

ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 142 – GOVERNMENT SECRETARIAT : OFFICES OF THE CHIEF SECRETARY FOR ADMINISTRATION AND THE FINANCIAL SECRETARY Subhead 000 Operational expenses

Members are invited to recommend to the Finance Committee the creation of the following permanent non-civil service positions/civil service posts in the Chief Executive's Policy Unit, with immediate effect upon approval of the Finance Committee –

1 D4-equivalent non-civil service position/
Administrative Officer Staff Grade B1
(D4) (\$242,550 - \$257,400)

2 D3-equivalent non-civil service positions/
Administrative Officer Staff Grade B
(D3) (\$213,700 - \$233,300)

4 D2/DL2-equivalent non-civil service positions/
Administrative Officer Staff Grade C/Principal
Economist/Government Engineer/Deputy Principal
Government Counsel/Government Town Planner
(D2/DL2) (\$183,850 - \$200,950)

to be offset by the deletion of the following permanent
civil service posts –

1 Administrative Officer Staff Grade B1
(D4) (\$242,550 - \$257,400)

2 Administrative Officer Staff Grade B
(D3) (\$213,700 - \$233,300)

4 Administrative Officer Staff Grade C/Principal
Economist/Government Engineer/Deputy Principal
Government Counsel/Government Town Planner
(D2/DL2) (\$183,850 - \$200,950)

PROBLEM

The Chief Executive's Policy Unit (CEPU) has been established, through redeployment of resources allocated to the former Policy Innovation and Co-ordination Office (PICO), to enhance the Government's capabilities in research and advocacy on long-term and strategic issues and to report to the Chief Executive (CE) outcomes of the related studies and analyses. We need to re-organise the directorate establishment of CEPU to suit its purpose.

Encl. 1 2. In summary, the directorate headcount and ranking of posts/positions under CEPU will remain the same as those of former PICO (the organisation chart is at Enclosure 1), i.e. one existing permanent non-civil service (NCS) position (D8-equivalent)/Administrative Officer Staff Grade A1 (AOSGA1) (D8) post to be retitled as Head/CEPU, plus the seven directorate posts/positions proposed to be created which can be filled by either civil servants or appointees from outside the Government. Their duties will be explained in the ensuing paragraphs.

PROPOSAL

3. We propose to create the following seven permanent NCS positions/civil service posts to be offset by deletion of the seven permanent civil service posts of equivalent ranking in the former PICO with immediate effect upon the approval of the Finance Committee (FC) –

- (a) one NCS position (D4-equivalent)/Administrative Officer Staff Grade B1 (AOSGB1) (D4) post to be designated as Deputy Head (DH)/CEPU (1);

/(b)

- (b) two NCS positions (D3-equivalent)/Administrative Officer Staff Grade B (AOSGB) (D3) posts to be designated as DH/CEPU (2) and DH/CEPU (3) respectively; and
- (c) four NCS positions (D2/DL2-equivalent)/civil service posts (D2/DL2) that may be filled by any combination of D2/DL2 officers from five selected grades (i.e. Administrative Officer, Economist, Engineer, Government Counsel and Town Planner) to be designated as Assistant Head (AH)/CEPU (1), AH/CEPU (2), AH/CEPU (3), and AH/CEPU (4) respectively.

4. Members are also invited to note the retitling of one existing permanent NCS position (D8-equivalent)/AOSGA1 (D8) post as Head/CEPU.

JUSTIFICATION

5. CE has proposed during his election campaign and elaborated in his Policy Address (PA) in October 2022 that a new CEPU be established to enhance the Government's capabilities in research and advocacy on long-term and strategic issues. CEPU should possess strategic and global perspectives and stay in tune with the local and public pulse, while conducting in-depth studies and analyses on Mainland policies and developments as well as international trends and reporting the outcome to CE. It will also put in place a mechanism for internal deliberations to assist the Government in formulating forward-looking policies. Through redeployment of existing resources, CEPU was established on 28 December 2022, with the appointment of four NCS directorate officers on a temporary basis in accordance with the established mechanism.

