

ITEM FOR FINANCE COMMITTEE

Process of consultation on financial proposals for capital works projects

Purpose

This paper reports on the deliberations of the Public Works Subcommittee (PWSC) on a review of the process of consultation on financial proposals for capital works projects with a view to improving the effectiveness and efficiency in the scrutiny of such proposals by committees of the Legislative Council.

Background

2. Having regard to the requirements of the House Rules of the Legislative Council, the Administration consults Legislative Council Panels on all major and/or potentially controversial legislative and financial proposals before such proposals are formally presented to the Legislature. The intention is to facilitate an exchange of views between members and the Administration on such proposals before they are finalized.

3. Following a review conducted by the House Committee in late 2000 on the working mechanism of Panels and Bills Committees, the Administration has been requested to consult the relevant Panels on major legislative and financial proposals as early as practicable and to provide relevant papers for the Panels well in advance of the meetings. The House Committee has also agreed that when a major financial proposal is presented for consideration by a Panel, the Panel should, as far as practicable, allocate sufficient time for discussion of the proposal.

Review conducted by PWSC

4. The PWSC notices that some Members have expressed the following concerns on the above consultation process:

- (a) The increase in the number of financial proposals put to Panels for discussion has necessitated the holding of more special meetings, and there have been frequent repetitions of discussions at Panel and PWSC meetings;

- (b) The Administration has put up a large number of financial proposals, which might not involve government policies or large-scale projects, for discussion at Panel meetings; and
- (c) There have been occasions where the same capital works proposal has been discussed at meetings of different Panels. This arrangement is not conducive to the efficient use of Panel meeting time and may cause unnecessary delay in the submission of proposals to PWSC.

5. On 19 December 2001, the PWSC held a special meeting to examine the subject. It also referred to the statistics set out in the **Appendix** regarding the number of capital works proposals discussed by Panels in the past three legislative sessions.

6. The findings of the review indicate that among the various Panels, the Environmental Affairs Panel, the Planning, Lands & Works Panel and the Transport Panel have been most involved in discussing capital works proposals. Special meetings have been held by these Panels either for the sole purpose of discussing PWSC items or for dealing with items overflowed from regular meetings.

<u>Panel</u>	<u>No. of special meetings held in 2000-01 legislative session</u>	<u>No. of PWSC items discussed in 2000-01 legislative session</u>
Environmental Affairs	4 + 9*	9
Planning, Lands & Works	10 + 5*	14
Transport	6 + 6*	8

* *number of joint Panel meetings*

Analysis

7. The PWSC observes that there is a tendency for Policy Bureaux to forward all financial proposals, except very minor or straight-forward proposals, to Panels for consultation as there is generally difficulty in determining which requires or does not require prior consultation with Panels. As it may not be practicable for all such proposals to be included on the agenda of regular meetings, it is common practice for the less controversial proposals to be circulated to Members for information unless there is request from Members for discussion at Panels. Where discussion is required, it is common for Panels to hold special meetings or to prolong regular meetings for such a purpose.

8. Experience in the last session indicates that the following problems exist in the present consultation process-

- (a) There is usually insufficient lead time for Members to discuss with their constituents or political affiliations about the proposals, hence they are only in a position to give initial views on the merits or implications of the proposals at the Panel meetings;
- (b) Non-Panel Members may not be able to attend the relevant Panel meetings due to other commitments and they are only able to put forward their views at the PWSC meetings;
- (c) Panel members may not have the opportunity to express views on the subjects if the proposals are discussed at special meetings which clash with their other prior commitments;
- (d) PWSC members who are not members of the Panel consulted may not be aware of the deliberations at Panel meetings if the meetings are held shortly before the PWSC meetings and the relevant minutes are not yet available; and
- (e) If fundamental policy issues raised at Panel meetings are not dealt with in the PWSC papers, Members have the obligation to raise the subjects again at the PWSC meetings.

