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Recommended Citation

Cheung, Esther; Chan, Albert; Chung, Kim-wah; Lau, Chi-pang; and Wang, Zhiru, "Evaluating the social, cultural and heritage impacts of the 'revitalising historic buildings through partnership scheme' in Hong Kong" (2011). *Conference Papers*. Paper 31.  

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Evaluating the Social, Economical, Cultural and Heritage Impacts of the “Revitalising Historic Buildings through Partnership Scheme” in Hong Kong

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ABSTRACT

Hong Kong has undergone a rapid transformation from a small fishing village to one of Asia’s top commercial cities. With the booming economic development that it has undergone, heritage has been criticised as largely neglected. To respond to this criticism proactively, the Hong Kong Special Administrative Region (HKSAR) Government introduced a Revitalising Historic Buildings through Partnership Scheme in October 2007 which is considered as an innovative social public-private partnership (PPP) scheme. In this scheme the Government will pay all initial costs related to the renovation of these buildings for subsequent renting to service providers of social enterprises and will not expect the service providers to shoulder these costs. The facilities will also be rented to the service providers at a nominal or heavily subsidised cost. In return the service providers will operate their own social enterprises using their own funds. The objectives of the scheme are: 1) to preserve and put historic buildings into good and innovative use; 2) to transform historic buildings into unique cultural landmarks; 3) to promote active public participation in the conservation of historic buildings; and 4) to create job opportunities particularly at the district level. It is hoped that pumping in public expenditure to upgrade these historic buildings will in turn generate jobs, uphold conservation principles, and also subsidize the social enterprises in running their businesses which may not otherwise remain feasible without financial support. However, since the scheme’s introduction, there has been much criticism of the selecting procedures for the service providers (e.g. Concern by the Chinese Artists Association regarding the
of the North Kowloon Magistracy). How successful the scheme is in achieving the stated objectives is a question yet to be answered. Therefore, this study aims to evaluate the effectiveness of the scheme in terms of its social, economical, cultural and heritage impacts at different stages of development, namely, sustainability of economic benefits, renovation / conservation of historic buildings, and management and operation of the social enterprises. Recommendations for improvement will be made based on the findings of this study. This public policy research (PPR) project has recently been funded by the Research Grants council (RGC) of Hong Kong. This paper provides an overview of the funded research in terms of its background, aim and objectives, and the research framework. The significance and value of conducting this PPR project will also be discussed.

KEYWORDS
social enterprises and entrepreneurship, conservation of cultural heritage, social public-private partnership (PPP).

INTRODUCTION
Conservation of historic buildings requires special care and expertise. If this work is not done properly, invaluable and significant heritage of our culture may not be replaced once damaged or lost (Lam, 2003). Redevelopment of historic buildings is common in Western countries e.g. the redevelopment of the Treasury Building in the United Kingdom which is a grade II listed building constructed approximately a century ago (Partnerships UK, 2009a). Hong Kong has also recorded a history of delivering similar projects. For example, the Nan Lian Garden in Diamond Hill (Nan Lian Garden, 2009). During the 1980s the government contemplated a new town plan for the district, of which the garden formed part. The garden was built as a designated park with an area of 35,000 square metres; it is also a showcase of traditional Chinese culture, reminiscence of the ancient architecture of the Tang dynasty. Since its opening in November 2006, management of the park has been entrusted to the adjacent Chi Lin Nunnery by the government.
Yet, cultural and historical projects may sometimes be difficult to deliver due to the lower economic returns involved. In these cases the private sector appears to be less interested (Waters, 2009), making it necessary to rely on public sector funding. An example of this is the proposed West Kowloon Cultural District (WKCD) project, located in the West of Yau Ma Tei on the Kowloon Peninsula of Hong Kong. The project had been long awaited due to repeated delays and controversies (South Morning China Post, 2008). Back in April 2001, the HKSAR Government invited the private sector to submit conceptual plans for the 40 hectare waterfront site at the southern tip of the Western Kowloon reclamation
into an integrated arts, cultural and entertainment district under the mode of a social PPP (Mok, 2005). Since then there has been continuous debate over the best suitable financing modality which should be adopted. A number of uncertainties in this project doomed it to be highly criticized. One of the main problems was that residential development would have to be included in the package to make the deal more attractive to the private sector. Running of the cultural activities alone was unable to attract private sector financing due to the lower economic returns.