CEPU's roles and functions

6. Specifically, the newly-established CEPU is responsible for providing informed policy advice to CE through overseeing the following work –

- (a) conducting in-depth studies and analyses on Mainland policies and developments, as well as global developments and trends, and assessing how Hong Kong can keep up with these developments;
- (b) conducting forward-looking research on strategic and long-term issues;
- (c) co-ordinating the preparation of CE's annual PA and tracking the implementation of PA initiatives;

/(d)

- (d) providing research and secretariat support to the CE's Council of Advisers (the Council);
- (e) providing internal briefings on Mainland and global developments to promote experience and knowledge sharing;
- (f) assessing public opinions for CE's reference through various means including web-based data analytics, opinion polls, focus group discussions, as well as networking and dialogue with stakeholders including commentators, think-tanks, academia and other leaders; and
- (g) building up external policy research capacity through measures including administering public policy research funding schemes.

Strengthening strategic and long-term policy research

7. As a strategic unit to CE without any assigned policy portfolio, CEPU does not have many day-to-day responsibilities and is less constrained by conventional institutional boundaries. CEPU can step back a bit from immediate issues, focus on long-term and strategic thinking, and offer a more considered view than would otherwise be possible. CEPU should therefore assume a strong strategic research role by concentrating on forward-looking research on strategic or long-term issues to assist the Government to formulate policy and drive change.

8. CEPU will set up dedicated policy research teams to be made up of research talents from within and outside the Government to take on some research studies in-house. Cross-disciplinary research talents, in the form of a mix of civil servants of different grades and appointees of various backgrounds from outside the Government, will bring diversity in knowledge and perspectives. Some projects may be commissioned to outside parties in accordance with existing rules including the existing two public policy research funding schemes, viz. Public Policy Research Funding Scheme (PPRFS) and Strategic Public Policy Research Funding Scheme (SPPRFS)¹. While targeting to maintain the annual research budget at about \$30 million, we are contemplating to improve these two schemes to make them more relevant to the stated purposes of CEPU. For studies requiring highly specialised expertise not widely available in the market, CEPU may engage qualified bodies to take on these exercises.

/Setting

¹ PPRFS and SPPRFS, in operation for some 15 years, are government-financed schemes dedicated to supporting public policy research. While PPRFS finances smaller-scale research costing up to \$1 million each, SPPRFS supports longer-term, strategic research with per capita funding cap of \$5 million. Applications are vetted by an independent, all-academic Assessment Panel for approval by the Government. In the past five years, a total of 134 PPRFS and 14 SPPRFS projects were approved.

Setting up the Council

9. The Council will be set up as a high-level advisory committee to advise CE on the strategic development of Hong Kong leveraging on the opportunities from national and global developments. It will bring together distinguished leaders from key sectors to provide insightful ideas and strategic advice to CE. It will be chaired by CE personally, with participation of the three Secretaries of Departments, Director of the Chief Executive's Office and Head/CEPU. CEPU will be responsible for providing research and secretariat support to the Council.

Assessing public opinions

10. Another key function of CEPU is tapping the pulse of society to enable informed decision-making by the senior leadership. Apart from conducting traditional opinion polls, CEPU will deploy more sophisticated tools such as data analytics across social media and the web to better understand public sentiments in the digital age. CEPU will also set up and maintain a pool of CEPU's Senior Advisers and Research Advisers of different backgrounds including business, professionals, experts, think-tanks and academia. Thematic sessions will be held from time to time for CEPU and/or bureaux to tap their views on topical issues or bounce off new ideas. Furthermore, CEPU will step up liaison and collaboration with local, Mainland and overseas think-tanks.

Briefings on Mainland and global developments

11. CEPU will organise internal briefings on Mainland and global developments for CE and other senior officials to keep them abreast of the latest trends and to promote experience and knowledge sharing.

Proposed organisation structure of CEPU

12. CEPU will comprise eight permanent directorate posts/positions as in former PICO. It will be led by a Head who will be underpinned by three DHs and four AHs. There will be three Divisions with each undertaking policy research with different foci in addition to shouldering other duties. A proposed organisation chart of CEPU is at Enclosure 2. We will maintain flexibility in staff deployment across Divisions taking into account variation of workload of individual Divisions.

