overlapping requirements so as to facilitate cost savings in some works procedures. In response, PS/DEV(W) said that a high-level working group led by DEVB and

comprising senior directorates from works departments had been established to comprehensively review relevant requirements and policies.

17. Mr LAM Cheuk-ting and Dr KWOK Ka-ki referred to the cost overruns and programme delays of railway projects in recent years, including the Shatin to Central Link and the Hong Kong section of Guangzhou-Shenzhen-Hong Kong Express Rail Link. They enquired about the role of the proposed PSGO in cost surveillance and project governance of railway projects entrusted to the MTR Corporation Limited under service concession agreement for project delivery in future. At the request of the Chairman, the Administration would provide a written response to their question after the meeting.

(Post-meeting note: The Administration's written response was circulated to members vide LC Paper No. CB(1)347/18-19(01) on 17 December 2018.)

18. Mr CHAN Chun-ying asked about how the newly established Project Surveillance System ("PSS") to be used by PSGO and works departments could provide early warning signals to the senior management for necessary early step-in for project cost control. Mr AU Nok-hin asked about the reason for exempting projects involving consultancy studies and investigation works only from PSS.

19. Head/PCMO/DEVB advised that PSS was established based upon the cashflow data of over 600 projects completed in the past 20 years, and had taken into account all the typical characteristics of the projects under the Capital Works Programme. It was a powerful tool for monitoring project progress and could provide predictive analysis for forecasting the cost and time performance of on-going projects. With the aid of PSS, the Administration aimed to facilitate works departments to foresee challenges or potential problems of on-going projects. PS/DEV(W) said that PSS would not apply to consultancy studies and investigation works as they did not involve construction works per se.

20. Mr AU Nok-hin referred to the feasibility study commissioned by DEVB in 2012 on applying Reference Class Forecasting in major roadworks projects in Hong Kong and establishing reference classes for them. He asked about the list of the 25 roadworks projects which were selected under the study to establish the reference class of major roadworks projects. The Administration undertook to provide the requested information after the meeting.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)465/18-19(01) on 15 January 2019.)

21. In respect of the funding proposals in relation to the proposed artificial islands in the Central Waters, Mr AU Nok-hin enquired about whether the Administration would consider adopting the "Norwegian Proposal" approach to provide three options, namely the main option, a back-up alternative and a "no-go" option, to enable Members and the public to compare the merits and demerits of the various options in terms of cost and effectiveness. At the request of the Chairman, the Administration would provide a written response to Mr AU's question after the meeting.

(Post-meeting note: The Administration's written response was circulated to members vide LC Paper No. CB(1)465/18-19(01) on 15 January 2019.)

22. Mr LAM Cheuk-ting referred to Chapter 8 on "Sha Tin Section of Route 8" of the Director of Audit's Report No. 70, which revealed the contractual disputes between the Highways Department ("HyD") and the contractor as well as the consultant involved in the construction project of the Lai Chi Kok Viaduct. The disputes were mainly related to the design for viaduct structure and erection. Subsequently, HyD and the contractor agreed to settle all the disputes under the construction contract at an extra-contractual settlement sum of \$273 million on a "without admission of liability" basis. On the other hand, the consultant, also on a "without admission of liability" basis, agreed to pay an extra-contractual settlement sum of \$133.1 million to settle all the disputes under the consultancy contract. Mr LAM noted with concern that the Administration was not required to seek approval from FC for the payment of the extra-contractual settlement sum, given that the total project cost was still within the approved funding. He opined that the Administration should report back to FC in cases of similar payment of extra-contractual settlement sum made by the Administration in respect of public works projects in future. PS/DEV(W) took note of Mr LAM's views.

Need for the creation of directorate posts

23. Mr Tony TSE and Mr CHAN Chun-ying asked about the justification for the proposed creation of one PGE (D3) post to head the proposed PSGO. Mr TSE also asked about the reason for appointing an Engineer Grade staff, rather than other professional officers, such as architects and surveyors, as the Head of the proposed PSGO.

Mrs Regina IP said that she was not convinced of the need for the creation of the permanent PGE (D3) and GE (D2) posts.

24. PS/DEV(W) responded that, as announced in the 2018 Policy Address, the Government would upgrade PCMO and expand its establishment and functions for implementing strategic initiatives and enhancing capabilities in cost surveillance and project governance. The Administration would adopt a comprehensive approach to strengthen cost management and uplift the performance of public works projects. The major new initiatives included (a) strengthening the existing gateway process for cost management; (b) enhancing project delivery capability; (c) leading strategic developments to enhance cost-effectiveness; and (d) enhancing collaboration with international counterparts and local industry stakeholders. To enable successful implementation of the initiatives, PSGO needed to have high-level leadership who could provide professional, strategic and overarching steering for devising, developing and promoting the relevant measures. As the Head of PSGO would also need to report directly to the senior management, the Administration considered it appropriate for the post to be pitched at D3 rank.

