

**Public Works Subcommittee
of the Finance Committee**

**Process of consultation on financial proposals
for capital works projects**

Purpose

This paper invites members to give views on how the process of consultation on financial proposals for capital works projects can be improved to ensure 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.

Present position

4. Members have however raised the following concerns about 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 Public Works Subcommittee (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. In this connection, members may wish to note the statistics set out in the **Appendix** regarding the number of capital works proposals discussed by Panels in the past three legislative sessions.

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

* *number of joint Panel meetings*

Analysis and recommendations

7. It is observed that Policy Bureaux generally have difficulty in determining which proposal requires prior consultation with LegCo Panels. As a result, there is a tendency for Bureaux to forward all capital works proposals, other than those that are very straight-forward and of a minor nature, to the relevant Panels. Although decisions on whether the proposals would be discussed at meetings are made by Panels, the present arrangement is that except for clearly controversial subjects, such proposals are circulated to Panel members for information. Where there is a request from a member that a proposal should be discussed at a Panel meeting, the proposal concerned would be scheduled for discussion. As there is generally difficulty in scheduling the item for discussion at the following regular meeting of the relevant Panel, it is common for Panels to hold special meetings or to prolong regular meetings for discussing the proposal.

8. Experience in the last session indicates that there are the following problems in the 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.

9. To address the above problems, the following arrangements are put forward for members' consideration:

- (a) The Administration should be requested to 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. A special meeting of the PWSC will be held to enable Members, including non-PWSC Members, to enquire about the projects on the list and to assess the number of meetings required to be held in the session to deal with these proposals.
- (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 prior consultation with Panels, either by circulation or discussion at meetings. The feedback from Panels will be forwarded to the Administration for advance planning.
- (c) Consultation with Panels on such proposals should take place as soon as practicable. A request for consultation 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 the relevant Panel to decide at a regular meeting whether the item should be included in the agenda for the following regular meeting. The paper for discussion should reach the Clerk at least six working days before the Panel meeting.

- (d) When a capital works proposal is scrutinized by the relevant Panel, the 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) At the end of the Panel discussion on a capital works proposal, the Panel should give an indication to the Administration whether the subject requires further discussion by the Panel before it is submitted to the PWSC. Where necessary, the Panel may designate a member who is also a PWSC member to give a short verbal report (to be drafted by the Panel Clerk) at the PWSC meeting. As far as possible, matters which have caused concern among members of the Panel should be addressed in the paper to PWSC.
- (f) The PWSC should 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. In this connection, the Chairman of PWSC should, as far as possible, ensure that the Subcommittee's deliberation confines to the technical and implementation aspects of a proposal unless he considers that the proposal involves policy changes not yet discussed at Panel meetings.

10. To cater for the situation where the proposal cannot be included on the agenda of the scheduled regular meeting of the Panel or where a joint Panel meeting is required, it is proposed that the following slots be earmarked for any meetings relating to the consultation on PWSC items:

	<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

11. A Panel will have to determine the number of sessions in a specific time slot it needs to discuss PWSC items with which the Panel is concerned, so that other sessions may be taken up by other Panels. The purpose of designating the above slots is to enable the relevant Panels to schedule their special meetings without having to clash with other regular meetings of Panels or committees. It will also facilitate the Works Departments and the Finance Bureau in scheduling their commitments.

Advice sought

12. Members are invited to give views on the suggested arrangements set out in paragraphs 9 to 11 above.

13. Subject to members' agreement, the Subcommittee's views will be reported to the Finance Committee, with the recommendation that the subject be referred to the Committee on Rules of Procedure for the examination of the implications of the proposed arrangements on the inter-committee relationship of the Legislative Council.

Legislative Council Secretariat

9 November 2001

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	2000-01
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%