Encl. 2

/Directorate

*Directorate establishment**Head/CEPU*

13. Following the establishment of CEPU, the existing permanent NCS position (D8-equivalent)/AOSGA1 post has been retitled as Head/CEPU. Head/CEPU will report to CE direct and be responsible for the overall steer and management of the office in discharging its functions and duties. To cope with the challenging tasks summarised in paragraph 6 above, Head/CEPU should be a highly seasoned, knowledgeable and all-round officer who can see things from the strategic and global perspectives. He should follow closely the public sentiments and keep tabs on the public pulse. He should have strong networking abilities and a solid grasp of Mainland policies and developments as well as global developments and trends. He should also have good connections with senior officials and key stakeholders of the local, Mainland and international communities. Having regard to the qualities and expertise required of the Head/CEPU, we consider it necessary and appropriate to continue pitching the post/position at D8 level. To retain the flexibility for recruiting the most suitable talent, whether within or outside the Government, to take up the post/position, Head/CEPU, same as former Head/PICO, will continue to be filled either by an NCS appointee (D8-equivalent) or a civil servant at AOSGA1 rank.

DHs of CEPU

14. The second-tier senior management will comprise three DHs, each of whom will head one Division responsible for undertaking policy research in addition to other duties. Dedicated policy research teams to be composed of research talents from within and outside the Government will be set up to provide in-house policy research support, oversee commissioned research projects, and liaise with bureaux and other parties in the process. Apart from policy research, each DH will also take up additional responsibilities with the support of functional teams as appropriate, including co-ordinating the preparation of PA and tracking implementation of PA initiatives, providing secretariat support to the Council, assessing and monitoring public opinions, administering public policy research funding schemes, and organising internal briefings on Mainland and global developments. In view of the work nature of the three DHs, these posts/positions should be held by officers possessing rich experience in policy research, strong political acumen, as well as mature liaison and management skills. We therefore consider it more appropriate to pitch these posts/positions at the senior directorate ranks, i.e. one at AOSGB1 (D4) rank and the other two at AOSGB (D3) rank and propose that flexibility be provided for filling these posts/positions with either civil servants or suitable outside candidates on NCS terms. The creation of the three aforementioned posts/positions will be offset by the deletion of the three DH posts of the former PICO.

/AHs

AHs of CEPU

15. Having regard to the breadth and depth of CEPU's workload, the senior management of CEPU would need sufficient directorate level support in performing their roles effectively. We propose to have four directorate posts/positions at D2/DL2 rank, designated as AHs, underpinning the DHs. As in the case of Head and DHs, we further propose that flexibility be allowed to fill the four AH posts/positions with either civil servants or suitable outside candidates on NCS terms. In other words, their post holders can be a mix of NCS appointees and/or civil servants from any of the five grades, namely Administrative Officer, Economist, Engineer, Government Counsel or Town Planner. The creation of the four aforementioned posts/positions will be offset by the deletion of the four AH posts of the former PICO.

Encl. 3 16. The job descriptions of the Head, DHs and AHs are at Enclosure 3.

Non-directorate establishment

17. The above eight directorate posts/positions are underpinned by 39 existing non-directorate civil service posts which are the same as those in the former PICO. Of these 39 posts, 18 posts are of officer rank of various grades including Administrative Officer, Economist, Executive Officer, Town Planner, Statistician and Statistical Officer which will augment the professional support to the policy research function of CEPU, and the remaining 21 posts are mainly of clerical and secretarial grades to provide general administrative support.

ALTERNATIVES CONSIDERED

18. We have considered the alternative of keeping the existing arrangement of the former PICO of filling the DH/AH posts with civil servants only, but do not consider it a practical alternative in view of CEPU's new roles and functions in enhancing the Government's capabilities in research and advocacy on long-term and strategic issues.

FINANCIAL IMPLICATIONS

19. The proposal will not result in establishment changes or additional funding requirement. The notional annual salary cost at mid-point and the full annual average staff cost of the seven directorate posts/positions proposed to be created are \$17,794,800 and \$25,101,000 respectively². We have included

/sufficient

² The notional annual salary cost at mid-point and the full annual average staff cost of all the eight directorate posts/positions in CEPU are \$21,533,400 and \$30,462,000 respectively.

sufficient provision in the draft Estimates of 2023-24 to meet the costs of the proposed posts/positions and will reflect the resources required in the Estimates of the subsequent years concerned.

PUBLIC CONSULTATION

20. We consulted the Legislative Council Panel on Public Service on the above staffing proposal on 20 February 2023. Members supported the submission of the above staffing proposal to the Establishment Subcommittee for consideration.

BACKGROUND

21. Former PICO was established in April 2018 and ceased operation on 1 July 2022. CE, following his pledge in the election campaign, announced in the 2022 PA that a new CEPU would be established to enhance the Government's capabilities in research and advocacy on long-term and strategic issues. CEPU was established on 28 December 2022 to provide the necessary advisory support to CE. Four NCS directorate officers were appointed on a temporary basis, pending approval by the FC on the directorate establishment of CEPU.