25. PS/DEV(W) further said that, based on the experience of the existing PCMO, the expertise and experience of its directorate officers in project design, construction methods and project management, etc. throughout the entire life cycle of various types of public works projects were of paramount importance in effectively performing its functions. Their extensive and in-depth professional knowledge and experience in leading, implementation and governance of public works projects would be the pre-requisites for leading PSGO in taking forward the new initiatives. Further, their effective mastering and managing of Capital Works Programme and the overall situation of construction industry would also be indispensable for providing professional, strategic and holistic steer for PSGO. While stressing that it would be more appropriate for a PGE to take up the proposed post of Head of PSGO (D3), PS/DEV(W) supplemented that PSGO would be a multi-disciplinary office supported by necessary professional staff including architects, engineers, quantity surveyors, etc..

Proposed Centre of Excellence for Major Project Leaders ("CoE")

26. Dr Elizabeth QUAT and Mrs Regina IP expressed concerns about the purpose of establishing CoE. Dr QUAT asked about the difference between the proposed CoE and the proposed civil service college announced in the Chief Executive's 2017 Policy Address. PS/DEV(W) responded that the proposed civil service college aimed to further enhance

training for civil servants in general in the areas of leadership, interactive communication with the public, etc.. The proposed CoE would provide structured, sustained and contemporary high-level project leadership training in the coming three years by batches for about 150 to 200 numbers of major project leaders, mainly comprising directorate officers (D2 or above), so as to enhance project delivery performance and more cost-effective investment of public money under the Capital Works Programme.

27. Noting that the Administration had earmarked \$69.5 million for establishing and operating CoE from 2019 to 2022, as well as conducting consultancy studies on enhancing performance and delivery capability of public works projects, and that CoE would provide training for only 150 to 200 officers in three years, Dr Elizabeth QUAT and Mrs Regina IP questioned the high unit cost for training an officer. In response, PS/DEV(W) said that the proposed CoE would provide high-level training for major project leaders for uplifting project delivery capability and hence leading to better project delivery performance and more cost-effective investment of public money under the Capital Works Programme. Many jurisdictions, including Australia, Singapore and the United Kingdom, had already taken a proactive approach towards providing major project leadership training for personnel responsible for the implementation of major public projects. The estimation of the operating cost of CoE was made after taking reference from similar institutions in other jurisdictions. The Administration would strive to reduce the cost by adopting suitable procurement approach and by developing synergy with the working partners.

28. Dr Elizabeth QUAT asked about the rank/grade of officers who would be eligible for participating in the training programme provided by the proposed CoE, how these officers would be selected, and the details of the training programme. The Administration undertook to provide a written response to Dr QUAT's questions after the meeting.

(Post-meeting note: The Administration's written response was circulated to members vide LC Paper No. CB(1)347/18-19(01) on 17 December 2018.)

Submission of the staffing proposal to the Establishment Subcommittee

29. The Deputy Chairman said that members belonging to the Business and Professionals Alliance for Hong Kong supported the submission of the staffing proposal to ESC for consideration. Mr LAU Kwok-fan and Mr Tommy CHEUNG respectively stated that members belonging to the

Democratic Alliance for the Betterment and Progress of Hong Kong and the Liberal Party supported the staffing proposal. Mr Tony TSE and Mr CHAN Chun-ying also expressed support for the proposal. Dr KWOK Ka-ki said that while he did not oppose the submission of the staffing proposal to ESC for consideration, the Administration should provide a written response to his questions after the meeting.

30. Mr LAM Cheuk-ting and Mr Gary FAN said that they would need to further consider whether to support the submission of the staffing proposal to ESC for consideration. Dr CHENG Chung-tai and Mrs Regina IP indicated that the justifications provided by the Administration could not adequately convince them to support the staffing proposal.

31. Concluding the discussion, the Chairman called on the Administration to take note of members' views and queries on various issues related to the staffing proposal.

IV Capital Works Reserve Fund block allocations for 2019-2020

(LC Paper No. CB(1)190/18-19(03) — Administration's paper on Capital Works Reserve Fund block allocations for 2019-2020)

Relevant paper

(LC Paper No. CB(1)215/18-19(01) — Letter dated 23 November 2018 from Dr Hon Fernando CHEUNG Chiu-hung)

32. At the invitation of the Deputy Chairman, Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works), Financial Services and the Treasury Bureau ("PAS(T)(W), FSTB"), briefed members on the funding proposal to be submitted to the Public Works Subcommittee ("PWSC") and FC for the Capital Works Reserve Fund ("CWRF") block allocations for 2019-2020, comprising a total allocation of \$14,981.1 million, of which \$10,712.9 million were works-related. The block allocations covered a wide range of public works such as landslip preventive measures, refurbishment for government buildings, drainage works, waterworks and pedestrian walkways, etc, with over 10 000 proposed items, of which 9 000 were on-going items.

