

# CollaborateHK

A\_New\_Approach\_to\_Community\_Initiatives

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推行社區項目新機制

A study by 非常香港 Very Hong Kong

October 2018





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A\_New\_Approach\_to\_Community\_Initiatives



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# ABOUT VERY HONG KONG

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Founded in 2013, Very Hong Kong is the city's first independent platform advocating the innovative use of public spaces by local creative groups around the city. We aim to redefine public spaces by delivering imaginative and inclusive projects, and by providing a platform to support the development of emerging talent. Very Hong Kong events support the best of Hong Kong's diverse, creative culture, and are open to all.

Very Hong Kong is founded on a set of core values that underpin its ambition to promote social capital and encourage community engagement. We seek to embrace Hong Kong's multiculturalism through public participation on a whole new scale, to foster local pride in our city as well as to rejuvenate its street life and public spaces.

Very Hong Kong hopes to draw attention to the city's rich heritage, its current cultural and urban transformation, and its vibrant future. It achieves this by fostering a range of public projects, events and installations from fields such as art, film, fashion and music, as well as design, urban planning, architecture and food.

We are committed to supporting the public as well as the city's many community and non-government organisations. We seek to provide a platform to make innovative use of, and celebrate, Hong Kong's public spaces as part of a programme of activities presented by the community, for the community.

The ongoing programme is a means of reclaiming, celebrating and activating public space for better use by the community. This process enhances the city's social fabric, integrating communities and, over time, demonstrating that upward mobility is not "impossible" but a goal worth working towards.



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# FOREWORD: A PROBLEM TO SOLVE

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Hong Kong is always evolving as a society. It's a city built on ingenuity and creativity. Its oldest neighbourhoods developed organically as friendly enclaves that became virtually self-supporting, growing to meet the needs of local residents.

But the city risks losing some of its charm, self-sufficiency and social stability as it grows. The shortage of land in Hong Kong makes life difficult for organisations and societies that served their people well in the past, and delivered many crucial services. Securing premises, paying rent and other mounting costs make it hard for service groups to put ideas into action, even if they see a need in society and know how to meet it.

**The need to enhance the way that community-driven initiatives are delivered and managed has concerned us for quite some time. Many concepts to improve life at a neighbourhood level start small. They are often best begun by residents and local interest groups. But hurdles in the form of high start-up costs, complex application procedures and a lack of experience often prevent their advocates from putting them into action.**

We have first-hand experience in organising public events in public spaces, including a one-day event in the heart of Hong Kong on September 25, 2016. This took nine months to put together, involving 17 individual government bureaus and departments to obtain the permissions and licenses for the event to take place.

That event, Very DVRC, which involved pedestrianising 200m of Des Voeux Road Central on a Sunday for public activities, was therefore very complicated in the making, requiring concerted effort and conviction. When we shared our story with other community groups, they echoed our experience and frustration, regardless of the scale and complexity of the initiatives concerned. For newly established community groups, it is difficult to find out even how to start.

We believe this situation can improve in a way that will serve Hong Kong society well. Community projects could deliver great social benefit without great cost or legislative change. It could likely be done by using existing resources, both in terms of property and personnel, more efficiently. So we are trying to figure out how best to do that.

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In the past nine months, we have approached and interviewed stakeholders with different backgrounds and professional knowledge. We have collected their views and shared with them our thoughts on a new model, which we are calling CollaborateHK, to improve the delivery of community initiatives. While some participants wanted further information, many others immediately understood what we were putting forward, and were very supportive, offering us constructive feedback and comments.

We thank them for their trust in us and for their willingness to speak openly on the subject. We are indebted to our advisory panel for their valuable insights and advice on the evolving CollaborateHK approach, and we are also truly grateful to those working behind the scenes for their assistance in shaping the proposed framework over the nine-month study period.

The CollaborateHK model put forward in this report is the outcome of broad-based collaborative efforts. In the coming 12 months or so, we will demonstrate and test the effectiveness of the CollaborateHK approach by launching several pilot projects. In this way, we hope that groups will propose and deliver a growing number of community-driven initiatives, enhancing the well-being of local residents and the liveability of Hong Kong.

**Hong Kong has the means to help itself become a better, happier, more-liveable city. Locally-led projects that make use of existing resources could deliver vital services at a neighbourhood level. We simply seek a suitable way to encourage that to happen.**

**Margaret Brooke & Christopher Law**

Co-Founders

Very Hong Kong



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# EXECUTIVE SUMMARY

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Despite the severe shortage of land suitable for development in Hong Kong, we see pockets of vacant or underused sites across the territory. We hear from time to time that different community groups are looking for space to implement their initiatives but cannot find or afford appropriate locations. Yet there are currently more than 800 government short-term tenancy (STT) sites or vacant school premises available for community use at nominal rents.

These vacant sites are valuable resources, which could be transformed into usable public spaces for the benefit of the community. This would enhance the well-being of local residents, lift community spirit, and improve the living environment of Hong Kong.

Very Hong Kong has undertaken a nine-month independent study to engage the public through focus-group discussions, one-on-one interviews and a community-planning charrette. This helped to collect the views of residents and stakeholders and suggested new, improved ways to deliver community initiatives.

## ISSUES

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We discovered that the implementation of existing projects is currently hampered on the one hand by unclear and layered application procedures, and on the other by the lack of financial resources and professional support experienced by many community groups. In addition to the difficulty in securing financial resources, it is also a major challenge for community groups to search for sites. They must obtain government policy support and then go through a lengthy formal application procedure, win land-use approvals, and secure the required permits and licences.



We have talked to local concern groups, community-project operators and professionals to understand their experience and difficulty in carrying out community projects. We have also reviewed desktop literature on local and overseas cases. This has helped raise ten major issues, and we have identified possible ways to resolve them.

Identified Issues	Possible Solutions
<b>1</b> Application procedures are too complicated and time-consuming; how and where to obtain policy support is unclear	A “one-stop” advisory and coordination office within government to receive and follow up on community-initiative proposals
<b>2</b> Community groups lack professional advice to realise their ideas	A non-government collaboration platform providing affordable professional advice to help community groups consolidate their ideas into sound project proposals
<b>3</b> Lack of public engagement in community projects	Bottom-up planning and placemaking activities to support decisions on community initiatives
<b>4</b> Mistrust of private-sector participation in community projects	An open and transparent public-private partnership to slowly build trust
<b>5</b> Community groups lack capital and other funding for community projects	A fund searching platform to link potential fund sources with funding recipients
<b>6</b> Community groups lack business skills to run community projects in a financially sustainable manner	An educational capacity-building platform to empower community groups
<b>7</b> Administrative workload is overwhelming for funding schemes	Advice for funders to streamline report-writing requirements
<b>8</b> Land tenure for community projects is too short to achieve financial viability and long-term impact	The government to reflect project needs in the tenancy duration of STT sites
<b>9</b> Lack of collaboration and support among community groups	A non-government collaboration platform to share information and build networks
<b>10</b> Direct-grant short-term-tenancy sites (at nominal rent) forbid commercial activities	A new government approach in assessing land premiums for community projects, reflecting both the social benefit and permitted commercial activity that helps meet operational and management costs

**SUGGESTED TWO-PART COLLABORATION FRAMEWORK**

The possible solutions identified by Very Hong Kong fall into two main categories: government action to enhance governance and public inclusion; and non-government response to encourage collaboration among different sectors in society. When both private and public sectors respond, this structure would form a two-part collaboration framework.



### Government: One-Stop Coordination Service

There is clear support for the provision of a one-stop coordination service within the government to receive and process community-project proposals. As the 800+ vacant STT sites are currently held by the Lands Department, a special unit could be formed within the department to streamline the application process. For community projects that do not involve specified STT sites, the Project Coordination Team within Policy Innovation and Coordination Office might be the appropriate choice. The suggested government-coordination office could do the following:

- Receive community-project proposals
- Dispatch proposals to relevant government departments for collecting their comments and obtaining policy support
- Assist project proponents in filing for required permits and licences such as the Temporary Places of Public Entertainment Licence, Temporary Food Factory Licence, Fire Services Certificate and letters of confirmation or no objection for carrying out specific community initiatives

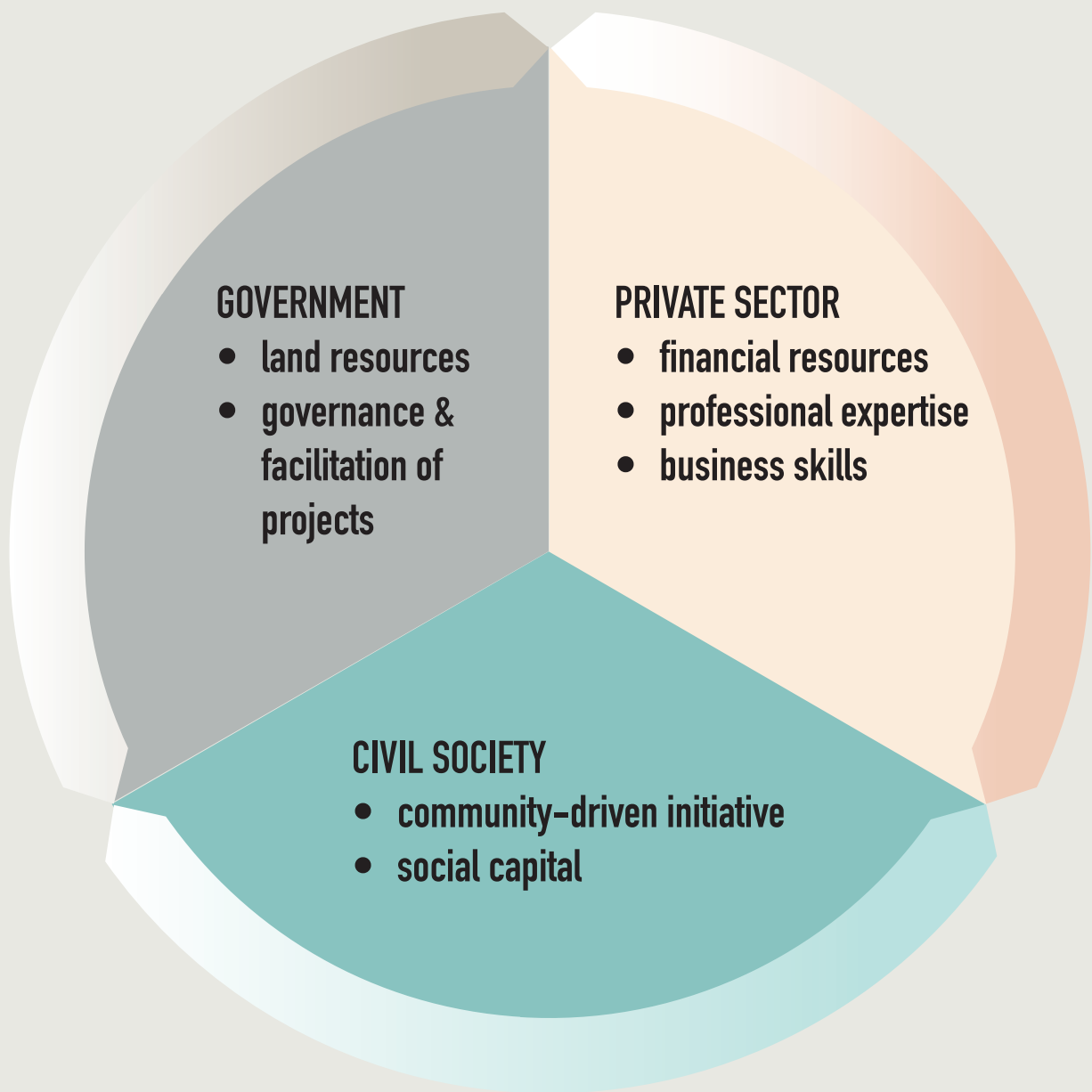
### Non-Government: CollaborateHK Platform

A non-government collaboration platform named CollaborateHK would be set up in the form of a company limited by guarantee with S.88 charitable status. CollaborateHK would be responsible for recommending validated projects to submit to the government's one-stop coordination office for consultation and eventual approval by the relevant authorities. CollaborateHK would ensure project proposals have sufficient public support and deliver measurable social benefit. CollaborateHK would also arrange for the provision of professional advice and assist in search for funding to support validated proposals.

CollaborateHK would perform six major functions to address community needs:







## HOW COLLABORATEHK HELPS HONG KONG

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### Benefits to the Government

**Make Best Use of Existing Legislation:** The suggested framework is easy to implement. It requires no new legislation or amendment to existing laws to accommodate its proposed one-stop coordination service.

**Enhance Administrative Effectiveness:** A one-stop coordination service would streamline the process of submitting project proposals to the government. This would make government more efficient, and allow early government input on the viability of projects.

**Reduce Government Pressure:** By adopting a bottom-up approach with a streamlined application process, this system would put vacant public spaces to better use. The services provided will meet community needs, as identified by the community, reducing pressure on the government.

**Provide Public Space Without Extra Resources:** Projects would be initiated and managed by local groups with funding mainly from the business sector, and do not require extra resources from the government.

**Create Community Character:** The suggested framework would facilitate community-initiated projects for a wide range of uses and contribute to the unique urban character of our city and neighbourhoods.

### Benefits to Civil Society

**Contribute to Community Development:** The suggested framework would encourage community involvement in local planning and development, and help the community nurture a sense of neighbourhood ownership.

**Encourage Social Jamming:** CollaborateHK would provide community groups a much-needed networking platform for “idea jamming” which could lead to unexpected social innovation.

**Diversify Funding Sources:** CollaborateHK would help source funding from different sectors of society, including established corporations, medium to small businesses, charitable groups, private foundations and individual donors.

**Stimulate Community-Group Responsibility:** CollaborateHK would provide capacity-building and education programmes to empower communities to implement individual projects.

### Benefits to the Private Sector

**Foster Corporate Social Responsibility:** CollaborateHK offers the business sector an opportunity to participate in community-initiated projects. It paves the way for further partnerships and collaborations between businesses and civil society.

**Contribute Business Skills:** The private sector could contribute meaningful support by sharing business skills with community groups to improve the financial performance of their projects.

**Win Public Trust:** By engaging with different NPOs and concern groups, the business sector could slowly build trust with the community and contribute positively to social harmony.

# #01

# A MORE-LIVEABLE HONG KONG

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Land supply has long been a major challenge in Hong Kong, its use and availability perennial concerns, and this has been the case over the last decade or so in particular. It is generally recognised that everyone, wherever they are, deserves a safe, decent, and connected place to live, together with access to satisfactory levels of local services. However, delivery of these basic expectations in Hong Kong has never been simple given the city's topography and ever-increasing population.

In earlier days, those Hong Kongers fortunate enough to enjoy the security of a decent roof over their heads developed strong feelings of attachment to their neighbourhoods. They were willing to protect the things they had and to help their communities grow in what they saw as the "right way". This often happened gradually and organically. Financial and physical constraints were perhaps not quite as pressing as they are today, and local initiatives had more time and freedom to take form.

In this way, neighbourhoods and communities grew their own identities. This is a healthy process, and one that should continue. To make sure that people and their neighbours live in the community they envision, governments need to facilitate participatory opportunities for people to preserve what they like, improve what could be better, and introduce what they think is missing in their everyday life.

Whether it is an initiative to improve housing, bolster community services, revitalise a nearby park, provide better access to open space, or conserve a local heritage building, cities need focused, accessible, efficient and effective institutional arrangements in place for such things to happen. By encouraging this to happen, Hong Kong can become a healthier, happier place to live.

This type of "community first" environment is already in place in some overseas jurisdictions, with examples in the United States and United Kingdom, where policy structures have been adopted to facilitate and encourage such initiatives. It is time for Hong Kong to move in this direction, and to provide an effective institutional

mechanism to facilitate this "bottom-up" community-building approach.

## 1.1 Enhancing Liveability Through Collaboration

There are many ways to measure liveability, including a wide range of international rankings released by various research organisations. In many of these rankings, Hong Kong scores high in terms of economic vibrancy and competitiveness<sup>1</sup>, yet only average when judged by liveability<sup>2</sup>. Hong Kong residents are not particularly happy compared with other citizens in the world<sup>3</sup> when judged by these rankings.

The Hong Kong government has proposed measures to enhance the city's liveability in various recent governance and development blueprints, including the 2017 and 2018 Policy Address and the 2018-19 Budget. In "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" ("Hong Kong 2030+"), the government's planning goal is to make Hong Kong "Asia's World City", a liveable, competitive and sustainable place to call home.

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<sup>1</sup> Hong Kong was ranked the world's freest economy in 2018 for the 24<sup>th</sup> consecutive year by the Heritage Foundation. Hong Kong was ranked the 6<sup>th</sup> most competitive economy in 2017 in the World Economic Forum report.

<sup>2</sup> Hong Kong ranked 35<sup>th</sup> out of 180 cities in the 2018 liveability report from the Economist Intelligence Unit (EIU), up 10 places from 45<sup>th</sup> place in 2017.

<sup>3</sup> Hong Kong ranked 71<sup>st</sup> and 76<sup>th</sup> in 2016 and 2017 respectively out of 156 countries in the United Nations' World Happiness Report.

<sup>4</sup> "Liveable City – Hong Kong", a paper prepared by the Secretariat (within the Central Policy Unit) to the Commission on Strategic Development, Paper Ref: CSD/5/2016, November 2016.

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There is no single method to measure liveability. In Hong Kong, the government considers liveability in five categories<sup>4</sup>: (i) economic vibrancy and competitiveness; (ii) security and stability; (iii) socio-cultural conditions (including social harmony); (iv) environment, environmental friendliness and sustainability; and (v) public governance.

How do we make Hong Kong more liveable? The Habitat Agenda adopted in 1996 during the Second United Nations Conference on Human Settlements states that “liveability refers to those spatial, social and environmental characteristics and qualities that uniquely contribute to people’s sense of personal and collective

well-being and to their sense of satisfaction in being the residents of that particular settlement.” In layman’s terms, liveability covers the factors that make people want to stay and live in a particular place.

Very Hong Kong believes Hong Kong’s living environment and social harmony can be improved by transforming the pockets of vacant land or vacant/underused buildings around us into community spaces. To be successful, this will need to happen in a collaborative manner involving cross-sector stakeholder participation (refer to Figure 1).



**Figure 1:** A collaborative approach to implement community projects

### 1.1.1 Fostering Social Harmony

Most people in Hong Kong would agree that Hong Kong society is not very harmonious at present. The situation arises due to a number of unresolved conflicts accumulated over the years, including polarised political views, an acute housing shortage resulting in skyrocketing rents and prices, a stressful living and working environment, inadequate availability of health care and social services, and other similar hardships. While there is no immediate solution to all these issues, there are readily available means around us to improve the situation. We can improve local life by, for instance, converting the vacant sites we walk past every day into community or public spaces that meet people's needs and bring social benefit to the surrounding neighbourhood. They can also act as catalysts to greater civic collaboration.

The process of creating community or public spaces should be a bottom-up approach led by the community via adequate public engagement, which gives the highest chance of achieving local consensus and support. The power of these vacant sites should not be underestimated. This phenomenon is also universal, as perfectly described by the city planner Amanda Burden in New York City, the United States. They provide opportunities for residents to regain a sense of ownership and control, contribute positively to their communities, be proud of themselves, and create social harmony in their neighbourhood.

*"If there is any one lesson that I have learned in my life as a city planner, it is that public spaces have power. It's not just the number of people using them, it's the even greater number of people who feel better about their city just knowing that they are there."*

*"Public space can change how you live in a city, how you feel about a city, whether you choose one city over another, and public space is one of the most important reasons why you stay in a city."*

*Amanda Burden, New York City's chief planner under Mayor Michael Bloomberg, led a number of revitalisation projects such as the High Line park and Brooklyn's waterfront.*

### 1.1.2 Land Resources Readily Available

There are vacant sites and empty or underused buildings readily available for community use. In November 2017, the Lands Department published a list of 800+ short-term tenancy (STT) sites and school premises<sup>5</sup> available for the community's short-term use (maximum five years). The response to these STT sites, however, has been low. Yet community groups often claim they have difficulties finding sites to carry out their initiatives.

We believe this mismatch is partly due to a lack of supporting measures and services from the government to facilitate or encourage use of these vacant sites, and partly due to inadequate funding for community groups to implement their ideas. There is obviously a gap to fill in encouraging local residents to get directly involved in making their neighbourhood a better place to live.

### 1.1.3 Improving Public Governance

Against this background, Very Hong Kong decided to undertake a comprehensive study of a possible new governance framework and support network. This framework would facilitate the delivery of more community initiatives, to achieve common goals and improve happiness in our society.