ESTABLISHMENT CHANGES

22. The establishment changes under Head 142 – Government Secretariat: Offices of the Chief Secretary for Administration and the Financial Secretary in the past two years are as follows –

Establishment (Note)	Number of posts			
	Existing (as at 1 March 2023)	As at 1 April 2022	As at 1 April 2021	As at 1 April 2020
A	32	28+(2)	28+(2)	27+(2)
B	111	104	104	102
C	414	401	392	392
Total	557	533+(2)	524+(2)	521+(2)

Note –

A - ranks in the directorate pay scale or equivalent

B - non-directorate ranks, the maximum pay point of which is above MPS point 33 or equivalent

C - non-directorate ranks, the maximum pay point of which is at or below MPS point 33 or equivalent

() - number of supernumerary directorate posts created with the FC's approval

/CIVIL

CIVIL SERVICE BUREAU COMMENTS

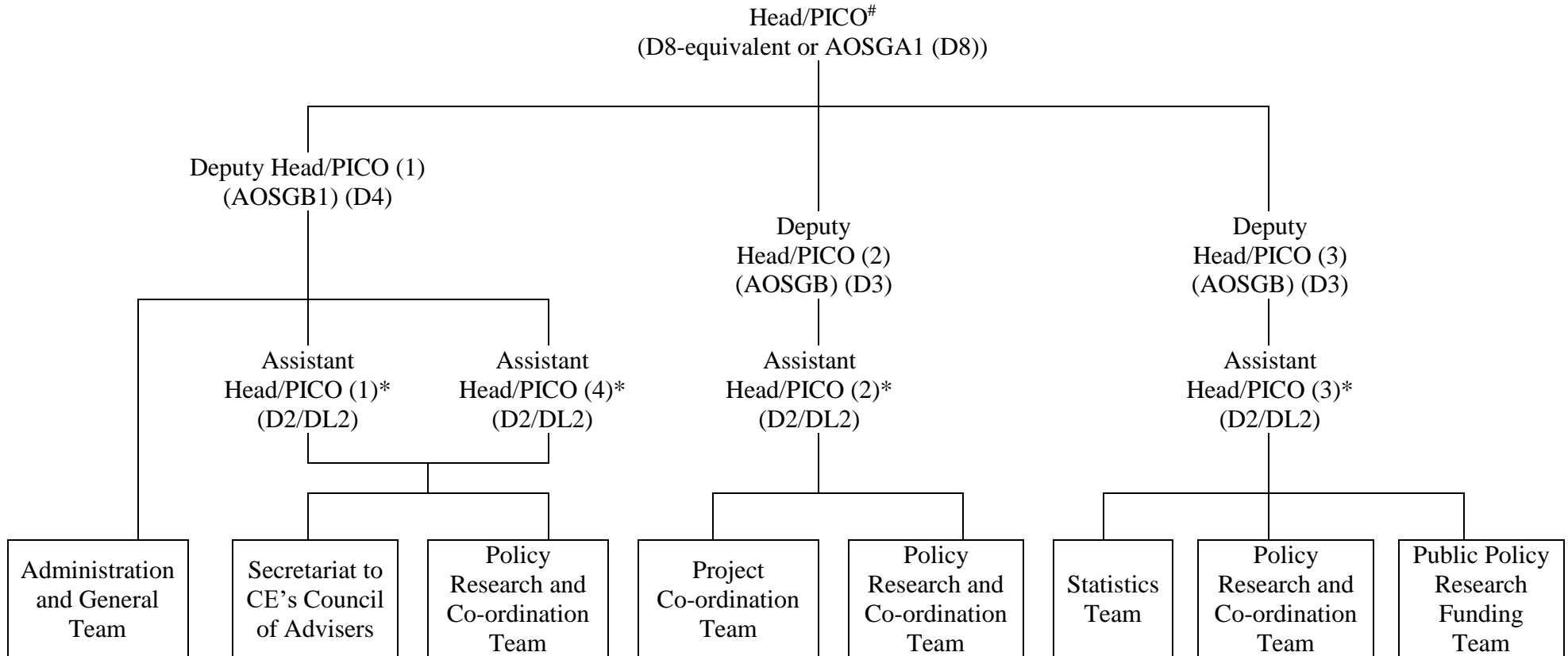
23. The Civil Service Bureau supports the proposed changes of directorate posts/positions. The grading and ranking of the proposed posts/positions are considered appropriate having regard to the level and scope of responsibilities involved.