The debate over the financing modalities finally came to a halt when the Legislative Council of the HKSAR Government approved HK$21.6 billion to fund this project (Wu, 2008). In Hong Kong, government financial support is not a concern as it is one of the few jurisdictions that not only has zero debt but also a plentiful fiscal reserve of approximately HK$500 billion (HKSAR, 2009). Therefore the HKSAR Government has always been happy to pay for projects upfront. Given that the private sector is less interested in social PPP projects due to the lower economic returns and the plentiful financial reserves of the HKSAR Government, there appears potential for an innovative form of PPP where social PPP projects are financed by the Government. In traditional PPP projects the financing tends to come from the private sector. Government funding would allow these projects to be delivered which otherwise may not be possible. In addition, the advantages of private sector expertise and innovation can also be maximized through this partnership arrangement.

Under the Revitalizing Historic Buildings through Partnership Scheme, projects are funded by the government, eliminating the problems and difficulties related to funding. The service providers of this scheme must be non-profit making organizations with prior experience in the area proposed. Service providers are invited to submit proposals for using these buildings to provide services or businesses in the form of social enterprises. In their submissions, they should propose detailed plans to demonstrate how these buildings would be preserved, how their historical significance can be effectively utilized and also how the enterprises would operate to show financial viability and benefit to the community. The successful service providers will be awarded a one-off financial package to support the renovation of the buildings, paying only nominal rent for the buildings and also be given a one-off grant for the initial costs. The maintenance works will be conducted solely by the service providers themselves (Development Bureau, 2009a). Currently, the Development Bureau of HKSAR has already identified eleven buildings suitable for this scheme. The service providers for six of these projects have already been selected including Lui Seng Chung, the Lai Chi Kok Hospital, the North Kowloon Magistracy, the Old Tai O Police Station, Fong Yuen Study Hall and also Mei Ho House. The other seven projects are still in progress and it is anticipated that selection of service
providers will be arranged soon (including the Old Tai Po Police Station, the Blue House Cluster in Wan Chai, Former Fanling Magistracy, Old House at Work Uk Village and also Stone Houses in Hau Wong Temple New Village) (Development Bureau, 2009b; Development Bureau, 2009c). Unfortunately the HKSAR government has received much criticism over the appropriateness of the service providers selected as in the following case. The Chinese Artists Association had proposed to use the North Kowloon Magistracy as a centre for Chinese opera. But their bid was unsuccessful and instead an American service provider was selected. According to the Legislative Council papers the Savannah College of Art and Design was selected for a number of reasons. They require less government funding, they are experienced in the preservation of historic buildings, and, lastly, synergy with other revitalization projects in the district will be created (Sing Tao Daily, 2009). Despite this rationale, the appropriateness of the selected service provider is doubted, as many feel that local organizations should be given higher priority. Therefore, there is a need to evaluate the effectiveness of this scheme in terms of its social, economical, cultural and heritage impacts at different stages of development, namely, sustainability of economic benefits, renovation / conservation of historic buildings, and management and operation of the social enterprises. This will in turn demonstrate to the general public and relevant stakeholders the successfulness of the scheme in achieving the desired goals.

**RESEARCH AIM AND OBJECTIVES**

This research study aims to evaluate the effectiveness of the “Revitalizing Historic Buildings through Partnership Scheme” in terms of its social, economical, cultural and heritage impacts at different stages of development, namely, sustainability of economic benefits, renovation / conservation of historic buildings, and management and operation of the social enterprises.