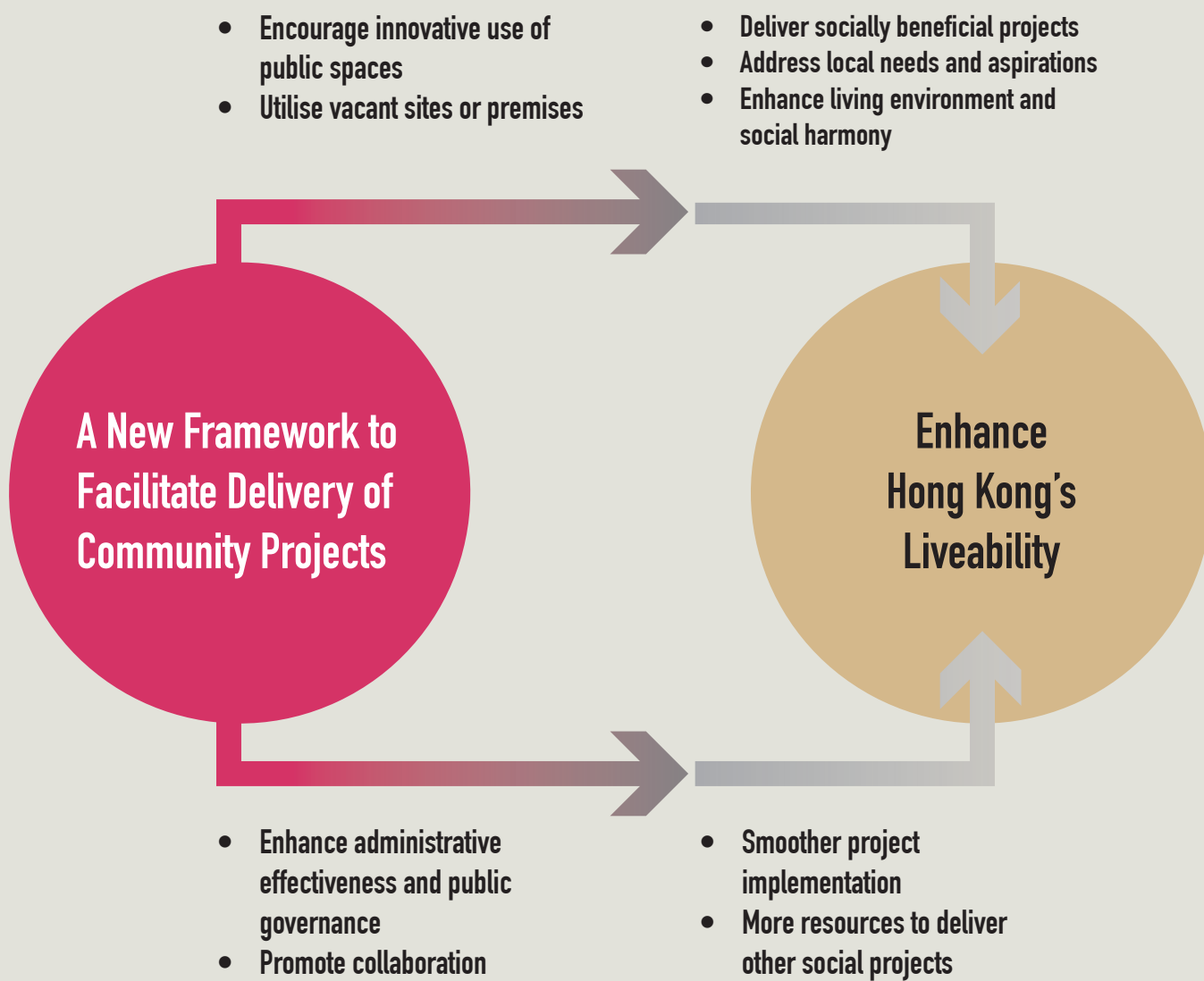
## 1.2 Study Objective

Different community groups inevitably have varying objectives in promoting a project, be it to strengthen social ties in the neighbourhood, to foster community spirit, to empower themselves through bottom-up decision making, to boost the local economy, to improve their living environment, or to build the kind of community they desire. The objective of our study is, through community engagement and ideation, to identify whether an improved policy framework would assist local communities in achieving their goals and, if so, to recommend a potential structure and process to fulfill this objective.

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<sup>5</sup> Many of the vacant school premises are far from public transport connections, and so probably have limited/specific community benefits.

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**Figure 2:** A new framework to enhance Hong Kong's liveability

Community projects could take place in sites or buildings deemed suitable for use as public open space or for other social and community benefit. Such sites or buildings might be government owned (such as much of the harbourfront) or owned partly by the government and partly by the private sector, if the private-sector owner is interested in participating in a project with significant public benefit. Following feedback from the public-engagement exercise, the study has considered how a collaborative process, involving the government, businesses and the community, might help in implementing proposals put forward by both the community and appropriate site or building owners.

Community-improvement initiatives are mainstream in the United Kingdom and United States, where specific corporate/partnership structures exist to facilitate their implementation. For them to succeed in Hong Kong, we need to establish this kind of framework that links ownership, funding and management. This should be a highly transparent, collaborative process to address current mistrust between government, “big business” and the public.

The study seeks to deliver an easy-to-understand framework and a clearly described process for structuring public-private community projects to ensure their deliverability, viability, sustainability and acceptability in the community.

### **1.3 Study Methodology**

Very Hong Kong has undertaken an intensive nine-month study to understand the difficulties encountered by different stakeholders in carrying out community projects<sup>6</sup> and propose a new framework

to address the issues identified. We also sought to rethink how community projects can be delivered. This involved focus-group discussions, desktop research on how community projects are implemented at home and overseas, and one-on-one interviews with stakeholders to understand their experience and identify areas of concern. The desktop research and initial stakeholder engagement laid down the foundation for the suggested new framework, which was tested in the Sandbox Charrette held on March 23-24, 2018. This was another opportunity for public engagement involving the preparation of proposals for the use of eight STT sites by community-based teams, working alongside young volunteer professionals. Feedback was collected from the sandbox participants to refine the framework.

A Sandbox Summit was then held on May 12, 2018. Sandbox participants were invited to attend to present their proposals in greater detail in front of a wider audience including government officials, private-sector executives and potential funders, followed by a panel discussion on the “Community’s Role in Shaping a Liveable City”.

A team of experts (refer to Annex 1) from different sectors offered their expertise and advice on fields such as legal, finance, social welfare, public governance, building, construction, social innovation and business operations.

This independent study is therefore based on significant community participation and is designed to establish a suggested framework for government to consider prior to reaching any finite recommendations.

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<sup>6</sup> Community projects in this study are loosely defined as government led or community/private initiatives that bring social benefits to the community.



**Figure 3:** Study methodology



# #02

## RESEARCH APPROACH

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### 2.1 Approach

Since November 2017, Very Hong Kong led targeted focus-group discussions with community stakeholders (refer to Annex 2) and in-depth individual interviews with over 20 experts across the industry. This has generated first-hand insight into the issues surrounding the planning and delivery of community projects.

Very Hong Kong has also reviewed via desktop work the successes, challenges and outcomes of previous community projects both in Hong Kong and in overseas jurisdictions such as the United Kingdom, Canada and the United States.

### 2.2 Collecting Insights

#### 2.2.1 Desktop Research

Very Hong Kong's study examined a range of community projects to understand their characteristics, success factors and limitations. These comprised government schemes and community-driven initiatives implemented since the early 2000s. While some have been more successful than others, a number of lessons can be drawn from their outcomes.

An early example was the adaptive re-use of the former Marine Police Headquarters, a declared monument in a prominent location in Tsim Sha Tsui, into the 1881 Heritage of today. Following a government tender in 2003, the site was awarded to a developer<sup>7</sup> for a period of 50 years. The developer was responsible for the cost, restoration and management of the site and its historic buildings for tourism. The land sale caused quite a stir at the time, and the project is often criticised for its excessive commercial, for-profit orientation, while the heritage value of the site has been significantly undermined. This outcome resulted in the government becoming very cautious about involving the private sector in projects of public interest.

More recently, during the completion ceremony of The Murray<sup>8</sup> hotel (the former Murray Building on Garden Road) in December

2017, the Chief Executive admitted that the government was quite worried about working with private-sector partners, a reference to the public's fear of perceived government/business collusion.

The Hong Kong government has recorded successive years of fiscal surpluses. With some of the proceeds, it has launched a number of heavily subsidised community projects, including the Revitalising Historic Buildings Through Partnership Scheme (known as the Revitalisation Scheme) in 2008, the Conserving Central initiative in 2009, the District Council Signature Project scheme in 2013, the Tin Sau Bazaar development in Tin Shui Wai in 2013, and the district-based Community Green Station scheme in 2014, all on top of the Community Garden Programme launched in 2004. It has now become standard procedure that government-subsidised community projects should be run by registered non-profit organisations (NPOs), to avoid any perceived government/business-sector collusion. Any profits made by the NPOs must be ploughed back into the projects. Some of these initiatives have been successful while others have not, in spite of their government support.

Examples of place-based, community-driven initiatives of any significant scale are limited since the early 2000s. The study team has examined two such cases, the Sham Shui Po Bazaar and the Sustainable Lai Chi Wo Programme in the New Territories. Both projects faced tremendous difficulties at the beginning, with limited resources, lack of local or government support, and even local opposition. However, the organisers took time and patiently engaged the stakeholders, including local residents/villagers, business traders and the district council. As a result, they were eventually accepted by the local community, and the projects slowly took shape. Sustainable Lai Chi Wo was initiated by former civil servants, supported by specialist university academics and green groups, whose knowledge and skills are the backbone of the project.

Why were these initiatives difficult to get off the ground? One reason might be the lack of a policy framework supporting community-led projects. With no established process, project

promoters face difficulties in securing district and government policy support and in pursuing approvals through the various government departments and agencies.

Overseas, where local governments are often wrestling with recurring budget crises, community initiatives and district-improvement projects frequently rely on the private sector and local citizens, such as in the Business Improvement District (BID) model. In another example in the United Kingdom, there is a statutory provision for the community to buy unused public buildings from the government below market price for community use, as illustrated in the Community Asset Transfer (CAT) scheme. There are contextual and regulatory differences between Hong Kong and the United Kingdom; for example, the United Kingdom has many more unused public assets and abundant rural land. Hence overseas models may not be suitable for direct copy in Hong Kong, although the key principles may be useful to consider.

### 2.2.2 Focus-Group Discussions

Five focus-group discussions were conducted between December 2017 and February 2018 on a non-attributable basis. The aim was to collect views and experiences on community projects in Hong Kong from stakeholders with different backgrounds. Each session focused on one main type of stakeholder, namely community/concern groups, community-project operators, professionals and District Councilors.

Speaking from their own experience, the community groups and project operators shared their frustration in securing all the required permits and licences from different government departments. It is also difficult to secure funding to carry out community initiatives, with a heavy administrative workload attached to the funding process. They noted that funding for a particular project usually only lasts for two to three years, with the funding agency then expecting the project to be self-sustainable immediately thereafter, which is often impossible. They believe a networking platform would be very useful for sharing information and knowledge, especially for small and emerging community organisations.

The professionals said many of their colleagues are passionate about helping community initiatives on a voluntary or low-bono basis. They wish the government would dedicate more resources to District Councils for hiring professionals to enhance the quality of district-improvement projects. The professionals also understand

the need for commercial activities to take place in community projects so they can achieve financial sustainability, a concept that might not be so readily accepted by the general public.

The focus-group participants generally believed it would be very helpful to have a one-stop coordination office to receive community-initiated proposals. While some participants suggested giving greater decision-making power to District Councils and District Offices for more effective governance, others thought these already have too much influence. These participants favoured granting more decision-making power and support to local residents themselves, to foster a bottom-up community-development approach.

### 2.2.3 One-On-One Interviews

The study team has interviewed over 20 well-informed individuals on a non-attributable basis to collect their wide range of views on community projects, as well as their solutions and recommendations. These individuals comprise former and current civil servants, statutory advisory-board members, District Councilors, academics, developers, and members of social-welfare and charitable organisations.

In general, all interviewees agree there are loopholes in the existing mechanisms for delivering community-initiated projects. Community groups are put off by the many layers and restrictions in the current system. This prevents community projects from being realised.

Some former and current civil servants support the idea of establishing a dedicated coordination office or an integrated multi-departmental task force. This could improve and streamline the processing of community initiatives.

A number of the interviewees believe there is a genuine need to rigorously revamp the whole system because patching up the existing mechanisms would not solve fundamental problems. They feel public mistrust leads to a lack of collaboration between

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<sup>7</sup> Flying Snow Limited, a subsidiary of Cheung Kong Holdings Ltd.

<sup>8</sup> One of eight projects, and the only to be re-used for commercial purposes, in the Conserving Central initiative.

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different sectors in society. The public at large does not trust the government or the business sector, and there is a perception that the government favours the business sector in many of its policies. Interviewees believe a fresh start with a new, open and transparent framework would be more effective in gaining public support. A coordinated platform outside government would allow more collaboration among stakeholders. This would allow them to share their experience and know-how, build partnerships, foster networks, and provide up-to-date information.

Interviewees also suggested supporting measures such as new formulas for calculating land premium or rent (such as Social Benefit Land Premium and Social Benefit Rent) and longer tenancy periods for community projects.

There are also interviewees who believe it is sufficient to improve or streamline the existing processes, for example by increasing transparency on land information and clarifying application procedures to make it easier for community groups to initiate and deliver community-driven activities.



**Figure 4:** Focus-group discussions

# #03 SUCCESSES, CHALLENGES AND FAILURES FOR COMMUNITY PROJECTS

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## 3.1 Success Factors for Community Projects

The review of local and overseas cases as well as the results of the focus groups identified certain common success factors for community projects.

### 3.1.1 Bottom-Up Planning Approach to Meet Community Needs

Community projects should meet community needs and bring measurable social benefits. Long before the Blue House Cluster in Wan Chai was included in the Revitalisation Scheme, it was already serving as a place for kai fong neighbourhood gatherings and events, supported by St. James' Settlement, a well-established social-welfare organisation in the area. The subsequent Blue House revitalisation project, led by St. James' Settlement, restored the buildings for community use while encouraging the original residents to continue to live there. This has been well-received by the community and the public at large.

The same outcome is true of the Sham Shui Po Bazaar initiative, where the organisers spent several years working with professionals, local residents and businesses to develop their proposal, which was finally supported by the District Council and the Food and Environmental Hygiene Department. The operational mode of Sham Shui Po Bazaar targets the provision of occasional employment for low-income families who need to look after their family members and hence cannot take up regular full-time jobs. The bazaar has been well-received by the community. In contrast, Tin Sau Bazaar in Tin Shui Wai was implemented under a top-down approach in a less preferred location, with little public engagement, and thus has failed to meet community needs.

The organisers of the Sustainable Lai Chi Wo project also spent a very long time listening to and engaging with the villagers in designing their programme. This seeks to revitalise local agriculture and therefore the village, which benefits the villagers and the general public, and hence has their support.

All three examples demonstrate the importance of a bottom-up planning approach. This should include genuine engagement with the local community and allow project proposals to take shape slowly.

### 3.1.2 Capital Costs Borne by Government

The biggest advantage of government-supported schemes is that the major capital costs are borne by the government. Project proponents also have a "one-stop shop" within the government as a partner. As shown by the Revitalisation Scheme launched in 2008, few, if any, of the projects under the scheme would be financially viable if the government did not cover the capital-rehabilitation costs<sup>9</sup>. In addition, the government also provides a subsidy of up to HK\$5 million to support project operations during the first two years after completion. Despite the subsidies, one project has already ceased operation<sup>10</sup> and returned the historic building to the government due to poor financial performance.

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<sup>9</sup> SCAD Hong Kong, occupying the former magistracy in Sham Shui Po, was the only operator that did not need the government to pay for the rehabilitation cost of the historic building.

<sup>10</sup> The Yuen Yuen Institute "Fong Yuen Study Hall" Tourism and Chinese Cultural Centre cum Ma Wan Residents Museum was closed down due to the low number of visitors.

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### 3.1.3 One-Stop Coordination Services Provided for Government Schemes

For projects that fall under government schemes, NPO operators have one-stop coordination services. These include a dedicated office that deals with various departments in relation to the project, and assistance in securing all required licences and permits within a shorter timeframe than normal. The Vessel, operator of Sites 01, 02 and 03 under the “Fly the Flyover” scheme in Kwun Tong, said their project was able to commence sooner because the Energising Kowloon East Office (EKEO) assisted in securing all required licences for operation within a shorter time period. Similar one-stop coordination services were provided for projects under the Revitalisation Scheme and the District Council Signature Projects, where the government provided each District Council with HK\$100 million to launch projects with lasting impact to meet local needs.

However, no such one-stop coordination services are provided for projects initiated by the community, if they are not under government schemes.

#### 3.1.4 Funding Support From Charitable Organisations

The Hong Kong Jockey Club (HKJC) is generally regarded as the best-known and most-favoured charitable organisation in Hong Kong. Most focus-group participants said they would accept funding from HKJC because of its neutral image. However, they dislike HKJC’s reimbursement system of funding, which puts a serious strain on the cash flow of small- to medium-size community organisations.

HKJC mainly funds community projects through the Hong Kong Jockey Club Charities Trust. For instance, the Jockey Club Creative Arts Centre (JCCAC) in Shek Kip Mei and the Tai Kwun project in Central on the site of the former Central Police Station compound are two place-based projects funded by HKJC. In the capital-intensive Tai Kwun project, HKJC spent HK\$3.8 billion to meet the capital costs of renovation. It then promised it would cover all operational deficits until Tai Kwun is financially self-sustainable as “a gift to the people of Hong Kong.”

### 3.1.5 Statutory Provision for Private-Sector Participation

Community-improvement initiatives involving the private sector are popular in various overseas jurisdictions. For instance, in the 1970s, business owners in Bloor West, Toronto saw a decline in business as their customers were diverted to new shopping malls with the opening of a new metro system. The Canadians then formed a business association and asked the government if they could carry out district-improvement programmes by collecting an additional tax or levy to meet the funding costs. This private-sector approach, known as the “Business Improvement District” (“BID”) model, is now a form of public-private partnership governed by legislation. In general, the scale of such BIDs is kept quite small to avoid collusion. Businesses and property owners within the defined area are required to pay a tax or levy for services such as streetscape enhancements, street management, hygiene and security. The concept of BIDs has spread to other countries such as the United Kingdom and the United States.

The model gives the private sector a statutory tool that enables it to play an active role in improving the local business environment within a defined area, in addition to services provided by the local government.

BIDs are not without controversy. The model is often criticised as undemocratic and unaccountable. Some BIDs proved to have organisational structures that favour a small group of large property and business owners with the scale to manage public spaces, seen as an act of “privatisation” by local residents.

It would likely be impractical to introduce new legislation in Hong Kong to implement the BID model. Instead, a collaborative approach is more realistic, one that encourages cooperation between the government, the community and the private sector to implement community initiatives.



### 3.1.6 Public Buildings Sold to Community Below Market Price

In the United Kingdom, the Community Asset Transfer (CAT) policy was introduced in 2007 to allow cash-strapped local governments to reduce the expense of managing public buildings while at the same time promoting community ownership. The scheme allows community organisations to buy unused public assets for below market price if they are for community use.

The transfer options range from a “license to occupy” (an agreement for a short period of time), to a short-term lease (usually less than 10 years), to long-term leasehold (longer than 25 years) and finally to freehold lease (complete and absolute ownership of land/buildings). Of these options, long-term leasehold is most commonly adopted, allowing enough tenure to secure investment returns.

The Headingley Enterprise and Arts Centre (HEART) in Leeds, formerly a vacant primary school, was refurbished into a community centre under the CAT scheme. The Leeds City Council granted a long-term leasehold of 125 years to the Headingley Development Trust, which was set up by local residents. It is currently a popular gathering place for the local community.

The CAT model could be adapted for trial use in Hong Kong, perhaps as a reference for the introduction of a “Social Benefit Land Premium” as described in Chapter 8.

### 3.1.7 Political Will

Community projects do not happen by accident. Sometimes the political will of the government makes all the difference, as illustrated in the High Line project in New York City, which transformed an abandoned elevated rail track into a popular open space.

The High Line was originally an elevated railway for transporting goods. After the track’s closure in 1980, it became a public concern whether to demolish or retain the disused line. Some property owners living nearby lobbied for demolition of the track, a view

supported by then-mayor Rudy Giuliani. After taking office in 2002, a new mayor, Michael Bloomberg, supported a proposal to preserve and transform the rail track<sup>11</sup> into a public park. This push was led by the Friends of the High Line, a charitable organisation formed by two residents in 1999. The High Line has since become a world-renowned urban park. As in this instance, the political will of a government is often integral to the implementation of a community-led project. The local community’s enthusiasm may require facilitation from the public sector.

### 3.1.8 Commercial Activities to Enhance Vibrancy and Financial Sustainability

Community projects often need revenue-generating commercial activities if they are to be self-sustaining, as evidenced in PMQ (the former Hollywood Road Police Married Quarters) in Sheung Wan, the Vessel (overseen by the EKEO under its Fly the Flyover programme in Kwun Tong) and the tourist hotspot of Borough Market in London. A representative from EKEO said that commercial activities are essential in making the Kwun Tong waterfront vibrant and attractive. In the Tai Kwun project, commercial operations take up 27% (about 7,500m<sup>2</sup>) of the construction floor area of 27,900m<sup>2</sup> and will finance the operation. The lack of commercial revenue is an ongoing challenge for projects that receive government funding to meet renovation or adaptive re-use costs. If only social-enterprise or NPO activities are permitted, this often results in there being no surplus to cover future operation, maintenance and management expenses.

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<sup>11</sup> 3 CSX Transportation Corp. donated its ownership of the High Line track to the New York City government in 2005.

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## **3.2 Challenges and Obstacles for Community Projects**

There are recurring challenges faced in planning and delivering community projects, based on findings from the focus-group discussions and literature review.