Deliberations and recommendations

9. In examining the measures to address the above problems, the PWSC has looked into the fundamental question of whether the present form of consultation, i.e. consultation with Panel on policy aspects and discussion at PWSC on details of a capital works proposal, should continue. In this respect, members have considered a suggestion on whether PWSC should be the principal forum for deliberation of all financial proposals on capital works proposals. Under this arrangement, members should discuss all aspects of the proposals, including merits, policy aspects and implementation details at PWSC. Where needed, discussion of a proposal may be adjourned until further information is available.

10. After conducting a consultation exercise among members of PWSC, the majority of members consider that the present consultation process should continue although improvements ought to be made to make the process more efficient. They express support for the following recommendations-

- (a) The Administration should provide at the start of a legislative session a list of capital works projects which are expected to be upgraded to Category A of the Public Works Programme in the session. The list should contain brief descriptions of the projects and a special meeting of PWSC will be held to enable Members, including non-PWSC Members, to enquire about the projects.
- (b) The list of capital works projects will be circulated to all Panels which will be requested to indicate which of the projects would likely require discussion at the Panels. The feedback from Panels will be forwarded to the Administration for advance planning.
- (c) Request for consultation on a proposal should be made to the Panel Clerk at least seven weeks before the date on which the proposed project is scheduled for discussion by PWSC. This will allow time for the item to be included on the agenda of the following regular meeting. The paper for discussion should reach the Clerk at least five working days before the Panel meeting.
- (d) At the Panel, deliberation should focus on the merits (i.e. the need, purpose, and effectiveness of the proposal for achieving the stated purpose) and the policy aspects of the proposal. The Panels should however avoid detailed discussion on the technical aspects of the proposal unless such technical aspects may impact on the merits of the proposal.
- (e) The Panel should indicate to the Administration whether the subject requires further discussion by the Panel before it is submitted to the PWSC. Where necessary, a brief verbal report should be given at the PWSC meeting summarizing the main points of discussion at the Panel.
- (f) The PWSC would focus its discussion on the technical aspects of a proposal and the relevant implementation arrangements. PWSC members should avoid repeating the discussion already taken place at Panel meetings unless the proposal presented to the PWSC deviates from the one presented to the Panel concerned.

11. To cater for additional meetings to be scheduled for the discussion of public works projects, or where a joint Panel meeting is required, members of PWSC are in agreement of designating specific time slots for such meetings on a regular basis. Each slot will be divided into three sessions to cater for the different requirements for different items. The Panel will have to determine the number of sessions it requires for each individual item. The time slots are proposed as follows-

	<u>Time slots</u>	<u>sessions</u>
(a)	every first Friday of each month: (10:45 am - 1:00 pm)	1 st session ~ 10:45 am - 11:30 am 2 nd session ~ 11:30 am - 12:15 pm 3 rd session ~ 12:15 pm - 1:00 pm
(b)	every fourth Friday of each month: (8:30 am - 10:45 am)	1 st session ~ 8:30 am - 9:15 am 2 nd session ~ 9:15 am - 10:00 am 3 rd session ~ 10:00 am - 10:45 am

Advice sought

12. A paper reporting the deliberations and recommendations of the PWSC was circulated to Finance Committee members on 6 February 2002 for comments. No views have so far been received on the proposed arrangements. Subject to members' agreement, the recommendations set out in paragraphs 10 and 11 above will be referred to the Committee on Rules of Procedure for further examination in the context of their implications on the inter-committee relationship of the Legislative Council before a decision is made by the Finance Committee.

Number of capital works proposals discussed by LegCo Panels in 1998-99, 1999-2000 and 2000-01 legislative sessions

LegCo Panels	1998-99	1999-2000	2001-01
Administration of Justice and Legal Services	-	-	1
Commerce and Industry	-	1	1
Economic Services	-	2	2
Education	-	-	3
Environmental Affairs	4	3	9
Health Services	-	-	1
Home Affairs	1	-	1
Housing	2	-	4
Information Technology and Broadcasting	3	2	1
Manpower	-	1	-
Planning, Lands and Works	13	6	14
Security	2	3	-
Transport	1	1	8
Total number of capital works proposals discussed by Panels	26	19	45
Total number of items considered by the Public Works Subcommittee (PWSC)	121	93	102
Percentage of PWSC items discussed by LegCo Panels	21.48%	20.43%	44.12%