The specific objectives of this research study include:

1. To monitor whether sustainable economic benefits (such as an increase of job opportunities and profit for the service providers) are achieved by the social enterprises.
2. To assess whether the historic buildings are renovated and conserved in a manner that preserves culture and heritage.
3. To evaluate the social impacts of the scheme on the general public, with specific reference on their views towards government policies and their experiences as users to these historic buildings.
RESEARCH FRAMEWORK

Given the unique nature of the Revitalizing Historic Buildings through Partnership Scheme, research methods adopted from one single field was believed to be insufficient to achieve the objectives. Combined research efforts will be adopted for this study. The techniques which will be adopted range from those used for construction management, economical, social science and heritage studies. In particular, the techniques adopted will include a comprehensive literature review, content analysis, interviews with relevant stakeholders, empirical questionnaire surveys with the community, telephone survey and face-to-face interviews of the general public.

At the beginning of the study, an extensive literature review will be first conducted. All previous studies related to the research done by others will be consolidated, thereby enriching the understanding of current practices and experiences. The literature will be sourced from international refereed journals, international refereed conference proceedings, books, websites, magazines, newspapers, and so on. This desktop study will provide the background for the research and also form the framework for the development of the empirical questionnaires.

In this research, content analysis will also be employed. Content analysis is frequently adopted to determine the major facets of a set of data, by simply counting the number of times an activity happens, or a topic is depicted (Fellows and Liu, 2008). The first step in conducting content analysis is to use electronic database search engines such as Scopus to identify the literature to be analysed. The second step is to determine the form of content analysis to be used, whether qualitative or quantitative. The choice is dependent on the nature of the research project. In qualitative content analysis, emphasis is on determining the meaning of the data (i.e. grouping data into categories). Quantitative content analysis extends the approach of the qualitative form to generate numerical values of the categorized data (frequencies, ratings, ranking, etc.) which may be subjected to statistical analyses. Comparisons can be made and hierarchies of categories can be examined (Fellows and Liu, 2008).

This study will adopt a qualitative content analysis approach. Figure 1 describes the methodology.
Figure 1 – Research framework

1. Identification of the type and level of economic benefits achieved by the social enterprises

2. Identification of the cultural and heritage impacts of the scheme

3. Identification of the social impacts of the scheme
Objective 1: to monitor whether sustainable economic benefits are achieved by the social enterprises.

To monitor whether economic benefits are achieved by social enterprises, a longitudinal case study approach will be adopted to assess the financial performance of those six historic buildings under the scheme which have already been awarded. A common methodology will be adopted for each case. Each case study will collate information from different stakeholders regarding the financial performance in terms of the number of employees engaged both full-time and part-time, the profit made by the service provider, other economic benefits achieved by the stakeholders, and the risks and difficulties faced. In each case, the researchers will look for patterns of approaches, processes, satisfaction, motivation, communication, relationships and difficulties within each project and seek similarities and differences between the cases. The aim will be to look at the cases both individually and collectively. The financial performance of each project will be examined. The approach adopted for each case study project will be mapped and the decision-making process in the selection of particular approaches and processes will be documented. The analysis will be conducted with procedural regularity and consistency. The qualitative data to be generated will be analysed using both the exploratory techniques developed by Morgan (1994) and a reputational approach (Seymour and Fellows, 1999).

Objectives 2 & 3: to assess the cultural, heritage and social impacts of the scheme.