33. The Deputy Chairman reminded members that in accordance with Rule 83A of the Rules of Procedure of the Legislative Council ("LegCo"), they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion at the meeting before they spoke on the subjects.

Head 701 Land Acquisition

Subhead 1100CA – Compensation and ex-gratia allowances in respect of projects in the Public Works Programme

34. Dr CHENG Chung-tai noted that the proposed allocation under Head 701 for 2019-2020 would increase by about 96% comparing with the 2018-2019 allocation, and he asked whether the significant increase was mainly arising from the expenditure for compensation and ex-gratia ("EGA") allowances for land acquisition in respect of the Kwu Tung North New Development Area ("NDA") and Fanling North NDA projects. Dr CHENG, Mr CHAN Chi-chuen and Mr LAU Kwok-fan noted that the estimate for the new item "The development of Kwu Tung North New Development Area and Fanling North New Development Area – advance stage and first stage" for 2019-2020 alone would be over a billion dollars, and they asked about the details, including whether the estimate covered only the advance and first stages, or also the latter stage(s) of the two NDA projects. Mr CHAN asked how the Administration had arrived at this cost estimate.

35. Assistant Director/Specialist 3, Lands Department ("AD/S3, LandsD") responded that in accordance with the existing practice, funding was earmarked under the CWRP block allocations for compensation expenses and EGA payment for land resumption and clearance exercises which might incur expenditure for the coming financial year. In view of the planned implementation of the advance and first stages of the Kwu Tung North NDA and Fanling North NDA projects, the Administration had, based on the area of the land involved and the prevailing compensation mechanism, made an estimation for 2019-2020 for timely disbursement of compensation and EGAs to the claimants as and when required, but the Government would follow the undertaking and proceed with the land resumption and clearance only after obtaining FC's funding approval for the main works projects. When submitting the relevant funding proposal of the main works projects to FC for approval, the Administration would provide relevant details on the number of affectees and the estimated amount of compensation and EGA expenses to be incurred.

36. In response to Mr Andrew WAN's further enquiry, AD/S3, LandsD said the development of Kwu Tung North NDA would involve 784 pieces of private land with a total area of about 68 hectares, and about 100 hectares of government land to be acquired/cleared. It was estimated that about 445 households, involving about 1 160 residents, and about 141 business operators in the area would be affected.

37. Mr LAU Kwok-fan pointed out that some households affected by the latter stage of the North East New Territories NDA projects were ready to hand over their land and structures in the hope of finalizing the rehousing arrangement earlier. He asked whether the Administration would allow them to hand over their land before the commencement of the latter stage of the projects. AD/S3, LandsD said the Government had been communicating with the households concerned, and could consider exercising discretion if necessary and as appropriate if they wished to hand over their land and structures after the land resumption for the advance and first stage was commenced.

38. Dr Helena WONG and Ms Tanya CHAN enquired about the scope of expenditure involved in respect of the item "Hong Kong section of Guangzhou-Shenzhen-Hong Kong Express Rail Link" ("HKS of XRL"). AD/S3, LandsD responded that the project estimate would be used on compensation for private land acquisition resulting from the main works of HKS of XRL, and undertook to provide the requested information after the meeting. As the negotiations with the landowners were still in progress, the Government was not able to project the time needed for settling all compensation cases at this stage.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)317/18-19(01) on 11 December 2018.)

Head 703 Buildings

Subhead 3004GX – Refurbishment of government buildings for items in Category D of the Public Works Programme

39. Pointing out that the theatre and lecture hall of Sheung Wan Civic Centre would be temporarily closed from January to March in 2019, Mr CHAN Chun-ying asked whether the closure of the facilities was related to the commencement of the item "Refurbishment of foyer, theatre, lecture hall and toilets in Sheung Wan Civic Centre — Theatre". Assistant Director (Property Services), Architectural Services Department ("AD(PS), ASD") said the temporary closure of the said facilities in 2019

was not related to the refurbishment works that were planned to start in the fourth quarter of 2020 for completion by the fourth quarter of 2021.

Subhead 3101GX – Minor building works for items in Category D of the Public Works Programme

40. Mr CHAN Chun-ying enquired about the details of the item "Replacement of BrandHK LED sign on the rooftop of the Queensway Government Offices", and asked whether the "flying dragon" logo currently in use to promote BrandHK would be replaced with a new design. AD(PS), ASD said the project mainly involved the replacement of the existing LED sign on the rooftop of the Queensway Government Offices with a new advertising screen with updated features. The "flying dragon" logo would not be replaced under this project.

41. Dr Fernando CHEUNG asked about the scope of the item "Proposed conversion of the existing vacant school premises for setting up of a new integrated vocational training centre at 1D Oxford Road, Kowloon Tong", and whether the vacant school premises after conversion would be used to re-provision the Shine Skills Centre (Kwun Tong).