### **3.2.1 Uncertain Land Tenure**

Community projects occupying STT sites bear the risk of untimely tenancy termination. The Jockey Club Kitchee Centre project obtained policy support from the Home Affairs Bureau and won a site in Shek Mun on a four-year STT, terminating in 2017. Yet the Lands Department notified the operator one year after the opening of the centre that part of the site was intended for public-housing development. The public outcry successfully put the housing-development plan on hold until an alternative site is identified for the Kitchee Centre. Nevertheless, this means the operator would need to invest again in another site, and might face a similar situation in the future.

### **3.2.2 Land Tenure Too Short**

In addition to uncertainty over location, the short tenure (maximum five years) of STT sites makes it difficult to obtain bank loans and discourages investment. Capital-intensive projects are unable to break even if the land tenure is too short. In the Revitalisation Scheme, the operators are usually given a tenure of three to six years<sup>12</sup> to operate historic buildings. The operator of the space under the flyover adjacent to the EKEO was offered only a four-year tenancy. Although the leases are renewable, dependent on the operators' performance, this practice poses uncertainties and risks for the operators. The situation discourages them from committing to long-term planning and hence affects their performance.

### **3.2.3 Application Procedures Too Complicated**

Unlike projects proposed by the government, community-initiated projects do not enjoy one-stop coordination services from government departments. This means that operators need

to consult departments one by one to seek approval and obtain all the permissions for operation. Very often the operator does not know which departments to consult, or only discovers it has not consulted all relevant departments at a late stage. The lack of a one-stop shop makes the application procedures lengthy and complicated. For instance, it took about nine months for a pedestrianisation event in Central<sup>13</sup> to secure a temporary road closure. The organisers had to obtain eight licences and letters of confirmation, involving consultation with a total of 17 government bureaus, departments and advisory boards<sup>14</sup>.

### **3.2.4 Difficulty Finding Funding**

Most community groups that participated in the focus groups expressed difficulty in securing funding for their projects. When they managed to obtain financial backing, they felt overloaded with paperwork to fulfill the requirements of the lender. Furthermore, funding support (both government and private) for each project usually only lasts two or three years. To get new funding, they need to modify or add elements to the projects.

### **3.2.5 Difficulty Achieving Financial Sustainability**

A number of community-project operators wish funders would not treat community projects as regular businesses, with the objective of making money. Some projects are designed to have a social impact that benefits the community in a range of different ways, not just commercially. Revenue-generating components are often lacking in community initiatives.

Other participants felt that even if a community project does not aim to turn a profit, the operators should acquire business skills and adopt an approach that results in projects being financially viable as well as having positive social returns.

A number of the projects under the Revitalisation Scheme have not been self-sustaining, even when well-received by the public and operated by organisations with good reputations. Examples include the Jao Tsung-I Academy occupying the former Lai Chi Kok Hospital and the Green Hub for Sustainable Living in the Old Tai Po Police Station.

### 3.2.6 Lack of Public Engagement and Community Participation

Top-down community projects that are implemented with little public consultation often do not end well. Tin Sau Bazaar in Tin Shui Wai is one such example. It was implemented within an extremely short period of time without proper public engagement or consultation. The inappropriate siting of the bazaar, as selected by the government, was the main reason for its failure. While the objectives of the bazaar were to offer affordable goods for local residents and to create jobs, the bazaar was shunned by local residents because of its inconvenient location.

A number of District Councils have been criticised for their lack of public engagement in selecting their Signature Projects, thus wasting the opportunity to bring different stakeholders in the community closer together. That's despite the large amount of money spent on the projects, with one or two in each of the 18 districts across Hong Kong. The poor outcomes contrast with bottom-up community initiatives such as Sham Shui Po Bazaar and the Sustainable Lai Chi Wo project, which have been well-received by the local community and the general public.

### 3.2.7 Non-Transparent Business Model Causes Mistrust

In the focus groups, PMQ in Central was cited the most and liked the least among recent community projects. The community and concern groups said that, although the site is operated by a non-profit making social enterprise<sup>15</sup>, they could not see or feel the social mission of the operator. Instead, they see an upmarket shopping arcade with expensive restaurants that help the operator make money. The cost for renting the exhibition space in the buildings is unaffordable for most community groups and NPOs.

Some professionals agree that commercial, revenue-generating activities are necessary to subsidise the non-profit components of the project and the concessionary office rents offered to selected tenants. Still, they feel PMQ should improve its financial transparency in order to remove unnecessary public speculation and mistrust.

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<sup>12</sup> The Savannah College of Art and Design (SCAD) was given operation rights of the former North Kowloon Magistracy for 10 years, which is an exception but they did not require any government funding.

<sup>13</sup> The Very DVRC event was supported by Very Hong Kong on September 25, 2016.

<sup>14</sup> They were the District Office, District Council, Transport Department, Hong Kong Police Force, Hong Kong Auxiliary Police, Fire Services Department, Leisure and Cultural Services Department, Food and Environmental Hygiene Department, Electrical and Mechanical Services Department, Highways Department, Environmental Protection Department, Transport Advisory Committee, Transport and Housing Bureau, Development Bureau, Environment Bureau, Tourism Board and Tourism Commission.

<sup>15</sup> PMQ Management Co. Ltd. is a non-profit-making social enterprise set up by the Musketeers Education and Culture Charitable Foundation Ltd., in collaboration with the Hong Kong Design Centre, The Hong Kong Polytechnic University and Hong Kong Design Institute of the Vocational Training Council.

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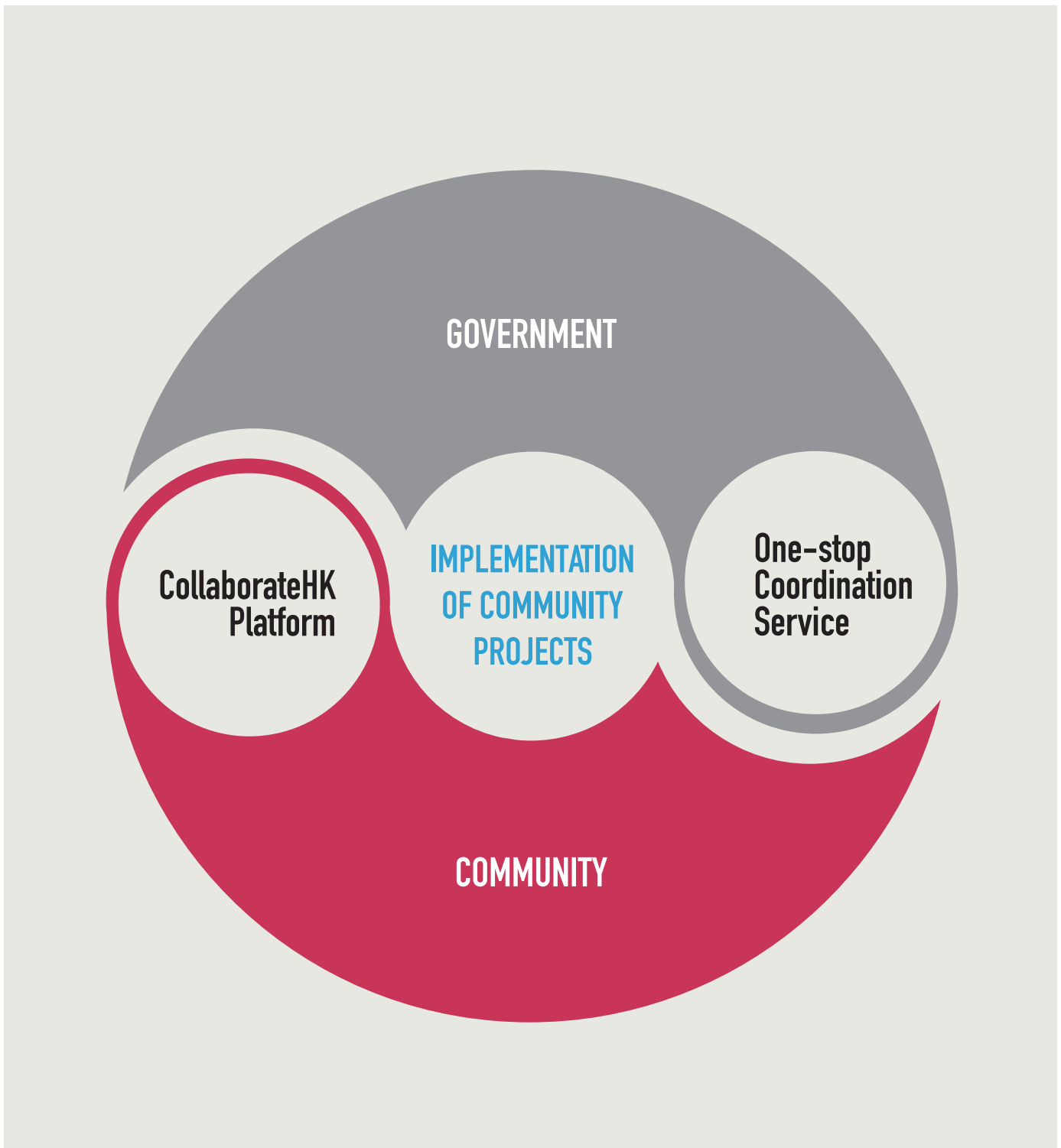
### 3.3 Issues Addressed With CollaborateHK Framework

Based on the findings of the literature review, focus-group discussions and one-on-one interviews, Figure 5 summarises the issues with the existing mechanisms for delivering community initiatives, as well as how those issues could be resolved.

Identified Issues		Possible Solutions
1	Application procedures are too complicated and time-consuming; how and where to obtain policy support is unclear	A “one-stop” advisory and coordination office within government to receive and follow up on community-initiative proposals
2	Community groups lack professional advice to realise their ideas	A non-government collaboration platform providing affordable professional advice to help community groups consolidate their ideas into sound project proposals
3	Lack of public engagement in community projects	Bottom-up planning and placemaking activities to support decisions on community initiatives
4	Mistrust of private-sector participation in community projects	An open and transparent public-private partnership mechanism to slowly remove mistrust
5	Community groups lack capital and other funding for community projects	A fund searching platform to link potential funding sources with funding recipients
6	Community groups lack business skills to run community projects in a financially sustainable manner	An educational capacity-building platform to empower community groups
7	Administrative workload is overwhelming for funding schemes	Advice for funders to streamline report-writing requirements
8	Land tenure for community projects is too short to achieve financial viability and long-term impact	The government to reflect project needs in the tenancy duration of STT sites
9	Lack of collaboration and support among community groups	A non-government collaboration platform to share information and build networks
10	Direct-grant short-term-tenancy sites (at nominal rent) forbid commercial activities	A new government approach in assessing land premiums for community projects, reflecting both the social benefit and permitted commercial activity that helps meet operational and management costs

**Figure 5:** Identified issues and possible solutions

To address the above issues, a possible new collaboration framework was suggested (refer to Figure 6). The new framework consists of two parts: the provision of one-stop coordination services within the government to receive and process applications; and a non-government collaboration platform called CollaborateHK to support community groups in implementing their initiatives. Details of the suggested framework are provided in Chapter 5.



**Figure 6:** Suggested new collaboration framework

# #04

## SANDBOX CHARRETTE AND SUMMIT

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### 4.1 Sandbox Charrette

A “Sandbox” usually refers to an operational environment in the technology sector to test software without affecting other running programmes. In our community-planning Sandbox Charrette, the purpose was to test whether the suggested collaboration platform works in delivering community initiatives. Feedback from participants was collected to refine the initial suggested framework.

The Sandbox Charrette took place on the evening of March 23 and the whole day of March 24. The keynote speaker was Professor Peter Bishop, a well-known urban planner who has worked at a senior level in the London government for 25 years before joining the Bartlett School of Architecture, University College London. Professor Bishop was a key person behind the redevelopment of King’s Cross in London, and he gave a presentation on King’s Cross to kick off the Sandbox event.

The 100+ participants were split into eight groups, each working on a vacant site or school premise. Each group was given specific site information and sketch paper for them to map out and visualise their project proposals. In addition to internal collaboration and discussion, each group could consult a panel of experts in urban planning, commerce, social welfare and the construction industry. In line with the Sandbox approach, participants were asked to set aside the prevailing land-use zoning limitations, building regulations and other institutional restrictions on their sites. Instead, they would adopt the suggested collaboration framework to plan the sites for the benefit of the community. Each group’s deliverable by the end of the Sandbox Charrette was a development concept accompanied by a business and implementation plan. Each group was asked to present their proposals in four key areas:

<b>Vision</b>	Project background and vision statement
<b>Proposal</b>	Project nature, target audience and duration
<b>Execution &amp; Budget</b>	Estimates of capital costs, operational costs, manpower, revenue potential, phasing plan, operation and management
<b>Partnership</b>	Potential partners and sponsors

The development proposals produced by each group did not only focus on the proposed uses and design concepts for the sites. The participants needed to pay attention to the costs and revenues to ensure their projects were financially feasible and adequate to attract the interest of potential funders. They also needed to think of a management plan to operate the site or building.

Through the Sandbox Charrette, the participants saw the benefits of collaboration between teammates with different backgrounds and skills, which made their project proposals more comprehensive and robust.

#### 4.1.1 Site Selection

Like many citizens and concern groups in Hong Kong, Very Hong Kong is aware that a number of prominent harbourfront sites sit idle, which could be used to make our harbourfront more lively and attractive. We also notice that there are many vacant sites around us at the neighbourhood level that could be used by local residents in a positive way for their community.

As sample projects for the Sandbox participants, we therefore selected three idle harbourfront sites, a prominent public square in Sheung Wan, one vacant neighbourhood site in each of Sheung Wan and Shau Kei Wan, as well as two vacant school sites. Among them, four are STT sites listed by the Lands Department as available for community use. The remaining two sites and the two vacant school premises were identified during site visits or suggested by the participating community groups.

It should be noted that these sites were only tools to test the effectiveness of the proposed framework and the suggested process for delivering community initiatives.

The proposed framework is designed to apply to any sites or buildings. One Sandbox group chose their own site to consider, and took the opportunity to seek professional advice from the sandbox expert panel to enhance their proposal, becoming a real-world example of collaboration.



**Figure 7:** Vacant sites and school premises in the Sandbox Charrette



### 4.1.2 Sandbox Participants

The focus-group participants of the study were invited to join one of eight teams or to form their own team to work on the community initiatives they had in mind on their preferred site. Very Hong Kong also reached out to other local residents, concern groups and professionals who were interested in attending the sandbox.

The composition of each group reflected the suggested collaboration framework. Six out of eight groups had participation from local residents or concern groups who have a more direct interest in the sites on which they chose to work. They shared useful local knowledge with other teammates to facilitate discussion. Each group was supported by at least one architect and/or town planner. Each group



Figure 8: Highlights of the Sandbox Charrette

could also consult experts in urban planning, construction, social welfare and commerce to enhance their proposals. The participants understood that a non-government collaboration platform named CollaborateHK would be established to provide professional advice and networking opportunities for community groups interested in taking social-impact projects forward.

	Site Selected	Team Composition	Proposal
1.	STT waterfront site on Hoi Yu Street, Quarry Bay	Local residents, architects, town planners & urban designers	Create community space for sitting out and other leisure activities, while connecting the harbourfront with other parts of Quarry Bay
2.	Tung Chau Street temporary market, Sham Shui Po	Representatives from Pang Jai (Yen Chow Street Hawker Bazaar), architects, town planners & designers	Relocate existing Pang Jai vendors to create a fabric market and fashion hub
3.	STT site adjacent to Tin Hau Temple, Shau Kei Wan	Architects, town planners & think-tank researchers	Form a community park and playground with local shops and weekly flea market along the slope with vibrant pedestrian-connectivity belt uphill and downhill
4.	STT waterfront site adjacent to Western Wholesale Food Market, Sai Ying Pun	Local residents, architects, town planners & social workers	Promote the coastal promenade for inclusive use
5.	Public square at the junction of Bonham Strand and Morrison Street, Sheung Wan	Architects, town planners, designers & cultural engineers	Enhance the vibrancy of the public square through the introduction of a cyclist market, food trucks and space for community events
6.	Vacant school (the former SKH Stanley Village Primary School), Stanley	Local residents, architects, town planners, social workers & designers	Reactivate the vacant school premises for community uses such as co-working space, clinic, child-care centre and weekend farmers' market
7.	STT site on Shing Wong Street, Sheung Wan	Local residents, shop owners, architects, town planners & academics	Create a "community living room" and enhance the public's understanding of local history and culture
8.	Vacant school (the former Kowloon Docks Memorial School), Hung Hom	Representatives from To Kwa Wan House of Stories and the House of Hong Kong Literature, social workers, architects, town planners & former occupants of the site	Transform the vacant school into community space for organising cultural activities, monitoring urban redevelopment, helping affected residents, and promoting contemporary local literature

**Figure 9:** Sandbox teams and proposed use of selected sites



## 4.2 Sandbox Summit

The Sandbox Summit held on May 12, 2018 gathered more than 150 participants to conclude the six-month investigative phase of the study that began in November 2017. Before the panel discussion, the eight community groups that participated in the Sandbox Charrette were invited to present their initiatives to the audience and the panelists. The development concept of each community initiative was a collaborative effort from team members with different background and expertise, making possible implementation more likely to succeed. Each group highlighted the importance of engaging the community so that the proposed initiatives are better received by the local residents.



**Figure 10:** Highlights of the Sandbox Summit

### Panel Discussion

The group presentations were followed by a panel discussion, “Community’s Role in Shaping a Liveable City,” moderated by Mr. Nicholas Brooke, former chairman of the Harbourfront Commission. The panelists included Mr. Kar Kan Ling, the Director of the Jockey Club Design Institute for Social Innovation at the Hong Kong Polytechnic University; Mr. Chua Hoi Wai, the Chief Executive of the Hong Kong Council of Social Service; Mr. Donald Choi, the Chief Executive Officer of the Chinachem Group; and Professor Ng Mee Kam, the Associate Director at the Institute of Future Cities at the Chinese University of Hong Kong. The panelists exchanged views on why local stakeholders should get involved in community development, as well as the difficulties encountered in the course of project implementation. They also suggested ways to overcome those issues.

## Exploring Not Breaking the Government System

Panelists encouraged community groups to understand the government system, and to learn to use the system to achieve their objectives. However, some panelists believed that the existing system is not flexible enough to allow the community to implement initiatives and improve the quality of life in Hong Kong; they cited the numerous government sites and fenced-off open spaces left idle for long periods as examples of the failure of the system. All agreed that there is an urgent need to change the way that community initiatives are implemented.

## Community to Push for Changes

Panelists believed that communities have the power to make changes in society. Some cited an encouraging example in which a community group successfully mobilised residents to communicate with the government on improving their local library. Community groups, big or small, should build experience and can attain their objectives, as in the examples of the hawker bazaars organised in different districts.

## Importance of Placemaking

The academics emphasised the importance of placemaking in the community as it helps local residents to truly understand their surroundings and develop spaces that bring people together and stimulate interaction. Panelists urged the government to show courage and leadership in creating innovative public spaces.

All in all, the panelists believed community groups have the potential and should be given opportunities to implement initiatives that fulfill their goals and vision. The government is advised to allow more flexibility, so as to facilitate the bottom-up implementation of more community-driven initiatives.



**Figure 11:** The panel and the floor. (From left) Mr. Nicholas Brooke, Mr. Kar Kan Ling, Mr. Chua Hoi Wai, Mr. Donald Choi and Professor Ng Mee Kam.



**4.3 Feedback From Sandbox Participants**

Feedback on the suggested framework was collected throughout the team discussions during the Sandbox Charrette. The study team has also talked to participants individually since the event. This provided separate feedback from local residents and community groups, as well as professionals.

The Sandbox Summit provided additional perspective as the eight community groups from the charrette presented their sample projects to the public. The panel discussion supplied insight from industry experts and academics as they stressed the importance of ground-level involvement from locals in community projects.

There is common ground between community-project advocates and professionals. For instance, both groups rank the one-stop coordination services, professional advice and networking platform as the most-important part of the framework, especially for small and emerging community groups.

While professionals tend not to be too concerned on where project funding comes from, community groups hesitate to receive funding associated with property developers, which they perceive as profit-maximisation “monsters.” A number of participants from community groups suggested the creation of a centralised fund pool as part of the suggested framework. This could mix donations and sponsorship funds so that projects are not seen as “belonging” to one specific donor.

As regards the organisational structure of the non-government collaboration platform, both groups believe the chairperson and directors must have integrity, credibility and personal connections with decision makers within the government and the business sector. This would ensure the collaboration framework functions effectively. The structure of the Board must be open and transparent to the public. Sources of funding for the operation of the collaboration platform and the community initiatives must be transparent and disclosed to the public.

The following table summarises the feedback from Sandbox participants. Their comments have guided the subsequent refining of the proposed collaboration framework.