ADVICE OF THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE

24. The Standing Committee on Directorate Salaries and Conditions of Service has advised that the grading proposed for the permanent directorate posts is appropriate.

Chief Executive's Policy Unit
March 2023

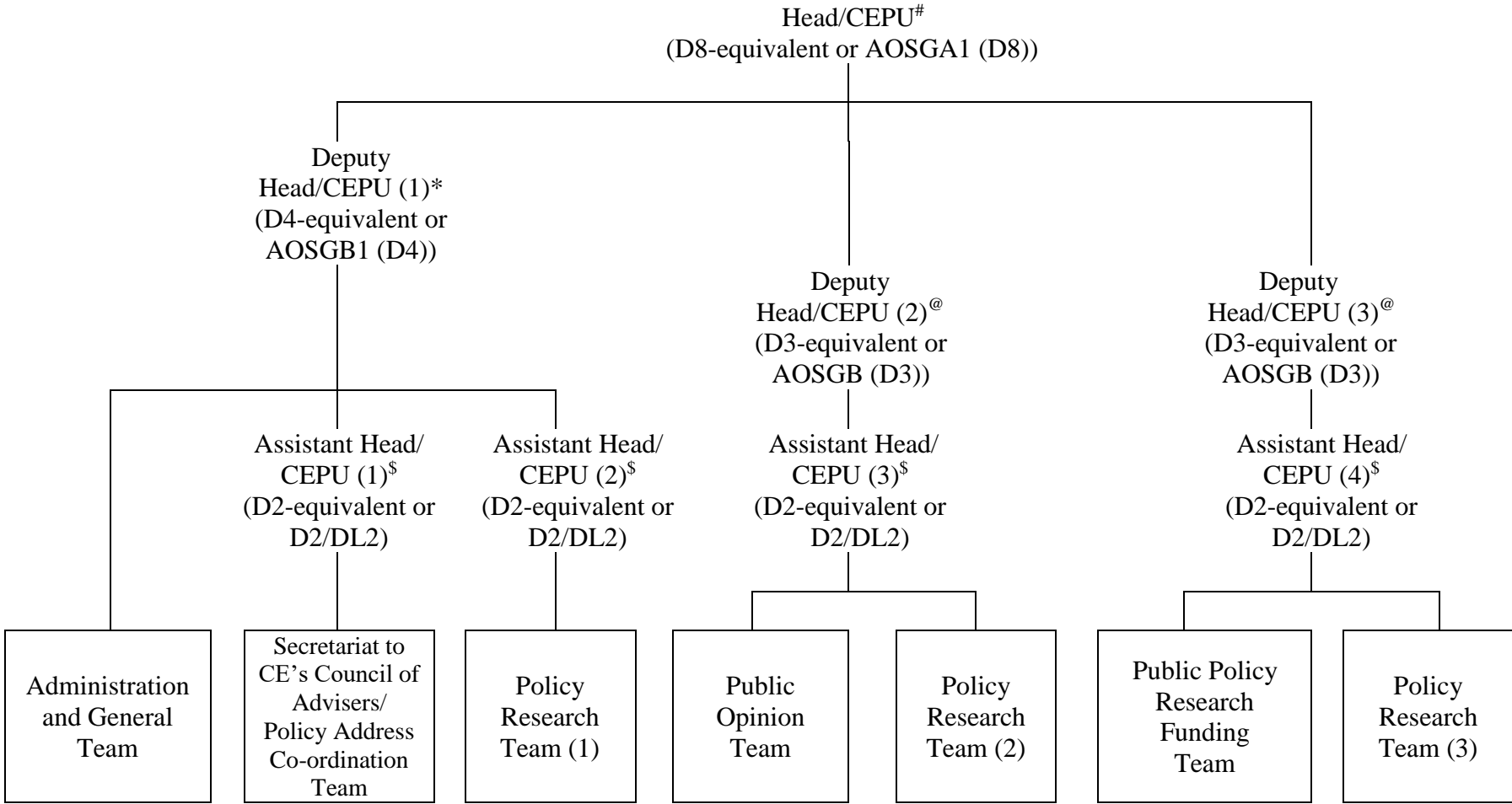
**Organisation Chart of Former Policy Innovation and Co-ordination Office
(as at 30 June 2022)**



Position/post that can be filled by either a non-civil service appointee (D8-equivalent) or a civil servant at AOSGA1 (D8) rank.