42. AD(PS), ASD said the improvement works at the vacant school premises would include installation of barrier-free facilities, upgrade of the electrical installation and fire services system, as well as building repair works, and were expected to be completed by the third quarter of 2021. Yet, the Government had yet to decide whether to open a new skills training centre or re-provision an existing one at the vacant premises.

43. At the further request of Dr Fernando CHEUNG, the Administration undertook to provide details including the age and floor area of the vacant school premises, and a comparison of the age and floor area of the vacant school premises and the existing building of the Shine Skills Centre (Kwun Tong).

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)317/18-19(01) on 11 December 2018.)

44. Mr Alvin YEUNG and Ms Tanya CHAN questioned the justification of the item "Alteration and improvement works for Y Loft of Youth Square, Chai Wan", given that the premises of Y Loft of Youth Square had been in use for only around ten years. They requested the Administration to provide details of the project, including the scope of and justifications for the improvement works, and whether the cost of the improvement

works would be borne by the operator of Y Loft under the tenancy agreement signed between the operator and the Administration.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)317/18-19(01) on 11 December 2018.)

Head 705 Civil Engineering

Subhead 5001BX – Landslip Preventive Measures

45. Mr Tony TSE asked why the estimate for 2019-2020 under the subhead "Landslip Preventive Measures" dropped by 2.07%, comparing with the 2018-2019 allocation. Pointing out that many trees on natural hillsides were damaged or fallen during super typhoon Mangkhut in September 2018, he enquired whether the Administration would allocate sufficient resources for slope inspections to prevent landslips.

46. Director of Civil Engineering and Development ("DCED") said since 2010, the Civil Engineering and Development Department ("CEDD") had been implementing the Landslip Prevention and Mitigation Programme ("the Programme") to mitigate landslide risk associated with both man-made slopes and natural hillside catchments. Under the Programme, CEDD targeted to upgrade 150 government man-made slopes, conduct safety-screening studies on 100 private man-made slopes, and implement studies and necessary risk mitigation works for 30 natural hillside catchments annually. In addition, CEDD had engaged international geotechnical experts to provide advice to improve slope safety. CEDD also explored the feasibility to adopt new technologies to enhance monitoring of slope conditions and safety.

Subhead 5101CX – Civil engineering works, studies and investigations for items in Category D of the Public Works Programme

47. Mr CHAN Chi-chuen enquired about the details of the item "Further studies on climate change with Hong Kong Observatory", and asked whether the studies would cover the topic on the impact of extreme weather on the proposed development of artificial islands in the Central Waters between Hong Kong Island and Lantau. Mr AU Nok-hin requested the Administration to provide information including the scope and timetable of the studies.

(*Post-meeting note*: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)317/18-19(01) on 11 December 2018.)

48. DCED said that under the studies, sensitivity tests under simulated scenarios where Hong Kong was directly hit by super typhoons along different paths and under different wind speeds would be conducted to assess their impacts on the existing critical public infrastructures in Hong Kong. This would help in formulating relevant contingency measures or emergency preparedness.

49. Mr AU Nok-hin requested the Administration to provide supplementary information on the outcomes of the "Technical Study on Transport Infrastructure at Kennedy Town for Connecting to East Lantau Metropolis".

(*Post-meeting note*: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)317/18-19(01) on 11 December 2018.)

Subhead 5101DX – Environmental works, studies and investigations for items in Category D of the Public Works Programme

50. Mr Gary FAN enquired about the progress of the item "Development of a community green station at Sai Kung". Principal Environmental Protection Officer (Waste Management Policy), Environmental Protection Department said that the construction works of the community green station at Sai Kung ("Sai Kung CGS") were currently underway, and expected to be completed by 2019 upon which the Government would invite tenders for the operation of Sai Kung CGS.

Head 706 Highways

Subhead 6100TX – Highway works, studies and investigations for items in Category D of the Public Works Programme

51. Mr CHAN Chun-ying asked why the installation of smart lampposts in Kai Tak and Causeway Bay were taken forward at different stages under two separate projects, i.e. the on-going item "Installation of smart lampposts at Kai Tak/Kowloon Bay" and the new item "Installation of smart lampposts (Causeway Bay)". Deputy Director of Highways ("DDHy") explained that the Government planned to install a total of 400 smart lampposts progressively in four districts in different parts of the territory, with the first 50 smart lampposts being installed at

Kai Tak/Kowloon Bay as a trial, and 20 smart lampposts to be installed next in Causeway Bay in 2019-2020 under the above new item.

52. Dr Elizabeth QUAT noted that the Administration was proceeding with the "Review of assessment mechanism for hillside escalator links and elevator systems and preliminary feasibility studies—feasibility study". On the implementation progress of the existing ranked proposals for hillside escalator links and elevator systems, Dr QUAT was very concerned about the long delay of the "Escalator Link System between Sha Tin Sui Wo Court and MTR Fo Tan Station" project. She enquired about the reason for the delay and the latest progress.