	Community Participants (including Local Residents, Local Shop Owners, Social Workers and Community Groups)	Professional Participants (including Architects, Town Planners, Urban Designers & Designers)
Suggested Services From Government and CollaborateHK	<ul style="list-style-type: none"> <li>• One-stop coordination unit, professional advice and a networking platform are the top three elements in the framework</li> <li>• Professional advice must be in-depth and continuing</li> </ul>	<ul style="list-style-type: none"> <li>• One-stop coordination services provided by the government would be very useful</li> <li>• Professionals should get involved at an early stage to work with community groups and help them present their ideas to CollaborateHK</li> </ul>
Funding Resources	<ul style="list-style-type: none"> <li>• Finding funding is extremely difficult, so collaboration with the business sector is necessary despite any commercial agenda</li> <li>• Community groups often spend most of their time looking for funding rather than working on community projects</li> <li>• To ensure the transparency of funding, a mechanism should be established to list all the requirements of funding offered/secured. Funders should not impose too many non-essential restrictions on projects</li> <li>• One-off funding seems “safer” than recurrent funding to avoid “control” by funders</li> <li>• Community groups often consider whether their service recipients would accept developers or banks as funders</li> <li>• Suggest establishing two fund pools:               <ul style="list-style-type: none"> <li>(i) a general/neutral fund provided by donors who have no preference on project types or how the money is spent</li> <li>(ii) specific funding provided by funders who wish to sponsor specific projects</li> </ul> </li> <li>• The government should treat community projects as social investments</li> </ul>	<ul style="list-style-type: none"> <li>• Every funder has its own agenda, so community groups should be aware of that but not overly concerned</li> <li>• Funding recipients should be aware that the business sector looks for efficiency and returns</li> <li>• A lump-sum grant, rather than reimbursement, is preferred by small community groups to simplify operations and administration</li> <li>• Some small- and medium-size developers support funding community projects</li> <li>• Transparency can help increase trust between funders and funding recipients</li> </ul>
Selection Criteria of CollaborateHK Community Projects	<ul style="list-style-type: none"> <li>• CollaborateHK can refer to government’s Community Investment and Inclusion Fund selection criteria</li> <li>• Uniqueness of the projects</li> <li>• Urgency of the projects and community needs</li> <li>• Maturity of the projects and project proponents</li> </ul>	<ul style="list-style-type: none"> <li>• Projects that can be implemented in a timely manner to achieve quick wins</li> <li>• Projects that are financially viable and able to generate adequate revenue</li> <li>• CollaborateHK should organise forums to raise public awareness of potential projects</li> </ul>

**Figure 12:** Feedback and comments from Sandbox participants

	Community Participants (including Local Residents, Local Shop Owners, Social Workers and Community Groups)	Professional Participants (including Architects, Town Planners, Urban Designers & Designers)
Selection Criteria of CollaborateHK Community Projects	<ul style="list-style-type: none"> <li>• “Social benefit” can include community, socio-political, cultural, economic and even environmental effect. CollaborateHK should be responsible for evaluation</li> <li>• Evaluation timeframe must be clear to project proponents</li> <li>• Both project proponents and CollaborateHK need to conduct public-engagement exercises to obtain local community’s views and needs</li> <li>• Enable project proponents and community groups to critique the proposals</li> <li>• Project proponents should be given the opportunity to present their proposals in front of the project-validation panel</li> </ul>	
	<ul style="list-style-type: none"> <li>• Surveys should be conducted to assess community interest/support</li> <li>• A social-impact assessment should be conducted to evaluate the social benefits of proposed projects</li> <li>• The evaluation criteria need to be reviewed regularly to respond to society’s changing needs</li> </ul>	
Role of District Council	<ul style="list-style-type: none"> <li>• Role of district councils needs to be clearly defined within proposed framework</li> <li>• Need to consult district councils and secure their support for proposed projects</li> </ul>	
	<ul style="list-style-type: none"> <li>• District councilors are currently not interested in listening to community initiatives proposed by local residents</li> </ul>	<ul style="list-style-type: none"> <li>• District councilors should be part of the CollaborateHK Board</li> </ul>
Transparency and Management Board of CollaborateHK	<ul style="list-style-type: none"> <li>• The structure of the CollaborateHK Board must be clear; it should be chaired and overseen by well-known and credible public figures who have personal networks of decision makers within the government and the business sector</li> <li>• The composition of the CollaborateHK Board should be balanced, with representatives from different sectors, including businesses, professionals, government officials, residents’ groups, social workers, academics and District Councilors</li> <li>• Financial reports of CollaborateHK and validated community projects must be disclosed to the public annually</li> </ul>	

<p>Transparency and Management Board of CollaborateHK</p>	<ul style="list-style-type: none"> <li>• More cooperation and partnership with grass-root community groups can help raise CollaborateHK's transparency and credibility</li> <li>• The convener of CollaborateHK needs to be a respectable and credible person who is representing neither the business sector nor a particular group of people</li> <li>• The more transparent CollaborateHK is, the higher the level of trust. Keeping the governance, operation and decision-making process of CollaborateHK transparent are all conducive to public trust</li> <li>• The advisory committee is a readily available resource to assist the launch of community projects. As well as members capable of offering professional insights and technical advice, there should be members with knowledge of local districts, familiar with local context and characteristics</li> </ul>	<ul style="list-style-type: none"> <li>• Representatives from various professional institutes could sit on the Board of Directors</li> <li>• The platform should be non-profit and apolitical in nature; consider government officials as observers to ensure government understanding of CollaborateHK's intentions/objectives</li> <li>• The composition of committee members must be carefully thought through to avoid conflicts of interest</li> <li>• Allow the public to access information online</li> </ul>
<p>Membership Fee</p>	<ul style="list-style-type: none"> <li>• Must be low or waived for community groups because they already take the leading role in organising events and projects</li> <li>• Proportional to the size of community groups</li> <li>• Payment on project basis</li> </ul>	<ul style="list-style-type: none"> <li>• If applying for membership is a prerequisite for receiving professional services, community groups should ensure that the services provided really suit their needs</li> <li>• CollaborateHK needs to create a set of values that will encourage community groups to engage and contribute</li> </ul>
<p>Other Comments</p>	<ul style="list-style-type: none"> <li>• Hong Kong currently lacks an independent platform like CollaborateHK</li> <li>• The advantage of CollaborateHK is that it does not have a set agenda or sociopolitical stance</li> <li>• The funding sources of CollaborateHK must be disclosed to the public</li> <li>• The submission of project proposals to CollaborateHK should be a simple procedure, to avoid bureaucracy</li> <li>• CollaborateHK should monitor the financial accounts of validated projects</li> <li>• Social workers are key partners to be engaged, especially if the projects are to be carried out in public estates</li> </ul>	

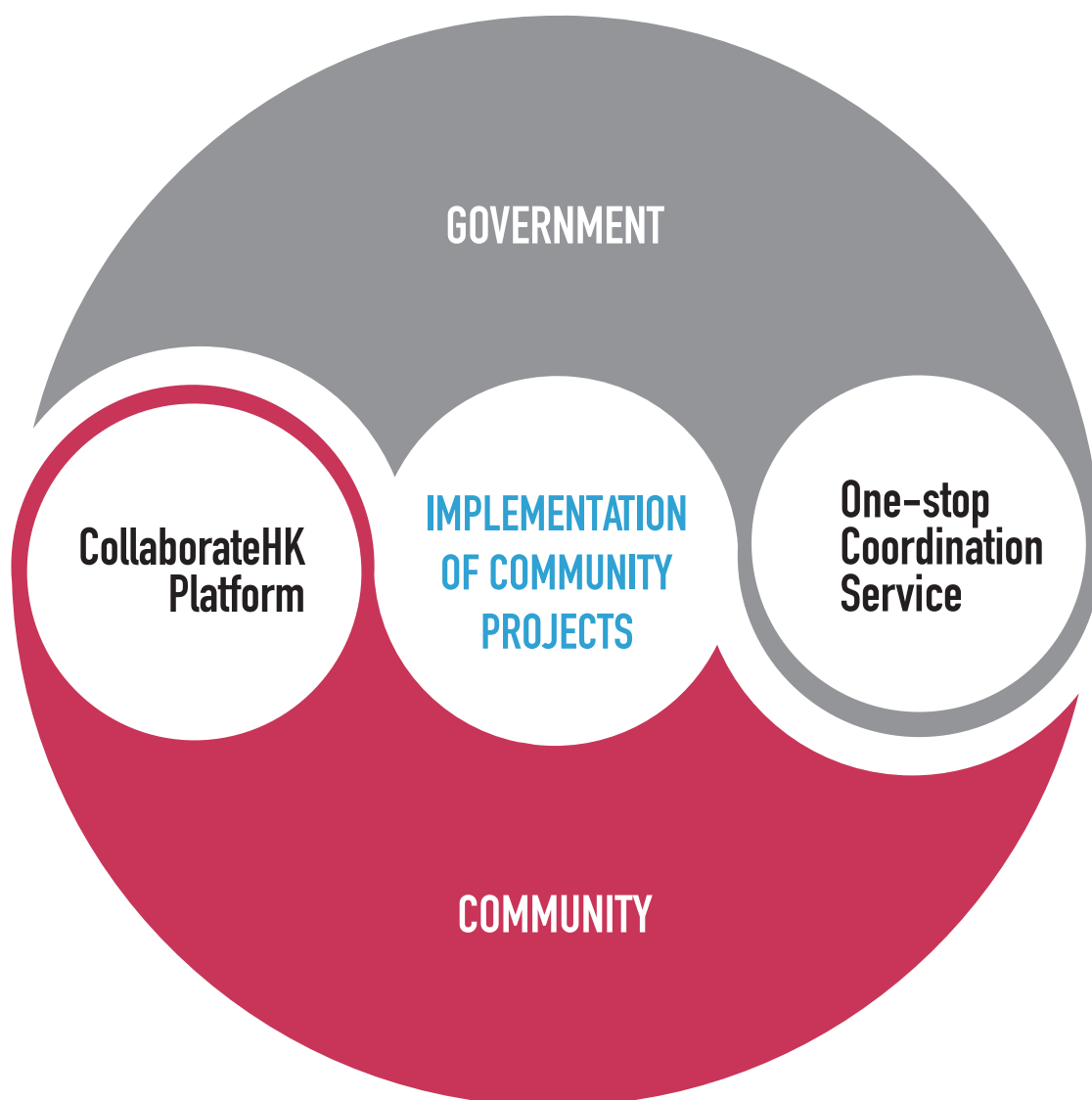
# #05

## THE COLLABORATEHK FRAMEWORK

The suggested two-part framework set out below is a direct response to feedback gathered from the focus-group participants, one-on-one interviewees and sandbox participants.

There is clear support for a better-defined one-stop coordination service within the government to receive project proposals and to follow up with the departments involved in the approval process. The coordination service represents an important part of our improved framework.

As the second part of the equation, Very Hong Kong is proposing a collaboration platform outside the government called CollaborateHK. This platform will help community groups to put forward well-thought-out, feasible and fundable project proposals.



**Figure 13:** Proposed two-part collaboration framework

Proposed Government One-Stop Coordination Service	Non-Government CollaborateHK Platform
First stop to receive community-project proposals submitted by CollaborateHK or other project proponents and to oversee departmental circulation and response	Provide professional advice and support to project proponents
Dispatch proposals to relevant government departments for comment and to obtain policy support	Evaluate and validate community projects
Assist project proponents in obtaining required licences such as the Temporary Places of Public Entertainment Licence, Temporary Food Factory Licence, Fire Services Certificate and letters of confirmation or no objection for carrying out specific community initiatives	Liaise with government's one-stop coordination office or different departments
The one-stop coordination service would leave any discussion on planning and zoning to the Town Planning Board or Buildings Department and land premiums to the Lands Department	Assist in search for project funding
	Monitor community projects validated by CollaborateHK
	Build capacity of community groups

**Figure 14:** Key functions and services under the suggested new framework

## 5.1 Proposed Government One-Stop Coordination Service

### 5.1.1 Understanding the Proposed One-Stop Coordination Service

The proposed one-stop coordination service to receive project submissions is not a new concept for the government. In 2009, the Development Opportunities Office (DOO) was set up under the Development Bureau to stimulate private development and streamline property projects in response to the sluggish economy after the financial crisis in late 2008. To obtain the services provided by the DOO, proposed property projects could not be exclusively residential but had to have broader social or economic merit by contributing to tourism, logistics, services, heritage preservation, nature conservation or community use (e.g. elderly services, religious purposes or sports).

The Development Bureau did not extend the lifespan of the DOO beyond June 2012. Instead, the coordination services to facilitate worthy land-development proposals were taken up by other dedicated offices. For instance, the Kowloon East Development Office (KEDO) provided one-stop facilitation service for land-development projects in Kowloon East<sup>16</sup>, while the Harbour Unit and the Commissioner for Heritage's Office (CHO) facilitate land-development projects relating to their policy objectives.

<sup>16</sup> The task was subsequently taken up by the Energising Kowloon East Office (EKEO) which was set up in 2012.

The CHO was set up in 2008 to assist in the implementation of the Revitalisation Scheme. It handles development proposals involving privately owned historic buildings. The office is the focal point of contact for heritage conservation. With a clear policy objective, the CHO approaches landowners of historic buildings when it is informed of potential demolition. Landowners can also approach the CHO to present their development proposals involving buildings with heritage value. The CHO then circulates the development proposals to the relevant departments for comment. This allows project proponents to address departmental concerns and to refine their development schemes before formally submitting planning applications to the Town Planning Board.

After the formation of the DOO, the Policy and Project Coordination Unit (PPCU) was established under the Chief Secretary for Administration's private office in 2013. As the PPCU's focus was policy, the intention was not for the PPCU to replicate a full-fledged DOO but to offer similar coordinated advisory services to select projects with strong policy relevance. The operation of PPCU ceased on June 30, 2017.

With the formation of the current Chief Executive's administration in July 2017, the government proposed to revamp the Central Policy Unit (CPU) into the Policy Innovation and Coordination Office (PICO), which contains a project-coordination team. The project-coordination team was launched in April 2018, and will provide "first-stop and one-stop" consultation and coordination services, with a view to maximising benefit to society. PICO will offer coordinated advisory services to innovative projects with broader economic and social merit that are initiated by non-profit organisations or private-sector proponents. But it will not take over the role of the relevant policy bureaus and departments, which will continue to take charge of the relevant assessment, vetting, negotiation and approval processes.

In addition to PICO, the Lands Department also offers a one-stop service of sorts for short-term tenancy proposals that make use of the 800+ sites listed on the department's website as available for community use for up to five years. This service is very welcome, and should prove helpful to community organisations interested in making use of these sites.

Last but not least, some one-on-one interviewees suggested that the success of EKEO<sup>17</sup> could be repeated, to provide a one-stop advisory and coordination service for community initiatives. However, Very Hong Kong believes there is no need to set up a coordination office in each district or region, which would require a multitude of essentially duplicate resources.

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<sup>17</sup> EKEO has been praised by interviewees and participants from different sectors for its innovative and open mindset, and its leading role in coordinating with different departments to get district-improvement projects done within a shorter timeframe than normal.

<sup>18</sup> Not applicable to heritage conservation projects involving privately owned historic buildings.

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	Commissioner for Heritage’s Office (CHO)	Development Opportunities Office (DOO)	Policy and Project Coordination Unit (PPCU)	Policy Innovation and Coordination Office (PICO)	Energising Kowloon East Office (EKEO)
Bureau/ Department	Development Bureau	Development Bureau	Chief Secretary for Administration’s private office	Chief Executive	Development Bureau
Duration	From 2008 onwards	2009-2012	2013-2017	Revamped in 2018 onwards	From 2012 onwards
Targeted Projects	Projects under the Revitalisation Scheme, projects involving privately owned historic buildings and other heritage-conservation matters	Land-development projects initiated by the non-government sector and the private sector with social and economic merit		Innovative projects with broader economic and social merit initiated by NPOs or private-sector proponents	Minor works under District Councils and public works for district improvement
Scope of Work	Help project proponents collect comments from government bureaus and departments at an early stage of project planning to identify areas of concern and develop practical solutions to expedite the formal application process  The projects would be presented to the Land and Development Advisory Committee (LDAC) for advice and consideration <sup>18</sup>			No detail available yet, but expected to be similar to DOO and PPCU	Initiate district-improvement projects and liaise with different departments for smooth and timely implementation
Remarks	Not an approving entity; do/did not replace any statutory-approval authorities or procedures, or public consultation; will not take or have not taken part in the discussions between project proponents and Lands Department on land premiums				

**Figure 15:** Functions of different one-stop coordination offices since 2008



### 5.1.2 Lands Department Providing One-Stop Coordination Service for Short-Term Tenancy Sites

The Lands Department could provide one-stop coordination service to receive, and monitor processing of, applications involving short-term tenancy sites. The department could set up a dedicated office or special unit to take up the role, dispatching proposals to relevant government departments and gathering their comments and concerns for applicants to address.

While this may create an extra workload for the Lands Department, it would be to positive effect. If the government does not make the application procedures more user-friendly to community groups, the short-term tenancy sites available for community use will remain unused and wasted.

### 5.1.3 New Coordination Opportunities

The Central Policy Unit (CPU) was revamped to become the Policy Innovation and Coordination Office (PICO) starting April 1, 2018, with a broader scope, including the provision of “first-stop and one-stop” consultation and coordination services for innovative projects. It did not disclose detailed information on the types or scale of project that would qualify as “innovative,” and did not stipulate the overall resources it would make available.

Very Hong Kong recommends that the government re-think its approach for community initiatives on sites that do not appear on the Lands Department’s list of short-term tenancies. It should consider taking the opportunity to either expand the existing Lands Department processing system or extend the new one-stop coordination office in PICO (and if necessary, expanding it) to facilitate the delivery of such community projects and to enhance public governance.

In addition to the Lands Department’s streamlined approach to granting of STTs, Development Bureau is establishing a cross departmental steering committee to assist with the implementation of projects once an STT has been secured. This new coordination approach is very much welcomed.

## 5.2 Proposed Non-Government CollaborateHK Platform

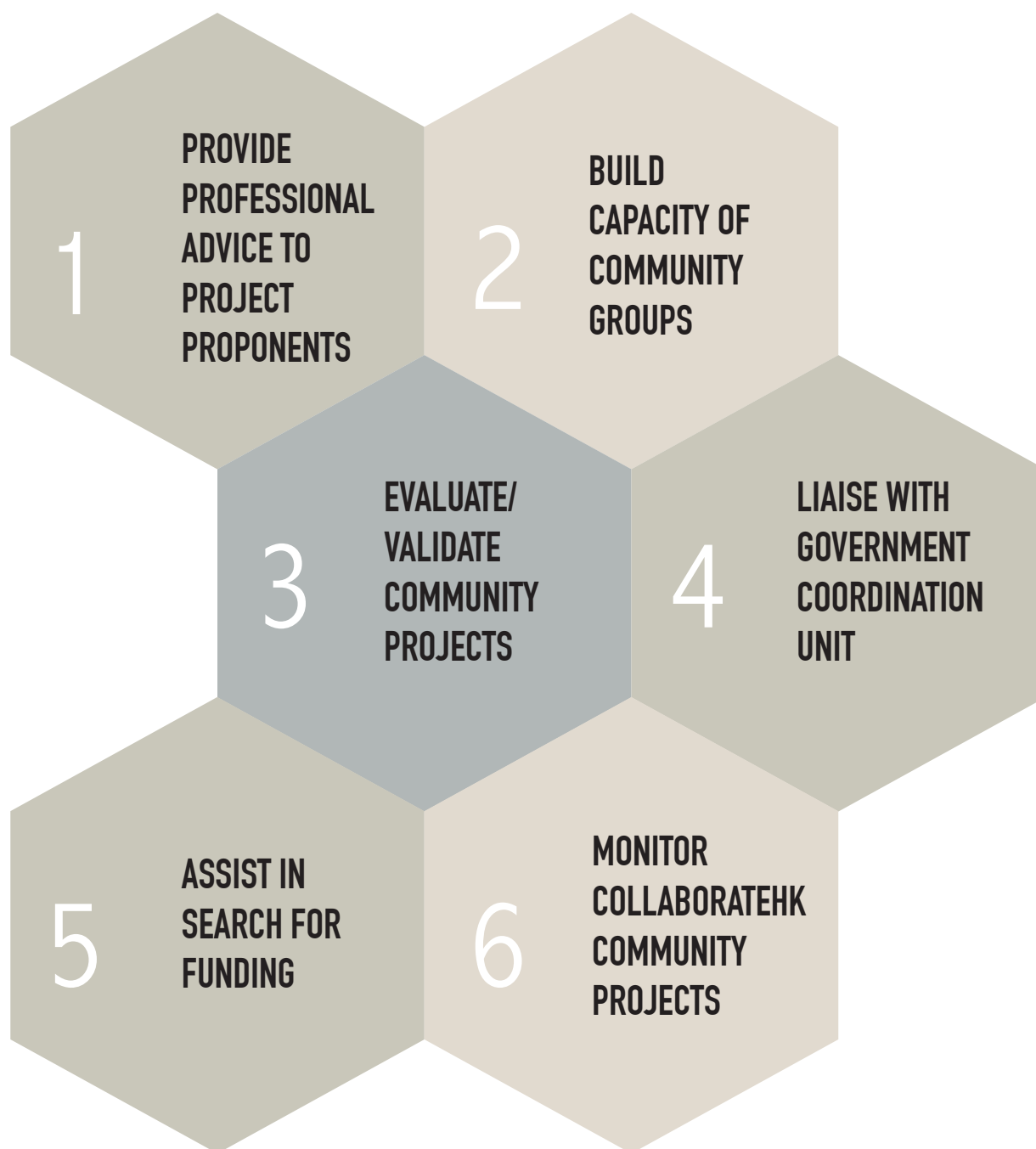
On the other side of the equation in the suggested framework is a collaboration platform run by a non-government body (i.e. a private sector not-for-profit organisation) called CollaborateHK. Such an organisation should be structured as a company limited by guarantee, open community-wide to members and holding S.88 charitable status.