* Civil service posts at D2/DL2 that can be filled by any one of the five selected grades, namely Administrative Officer (at AOSGC rank), Economist (at Principal Economist rank), Engineer (at Government Engineer rank), Government Counsel (at Deputy Principal Government Counsel rank) or Town Planner (at Government Town Planner rank).

Proposed Organisation Chart of the Chief Executive’s Policy Unit



To be filled by either a non-civil service appointee (D8-equivalent) or a civil servant at AOSGA1 (D8) rank.
 * To be filled by either a non-civil service appointee (D4-equivalent) or a civil servant at AOSGB1 (D4) rank.
 @ To be filled by either a non-civil service appointee (D3-equivalent) or a civil servant at AOSGB (D3) rank.
 \$ To be filled by either a non-civil service appointee (D2-equivalent) or a civil servant at D2/DL2 rank from any one of the five selected grades, namely Administrative Officer, Economist, Engineer, Government Counsel or Town Planner.

Job Description
Head/The Chief Executive's Policy Unit (CEPU)

Rank : Non-Civil Service (NCS) Position (D8-equivalent)/
Administrative Officer Staff Grade A1 (AOSGA1) (D8)

Responsible to : Chief Executive (CE)

Major duties and responsibilities –

To provide informed policy advice to CE through overseeing the following work of CEPU –

1. Conducting in-depth studies and analyses on Mainland policies and developments, as well as global developments and trends, and assessing how Hong Kong can keep up with these developments;
2. Conducting forward-looking research on strategic and long-term issues;
3. Co-ordinating the preparation of CE's annual Policy Address (PA) and tracking the implementation of PA initiatives;
4. Providing research and secretariat support to the CE's Council of Advisers;
5. Providing internal briefings on Mainland and global developments to promote experience and knowledge sharing;
6. Assessing public opinions for CE's reference through various means including web-based data analytics, opinion polls, focus group discussions, as well as networking and dialogue with stakeholders including commentators, think-tanks, academia and other leaders;
7. Building up external policy research capacity through measures including administering public policy research funding schemes; and
8. Overseeing the management of CEPU.

/Job

Job Description
Deputy Head/CEPU (1) (DH/CEPU(1))

Rank : NCS Position (D4-equivalent)/Administrative Officer Staff Grade B1 (AOSGB1) (D4)

Responsible to : Head/CEPU
(NCS appointee (D8-equivalent)/AOSGA1 (D8))

Major duties and responsibilities –

1. Overseeing the overall co-ordination and production of PA, Policy Measure Booklet, and other documents as directed by CE, and tracking the implementation of PA initiatives;
2. Conducting forward-looking research on strategic and long-term issues;
3. Serving as the Secretary to the CE's Council of Advisers and overseeing the provision of research and secretariat support to the Council;
4. Overseeing the Administration and General Team responsible for general administration of CEPU, including financial management, office and staff administration as well as contract and event management; and
5. Performing any other duties as may be directed by Head/CEPU and deputising for Head/CEPU as necessary.

/Job

Job Description
Deputy Head/CEPU (2) (DH/CEPU(2))

Rank : NCS Position (D3-equivalent)/Administrative Officer Staff Grade B (AOSGB) (D3)

Responsible to : Head/CEPU
(NCS appointee (D8-equivalent)/AOSGA1 (D8))

Major duties and responsibilities –

1. Conducting in-depth studies and analyses on Mainland policies and developments, and assessing how Hong Kong can keep up with these developments;
2. Conducting forward-looking research on strategic and long-term issues;
3. Assessing public opinions for CE's reference through various means including web-based data analytics, opinion polls, focus group discussions, as well as networking and dialogue with stakeholders including commentators, think-tanks, academia and other leaders;
4. Organising internal briefings on Mainland developments for CE and other senior officials; and
5. Performing any other duties as may be directed by Head/CEPU and deputising for Head/CEPU as necessary.