53. DDHy responded that the "Escalator Link System between Sha Tin Sui Wo Court and MTR Fo Tan Station" project involved complicated land issues that had to be sorted out by the relevant departments before commencing the feasibility study of the project.

54. Referring to the item "Pedestrian subways in Causeway Bay—feasibility study", Mr HUI Chi-fung requested the Administration to provide details of the study including the scope and timetable, and whether the objections from the local residents would be considered in the study.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)317/18-19(01) on 11 December 2018.)

55. Mr HUI Chi-fung enquired about the scope and the expected completion date of the item "Electronic road pricing pilot scheme in Central and its adjacent areas—feasibility study". Pointing out that the Administration had already taken a long time to examine the feasibility of introducing an electronic road pricing scheme in Hong Kong, he enquired when the scheme would be implemented.

56. DDHy explained that the Transport Department ("TD") had started an in-depth feasibility study on the Electronic Road Pricing Pilot Scheme in Central and its adjacent areas. The scope of the study included the charging area, charging mechanism and the technology to be adopted. TD would then engage the public in the implementation strategy having regard to the feasibility study result in 2019.

Head 707 New Towns and Urban Area Development

Subhead 7016CX – District Minor Works Programme

57. Dr KWOK Ka-ki requested the Administration to provide additional information regarding whether it had conducted value-for-money assessments on the works projects commenced in the last three years under the District Minor Works Programme; if it had, the results of the assessments.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)317/18-19(01) on 11 December 2018.)

58. Dr KWOK Ka-ki asked whether the Administration would set aside dedicated funding for the repair works for public facilities damaged in the super typhoon Mangkhut in September 2018, and requested the Administration to provide a list of the minor works projects for carrying out relevant repair works. Assistant Director (2), Home Affairs Department ("AD(2), HAD") responded that in order to handle the repair works for public facilities damaged in the super typhoon, the Government proposed to increase the block allocation for the District Minor Works Programme by \$20 million for 2019-2020 as compared to the allocation approved for 2018-2019.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)317/18-19(01) on 11 December 2018.)

59. Dr Helena WONG asked about the timetable of the item "Construction of Hung Hom Road walkway cover", and whether the cover could be extended to connect Exit A of the Whampoa MTR Station. Chief Engineer (Works), Home Affairs Department said the construction work had commenced since July 2018 for completion by early 2020. The walkway cover would be built between Dyer Avenue and Hung Hom Estate, and was not linked to the exits of the Whampoa MTR Station.

Subhead 7017CX – Signature Project Scheme

60. Mr Andrew WAN and Mr HUI Chi-fung pointed out that the funding proposal of the main construction works of the Moreton Terrace Activities Centre and the music fountains at Kwun Tong Promenade had yet to be approved by FC. They enquired why the Administration had

included the expenditure for these projects, i.e. "Preparatory and pre-construction works for construction of Moreton Terrace Activities Centre (Wan Chai District)" and "Pre-construction works, consultancy fee and study for construction of music fountains at Kwun Tong Promenade (Kwun Tong District)", in the block allocations for 2019-2020.

61. AD(2), HAD explained that the proposed allocation of \$0.17 million under subhead 7017CX in 2019-2020 was for the payment of the consultants' fees for preparation of tender documents and contract procurement should FC approve the funding proposal of the main construction works of the two aforesaid Signature Project Scheme ("SPS") projects. Such costs would not be chargeable to the project votes for the main construction works of the SPS projects.

62. Mr Andrew WAN further requested the Administration to take out the above two items for separate discussion by FC. The Deputy Chairman pointed out that taking out individual items from the block allocations proposal for separate discussion was not consistent with the prevailing practice. He instructed that Mr WAN's views be put down on record.

Subhead 7100CX – New towns and urban area works, studies and investigations for items in Category D of the Public Works Programme

63. Referring to the item "Boardwalk underneath the Island Eastern Corridor — detailed design", Mr AU Nok-hin requested the Administration to provide information on the reasons for the significant increase in the project estimate from \$12.82 million under the proposed allocation in 2018-2019 to \$14.51 million under the proposed allocation in 2019-2020.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)317/18-19(01) on 11 December 2018.)

Head 708 Capital Subventions

Subhead 8100EX – Alterations, additions, repairs and improvements to the campuses of the Universities Grants Committee-funded institutions

64. Dr KWOK Ka-ki enquired about the reasons why the estimates of all items under the captioned subhead were at the region of \$30 million. Deputy Secretary-General (1), University Grants Committee Secretariat explained that the subsidy limit of a project under Subhead 8100EX was \$30 million. The \$30 million budget was just a preliminary estimate of

the project cost. The final project cost might eventually be lower than the original estimate.

65. Dr KWOK Ka-ki further requested the Administration to provide supplementary information on this aspect.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)317/18-19(01) on 11 December 2018.)