Community groups, especially small and emerging ones, expressed in focus groups that they lack the professional knowledge to convert their ideas into feasible and deliverable projects. They said they would be interested in a networking platform so they can meet their counterparts and potential funders. The feedback from the Sandbox participants also indicates that professional advice and a networking platform would be very welcome. The collaboration platform should likely have six major functions to address community needs (refer to Figure 16).

### 5.2.1 Principles and Objectives of CollaborateHK

Openness and transparency are of paramount importance in CollaborateHK’s structure. In addition, the overall framework should be easy to understand so as to encourage stakeholders from different sectors to take part in, collaborate on and implement community-driven projects.

The principal objective of CollaborateHK is to make collaboration successful across all sectors of society – government, NPOs, social enterprises, businesses (large and small) as well as individuals. Its ultimate goal is to produce noticeable and lasting outcomes that improve the quality of life for all in Hong Kong.



**Figure 16:** Major functions of CollaborateHK

This approach, which draws on the Collective Impact Approach<sup>19</sup> developed by John Kania and Mark Kramer, involves entities from a range of backgrounds working together to implement a common agenda – adjusting their own priorities and adopting an “art of the possible” attitude, to deliver solutions that improve life for society as a whole.

Not being a project proponent itself, CollaborateHK would be responsible for recommending validated projects to submit to the government’s one-stop coordination service for consultation and eventual approval by the relevant authorities. CollaborateHK will also assist in the subsequent statutory-application procedure until the project starts and would monitor the project once it begins.

CollaborateHK’s ultimate goal is to enhance Hong Kong’s liveability by adopting a collaborative, bottom-up approach to planning and delivering projects on sites or buildings available for public use. This covers concept and design, through to approval, implementation, operation and management of the completed projects by the local community.

Key Objectives of CollaborateHK
To provide an advisory, collaboration and networking platform to facilitate implementation of community initiatives of different types and scale
To encourage the creative and innovative use of public or semi-public spaces for community benefit, to foster neighbourhood planning, and to encourage community buy-in with greater social interaction
To enhance Hong Kong’s liveability by improving the built environment through the use of vacant sites and underused buildings for public benefit
To build community capacity and know-how, thereby improving trust and collaboration between civil society, the business sector and government

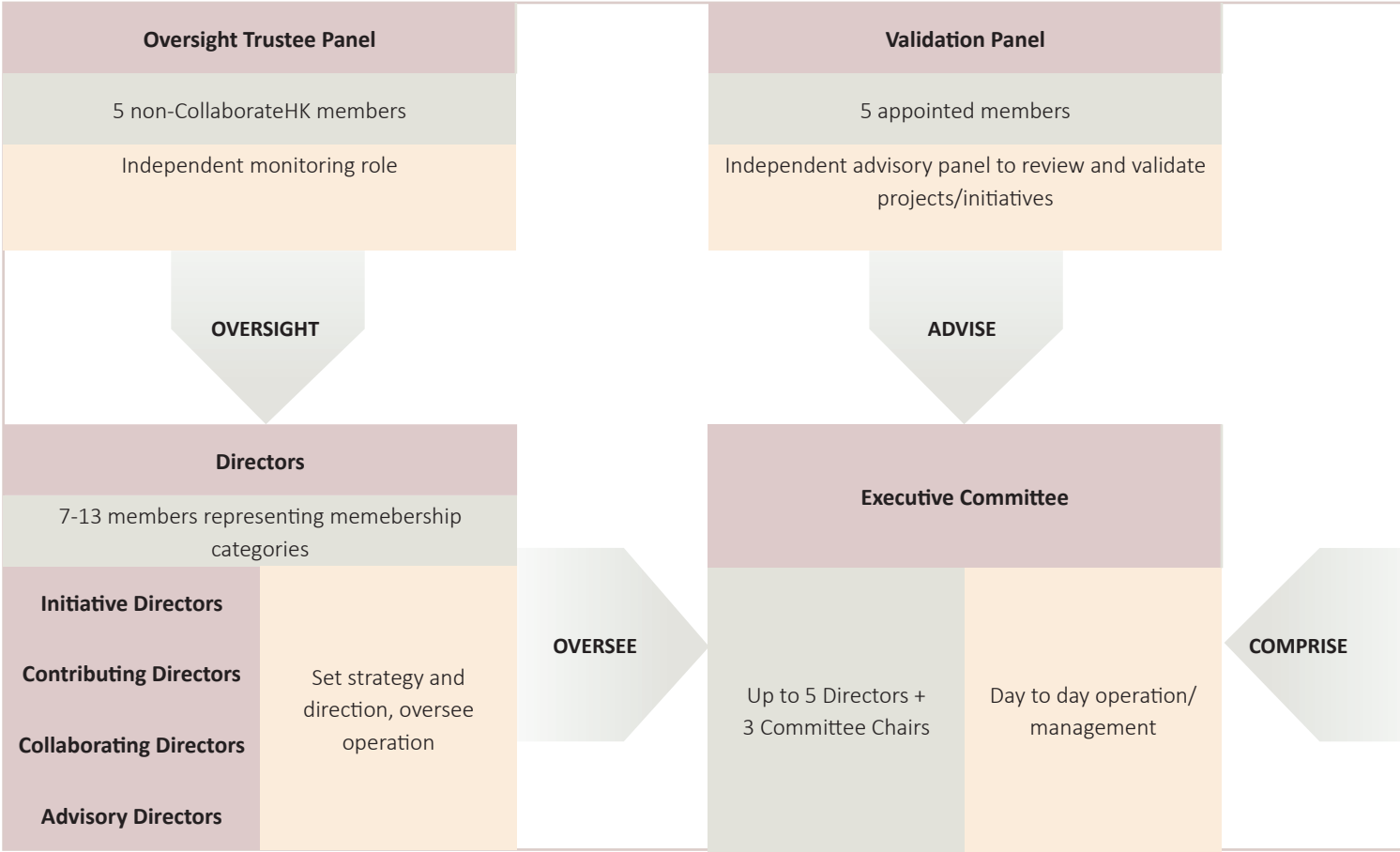


Figure 17: Proposed CollaborateHK organisation chart

### 5.2.2 Operation and Organisation of CollaborateHK

CollaborateHK would be a non-governmental entity, i.e. a company limited by guarantee with an Inland Revenue S.88 certificate, governed by the company's articles of association. The composition of the Board of Directors would be balanced within a clear organisational and governance structure. The directors would come from different backgrounds, with specialist skills.

The setting up of CollaborateHK would be funded by its contributing members. These are organisations and entities that agree to become founder Board members of CollaborateHK. This funding could perhaps be augmented with additional "seed funding" from other charitable organisations or the government's Social Innovation and Entrepreneurship Development Fund (SIE Fund).

CollaborateHK would publish its annual report for public scrutiny, to enhance its transparency. To increase accountability, there

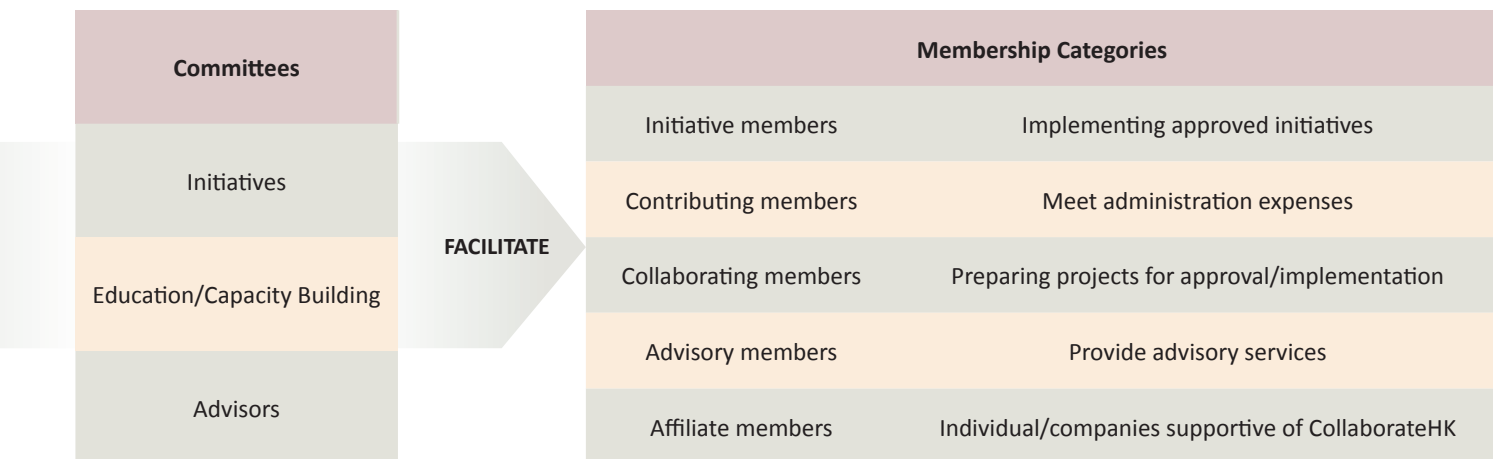
would be a rigorous reporting system on declaration of interests. The proposed fund operations would be managed by a third-party asset manager overseen by a panel of independent trustees. To allow effective communication between collaborators, different working committees and task forces would be set up to support the delivery of community initiatives and objectives of CollaborateHK members.

The proposed organisation chart of CollaborateHK is provided in Figure 17. The initial structure of CollaborateHK may be refined to suit actual operations and/or changing circumstances.

<sup>19</sup> [www.collaborationforimpact.com](http://www.collaborationforimpact.com).

## CollaborateHK

(A company limited by guarantee with S.88 Certificate)



## Board of Directors

The Board of Directors would consist of between 7 and 13 members from different backgrounds, with specialist skills, to guide the development of CollaborateHK and to ensure representation of all membership categories. They would be led by an appointed chairperson and vice chairperson. An independent panel of trustees would monitor the Board and its finances.

## Executive Committee

To manage the daily operation of CollaborateHK, an executive committee comprising up to five directors and the chairs of three working committees would be set up. The executive committee may refer project proponents to potential funders.

## Validation/Evaluation Panel

A validation panel comprising members from outside the Board and committees would advise the executive committee and Board on whether initiatives are sufficiently robust to proceed. The panel would confirm that project proponents have demonstrated an appropriate level of public support for their initiatives. The validation panel would also decide which initiative should be taken forward by CollaborateHK if two or more project proposals are vying for the same site<sup>20</sup>.

## Working Committees

CollaborateHK would start with three working committees to support community groups and their initiatives. The initiative committee would consist of members who have already worked on approved/validated initiatives; given their experience, they would advise CollaborateHK on improving programmes, activities, framework ideas, etc. The education and capacity-building committee would organise workshops, seminars and other activities to enhance the knowledge and skills of community groups. The advisory committee would consist of professionals who assign specialists from different fields to work on getting specific initiatives approved.

## Membership Categories

There would be five initial membership categories in CollaborateHK:

<b>Contributing members</b>	Support funding to cover CollaborateHK's administrative and operational expenses
<b>Initiative members</b>	Open to structured organisations (societies, limited companies, CollaborateHK Group Constitution signatories) <sup>21</sup> that have secured validation/approval for a CollaborateHK project
<b>Collaborating members</b>	Open to those working on a project concept who need CollaborateHK advisors to help in structuring their organisation and securing project validation
<b>Advisory members</b>	Open to those willing to offer pro bono or low bono advice to help collaborating members to secure project validation and to help initiative members to deliver their initiatives
<b>Affiliate members</b>	Open to supporters of the CollaborateHK objectives as well as those considering getting involved in a project, event or programme but who want to learn more first (non-voting membership)

Members wishing to secure validation of a project under CollaborateHK would be required to form an organisation to act as the project proponent. Such an entity would also be required by government in connection with the STT processing and application for policy support. Any organisation might be a registered society or a company. However, many concern groups are reluctant to set up a registered company until they are certain their project will be implemented, partly because of the costs involved and partly due to the ongoing management and reporting responsibilities.

To address this reluctance, CollaborateHK would require unregistered community groups to sign the CollaborateHK Group Constitution, a simple agreement, similar to that of a society, but also setting out certain responsibilities and standards of conduct. A draft copy is attached as Annex 3 to this report. In addition, no matter what structure is adopted, the organisation would need to secure a S.88 certificate from the Inland Revenue Department to secure policy support for any community project.

Although groups can register as a society or sign the CollaborateHK Group Constitution as a first step, organisations should consider registering as companies (either by shares or guarantee) prior to commencing a project or signing an STT. This ensures that individual members will not be personally liable for the implementation and future operation and management of their project.

### 5.2.3 CollaborateHK's Target Group

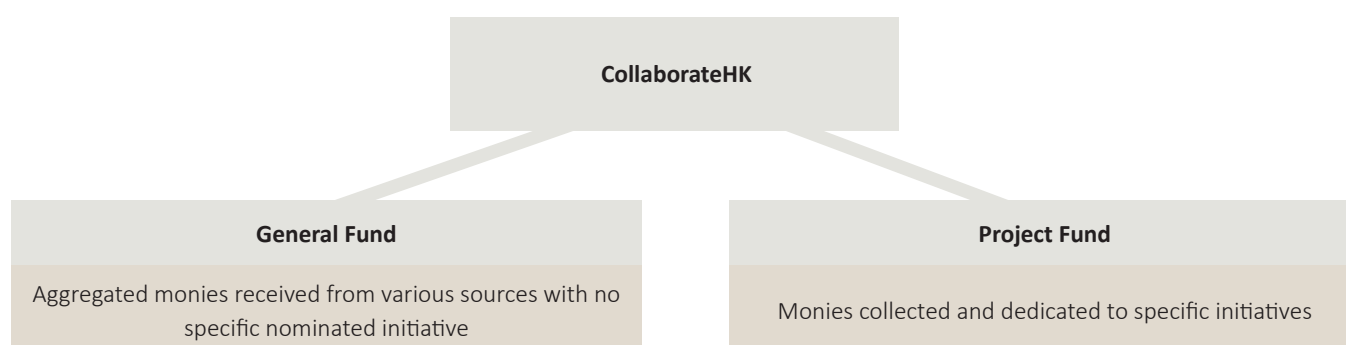
The CollaborateHK platform would be open to anyone interested in implementing community initiatives in a collaborative manner. There are three types of community group that might find CollaborateHK especially helpful:

- i. Community members or groups with clear ideas but who lack the know-how to proceed
- ii. Mature groups with clear plans for target sites but that need technical support
- iii. Established NGOs that need professional support and funding

### 5.2.4 Funding

CollaborateHK is promoting a collaborative approach to deliver community initiatives. This encourages participation from the government, community and business sector. While the local community is the backbone of any project, the private sector can provide much-needed business skills and financial support, while the government can allocate necessary land resources.

Community and concern groups informed us in the Sandbox that they hesitate to receive money from the business sector, especially developers. To address this, CollaborateHK could collect and distribute monies (donations, gifts & grants) in two ways:



An independent trustee panel will oversee fund operations, which will be managed by third-party financial asset managers.

<sup>20</sup> An evaluation framework would be formulated by CollaborateHK to assess the social impact of project proposals.

<sup>21</sup> The proposed CollaborateHK Group Constitution sets out certain responsibilities and standards of conduct to be adopted by initiative members.

### 5.3 Applicability of the CollaborateHK Framework

#### 5.3.1 Individual Projects

The suggested collaboration framework applies to individual sites or buildings across Hong Kong, whether they are prominent harbourfront sites or neighbourhood pockets, as demonstrated in the Sandbox Charrette. The sites or buildings might be government-owned, such as the 800+ vacant sites and school premises, or partly private/partly government-owned, with private landowners willing to participate in community initiatives. The objective of the framework is to facilitate and enhance community projects that might otherwise fail to materialise.

#### 5.3.2 Placemaking and Local Area Planning

Some focus-group participants strongly believe bottom-up planning should involve placemaking activities facilitated by professionals where local residents and stakeholders can join together to envision their ideal community. Such placemaking activities could be carried out by District Councils, but CollaborateHK could also assist community groups in conducting placemaking events, to look at the community in a comprehensive way and implement appropriate individual projects.

#### 5.3.3 Harbourfront Sites

In July 2018, the Development Bureau gave a breakdown to the Legislative Council of the 73 kilometres of waterfront on both sides of Victoria Harbour<sup>22</sup>. Three kilometres are natural coastline. Another 32 kilometres are already developed, whether public facilities, private residential premises or commercial blocks. Of the remaining 38 kilometres, 19.6 kilometres are open for public enjoyment, including a number of waterfront promenades. They include the new Central harbourfront promenade, the open space and pet garden constructed along both sides of Tamar Park, Quarry Bay Promenade, phases 1 and 2 of Kwun Tong Promenade, the promenade connecting Hung Hom to Tsim Sha Tsui, and the Hoi Fai Road Promenade at Tai Kok Tsui. This leaves 18.4 kilometres of waterfront undeveloped, underused or inaccessible. Our research shows these underused waterfront areas are in Kennedy Town, Sai Ying Pun, Central, Wan Chai, Quarry Bay, Cha Kwo Ling, etc.

The Chief Executive in her 2017 Policy Address said the government would partner with the Harbourfront Commission to engage stakeholders in the community, including District Councils and non-governmental organisations, to undertake pilot projects on the harbourfront.

The Development Bureau agreed that the government should not be alone in developing public open spaces for the public to enjoy the harbourfront, noting that the public sector has to follow an established system of design, construction and management. The administration is keen to provide opportunities for private parties, both for-profit and not-for-profit, to help develop and manage harbourfront areas. The government is also prepared to explore a district-based approach in harbourfront enhancement, to integrate local characteristics into the design and day-to-day management of the harbourfront. Previous non-government activities include international tourism events, international art fairs, the Hong Kong E-Prix and concerts at the Central Harbourfront Event Space.

#### Block Grant

During our research, some participants suggested vesting vacant harbourfront sites in the Harbourfront Commission by way of block grant. The Harbourfront Commission, instead of the Lands Department, would then become the landlord responsible for drafting the lease terms and land use before inviting NPOs to operate and manage the sites. Having the Harbourfront Commission directly overseeing the sites would result in a coordinated and coherent approach to harbourfront-enhancement measures.

As of July 1, 2018, the Harbour Unit under the Development Bureau has been reorganised into the multidisciplinary Harbour Office to strengthen harbourfront enhancement efforts. The Harbour Office will focus its efforts on implementing harbourfront-enhancement plans, and on setting the priorities for specific initiatives according to the finalised harbourfront-planning proposals from the Harbourfront Commission. Should vacant harbourfront sites be vested in the Harbourfront Commission, the Harbour Office could provide one-stop coordination service for the development of these sites.

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<sup>22</sup> LCQ4: Harbourfront enhancement, 4 July 2018, <http://www.info.gov.hk/gia/general/201807/04/P2018070400570.htm>

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**Figure 18:** Vacant waterfront sites that can be enhanced using the CollaborateHK model



# #06

## HOW COLLABORATEHK HELPS HONG KONG

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Encouraging community initiatives can be a win-win-win for community groups, the government and the business sector in creating a more-liveable Hong Kong. The new framework and process for collaboration should be open and transparent. The proposed new organisation, CollaborateHK, will provide services and support for community groups, which at present are lacking. It will foster collaboration between community groups and the business sector, and over time will help to restore public trust.

### **6.1 Benefits to the Government**

#### **6.1.1 Making Best Use of Existing Legislation**

The suggested framework is easy to implement. There is no need for the government to introduce new legislation or amend existing laws to accommodate the one-stop advisory and coordination services. The suggested coordination mechanism is not an approving authority. The project proponents still need to go through the regular statutory procedures to obtain permissions from the relevant authorities.

#### **6.1.2 Enhancing Administrative Effectiveness**

The concept of a one-stop advisory and coordination service is nothing new for the government, as evidenced by the set-up of the DOO, PICU and CHO, which have been well-received by the public and professional bodies. CollaborateHK proposes that the Lands Department and/or the new Project Coordination Team within PICO take up and define a one-stop coordination role for facilitating community initiatives so there is no need to set up any new administrative units. The focus-group and Sandbox participants clearly indicated that a dedicated one-stop advisory and coordination service would encourage greater community participation, saving time and often futile effort in submitting project proposals to the government.

Reporting directly to the Chief Executive, PICO has the capacity to coordinate between government bureaux and the project proponents, which is extremely important as community issues often do not fall neatly into a policy/programme area or follow specific departmental boundaries. The Project Coordination Team planned within PICO could readily replicate DOO and PICU in offering coordinated advisory services to initiatives that benefit the community.

Since the STT sites are managed by the Lands Department, which receives and processes all such applications, a special unit within the Lands Department could provide one-stop coordination service for these sites.

This enhanced administrative effectiveness would help project proponents collect comments from the relevant government bureaus and departments at an early stage of project planning so that possible concerns are identified and practical solutions developed. This approach has been proved useful in the past through the DOO, PICU and CHO.

### **6.1.3 Reducing Government Pressure**

The suggested framework encourages the community to have more of a say in neighbourhood planning through bottom-up engagement. The sense of city ownership and community has risen among Hong Kongers significantly since 1997. People nowadays tend to be less-tolerant of or even resent a top-down approach in community development. By providing professional services and funding assistance to community groups and by enhancing the application process, Hong Kong can make better use of vacant sites. This will ensure the provision of goods and services and the use of public spaces that meet community needs, reducing pressure on the government.