/Job

Job Description
Deputy Head/CEPU (3) (DH/CEPU(3))

Rank : NCS Position (D3-equivalent)/AOSGB (D3)

Responsible to : Head/CEPU
(NCS appointee (D8-equivalent)/AOSGA1 (D8))

Major duties and responsibilities –

1. Conducting in-depth studies and analyses on global developments and trends, and assessing how Hong Kong can keep up with these developments;
2. Conducting forward-looking research on strategic and long-term issues;
3. Building up external policy research capacity through measures including administering the Public Policy Research Funding Scheme and the Strategic Public Policy Research Funding Scheme;
4. Organising internal briefings on global developments for CE and other senior officials; and
5. Performing any other duties as may be directed by Head/CEPU and deputising for Head/CEPU as necessary.

/Job

Job Description
Assistant Head/CEPU (1)

Rank : NCS Position (D2-equivalent)/
Administrative Officer Staff Grade C (D2)/
Principal Economist (D2)/
Government Engineer (D2)/
Deputy Principal Government Counsel (DL2)/
Government Town Planner (D2)

Responsible to : DH/CEPU(1)
(NCS appointee (D4-equivalent)/AOSGB1 (D4))

Major duties and responsibilities –

1. Assisting DH/CEPU(1) to co-ordinate the preparation of PA, Policy Measure Booklet, and other documents as directed by CE;
2. Assisting DH/CEPU(1) to track the implementation of PA initiatives as well as indicators, including key performance indicators set for specified tasks;
3. Overseeing the Secretariat to CE's Council of Advisers to provide secretariat support to the Council; and
4. Performing any other duties as may be directed by DH/CEPU(1).

/Job

Job Description
Assistant Head/CEPU (2)

Rank : NCS Position (D2-equivalent)/
Administrative Officer Staff Grade C (D2)/
Principal Economist (D2)/
Government Engineer (D2)/
Deputy Principal Government Counsel (DL2)/
Government Town Planner (D2)

Responsible to : DH/CEPU(1)
(NCS appointee (D4-equivalent)/AOSGB1 (D4))

Major duties and responsibilities –

1. Assisting DH/CEPU(1) to co-ordinate the preparation of the PA and keep track of the implementation of PA initiatives, including devising the communication and public relations strategy in that relation;
2. Conducting in-depth studies and analyses on policy topics as assigned by seniors;
3. Overseeing the Policy Research Team (1) to conduct forward-looking research on strategic and long-term issues; and
4. Performing any other duties as may be directed by DH/CEPU(1).

/Job

Job Description
Assistant Head/CEPU (3)

Rank : NCS Position (D2-equivalent)/
Administrative Officer Staff Grade C (D2)/
Principal Economist (D2)/
Government Engineer (D2)/
Deputy Principal Government Counsel (DL2)/
Government Town Planner (D2)

Responsible to : DH/CEPU(2)
(NCS appointee (D3-equivalent)/AOSGB (D3))

Major duties and responsibilities –

1. Overseeing the Policy Research Team (2) to –
 - (i) conduct in-depth studies and analyses on Mainland policies and developments, and assess how Hong Kong can keep up with these developments; and
 - (ii) conduct forward-looking research on strategic and long-term issues;
2. Overseeing the Public Opinion Team to collect public opinions for CE's reference through various means including web-based data analytics, opinion polls, focus group discussions, as well as networking and dialogue with stakeholders including commentators, think-tanks, academia and other leaders;
3. Assisting DH/CEPU(2) to organise internal briefings on Mainland developments for CE and other senior officials; and
4. Performing any other duties as may be directed by DH/CEPU(2).

/Job

Job Description
Assistant Head/CEPU (4)

Rank : NCS Position (D2-equivalent)/
Administrative Officer Staff Grade C (D2)/
Principal Economist (D2)/
Government Engineer (D2)/
Deputy Principal Government Counsel (DL2)/
Government Town Planner (D2)

Responsible to : DH/CEPU(3)
(NCS appointee (D3-equivalent)/AOSGB (D3))

Major duties and responsibilities –

1. Overseeing the Policy Research Team (3) to –
 - (i) conduct in-depth studies and analyses on global developments and trends, and assess how Hong Kong can keep up with these developments; and
 - (ii) conduct forward-looking research on strategic and long-term issues;
2. Overseeing the Public Policy Research Funding Team to build up external policy research capacity through measures including administering the Public Policy Research Funding Scheme and the Strategic Public Policy Research Funding Scheme;
3. Assisting DH/CEPU(3) to organise internal briefings on global developments for CE and other senior officials; and
4. Performing any other duties as may be directed by DH/CEPU(3).