Head 709 Waterworks

Subhead 9100WX – Waterworks, studies and investigations for items in Category D of the Public Works Programme

66. Dr Elizabeth QUAT enquired about the timetable of the item "Water supply to remote villages—Mui Tsz Lam Village, Sha Tin". Deputy Director of Water Supplies, Water Supplies Department said the project was expected to commence in mid-2019 for completion by 2020.

67. Dr Helena WONG requested the Administration to provide additional information on the details including the scope and timetable of the item "improvement to the water meters in Kowloon district, 2019-2020 Programme". She also requested for additional information about the distribution and location of the water mains included in the item "risk-based improvement of fresh water main along Farm Road and Ma Tau Chung Road, Kowloon City".

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)317/18-19(01) on 11 December 2018.)

Other views

68. Mr AU Nok-hin said that at the special meeting of FC on 28 November 2017 and the meeting of PWSC on 22 January 2018, members had requested the Administration to review the block allocations mechanism under CWRP, including the vetting and approving mechanism of controversial projects under individual subheads. He asked whether and how the Administration would review and improve the mechanism taking into members' views. Dr KWOK Ka-ki also requested the Administration to take out controversial projects from the proposed block allocations for separate consideration.

69. PAS(T)(W), FSTB said that the Government had reviewed the block allocations mechanism under CWRP in the light of members' comments raised during the said special meeting of FC. The Government considered that the block allocations arrangement should be retained as it would enable the Government to, amongst others, respond more promptly to the need of the community at the district level for provision of standalone minor improvement items such as welfare facilities and emergency improvement works within the applicable financial limit.

Concluding remarks

70. Mr CHAN Chun-ying, Mr Tony TSE and Dr Elizabeth QUAT said they supported the block allocations proposal. Mr LAU Kwok-fan said that members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong supported the proposal.

71. Mr CHAN Chi-chuen said he would not support the block allocations proposal. Dr KWOK Ka-ki said that he would not support the proposal as the Administration refused to take out controversial projects from the proposed block allocations for separate consideration. Dr Fernando CHEUNG said he would not support some of the projects under CWRP block allocations for 2019-2020. Mr Gary FAN, Mr Andrew WAN, Dr CHENG Chung-tai and Mr HUI Chi-fung indicated that they would only decide whether to support the proposal after the Administration had provided its responses to questions and concerns raised by members. The Deputy Chairman instructed that their views be put down on record.

V Proposed funding scheme to support the use of vacant government sites by non-government organizations

(LC Paper No. CB(1)190/18-19(04) — Administration's paper on proposed funding scheme to support the use of vacant government sites by non-government organizations

LC Paper No. CB(1)190/18-19(05) — Paper on the use of vacant government sites and school premises prepared by the Legislative Council Secretariat (Background brief)

72. With the aid of a powerpoint presentation, Permanent Secretary for Development (Planning & Lands) ("PSDEV(PL)") briefed the Panel on the proposal to create a new non-recurrent commitment of \$1 billion for implementing a funding scheme to provide non-government organizations ("NGOs") with financial support to take forward worthy projects on vacant government sites, including vacant school premises ("VSPs") on government land.

(Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members vide LC Paper No. CB(1)233/18-19(02) by email on 28 November 2018.)

73. The Deputy Chairman reminded members that in accordance with Rule 83A of the Rules of Procedure of LegCo, they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion at the meeting before they spoke on the subjects.

[At 4:57 pm, the Deputy Chairman directed that the meeting be extended for 15 minutes to 5:45 pm.]

Mechanisms for handling short-term tenancy ("STT") applications and funding applications

74. Mr Wilson OR was concerned about how the Administration would ensure that the mechanism for submitting and approving funding applications for the proposed funding scheme would be kept simple to minimise bureaucracy, and asked about the processing time of funding applications under the proposed funding scheme.

75. PSDEV(PL) replied that the proposed funding scheme would not change, but would supplement, the current mechanism for handling STT applications for use of vacant government sites. Securing in-principle approval from Lands Department ("LandsD") or other relevant authorities under the existing mechanism for renting a vacant government site on a short-term basis was a prerequisite for making the funding applications. To facilitate eligible NGO-applicants to take forward worthy projects on vacant government sites, the Administration would see if the whole STT application process, particularly on the aspect of seeking policy support from the relevant policy bureau, could be streamlined. In addition, the Development Bureau ("DEVB") would keep the mechanism for processing funding applications simple, minimize bureaucracy and facilitate the kick-starting of worthy projects as early as possible.

76. Mr LAU Kwok-fan asked how the Administration would disseminate updated information on vacant government sites available for STT applications to facilitate planning by NGOs interested in using these sites, including whether it would post notices to alert interested NGOs to submit applications as soon as possible once STT applications for a specific site were received and being processed.