### **6.1.4 Providing Public Space Without Extra Resources**

In the “Hong Kong 2030+” development strategy, one of the key strategic directions in planning for a liveable, high-density city is to reinvent public space. The government undertook to review existing policies, including the provision and management of public space.

The public spaces created under the CollaborateHK framework would be run and managed by local groups with funding from the business/private sector. The government would not need to pour in extra resources for these new public spaces, other than the manpower required to process project proposals.

### **6.1.5 Creating Community Character**

The “Hong Kong 2030+” development strategy promotes diversity and the unique character of the city. The suggested framework would facilitate community-initiated projects for a wide range of community uses and contribute to the unique urban character of each neighbourhood.

## **6.2 Benefits to Civil Society**

### **6.2.1 Contributing to Community Development**

Local residents know their community best. They know what their neighbourhood needs and how to make it better. The suggested one-stop coordination service would help local groups carry out community projects for the benefit of their neighbourhood, while CollaborateHK would assist them to turn their ideas into sound, sustainably-funded project proposals. The community groups would also acquire the skill to operate and manage their own projects, which would give them a sense of ownership in the development of their community. This experience, from project inception to management, would not be possible if they solely rely on the government to provide such services.

### **6.2.2 Encouraging Social Jamming and Innovation**

CollaborateHK intends to provide a platform for local groups and professional groups to collaborate on community projects. Some interviewees point out that the landscape of NGOs is changing, with a number of small groups emerging. With limited resources and experience, these small organisations would benefit from a networking platform to combine resources, share experience, extend audiences and work with other community groups. At the same time, young professionals also have a growing interest in community projects. CollaborateHK will provide a platform for “idea jamming,” which could lead to unexpected social innovation.

### **6.2.3 Diversifying Community-Group Funding**

Identifying and securing funding is a major challenge for local groups and NPOs. CollaborateHK will create a networking platform to help source funding and to assist local groups in implementing their projects. Potential funders will include established corporations, medium to small businesses, charitable groups, private foundations and individual donors.

### **6.2.4 Stimulating Community-Group Responsibility**

While running and managing a successful project brings pride to the operators, it also comes with responsibilities and liabilities. Running a project requires dedication, commitment and skill which is a new and challenging experience for some local groups. It is also empowers communities. CollaborateHK’s capacity-building and educational services would help groups adjust to their new responsibilities.

## **6.3 Benefits to the Private Sector**

### **6.3.1 Fostering Corporate Social Responsibility**

CollaborateHK offers a platform for the business sector to participate in community-initiated projects. This also fosters corporate social responsibility, by recruiting employees as volunteers, by providing operational and funding support, and by other business-specific means.

### **6.3.2 Contributing Business Skills**

The continuity of community projects often relies on the availability of continuous funding because not all projects are fully financially self-sustainable. The private sector can contribute by sharing business skills with community groups to improve their financial performance while funders will also help by monitoring the management of projects they support.

### **6.3.3 Winning Public Trust**

The suggested collaboration platform is intended to be open and transparent. Through mutual goodwill and by working with a wide range of NPOs and concern groups, the business sector could slowly win trust from the community and contribute positively to social harmony.

# #07 APPLYING THE COLLABORATEHK FRAMEWORK

## 7.1 A Sample Case

An idle short-term tenancy site in Shau Kei Wan illustrates the application of the proposed collaboration framework. This vacant site is one of eight sites tested in the Sandbox Charrette. It has been abandoned and is overgrown, with a few prominent trees within the site.

It was proposed at the Sandbox that the site should be turned into a fun neighbourhood park. With the terraced topography sloping down from A Kung Ngam Road (+17mPD) to Shau Kei Wan Main Street East (+5.8mPD), the team proposed a long slide following the contour of the site as the main feature of the park. Kiosks and shops could line the slope and stairs to create an attractive and vibrant passageway connecting the uphill and downhill portions. The proposed use would require site formation and engineering, construction and landscaping, and park and playground design.

<b>Site Area</b>	About 1,610m <sup>2</sup>
<b>Site Conditions</b>	Stepped; pedestrian access only; dense vegetation
<b>Site Description</b>	The site, behind the Shau Kei Wan Tin Hau Temple (a Grade 2 building), can be accessed from Shau Kei Wan Main Street East via Miu Tung Street. Formerly a squatter settlement called Shan Pin Terrace, the site was abandoned in the late 1990s. The adjacent Ming Wah Dai Ha redevelopment has three phases, with the first phase (at the far side of the site) scheduled for completion by 2019.
<b>Zoning</b>	Majority “open space”
<b>Availability</b>	1 year short-term tenancy (subject to renewal)

(Source: Lands Department)

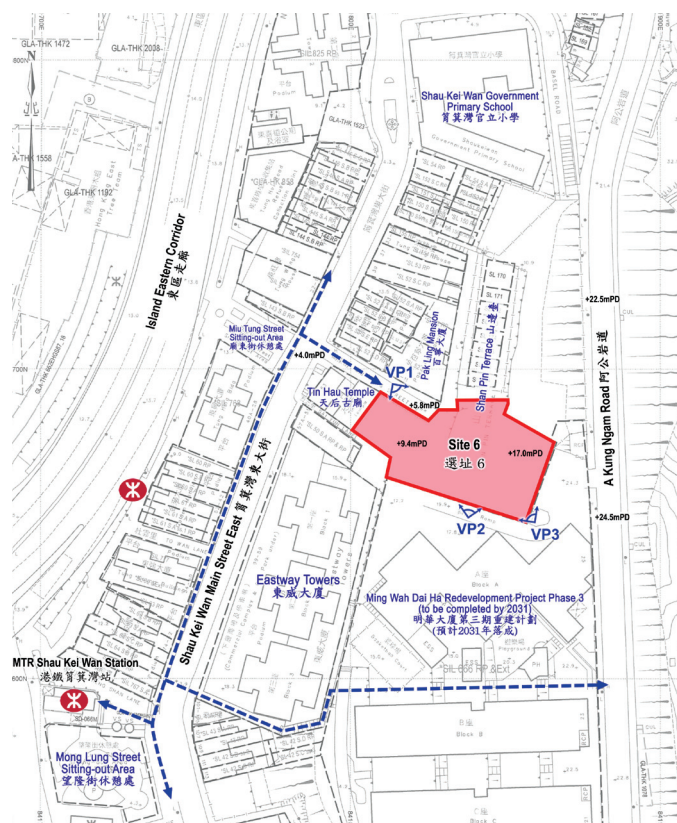


Figure 19: Location of the vacant site in Shau Kei Wan

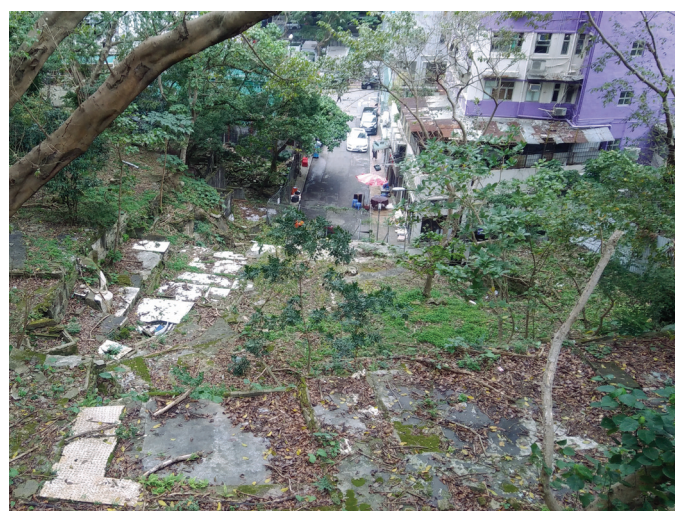


Figure 20: Existing site condition

## 7.2 The Path to a Successful Project

### Step 1: Opening a “Case File”

Any organisation or group of individuals interested in forming a community initiative to use the Shau Kei Wan vacant open-space site should contact CollaborateHK to provide their ideas, preliminary appraisal of the site, and other supporting information. The group at this stage could join CollaborateHK as a Collaborating Member (no membership fees required), similar to opening a “case file,” with no commitment from either side.

The Advisory Members of CollaborateHK would assist the Collaborating Members to refine their conceptual plan into a sound project proposal.

### Step 2: Planning the Project Proposal

#### Team Networking

Community initiatives would be carried out in a collaborative, bottom-up approach, with local stakeholders as the backbone. In the case of the Shau Kei Wan site, the Sandbox team proposed an inclusive design to allow different people, whether healthy, physically challenged, old or young, to enjoy. Local residents would be empowered to manage and operate the space to foster a sense of community. CollaborateHK would help identify relevant local stakeholders such as residents, businesses, traders, the fishermen’s association, and NGOs to form a team.

Key Project Components	Potential Team Members
An inclusive park and public space	Local residents
A vibrant passageway connecting uphill and downhill areas	
Local shops along passageway	Local businesses and traders
Weekend flea market with cooked food stalls	Local NPOs and community groups
Second-hand goods exchange centre	
Public events	Social workers

#### Professional Advice and Preliminary Proposal

Voluntary professional advice is essential on issues such as urban planning, construction and budget to ensure the project proposal is robust enough for public engagement.

Suggested Professionals	Services Provided
Engineers	Geotechnical assessment
Tree experts	Tree conservation plan
Landscape architects	Garden design
Town planners	Compatibility with surrounding areas
Architects	Park design, structure and construction
Environmental consultants	Drainage and sewerage assessment
Quantity surveyors	Cost estimation
Accountants and financiers	Budget plan

## Public Engagement

The project proponents must collect public views on their proposal through a series of community engagement events. This serves two purposes: to foster a sense of ownership in the community, and to refine the proposal. There are different forms of public engagement, such as one-on-one interviews, focus groups, workshops, surveys and public forums.

The proponents must also consult the relevant government advisory committees and statutory bodies such as the District Council and District Officer. Only initiatives that have obtained an appropriate level of public support would be validated by CollaborateHK.

Public Engagement Events	Potential Stakeholders
Interviews	Local residents & groups
Focus-group discussions	Local fishermen's association
Workshops	Shops along Shau Kei Wan Main Street East
Surveys	Eastern District Council, in particular, the constituencies of Shaukeiwan (C05) and A Kung Ngam (C06)
Street stations	
Public forums	District Officers

## Step 3: Validating the Project

Collaborating Members may submit their project proposals to CollaborateHK's Validation Panel for assessment when they are ready. The proposals should include a description of the project, a mission statement, an execution plan and a budget together with details of potential partners and the findings from public engagement. The project proponent should also include a self-evaluation<sup>23</sup> and a social-impact assessment for the Validation Panel to consider.

After their project proposal has been validated, Collaborating Members should either form a society, a company limited by guarantee, or sign the CollaborateHK Group Constitution. CollaborateHK could then assist by introducing the initiative to potential funders or (when established) by providing funding from CollaborateHK's trust fund to kick off the government-approval process. Once such approvals have been secured, the Collaborating Member should become an Initiative Member, a full member of CollaborateHK.

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<sup>23</sup> CollaborateHK will formulate an evaluation framework for assessing community initiatives. The framework will comprise two parts, namely a self-assessment form for project proponents to assess and improve their project proposals, and a third-party evaluation framework focusing on the social benefits and social impacts brought about by the projects.

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## Step 4: Submitting the Project for Government Approval

### One-Stop Advisory and Coordination Service

CollaborateHK, as a submitting agent, would submit the project proposal to the Lands Department or PICO, which then provides a one-stop coordination service. The coordination service would distribute the proposal to the relevant government bureaus and departments, and assist with securing policy support for the project. It would also collect departmental comments and follow up with queries, so the project proponent can address concerns and refine the project proposal for statutory approval.

### Obtaining Statutory Approvals

While park and garden use is always permitted on an open-space site, the “Eating Place” and “Shop and Services” functions proposed along the slopes would require permission from the Town Planning Board (TPB). Hence an application would be submitted to the TPB.

Building plans would be submitted to the Buildings Department for approval after obtaining planning approval.

### Securing the Site

An application would be submitted to the Lands Department to secure approval to use the STT open-space site. Assuming policy support has been obtained during the pre-submission stage, the processing time for granting the site should be shortened. Land tenure and the land premium would be assessed and agreed upon by the government and the project proponent.

### Licensing Application

Besides the statutory approvals, CollaborateHK would also help the project proponent secure the necessary licences for operation, such as the Permanent/Temporary Places of Public Entertainment License and the Permanent/Temporary Food Factory License issued by the Food and Environmental Hygiene Department for

## Join



## Prepare Proposal & Conduct Social Impact Assessment

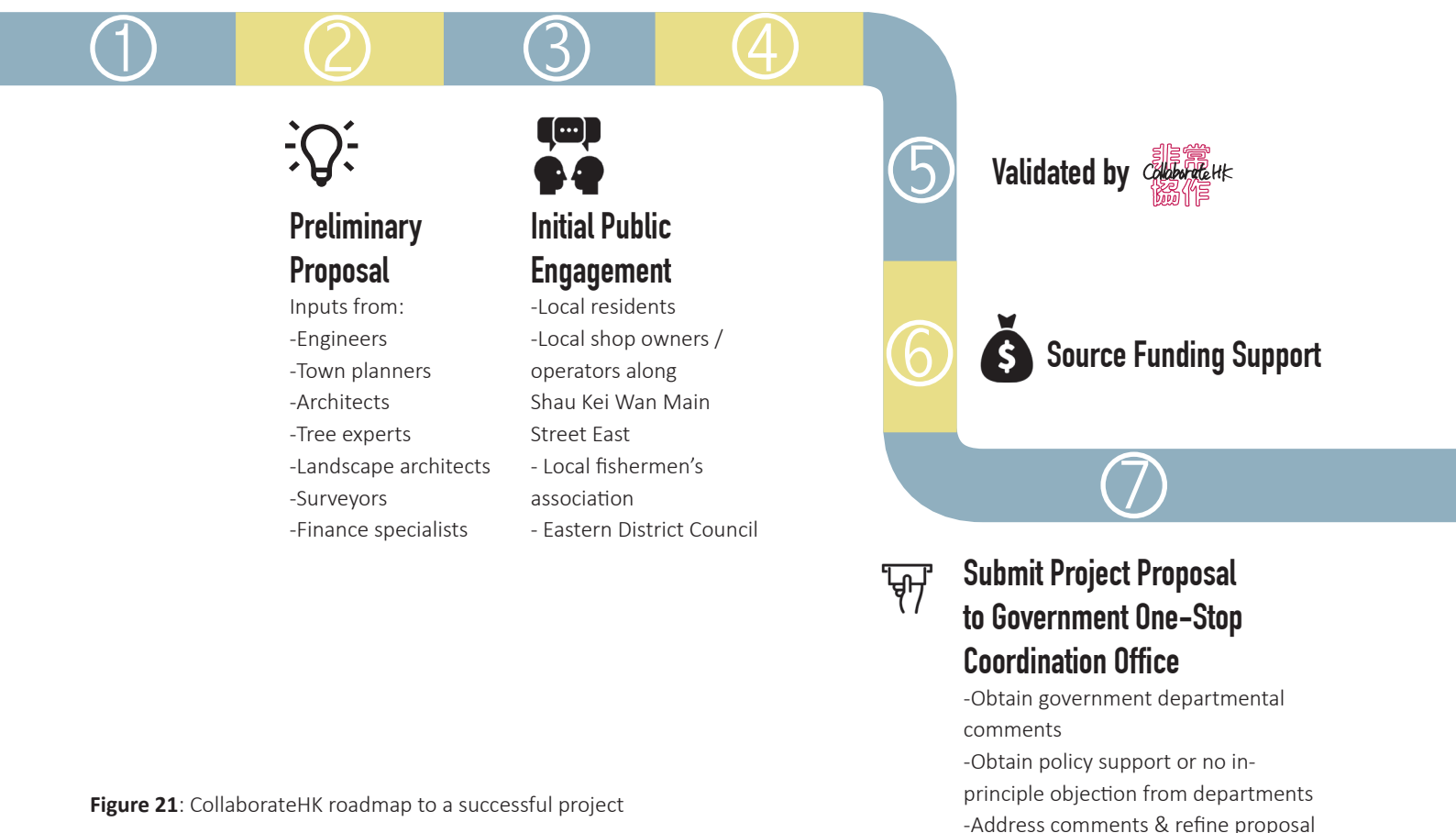


Figure 21: CollaborateHK roadmap to a successful project

operating the shops along the slope and the weekend flea market with cooked food stalls.

### Step 5: Execution

At this stage, the project proponent would have established a formal entity, obtained its S.88 approval and secured funding to implement the initiative. The Financial Secretary in his Budget Speech for 2018-2019 said the government would set aside HK\$1 billion to subsidise the cost of basic infrastructure works for projects on vacant government sites or school premises. The proposed park could be one such project.

The funding would be spent on site formation, drainage, sewerage, construction, recurrent maintenance and operating costs. Potential revenues would mainly come from rental income for the shops along the slope and stalls for the weekend flea market.

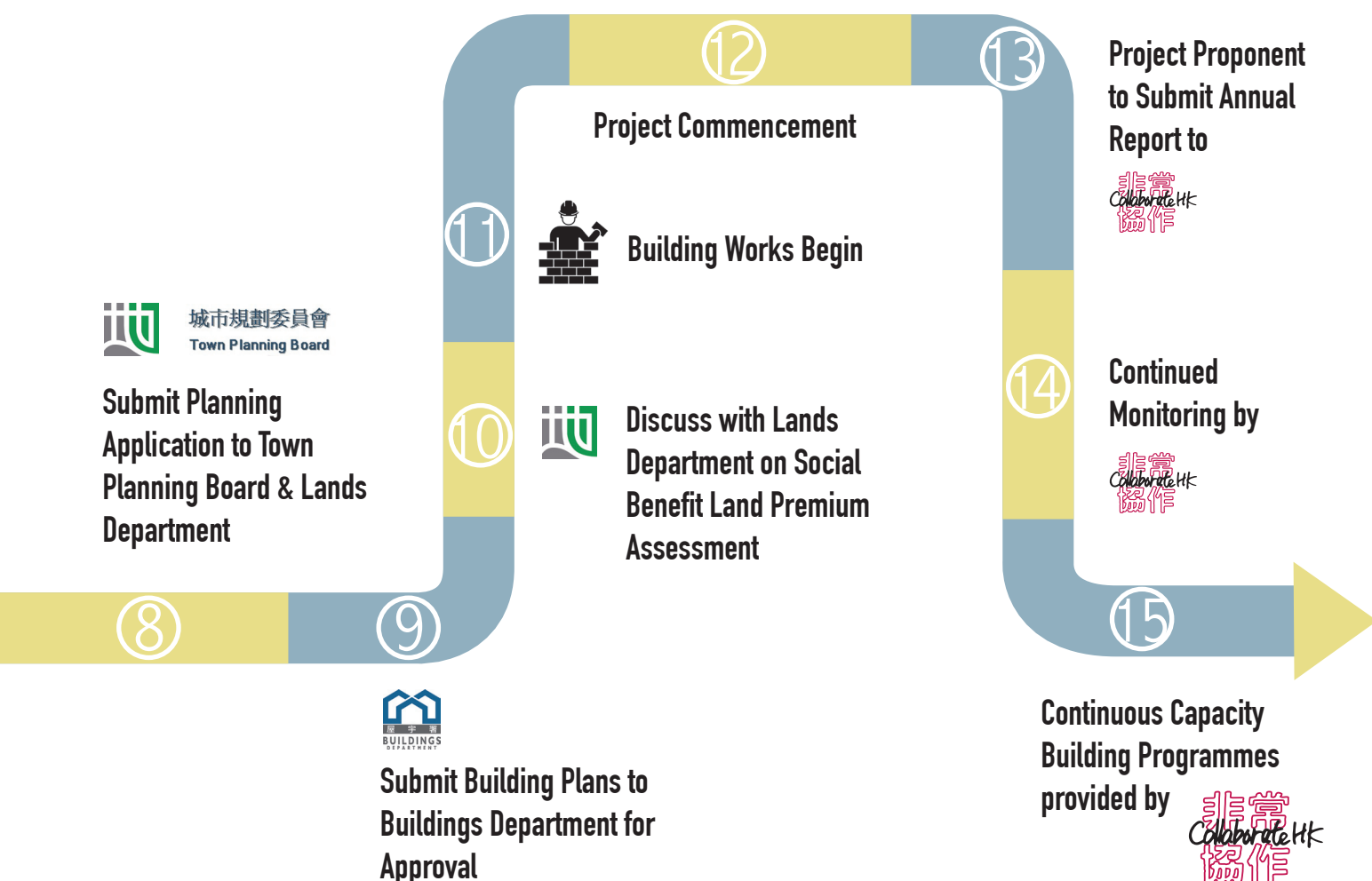
### Step 6: Evaluation

#### Performance Assessment

All implemented community initiatives would be subject to continuous evaluation by CollaborateHK. The Validation/Evaluation Panel would review and assess projects against key performance indicators, and review their financial sustainability. The Advisory Committee would advise on future operations and management.

#### Capacity Building

The Education/Capacity Building Committee would offer seminars and workshops for Initiative Members to build their capacity, provide networking opportunities and assist in addressing any problems encountered in operation and management.





