

## ITEM FOR FINANCE COMMITTEE

### **CAPITAL WORKS RESERVE FUND HEAD 707 – NEW TOWNS AND URBAN AREA DEVELOPMENT Subhead 7016CX District Minor Works Programme**

Members are invited to approve a revision of the ambit of Subhead 7016CX - District Minor Works Programme under Head 707 to reflect the revised operational arrangement in the implementation of district minor works for the improvement of local facilities, living environment and hygienic conditions in the territory.

### **PROBLEM**

We need to revise the ambit of **Subhead 7016CX** - District Minor Works Programme under **Head 707** to reflect the revised operational arrangements for the District Minor Works Programme (DMWP) in light of the latest situation of the Sixth Term District Councils (DCs).

### **PROPOSAL**

2. The Director of Home Affairs (DHA), with the endorsement of the Secretary for Home Affairs, proposes to revise the ambit of **Subhead 7016CX** - District Minor Works Programme under **Head 707** to reflect the revised operational arrangement of DMWP whereby Home Affairs Department (HAD)/District Offices (DOs) and Leisure and Cultural Services Department (LCSD) will be responsible for proposing DMW projects having regard to the community's views. Details are as follows –

#### ***Original ambit***

District Minor Works Programme is for district-based works projects implemented by District Councils costing up to \$50 million each to improve local facilities, living environment and hygienic conditions

/in .....

in the territory. It covers minor building works, fitting out works and minor alterations, additions and improvement works including furniture and equipment replacement incidental to such works, and slope inspections and minor slope improvement works in respect of all the district facilities under the purview of the District Councils. It also covers all costs to be incurred in the planning of the above projects, such as consultants' fees, feasibility studies, site investigations and other studies.

***Proposed revised ambit***

District Minor Works Programme is for district-based works projects costing up to \$50 million each to improve local facilities, living environment and hygienic conditions in the territory. It covers minor building works, fitting out works and minor alterations, additions and improvement works including furniture and equipment replacement incidental to such works, and slope inspections and minor slope improvement works in respect of all the district facilities under *the Home Affairs Department and the Leisure and Cultural Services Department*. It also covers all costs to be incurred in the planning of the above projects, such as consultants' fees, feasibility studies, site investigations and other studies.

## JUSTIFICATION

3. The DMWP was introduced in 2007 in four districts on a pilot basis and rolled out to all of the 18 districts in 2008 to fund district-based minor works projects led by the HAD and LCSD for improving local facilities, living environment and hygienic condition. The DMWP is funded under a dedicated block vote, **Head 707 Subhead 7016CX** of the Capital Works Reserve Fund (CWRF). The existing ambit of **Subhead 7016CX** is district-based works projects implemented by DCs costing up to \$50 million each to improve local facilities, living environment and hygienic conditions in the territory. The annual provisions under **Subhead 7016CX** were \$340.00 million from 2013-14 to 2019-20, and \$370.62 million and \$346.19 million in 2020-21 and 2021-22 respectively.

4. Under the DMWP, DC members and the relevant departments (i.e. HAD and LCSD) may propose works projects in compliance with its ambit and objective. Typical works projects funded include rain shelters, benches, walkway cover, sitting-out areas, planting and horticultural maintenance for planters, beautification works, and improvement works in parks/community halls etc. It has been the practice for projects, irrespective of whether they are proposed by DC members or departments, to be submitted to the respective DCs for funding

/endorsement .....

endorsement. For projects endorsed by DCs for implementation, funding approval will be sought from DHA, being the Controlling Officer of **Head 707 Subhead 7016CX**, or officers under delegated authority. The DMWP has been conducive to improving the environment/facilities for the benefit of the community. As an indication, during the Fifth Term DC, a total of 1 907 works projects were completed under the DMWP.

5. With the latest development in the DC landscape, the total number of serving DC members has reduced to 189 and 14 DCs have their membership size more than halved as at 4 October 2021. With a significant proportion of DC seats remaining vacant, the current arrangement of having to seek DCs' endorsement for all such projects has become untenable. In addition, there are DCs which do not have sufficient members to proceed with the election of Council Chairman and for that matter unable to convene DC meetings. The public may also consider it unfair and unreasonable to leave the interest of their community to a very small minority of DC members.