77. PSDEV(PL) pointed out that information on vacant government sites (including VSPs) under the management of LandsD and available for STT applications for community, institutional, or non-profit-making purposes was uploaded to the "GeoInfo Map" website. LandsD would update the site information on the "GeoInfo Map" website every two weeks, and highlight those sites for which STT applications had been received to alert any other interested NGOs to submit their applications for the same sites within two weeks. When more than one application for use of the same site were received and more than one application had received the requisite policy support, LandsD would bring the case to DEVB for a steer. Where necessary, these cases would be put before the Committee on Planning and Land Development chaired by Secretary for Development to provide steer for resolving inter-bureau or inter-departmental issues.

78. Mr Tony TSE, Mrs Regina IP and Mr Andrew WAN noted that the Planning Department had reviewed the long-term alternative uses of a total of 183 VSP sites under the Central Clearing House Mechanism, and asked why only 21 VSP sites were available for application by NGOs for short-term uses. Mr WAN further said that the former Kwai Chung Public School, which had been vacant for some time, was not among the 21 VSP sites available for application.

79. PSDEV(PL) clarified that of the 183 VSP sites under the Central Clearing House Mechanism, 27 sites were private land, around 100 sites had been deployed for temporary or long-term uses, and some other sites were subject to limitations such as constraints imposed by adjacent slopes. After review, 21 VSP sites under LandsD's management were available for application by NGOs for short-term uses. As for the case of former Kwai Chung Public School, the site had been previously reserved for some educational uses, but the site was no longer required for those uses.

80. Apart from the vacant government sites under LandsD's management, Mr Tony TSE called on the Administration to optimize the use of other vacant sites managed by other departments as far as possible. Mrs Regina IP said that the Administration should explore utilization of the unused space beneath flyovers.

81. PSDEV(PL) advised that a small number of vacant sites managed by the Government Property Agency or other departments were available for use by NGOs by way of STTs or other tenancy arrangements. A list of surplus government accommodation managed by relevant bureaux/departments that was available for application for direct leasing by NGOs was on the website of the Government Property Agency. To optimize the use of these vacant sites as far as possible, the Administration would include them for the purposes of the proposed funding scheme.

Uses of the vacant government sites under the proposed funding scheme

82. Mr Wilson OR, Mr Tony TSE, Mr CHAN Chi-chuen and Mr Andrew WAN considered that the Administration should consider transitional housing use at vacant government sites. Mrs Regina IP asked whether residential care homes for the elderly would be acceptable projects under the proposed funding scheme.

83. PS/DEV(PL) pointed out that the Transport and Housing Bureau chaired a task force to provide one-stop, co-ordinated support to assist NGOs in pursuing not-for-profit transitional housing projects. NGO projects for using vacant government sites to provide transitional housing endorsed by the said task force could apply for financial subsidies under the proposed funding scheme. Likewise, projects on the provision of non-profit-making residential care homes for the elderly with the requisite policy support would also be eligible.

84. The Deputy Chairman asked whether the Administration would allow the development of transitional housing by NGOs on sites zoned as "Village Type Development".

85. PSDEV(PL) said that among the 832 vacant government sites (excluding VSPs) available for STT applications for greening or government, institution/community uses, around 130 sites were zoned as "Village Type Development". Town Planning Board's permission was required for transitional housing use for not more than three years in the rural areas unless the use was permitted in the Notes of the relevant zone, following the provisions as set out in the Notes of the Outline Zoning Plans for the rural areas. On the Deputy Chairman's further enquiry, PSDEV(PL) advised that Rural Committees registered under the Societies Ordinance (Cap. 151) were eligible for the proposed funding scheme.

Scope of financial support and its ceiling

86. Ir Dr LO Wai-kwok asked whether the Administration would be required to submit separate funding proposals for the eligible projects under the proposed funding scheme with subsidy over \$30 million to PWSC and FC for consideration and approval. PSDEV(PL) responded that as the projects to be subsidized by the proposed funding scheme were not under the Capital Works Programme, separate approval from the Legislative Council on each individual project was not required.

87. Mr Gary FAN, Ms Tanya CHAN and Mr Andrew WAN called on the Administration to expand the scope of the proposed funding scheme to cover the costs for interior fitting-out, furniture and equipment. PSDEV(PL) pointed out that the funding scheme was intended for providing successful NGO-applicants with subsidies to support one-off, basic, and essential restoration works required to make the sites/premises fit for use. Should NGOs need any financial assistance to cover the cost for interior fitting-out, furniture and equipment, and other operating or recurrent expenses (e.g. repair and maintenance) to be incurred in implementing the proposed short-term use on the vacant sites in question, they might seek financial assistance from such funding schemes as the Community Care Fund or the Lotteries Fund.

88. Mr Gary FAN called on the Administration to provide rent waiver to the NGOs during the period when restoration and repair works were carried out at the vacant sites or school premises. PSDEV(PL) advised that in general, if the proposed use was non-profit-making in nature and the relevant policy bureau supported the grant of a STT at nominal (or concessionary) rent, the STT, if approved, might be granted at nominal (or concessionary) rent.