# #08

## SUPPORTING THE COLLABORATEHK FRAMEWORK

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The proposed collaboration framework seeks to improve the application process for community projects. This chapter looks at policy proposals on land-use planning, land disposal, land premiums and rental assessments that would facilitate community projects, as suggested during the study's one-on-one interviews. The proposed collaboration framework could function without these measures but would be less effective and efficient.

The Lands Department's existing practice is, in certain circumstances, to levy concessionary rents or administrative premiums that recognize non-commercial uses with clear social benefit. These are agreed on a case-by-case basis. Such an approach has however led to public suspicion of collusion and concern about a lack of accountability. It would enhance transparency and public confidence if this approach was formalised, with defined principles, terms and conditions.

### **8.1 "Social Benefit Land Premium" and "Social Benefit Rent"**

One-on-one interviews suggest that a project's social benefit should, in many cases, be given greater weight when the Lands Department assesses premium payments for land grants or lease modifications. Non-commercial projects that have social benefit are financially challenging, and in many cases impossible to deliver if a market-level premium is required. Interview participants criticise the use of short-term tenancies, as currently structured, for community-based projects as they cause unnecessary uncertainty over tenure and serious problems with funding.

There are potential solutions to resolve these issues, applicable to various types of site.

#### **8.1.1 Projects With Social Benefit Requiring No Government Funding**

In such cases a "Social Benefit Land Premium" would be offered to reflect the level of public good provided. This is a premium set at a rate, as low as zero in certain circumstances, that reflects the public benefit to be provided by the project. This would encourage public participation, private-sector funding and shared

expectations for a "reasonable" return, whether financial, for the public good, to improve public health, to enable vital services, or other similar benefits.

#### **8.1.2 Projects Providing Public Good (Scenario 1)**

Recreation or day centres for the elderly, schools and youth sports halls are all examples of community projects operated by NPOs that provide only a public good. We propose such uses should by preference be granted 21-year private treaty grants with a Social Benefit Land Premium, assuming the site is available on a medium- to long-term basis.

Where a site cannot, for whatever reason, be committed for such a term, then it would be granted on a minimum 7- or 10-year land lease, depending on the scale of the project, at a monthly "Social Benefit Rent," i.e. a rent to reflect the level of social services and public good provided, from HK\$10 per month upwards based on circumstances. Such land leases should be renewable on five-year terms, subject to performance measured by the project's social value: the scale of public good provided, the number of people using the service, the improvement in public health, and so on.

#### **8.1.3 Projects Providing Public Good and Commercial Activity on Blended Sites (Scenario 2)**

Community-led projects that provide significant public good and involve privately-owned sites or buildings in combination with sites or buildings leased from government (i.e. blended sites) would fall into this category. Some commercial activities could be permitted, generating income to provide services and maintain the non-profit facilities.

We propose the lease term of any private/government combined site should run in parallel with the existing grant of the privately-held land, assuming there is more than 10 years to termination. That would be subject to a Social Benefit Land Premium (which may be zero) to reflect any lease modification of the privately-owned land based on the size and scope of the project (GFA provided, new uses, financial investment required, value of social benefit, etc.). Any Social Benefit Rent payable on the government

land should also reflect the overall public good. The land grant should be renewable on similar terms on termination, subject to performance, and assuming continued social benefit.

#### 8.1.4 Projects Providing Public Good and Revenue on Government Sites (Scenario 3)

Some community projects involve heavy capital investment and require revenues generated by commercial activities to cover the costs of capital, ongoing operations, maintenance and management, to operate on a break-even basis. For projects where a portion (say, up to 60%) of revenue-generating space occupies sites acquired from government, we propose that the site be granted on a minimum 21-year private treaty grant, subject to a Social Benefit Land Premium based on the size and scope of the project (i.e. site area, new uses, GFA provided, financial investment involved, social good provided, etc.). The land grant should be renewable, assuming positive performance, but should also be transferable by either party if circumstances change, the facility/services fail or become no longer relevant.

#### 8.1.5 Projects Providing Public Good on Vacant or Underused Government Sites (Scenario 4)

For projects that provide a public good on vacant or underused sites owned by the government, we suggest granting a fixed tenancy of at least 10 years from the completion of renovation/adaptive re-use works, subject to a Social Benefit Rent. The tenant would meet all management and maintenance costs but not pay government rent and rates. The lease should be renewable subject to performance. We also suggest that commercial activities be permitted in a portion of the building, up to 30%, generating revenues to meet the cost of building management and maintenance.

If government funding is provided to assist with renovation/adaptive re-use (such as in the case of heritage buildings), we propose a fixed tenancy of at least six years, renewable subject to performance.

Summarised in Figure 22, these suggestions are preliminary and subject to further discussion.

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
<b>Land Ownership</b>	Government land	Private land + adjacent government land	Government land	Vacant government buildings (including historic sites)
<b>Proposed Use</b>	<ul style="list-style-type: none"> <li>Public good only;</li> <li>No commercial activities</li> </ul>	<ul style="list-style-type: none"> <li>Significant public good;</li> <li>Some commercial activities to support operations</li> </ul>	<ul style="list-style-type: none"> <li>Significant public good with heavy capital investment;</li> <li>Up to 60% commercial revenue-generating space on government land</li> </ul>	<ul style="list-style-type: none"> <li>Public good and commercial activities to support overall operation</li> </ul>
<b>Proposed Term of Lease</b>	<ul style="list-style-type: none"> <li>7-10 years;</li> <li>Renewable for 5-year term</li> </ul>	<ul style="list-style-type: none"> <li>Same lease term as remainder of private site;</li> <li>Renewable on negotiation</li> </ul>	<ul style="list-style-type: none"> <li>21 years;</li> <li>Renewable on negotiation</li> </ul>	<ul style="list-style-type: none"> <li>6 to 10 years, with government funding for renovation;</li> <li>Renewable on negotiation</li> </ul>
<b>Premium/Rent paid</b>	Social Benefit Rent	Social Benefit Land Premium	Social Benefit Land Premium	Social Benefit Rent

**Figure 22:** A new way to look at land premiums and rents for community initiatives

## **8.2 Premium by Installments**

Projects developed by not-for-profit organisations to support social-benefit programmes should be permitted to pay any Social Benefit Land Premium for land grants or lease modification in excess of HK\$1 million by annual installments. They should pay at least 20% of the total premium prior to starting any construction or addition and alteration works. Many charitable groups do not have access to large amounts of capital. This approach would be particularly beneficial when developing projects that require construction costs as well as recurring operational expenses.

## **8.3 Short-Term Waiver of Permitted Land Use**

There are many underused sites that could be made available for social-benefit projects but that are not appropriately zoned. S.16 planning or S12A zoning applications are costly and time-consuming, especially if the site is only available for a short period of time. In many cases, this long and complex process is beyond the resources of interested community groups. We propose, therefore, that short-term waivers be granted for such sites, permitting their use for social-benefit projects of up to, say, five years in duration.

## **8.4 Planning Incentives and “White Sites”**

The Hong Kong Planning Standards and Guidelines (HKPSG) should be reviewed to facilitate public-benefit projects, in particular those that involve daily or residential care of children, the elderly or those in need of special care. In such cases, plot ratios could be relaxed and upzoning permitted, since the common areas necessary for such groups are significantly higher than for ordinary residents. It would also be helpful to clarify what constitutes public open space and the parameters for using it. Much “public open space” remains off-limits, which does not optimise land use or social benefit.

“White sites”, a concept developed in Singapore, could also be considered, to encourage new and innovative proposals. White sites were introduced by the Urban Redevelopment Authority in Singapore, giving developers more flexibility in developing mixed-use sites, allowing them to adjust the use to respond to market demand. In Hong Kong, the white site could be more-flexible if it also meets a public good.

## **8.5 Building Regulations**

We understand that building regulations and the parameters for GFA are under review in light of new social, economic and environmental expectations. For instance, to support the government’s waste-management policies, new projects should provide waste storage and sorting facilities, which should not count towards the plot ratio.

## **8.6 Conversion of Registered Societies to Registered Companies**

Policy support from a relevant bureau is required for the direct grant of an STT to a particular organisation. This is judged on individual merit. We understand that a registered society under the Societies Ordinance (Cap.151) is not regarded as a separate legal entity, and hence does not have the legal capacity to take up and sign an STT. The STT would have to be taken up and signed by the office bearers, on trust for the society as a tenant. This means the office bearers are personally liable for debts and liabilities incurred by the society, and the tenant of the STT.

Community groups interested in social-benefit projects tell us that such projects are, quite understandably, seen as too much of a personal risk by many people who otherwise want to get involved. However, the registration and administration of a limited company (whether limited by shares or guarantee) is relatively expensive. It is hard to take that step at the start of a proposed project, before securing the necessary approvals or permits, since it is unclear whether such a corporate entity will ever be required.

On the other hand, some type of formal organisation is usually necessary for a group to demonstrate commitment to a proposed project and to open a bank account or rent premises. The most-frequent choice is registration under the Societies Ordinance. This is free of charge and, once registered, does not require annual returns, so is also inexpensive from an administrative perspective. In addition, it is possible to obtain S.88 charitable status and to de-register the society should the proposed project not go ahead.

Given the personal-liability issues, clearly a registered society is not the answer once a project has progressed to the stage of entering into an STT or other land-tenure agreement with the government. Under normal circumstances, an STT is not transferable.

We propose that a mechanism should be introduced so that a registered society can “convert” to a separate legal entity. This would be subject to the individuals who have constituted the registered society remaining in office under the corporate entity, and the corporate articles fully reflecting the society’s objectives. Such a corporate entity could be modelled on the “community interest company” introduced in Britain under the Companies (Audit, Investment and Community Enterprise) Act 2004. The mechanism should also enable the transfer of an S.88 certificate attached to a registered society to the new company.

## 8.7 Competitive Bids

The government will understandably only offer publicly owned land or buildings for occupation after allowing bidding on an open and competitive basis.

Public bidding is, however, a challenge when trying to encourage a community-led, participatory policy. The chance of developing a project concept only to lose the site in bidding leads to uncertainty. There is the fear of committing funds, time and effort to an initiative that may not go ahead. It also seems “unfair” to many people that after spending time and money to investigate and identify sites or buildings appropriate for a particular public benefit, other parties are then invited to bid against the potential project, without doing any of the groundwork. This discourages imaginative and valuable ideas.

One solution is that, on validation of an initiative by CollaborateHK, the project is then listed on the organisation’s website for, say, three months. The local District Council would also be informed, with the information displayed at all district-council premises. If no other party comes forward with a competing project on the site, and no material public objections are raised on the validated proposal, then the original proposal would be accepted by the government for processing. Public opposition should be relatively unlikely at this stage, since the CollaborateHK Charter requires previous rounds of public consultation at district level. Such a process would ensure that projects that have no competitors for a particular site or building can move forward as soon as the three-month online display period expires.

# #09

# THE WAY FORWARD

The existing government mechanism for approving community-driven initiatives is cumbersome, resulting in many lost opportunities for district improvement. It is time to rethink the strategy and framework, particularly in view of the 800+ vacant government sites and school premises now available for community use.

Very Hong Kong has undertaken an intensive study on how this situation could be improved, collecting stakeholder views in a formal and systematic way. Very Hong Kong also suggests practical and feasible solutions to the issues and challenges raised.

There is still, however, much to do to finalise the operational details of CollaborateHK to ensure that the new framework operates on behalf of civil society, the government and the private sector to promote collaboration between the three sectors. The ultimate aim is to make Hong Kong a more-liveable and enjoyable city.

## 9.1 CollaborateHK's Next Steps

### 9.1.1 Identify Candidates for the Board of Directors

Over the past few months, we have begun to identify and approach suitable candidates who share our vision to join as Directors of CollaborateHK. The response has been positive and encouraging. The Directors would provide direction and monitor the development of CollaborateHK.

### 9.1.2 Recruit Advisory Members

The operation of CollaborateHK requires support from professionals in a variety of fields to join us as advisory members, who would provide their specialised skills on a voluntary or low-bono basis. Very Hong Kong has begun approaching different professional organisations, and our vision has been well-received.

### 9.1.3 Establish Validation Framework

Before directing community initiatives to the government's one-stop advisory and coordination services, project submissions would be thoroughly evaluated by CollaborateHK, with clear guidelines and assessment criteria. Very Hong Kong has engaged

specialists in social impact assessment to review international best practices. It has set up a working group that is formulating a tailor-made framework to assess the social benefit of community initiatives.

Most community-initiative groups and collaborators lack professional knowledge and practical experience in conducting social impact assessments. To assist, CollaborateHK will develop a toolkit to help appraise and articulate the social impact of their proposed projects.

Taken together, the social benefit assessment framework and the social impact self-assessment toolkit would infuse an impact management mindset into the planning of the community initiatives. This further enhances the accountability and transparency of the proposed collaboration framework. CollaborateHK will adopt internationally recognised social-value principles developed by Social Value International in developing both the social benefit assessment framework and the social impact self-assessment toolkit.

### 9.1.4 Encourage Wider Public Engagement

Very Hong Kong has engaged with many stakeholders to understand their difficulties and experience in carrying out community projects. Their feedback and suggested solutions have been very constructive, helping lay the foundation of the proposed collaboration framework. In the months to come, we will continue to encourage public discussion through channels such as social media, workshops and forums, collecting views and addressing community concerns.

### 9.1.5 Launch Pilot Projects

There is no better way to illustrate the effectiveness of the new framework than by testing it on real sites and with real projects. Very Hong Kong will engage with the eight Sandbox teams to develop one or two proposals as pilot projects, depending on the level of commitment from the groups and community needs. We will also work with other community groups and NPOs that already have community initiatives in mind but need support from professionals and the private sector to realise their vision.

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## 9.2 Conclusion

Very Hong Kong sees a very real need for improvement in the way that community projects are developed and delivered in Hong Kong. Too many opportunities currently go begging to improve Hong Kong society and the living conditions of the city's people. It is a crying shame to see so many sites across the territory unused or underdeveloped that could benefit Hong Kongers in many ways, at a time that land is so short in supply.

We have the capabilities to change this situation now, with a diligent use of existing resources. This could deliver tangible results that would provide services and facilities at a neighbourhood level that not only help people in their communities but also help bring the government, the private sector and the people together.

Very Hong Kong has devoted its time and effort to a thorough and diligent assessment of how best to deliver community initiatives that build on successful projects already seen in this city and overseas.

Very Hong Kong is already working actively to prepare for a successful CollaborateHK. We have been drafting legal documents, knocking on doors to find potential funding, and searching for people with the right personalities, experience and leadership to form the Board of CollaborateHK.

The provision of one-stop coordination services by the Policy Innovation and Co-ordination Office and the Lands Department is outside the control of Very Hong Kong and the public. It relies on the government's willingness to enhance administrative effectiveness and to enable these local-level project successes. This would improve liveability, encourage local ownership and show a commitment to bettering daily life in Hong Kong.

CollaborateHK also needs to recruit professional volunteers willing to work on a pro-bono or low-bono basis to help community groups consolidate their ideas into sound project proposals. The scale of CollaborateHK would be modest at the beginning. We would build up experience and expand as necessary to meet community needs.

All initiatives start with an idea. There are many promising projects that could flourish as successful community initiatives. That's if residents and community groups are provided with a clear path to develop their concepts, are encouraged to show their civic responsibility, and are offered the necessary support to bring them to life.

We believe CollaborateHK is the most-effective manner in which to stimulate community-project initiatives. We look forward to working constructively to this end with both the public and private sectors. Hong Kong has the resources to help improve itself. It is time to bring that innate ingenuity and innovation shown so often in the city's history to bear in a way that will improve Hong Kong life, for all those people lucky enough to call this great city home.

# Annex 1:

## CollaborateHK Study Advisors

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Name	Title
Mr. Donald Choi	<ul style="list-style-type: none"><li>• Chief Executive Officer, Chinachem Group</li></ul>
Mr. Sam Farrands	<ul style="list-style-type: none"><li>• Head of Projects, King &amp; Wood Mallesons</li></ul>
Mr. Michael Lai, JP	<ul style="list-style-type: none"><li>• Former Chief Executive Officer, St. James' Settlement</li></ul>
Prof. John Ng	<ul style="list-style-type: none"><li>• Former Chairperson, BEAM Society Limited</li><li>• Former Chairman and Director, Green Labelling Committee, Hong Kong Green Building Council</li><li>• Honorary Professor, Department of Urban Planning and Design, The University of Hong Kong</li></ul>
Mr. Gordon Ongley	<ul style="list-style-type: none"><li>• Former Senior Advisor, Swire Properties Limited</li></ul>
Mr. Markus Shaw	<ul style="list-style-type: none"><li>• Co-founder, Designing Hong Kong</li><li>• Co-founder and Chair, Walk DVRC</li></ul>
Prof. Stephen Tang, BBS	<ul style="list-style-type: none"><li>• Former President, Hong Kong Institute of Urban Design</li><li>• Honorary Professor, Faculty of Architecture, The University of Hong Kong</li><li>• Former Deputy Director, Architectural Services Department</li></ul>
Mr. Andrew Weir	<ul style="list-style-type: none"><li>• Regional Senior Partner, KPMG Hong Kong</li><li>• Vice Chairman, KPMG China</li><li>• Global Chairman of Real Estate and Construction, KPMG China</li></ul>
Ms. Ada Wong, JP	<ul style="list-style-type: none"><li>• Chairperson, Make a Difference Institute</li><li>• Convenor &amp; Director, Good Lab Foundation</li></ul>
Dr. Terence Yuen	<ul style="list-style-type: none"><li>• Founder and Executive Director, Hong Kong Institute of Social Impact Analysts</li><li>• Research Coordinator, Centre for Social Innovation Studies, The Chinese University of Hong Kong</li></ul>



# Annex 2:

## Focus-Group Discussion Participants

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Name	Current or former position
Group 1	
Ms. C	樂活鰻魚涌
Mr. C	American Institute of Architects (Hong Kong Chapter)
Mr. C	Friends of the Earth (HK)
Ms. L	Central and Western District Concern Group
Ms. L	Walk DVRC
Mr. Z	Designing Hong Kong
Group 2	
Ms. C	Good Day Society
Ms. C	St. James' Settlement (Viva Blue House)
Mr. H	Christian Family Service Centre
Mr. L	Concerning CSSA & Low Income Alliance
Mr. W	Energising Kowloon East Office
Mr. Y	HKALPS Limited
Ms. Y	Good Day Society
Group 3	
Ms. C	Hong Kong Public Space Initiative
Ms. C	Hong Kong Architecture Centre
Ms. C	Architect
Mr. L	Hong Kong Institute of Urban Design
Mr. L	Hong Kong Institute of Architects
Mr. W	Hong Kong Public Space Initiative
Ms. W	Hong Kong Institute of Planners
Mr. W	Royal Institute of British Architects (Hong Kong Chapter)
Group 4	
Ms. C	Community Cultural Concern
Ms. F	Art & Culture Outreach
Mr. G	Lumieres Hong Kong
Mr. L	The Conservancy Association Centre for Heritage
Ms. W	Civic Exchange
Ms. W	Living Lamma
Group 5	
Mr. C	Elected Central & Western Councillor for University constituency
Ms. C	Elected Central & Western Councillor for Castle Road constituency

# Annex 3:

## CollaborateHK Constitution and Bylaws

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ESTABLISHMENT CERTIFICATE NUMBER [ ]

### COLLABORATE HONG KONG Constitution and Bylaws of CollaborateHK Initiatives

#### Article 1

##### 1.1 Name

The name of this Initiative shall be [ ] (the “Initiative”).

##### 1.2 Object

[ ] is a not-for-profit organisation established for to deliver the Initiative for public benefit by providing [ ] so as to enhance the social environment of all of Hong Kong’s diverse communities regardless of age, ethnicity or household income and to encourage community participation and cooperation (“**Object**”).

##### 1.3 Objectives

Through delivery of the Initiative to:

- Provide an opportunity for Hong Kong’s public sector, institutions and private enterprises to link arms for the benefit of the community at large;
- Advance knowledge of, and participation in, participatory design principles and the effective use of publically accessible sites, buildings, open spaces and venues;
- Promote a more positive, cohesive and collaborative society in Hong Kong;
- Promote public involvement in society for the benefit and enjoyment of all;
- Recognise Hong Kong’s cosmopolitan nature for promotion of diversity;
- Instigate pride in Hong Kong for advancement of community development;
- Promote street life in our public spaces and positive interaction among residents and visitors;
- Support enjoyment of the best that Hong Kong has to offer in an attempt to foster a more integrated society which can agree to differ on a range of issues but remain united in its core values.

(together “**Objectives**”)

##### 1.4 Powers

[ ] is empowered to undertake all activities necessary to attain and advance the Object and Objectives of the Initiative so long as these are in accordance with the laws of Hong Kong and good corporate governance.

##### 1.5 Non-Political

[ ] shall be non-political and non-partisan in all its relationships and activities.

##### 1.6 Registration

[ ] shall maintain registration in Hong Kong under Collaborate Hong Kong and shall be recognised as a not-for-profit organisation CollaborateHK Initiative.

### 1.7 Funding and Donations

In order to further the Object and Objectives of the Initiative, [ ] may accept funds, sponsorship, donations and other revenues of any type (together “**Funding**”) and, subject to relevant approvals set out below, may utilise such Funding to organise and mount selected projects and/or events, pay rents, fees and staff salaries (subject to Bylaw 5.2(iii) below) and meet such other expenses as are necessary to attain and advance the Object and Objectives of the Initiative. [ ] may also, subject to relevant approvals, make such Funding available as sponsorship of collaborative projects organised by a third party, not-for-profit organisations.