6. Having regard to the mission of the DMWP, we see a continuing need to make good use of it to promote the well-being of the community. Under the DMWP, the Government has the responsibility to take forward minor works project that have been desired by the community for a long time, in addition to undertaking regular and essential maintenance works such as landscaping and horticultural services for maintaining a clean environment and decent cityscape. Some of these works projects may soon be delayed or even held in abeyance due to problems in seeking DC endorsement for the reasons outlined in paragraph 5 above. Facilitating the projects' delivery would be in the community's interest.

7. To ensure proper use of public money, we will suspend the role of DCs in endorsing DMW projects during the Sixth Term. Instead, HAD/DOs and LCSD will be tasked to propose worthwhile DMW projects having regard to the community's views. Under the revised arrangement, DOs will proactively collect views from the community through different channels such as consultation with local organisations, area committees and DC members, with a view to identifying minor works projects for the benefit of the local community. Worthwhile projects will be put forth for feasibility studies and local consultation as appropriate. Following the established mechanism, funding approval will be sought for feasible and worthy projects from DHA or officers under delegated authorities.

8. As the DMWP is currently funded under a dedicated block vote of the CWRP (i.e. **Head 707 Subhead 7016CX**) which expressly provides for the advisory role of DCs, technical amendment to the ambit of the block vote is

/necessary .....

necessary to reflect the revised and more flexible arrangement of allowing district-based works projects to be pursued as considered necessary by HAD and LCSD after factoring into account views from relevant stakeholders. The scope of works project **under Subhead 7016CX** will remain unchanged.

9. Under the existing arrangement, unlike those applicable to other block vote allocations, the list of new projects to be funded by **Subhead 7016CX** is not available in the annual submission to the Finance Committee (FC) on CWRP block allocations, as the project list will be subject to DCs' initiation and endorsement. Upon revision in ambit and in line with the arrangement for other CWRP block votes, we will include project lists to be funded by **Subhead 7016CX** in future submissions to the FC for transparency and accountability.

## FINANCIAL IMPLICATIONS

10. The proposal to revise the ambit of **Subhead 7016CX** does not carry any additional financial implications. The allocation for **Subhead 7016CX** for 2021-22 will remain at \$346.19 million as approved by FC at its meeting on 22 January 2021.

## PUBLIC CONSULTATION

11. We consulted the Legislative Council Panel on Home Affairs on 20 October 2021. Members supported the proposal to be submitted to FC for approval.

## BACKGROUND INFORMATION

### The Role and Functions of DCs

12. Chapter IV of the Basic Law of the Hong Kong Special Administrative Region (HKSAR) of the People's Republic of China sets out the political structure of the HKSAR. Section 5 of that Chapter contains two Articles on district organisations –

#### *Article 97*

“District organizations which are not organs of political power may be established in the Hong Kong Special Administrative Region, to be consulted by the government of the Region on district administration and other affairs, or to be responsible for providing services in such fields as culture, recreation and environmental sanitation.”

*/Article .....*

*Article 98*

“The powers and functions of the district organizations and the method for their formation shall be prescribed by law.”

13. According to section 61 of the District Councils Ordinance (Cap. 547), the functions of a DC are –

- (a) to advise the Government –
  - (i) on matters affecting the well-being of the people in the District; and
  - (ii) on the provision and use of public facilities and services within the District; and
  - (iii) on the adequacy and priorities of Government programmes for the District; and
  - (iv) on the use of public funds allocated to the District for local public works and community activities; and
- (b) where funds are made available for the purpose, to undertake –
  - (i) environmental improvements within the District;
  - (ii) the promotion of recreational and cultural activities within the District; and
  - (iii) community activities within the District.

**Review of the Role, Functions, and Composition of DCs in 2006**

14. The Government reviewed the role, functions and composition of DCs in 2006. The review recommended, among others, the creation of a dedicated capital works block vote under the CWRP for the departments concerned to implement the decision of DCs and to better support DCs in initiating and implementing minor works in the districts. Following public consultation, the Government strengthened the role of DCs in district administration and enhanced their functions, including the provision of additional resources to implement the DMWP.

15. To implement the recommendation, the Government proposed to create in 2007-08 a new block allocation **Subhead 7016CX** under **Head 707** for implementing district-based works projects by DCs to improve local facilities, living environment and hygienic conditions in the territory. It was proposed that the new block vote would cover projects which was then funded under **Subhead 7015CX** (Urban Minor Works Programme) and DC Funds, and the upgrading and enhancement of community/leisure facilities under the purview of HAD and LCSD (which was then funded under **Subhead 3101GX** and would come under the purview of the DCs).

-----

Home Affairs Bureau  
Home Affairs Department  
October 2021