To assess the conservation works of the service providers, the research team will follow the international principles as set out in the Charter of Venice (International Council on Monuments and Sites), the Burra Charter (ICOMOS Australia), and the Principles for the Conversation of Heritage Sites in China (ICOMOS China). In practice, the research team will examine the building works of each historic building against a checklist of authentic architectural features. The checklists, which are composed in compliance with the current statutory requirements under the Buildings Ordinance, will reflect the unique conditions of the historic buildings and the levels of architectural authenticity that need to be retained. The conservation works will be studied, on the one hand, in light of the historical features of the buildings to see if proper procedures and treatments are carried out to preserve the cultural and heritage merits. Nevertheless, on the other hand, it is not uncommon to find conflicts and fierce arguments prevail in the community concerning how historic sites should be preserved. This manifests that existing policy may not be totally effective to convince a significant
sector of the community, while the voices of local appeals may find it hard to channel through the administrative and consultative processes. Public dialogue on the proper way of policy making and implementation in preservation of historic and cultural heritage may not be smooth, resulting in the lack of legitimacy in policy and leading to conflicts or even confrontations. In order to trace the background of these different considerations, the research team is going to conduct informant interviews with policy makers, government officials, members from statutory committees, as well as representatives from concerned groups (including grassroots organizations, political parties, and etc.).

The research team, in light of findings from the above, will also undertake some stocktaking research on existing strategies, or best practice, from other international cities to shed light on what should be a proper, or balanced, approach to accommodate the divergent appeals and the special characteristics of the local context in preservation of historic heritages.

To assess the real impact of preservation efforts on the public and how it serve to retain cultural heritage, in what way these efforts are building up community spirit and to develop local identity, it would be necessary to gauge the social impacts of the scheme by community survey. The project herein proposes to conduct telephone polls on the general public to collect their views on relevant government policies and their familiarities with the scheme. Telephone poll would be an efficient and cost effective way to achieve this objective.

The survey will cover the land-based households that are installed with residential telephone lines in Hong Kong. It will be conducted on a sample selected in accordance with a scientifically designed sampling scheme, and will include a minimum of one thousand successfully interviewed cases of person aged between 18 and 65. The interview and data input processes will be administered through the Computer-Assisted Telephone Interviewing (CATI) system (version 4.2).

A pilot survey of at least 30 cases will be conducted for the telephone poll survey. Each part of the questionnaire will be fully tested in the pilot survey. The CSPS will document the findings of the pilot survey and make recommendations and necessary amendments as required to improve the survey operation and questionnaire design.

The treatment of unsuccessful telephone interviews will be strictly defined and monitored. In practice, a telephone number is called at different times of the day and on different days to increase its likelihood of being a successful case. Those unsuccessfully contacted telephone numbers will be tried at least six times on different days and times before a non-contact status is assigned.

For the time slots of data collection, three sessions per day will be arranged (morning, afternoon and evening) in order to speed up the data collection process. To explore the
perceptions of people who are going to use to those historic sites and to gauge how users evaluate the effects of the preservation efforts, exit polls are also proposed to complement the telephone polls. Interviewers are going to conduct a face-to-face interview survey with structured questionnaires. As the sampling list of users is unclear and the research team has little information on the number of users to these historic buildings, a quota sampling methods of respondents will be employed. The research team will set up certain observation locations in the historic buildings and users of the designated areas will be invited to participate in the survey. At least 100 users in each building will be interviewed.

CONCLUSIONS
Similar to other major cities around the world, economic development in Hong Kong has been criticised as running at the expenses of the historical, social and cultural elements of the city. Therefore, the conservation of these elements has become increasingly important. In addition, creating a sustainable business environment for social enterprises to take care of disadvantaged groups are seen as responsibilities of government. Given the current situation there is much potential for re-using historic buildings, renovated at government expense, for subsequent use by social enterprises. However, accountability is always an issue in the deployment of public funding. If public funding is not deployed properly, it could easily lead to public criticism. This research study aims to evaluate the effectiveness of the Revitalizing Historic Buildings through Partnership Scheme in terms of its social, economical, cultural and heritage impacts. If the scheme is implemented successfully, there will be an increase of job and business opportunities. In addition, this will also help uplift the local cultural and arts society, preserve heritage, provide facilities and services of a wider spectrum for the general public, increase tourism potential and also help educate the general public in Hong Kong.

ACKNOWLEDGEMENTS
The work described in this paper was fully supported by a grant from the Research Grants Council of the Hong Kong Special Administrative Region, china (Project No. PolyU 5002-PPR-10).

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