## Article 2

### 2.1 Membership

In due course [ ] membership may be opened up to any person (including companies and other non-governmental and not-for-profit organisations) interested to contribute to achieving the Object and Objectives of the Initiative; however, initially and until established as a meaningful community resource, membership may be limited to those comprising the Management Board and the Steering Committee.

### 2.2 Friends of the Initiative

Individuals, companies, NGO’s and not-for-profit organisations interested to support the Object and Objectives of the Initiative may be invited to become Friends of [ ].

## Article 3

### 3.1 Management Board

The Initiative shall be governed by a Management Board (“**MB**”). The MB shall comprise all the duly appointed Officers of the Initiative together with a greater number of non-official Members and shall be authorised to co-opt others as it sees fit to ensure that it can carry out its responsibilities efficiently and effectively. There shall be a Chairperson and Vice Chairperson elected from among the MB membership by majority vote annually. A quorum shall comprise a minimum of three members, two of which should be non-official members.

### 3.2 Power of Management Board

The MB shall conduct and manage all the affairs of the Initiative, exercise all the powers, authorities and discretions of the Initiative, obtain concessions, grants and authorisations from the government, enter into contracts and arrangements and do all other lawful things as are desirable or necessary for attaining and advancing the Object and Objectives of the Initiative.

### 3.3 Officers

There shall be the following officers: Chair, Project Director, Hon. Treasurer. Other officer posts shall be established as and when the Management Board so directs, including but not limited to Hon. Secretary;

The Original Officers shall be as follows (“**Original Officers**”):

Chair:

Project Director:

Hon. Treasurer:

The Original Officers may be replaced by majority vote of the Management Board which shall be responsible for securing suitably qualified replacements for the Original Officers and subsequent Officers as and when required.

### 3.4 Steering Committee

The Steering Committee (“**SC**”) shall comprise the Officers, chairpersons of any standing committees and any other ad hoc members recommended by the SC and approved by the MB and shall be responsible for carrying out the day to day activities of the Initiative.

## Article 4

### **4.1 Staffing**

The Initiative may employ any and all such staff as may be required to deliver the Object and Objectives, subject to the availability of Funding; it shall, in any event, employ a suitably qualified person to set up and maintain appropriate Books of Account and all requisite financial records.

### **4.2 Records**

Accurate records of meetings (including meetings of members, MB and SC) and of the Initiative's decisions, actions and activities shall be maintained and circulated to members of the MB, SC and/or members and Friends of the Initiative as required by the MB.

### **4.3 Physical Assets**

An accurate inventory of all physical assets (except Funding) and their location shall be maintained and an up to date copy lodged with the Project Director, or such other Officer as may be designated by MB from time to time. It shall be the duty of the Project Director to safeguard and arrange storage for these properties with the approval of the MB.

## Article 5

### **5.1 Meetings**

[ ] shall hold meetings of the MB and SC as and when required in order to achieve the Object and Objectives of the Initiative. In addition, the Initiative may hold a meeting of members as it considers appropriate from time to time provided that once the Initiative is opened up to public subscription for membership, a meeting of all members shall be held at least once per annum so that they can be briefed on the Initiative's current activities and future plans.

## Article 6

### **6.1 Media, Publications, etc.**

The Initiative shall have the authority to engage in all types of media and communications activities and to compile and publish any article, press release, information, research, event programme, advertisement, etc. in order to achieve its Object and Objectives.

## Article 7

### **7.1 Logo**

The Initiative shall have the authority to create and adopt a corporate identity as recommended by the MB.

## Article 8

### **8.1 Chop and Seal**

The Initiative shall be authorised to adopt a chop and if it is registered as a company under the Companies Ordinance, a seal which shall be kept by the Hon. Treasurer to be used as required.

## Article 9

### **9.1 Signing Officials**

The Officers shall become authorised signatories on behalf of the Initiative (except as noted elsewhere in this Constitution):

- i. All cheques drawn on funds of the Initiative: signature by two Officers required;
- ii. Withdrawal or transfer of Initiative funds from bank accounts or other depositories: as above;

- iii. Any payment or financial commitment or action which incurs cost to the Initiative shall require the approval of two Officers if the sum so incurred is below HK\$60,000) and three Officers if the sum is above HK\$60,000 (or such other sum as may be agreed by the Management Board from time to time).

## Article 10

### 10.1 Affiliations

The Initiative may enter into affiliations or accept supporters with approval of the SC and the MB.

## Article 11

### 11.1 Amendments

Prior to the Initiative being open to public for subscription of membership any proposed amendment(s) to this Constitution or the Bylaws must be submitted in writing to the Chair of the MB. They shall be reviewed and discussed by a joint meeting of the MB and the SC. If, after review, the MB/SC supports the proposed amendment(s) they shall be referred to the MB for a final vote of approval; however, should the MB/SC not reach a unanimous decision, the matter shall be referred to the MB for a final decision. Once approved, any amendments shall be incorporated into this Constitution and the Bylaws and an updated version provided to all members of the Initiative.

Once the Initiative is open to public for subscription for membership, any proposed change to the Constitution and Bylaws shall only be approved if at least two-thirds of the members present and voting at the annual meeting approve the relevant change.

## Article 12

### 12.1 Code of Conduct

The Code of Conduct attached hereto is to be considered as incorporated into the Constitution and Bylaws.

## Bylaw 1

### **B1.1 Membership**

Once the Initiative is opened to public for subscriptions of membership, any prospective member must submit a written application accompanied by membership dues with such application to be approved by the MB. If rejected, an explanation shall be provided to the applicant and a full refund shall be made.

### **B1.2 Dues**

Dues shall be payable on a 12 monthly basis from the date of acceptance of application by the MB. No refund of dues shall be paid if a member resigns prior to the close of his membership year. The SC shall review dues each January with recommendations being presented at an annual meeting of members for endorsement.

### **B1.3 Types of Membership**

There shall be two types of member:

- Individual Members
- Corporate Members

### **B1.5 Non-payment of Dues**

Non-payment of dues by a member shall be considered equivalent to a resignation and the name shall be dropped from the membership roll, unless extenuating circumstances are given or known.

## Bylaw 2

### **B2.1 Duties of Officers**

The duties of the Officers of the Initiative shall be as agreed by the MB from time to time.

## Bylaw 3

### **B3.1 Committees**

The SC may from time to time recommend to the MB the establishment of any necessary Standing or Ad Hoc Committees in order to sustain the functions of the Foundation. The MB shall appoint relevant chairpersons who may establish their committees from those forming the membership of the MB or SC or by co-opting other suitably qualified persons. Ad Hoc Committees shall be formally dissolved by the MB once they have fulfilled their purpose.

## Bylaw 4

### **B4.1 Meetings**

All meetings shall be notified in writing (e-mail is acceptable) giving as much prior notice as possible. An agenda shall be provided in advance of any meeting and minutes shall be kept and circulated to all members, present or otherwise, after the meeting. Where budgets or accounts are to be considered, details for discussion/approval shall be provided at least 24 hours in advance of the meeting time. Board or Committee Members unable to attend a meeting shall be invited to submit prior comments on material matters to be considered.

## Bylaw 5

### **B5.1 Initiative Finances**

All funds of the Initiative shall be paid into accounts opened at a bank/banks to be agreed by the SC, such bank(s) to provide statements on a regular basis, at minimum monthly. The accounts of the Initiative shall be audited annually by an independent, appropriately qualified auditor. Up to date financial reports shall be made available to the MB/SC on a quarterly basis. The Initiative's Financial Year shall run from 1 January to 31 December annually.

### **B5.2 Excess Revenues**

Any excess revenues of the Initiative after settlement of all operational, management and maintenance outgoings shall be ploughed back into the pursuit of the Objects and Objectives via expansion or improvement or by implementation of new services/events for which plans and approvals are already in place but which still await funding.



[   ] – a CollaborateHK Initiative (the “Initiative”)

**Code of Conduct – Management Board Members, Officers, Staff (paid or volunteers)**

**I. PREAMBLE**

The Initiative is fully committed to the principle of honesty, integrity and fair play in the conduct of its business. To uphold public trust and protect public interest, it is important for all Management Board Members, Officers and Staff (paid or unpaid) (together the “**Initiative Representatives**”) to handle the Initiative’s business in a just and impartial manner so that the Initiative’s reputation will not be tarnished by dishonesty, impropriety or corruption. To this end, this Code of Conduct sets out the standard of behaviour expected of all Initiative Representatives.

**II. GENERAL STANDARDS**

Initiative Representatives (“**IR**”) shall ensure that their conduct would not bring the Initiative into disrepute. IR shall not at any time or in any respect do anything which may compromise or impair their integrity, impartiality, objectivity or ability to perform Initiative duties. IR shall adhere to the spirit and the letter of any rules or instructions made for the Initiative’s practices and procedures or behaviour in relation to the business of the Initiative.

**III. SPECIFIC STANDARDS**

**1. Provisions of Prevention of Bribery Ordinance**

IR are agents of the Initiative and governed by Section 9 of the Prevention of Bribery Ordinance (POBO, Cap. 201) (and other provisions where appropriate). IR commit an offence under POBO if they, without the permission of the Management Board, solicit or accept any advantage in connection with the Initiative’s business.

**2. Acceptance of Advantages**

**2.1 Gifts/souvenirs presented to Board members in their capacity as such**

- (a) A gift/souvenir presented to IR in their capacity as such should be regarded as a gift/souvenir to the Initiative (e.g. a gift/souvenir presented by the organisers to IR representing the Initiative to officiate at ceremonies).
- (b) IR shall follow the procedures set out in this document for the disposal of gifts/souvenirs received in the above circumstances.

**2.2 Sponsorships Offered to IR in their Capacity as Such**

- (a) IR may be offered sponsorships in their capacity as such by persons/organisations other than the Management Board itself for official purposes such as attending local/overseas conferences, conventions, events, performances, etc. Such sponsorships should be regarded as sponsorships offered to the Initiative and referred to the Management Board for consideration of acceptance.
- (b) The Management Board should consider whether it is appropriate to accept the offer based on the following general criteria:
  - (i) acceptance of the sponsorship will benefit the Initiative as a whole and not bring either into any disrepute;
  - (ii) the Management Board will not feel obliged to do something in return for the offeror; and
  - (iii) acceptance will not give rise to any actual or perceived conflict of interest (e.g. the offeror is a supplier/contractor bidding for the Initiative’s contracts).
- (c) If the Management Board decides to accept the sponsorship, it should then select a suitable Officer to attend the sponsored activity on its behalf.

### 2.3 Advantages Offered to IR in their Private Capacity

(a) Where IR are offered an advantage in their private capacity, they may accept it if:

- (i) the acceptance will not affect the performance of his duties as a representative of the Initiative; and
- (ii) they will not feel obliged to do something in return in connection with business relevant to the Initiative for the offeror.

(b) If IR feel that they would be obliged to reciprocate an advantage by returning to the offeror a favour connected with any Initiative business, they should decline the offer.

(c) When IR are in doubt as to whether they should accept an offer of advantage, it is advisable for them to apply the “sunshine test”<sup>Note</sup> and consult the Management Board or an Officer.

*Note In the sunshine test, the person concerned should ask himself if he would be happy openly to discuss with the general public what he is doing. If he feels uncomfortable about it, then what he is doing is probably conflicts with the ethical standard generally expected by society.*

### 3. Acceptance of Entertainment

IR should not accept frequent or lavish entertainment from persons/ organisations who/which have an interest in any matters under consideration by the Management Board or with whom/which they have official dealings, in order to avoid embarrassment or loss of objectivity when considering or giving his views on matters concerning these persons/organisations.

### 4. Offer of Advantage

IR are prohibited from offering advantages to any director, or staff of any company or organisation, for the purpose of influencing such person or company in any dealings, or any public official, whether directly or indirectly through a third party, when conducting the business of the Initiative.

### 5. Conflict of Interest

#### 5.1 Definition

A conflict of interest situation arises when the private interests of IR compete or conflict with the interest of the Initiative. “Private interest” includes both the financial and other interests of IR and those of their connections, including family members, relatives, friends, clubs and societies to which they belong, as well as people to whom they owe a favour or are obligated in any way.

#### 5.2 Managing Conflict of Interest

IR should avoid any conflict of interest situation (i.e. situation where their private interest conflicts with the interest of the Initiative) or the perception of such conflicts. They should not use their official position or any information made available to them in the course of their duties to benefit themselves, their relations or any other persons with whom they have personal or social ties. They should avoid putting themselves in a position that may lead to an actual or perceived conflict of interest. Failure to avoid or declare such conflict may give rise to criticisms of favouritism, abuse of authority or even allegations of corruption. In this connection, IR shall comply with the guidelines on declaration of interests set out in this document.

#### 5.3 IR Bidding for the Initiative’s Contracts

As a matter of principle, IR should avoid entering into any business contract (e.g. for the supply of goods or services) with the Initiative in their personal capacity to prevent the public perception of IR using their position to obtain financial gains from the Initiative.

**6. Use of Confidential or Privileged Information**

(a) IR shall not take advantage of, or let any person or organisation benefit from, the confidential or privileged information obtained in their capacity as IR.

(b) IR shall not disclose any confidential or privileged information of the Initiative to any party unless he is authorised to do so.

**7. Use of Funds**

(a) IR shall ensure that all the Initiative's funds are used in a prudent and responsible manner to safeguard the Initiative's interests. They should only approve funds for any project/activity/expenditure item which falls within the ambit of the funds and can achieve the purpose of the funds.

(b) IR shall particularly ensure that an open and fair mechanism is adopted for the procurement of goods/services and recruitment of staff for the Initiative.

**8. Misuse of Capacity as a IR**

IR shall not misuse their official capacity as such to gain benefit for themselves or others, or render favour to any person/organisation.

## ANNEX 1

### 1. Extracts from the Prevention of Bribery Ordinance (Cap. 201, laws of Hong Kong)

#### Section 9 - Corrupt Transaction with Agents

(1) Any agent who, without lawful authority or reasonable excuse, solicits or accepts any advantage as an inducement to or reward for or otherwise on account of his –

(a) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or

(b) showing or forbearing to show, or having shown or forborne to show, favour or disfavour to any person in relation to his principal's affairs or business, shall be guilty of an offence.

(2) Any person who, without lawful authority or reasonable excuse, offers any advantage to any agent as an inducement to or reward for or otherwise on account of the agent's –

(a) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or

(b) showing or forbearing to show, or having shown or forborne to show, favour or disfavour to any person in relation to his principal's affairs or business, shall be guilty of an offence.

(3) Any agent who, with intent to deceive his principal, uses any receipt, account or other document

(a) in respect of which the principal is interested; and

(b) which contains any statement which is false or erroneous or defective in any material particular; and

(c) which to his knowledge is intended to mislead the principal, shall be guilty of an offence.

(4) If an agent solicits or accepts an advantage with the permission of his principal, being permission which complies with subsection (5), neither he nor the person who offered the advantage shall be guilty of an offence under subsection (1) or (2).

(5) For the purposes of subsection (4) permission shall

(a) be given before the advantage is offered, solicited or accepted; or

(b) in any case where an advantage has been offered or accepted without prior permission, be applied for and given as soon as reasonably possible after such offer or acceptance, and for such permission to be effective for the purposes of subsection (4), the principal shall, before giving such permission, have regard to the circumstances in which it is sought.

### 2. Definition of an Advantage (Section 2)

#### **“advantage” means :**

(a) any gift, loan, fee, reward or commission consisting of money or of any valuable security or of other property or interest in property of any description;

(b) any office, employment or contract;

(c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;

(d) any other service, or favour (other than entertainment), including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted;

(e) the exercise or forbearance from the exercise of any right or any power or duty; and

(f) any offer, undertaking or promise, whether conditional or unconditional, of any advantage within the meaning of any of the preceding paragraphs (a), (b), (c), (d) and (e).

### **3. Definition of Entertainment (Section 2)**

The provision of food or drink, for consumption on the occasion when it is provided, and of any other entertainment connected with, or provided at the same time as, such provisions.

### **4. Section 19 - Custom Not to be a Defence**

In any proceedings for an offence under the Ordinance, it shall not be a defence to show that any such advantage as is mentioned in the Ordinance is customary in any profession, trade, vocation or calling.

### **5. Procedures for Handling Gifts/Souvenirs Given to IR in their Capacity as Such**

All gifts/souvenirs received by IR in their capacity as such should be forwarded to the Management Board for disposal in the following manner:

- (a) If the gift/souvenir is of perishable nature (e.g. food or drink, etc.), it may be shared among IR on a suitable occasion, or donated to another charitable organisation.
- (b) If the gift/souvenir is a useful item, it may be retained and used by the Initiative or donated to another charitable organisation.
- (c) If the gift/souvenir is suitable for display (e.g. a painting, vase, etc), it may be displayed at appropriate locations of the Initiative's office [or premises].
- (d) If the gift/souvenir has a value below HK\$500, it may be donated as a prize in functions organised by the Initiative.
- (e) If the gift/souvenir is a personal item with a value below HK\$500, such as a plaque or pen inscribed with the name of the recipient, it may be retained by the recipient.
- (f) If the gift/souvenir is distributed to all participants in public activities, such as a ball pen, file folder or key clasp, etc, it may be retained by the recipient.

### **6. Guidelines on Declaration of Interests**

#### **General Principles**

When IR (including the Chair) has an actual or potential conflict of interest in any matter under consideration by the Initiative, he should, as soon as practicable after he has become aware of it, make a declaration to the Chairman (or the Board). The basic principle to be observed is that IR's advice should be disinterested and impartial and it is the responsibility of each IR to judge and decide if the situation warrants a declaration, and to seek a ruling from the Chair in case of doubt.

It is impossible to define or describe all the situations that would call for such a declaration, because each individual case differs, and because of the difficulty of catering for unusual and unforeseen circumstances. On the other hand, it is not intended that a Member should make a declaration of interest simply because the Board is considering a matter in which he has knowledge or experience.

#### **Potential Conflict of Interest Situations**

The following are potential conflict of interest situations :

(1) Pecuniary interests in a matter under consideration by the Management Board, held either by IR, the company for which they work or by any close relative. IR are the best judge of who, in the particular circumstances, is a "close relative".

(2) A directorship, partnership, advisory or client relationship, employment or other significant connection with a company, firm, club, association, union or other organisation which is connected with, or the subject of, a matter under consideration by the Management Board.

(3) Some friendships which might be so close as to warrant declaration in order to avoid the situations where an objective observer may believe that an IR's advice has been influenced by the closeness of the association.

(4) IR who, as a barrister, solicitor, accountant or other professional adviser, have personally or as a member of a company, advised or represented or had frequent dealings with any person or body connected with a matter being considered by the Management Board.

(5) Any interest likely to lead an objective observer to believe that IR's advice may have been motivated by personal interest rather than a duty to give impartial advice.

## **7. Declaration of Interests at Meetings**

(1) If IR (including the Chair) have any direct personal or pecuniary interest in any matter under consideration by the Management Board, they must, as soon as practicable after they become aware of it, disclose to the Chair (or the Management Board) prior to the discussion of the item.

(2) The Chair (or the Management Board) shall decide whether IR disclosing an interest may speak or vote on the matter, may remain in the meeting as an observer, or should withdraw from the meeting.

(3) If the Chair declares an interest in a matter under consideration, the chairmanship may be temporarily taken over by another member of the Management Board appointed by a majority of votes.

(4) When a known direct pecuniary interest exists, circulation of relevant papers to the IR concerned may be delayed. Where IR are in receipt of a paper for discussion which they know presents a direct conflict of interest, they should immediately inform the Chair and return the paper.

(5) All cases of declaration of interests shall be recorded in the minutes of meeting.

## **8. Records, Accounts and Other Documents**

IR should ensure, to the best of their knowledge, that any record, receipt, account or other document they submit to the Initiative gives a true representation of the events or transactions reported in the document. Intentional use of documents containing false information to deceive or mislead the Initiative, regardless of whether the staff member may obtain any gain or advantage, may constitute an offence under the Prevention of Bribery Ordinance.

## **9. Compliance with Local Laws in Other Jurisdictions**

IR must comply with all local laws and regulations when conducting the Initiative's business, and also those in other jurisdictions, when conducting business there.

## **10. Use of Initiative Assets**

IR in charge of or having access to any assets of the Initiative, including funds, property, information, and intellectual property should use them solely for the purpose of conducting the Initiative's business. Unauthorised use to make personal gain is strictly prohibited.

#### **11. Confidentiality of Information**

IR should not disclose any classified information of the Initiative without authorisation or misuse any such information. Those who have access to or in control of such information should at all times ensure its security and prevent any abuse, unauthorized disclosure or misuse of the information. Special care should be taken when handling any personal data to ensure compliance with the Personal Data (Privacy) Ordinance (Cap. 486) and the Organisation's data privacy policy.

#### **12. Loans**

IR should not accept a loan from, or through the assistance of, any person or organisation having business dealings with the Initiative. There is, however, no restriction on borrowing from a licensed bank or financial institution.

#### **13. Compliance with the Code of Conduct**

It is the responsibility of all IR to understand and comply with this Code, whether performing the duties of the Initiative in or outside Hong Kong. Any enquiries about the Code should be channeled to the Chair for advice.

[        ]  
(Name of Initiative)

[        ]  
(Date)



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