89. Ms Tanya CHAN sought elaborations on the arrangement of covering the costs of insurance policies under the proposed funding scheme. PSDEV(PL) explained that DEVB had approached some professional institutes for the provision of support or advisory services to NGOs, mainly on a *pro bono* basis, in preparing applications and implementing approved projects (particularly at the initial stage). As gathered from them, NGOs should procure appropriate insurance policies to cover any potential claims that might arise during surveys, investigation and renovation works carried out by the consultants, professionals or contractors. DEVB would work out the arrangements for covering the costs of insurance policies under the proposed funding scheme.

90. Mr Wilson OR asked whether there were positive responses from professional institutes on the provision of *pro bono* support or advisory services to the NGOs. PSDEV(PL) responded that responses by various professional institutes so far were very positive. The Administration would continue to liaise with the professional institutes in finalizing the arrangements.

91. Mr CHAN Chi-chuen noted the Administration's proposal that the financial subsidy for each approved project should be capped at \$60 million, and asked how this cap was arrived at. PSDEV(PL) responded that the ceiling of \$60 million was proposed by making reference to the costs of basic works for comparable projects in recent years to make gainful uses of various sites on government land for community, institutional or other non-profit-making initiatives.

92. Given that the approved subsidies would be disbursed to NGOs by installments on a reimbursement basis, Mr LAU Kwok-fan and Mr Andrew WAN were concerned that some smaller NGOs might not afford the upfront payment for the restoration and repair works. They called on the Administration to provide advance payment of the costs of works to the successful applicants. Mr CHAN Chi-chuen suggested that the Administration should take up the essential restoration works to make the sites fit for use (such as slope upgrading works, site formation, and provision of sewerage/drainage) before letting out them to NGOs.

93. PSDEV(PL) took note of members' views and concerns, and replied that each approved grant would be disbursed by instalments, normally on a reimbursement basis, subject to the fulfilment of project milestones in the funding agreement and verification of certified invoices or bills. She added that, if NGOs had difficulties in settling the payment first, DEVB would consider exercising flexibility in the disbursement of the approved funding in accordance with the certified works contracts, quotations and payment documents.

Assessment mechanism

94. Mr LAU Kwok-fan asked how the Administration could ensure that the costs of the restoration and repair works proposed by the NGOs were within a reasonable range. Ir Dr LO Wai-kwok called on the Administration to ensure proper approval of the applications.

95. PSDEV(PL) advised that DEVB would chair an inter-departmental Assessment Committee to vet applications and oversee the implementation of the funding scheme. The Assessment Committee, with representatives

from relevant bureaux/departments, would focus on the technical aspects of the proposed works to ensure that the works were within the scope and financial ceiling of the funding scheme. In particular, the Assessment Committee would see to it that the amount of funding granted to each approved project should be in line with the principles of economy, efficiency, and effectiveness in the use of resources thereby achieving good value for money.

Monitoring and control

96. Ms Tanya CHAN asked about the monitoring and control of the implementation of the approved works. PSDEV(PL) responded that successful applicants would be required to sign a separate funding agreement with the Government in respect of the implementation of the approved works on the relevant sites and premises. Each successful applicant had to keep a proper set of books and records for the project receiving funding support under the scheme, and submit regular progress reports and financial reports against the milestones agreed in the funding agreement until completion of the project, as well as audited statements certified by independent auditors upon completion of the project. To ensure transparency and accountability on the use of the grants under the funding scheme, DEVB would submit an annual report on the approved applications and implementation progress of projects to the Panel.

97. Mr CHAN Chi-chuen asked whether the Administration had set a target number of projects to be subsidized under the proposed funding scheme. Ms Tanya CHAN asked whether the Administration would conduct interim reviews on the effectiveness of the proposed funding scheme. PSDEV(PL) responded that the Administration would review the funding scheme after its implementation to assess whether any refinement or adjustment to its mode of operation and other details, including whether further allocation of funding was necessary, at an appropriate time.

Submission of the funding proposal to the Finance Committee

98. All members spoken on the agenda item supported the submission of the funding proposal to the FC for approval.

[At 5:44 pm, the Deputy Chairman suggested that the meeting be further extended as appropriate to allow sufficient time for discussion. Members agreed.]

VI Strengthening the staffing of the Civil Engineering and Development Department, Lands Department and Planning Department to enhance land supply

(LC Paper No. CB(1)190/18-19(06) — Administration's paper on strengthening the staffing of the Civil Engineering and Development Department, Lands Department and Planning Department to enhance land supply)

99. The Deputy Chairman said that due to insufficient meeting time, agenda item VI would stand over until the meeting on 19 December 2018.

VII Any other business

100. There being no other business, the meeting ended at 5:48 pm.

Council Business Division 1
Legislative Council Secretariat
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