

財經事務及庫務局



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6 January 2014

Ms Annette Lam
Clerk to Public Works Subcommittee
Legislative Council Secretariat
[Fax: 2869 6794]

Dear Ms Lam,

**Public Works Subcommittee
Follow-up to meeting on 18 December 2013**

**PWSC(2013-14)27
Block allocations for Heads 701 to 711
under the Capital Works Reserve Fund**

At the Public Works Subcommittee (PWSC) meeting on 18 December 2013, Hon Gary FAN requested the Administration to provide background information on the Capital Works Reserve Fund (CWRF) block allocations system. The relevant information is set out in the ensuing paragraphs.

The Legislative Council (LegCo) passed a Resolution to establish the CWRF for the purpose of financing the Public Works Programme (PWP) and the acquisition of land on 20 January 1982. For details, please refer to FC Item B.177 at **Appendix I** which was considered by LegCo on 8 January 1982. The Resolution took effect from 1 April 1982 and it has been amended from time to time to incorporate changes, such as the transfer of the financing of capital subventions and major systems and equipment from the General Revenue Account to the CWRF with effect from 1 April 1988. A copy of the Resolution now in force is at **Appendix II**.

In accordance with the Resolution made in the LegCo on 20 January 1982, the Administration sought, and the Finance Committee (FC) approved on 9 March 1983, delegation of powers to the Financial Secretary (FS) to approve inclusion of new Category D projects in the Public Works Programme with a project estimate not exceeding \$1.5 million each (please refer to paragraph 20 of FC Item B.170 at **Appendix III**). The financial ceiling has since been uplifted by the FC on various occasions. The last revision was approved by FC on 13 July 2012 vide PWSC(2012-13)19, raising the financial ceiling for Category D items for certain CWRP block allocation subheads from \$21 million to \$30 million to preserve the real value of the delegated power.

Over the years, FC has approved the creation of new block allocations under the CWRP. The latest addition was **Subhead 7017CX “Signature Project Scheme”** (SPS) for funding items costing up to \$30 million each to support implementation of SPS projects by District Councils as approved by FC on 10 May 2013 (PWSC(2012-13)59 refers). At present, there are a total of 26 block allocations under the CWRP, of which 21 are subject to a financial ceiling of \$30 million in spending on each item¹. Projects exceeding the above ceilings in cost are submitted to FC for funding approval on a project basis.

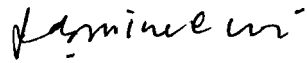
Apart from creation of new block allocation subheads, we also seek Members’ approval for the provisions for CWRP block allocations on an annual basis. Before the CWRP was established in 1982, provisions for block allocations were sought in the context of the Estimates. After CWRP came into operation on 1 April 1982, the Administration considered that, to accord with the CWRP Resolution, Members’ specific approval should be sought each year for the funds to be shown in the Estimates for each block allocation. On 21 December 1983, we sought Members’ approval for CWRP block allocations to be shown in the 1984-85 Estimates vide FC item, B.98 (a copy at **Appendix IV**). Since then, it has been the practice that we seek Members’ approval for the provisions for CWRP block allocations on an annual basis.

PWSC(2013-14)27 seeks Members’ approval for CWRP block allocation provisions for 2014-15. To facilitate Members’ consideration of our proposed funding provisions, the Administration attaches to the funding paper some proposed items under each block allocation for Members’ reference. We also deposit with the LegCo Secretariat a full list of all the items proposed to be funded under the CWRP block allocations for the relevant year. Moreover, we have been providing quarterly reports to PWSC on updated expenditure profile of the block allocation subheads and compiling year-end reports on the subheads to account for the difference

¹ In the case of **Subhead 6101TX – Universal Accessibility Programme** under **Head 706 – Highways**, the financial ceiling is \$75 million for each item. For **Subhead A007GX – New administrative computer systems** under **Head 710 – Computerisation**, the financial ceiling is \$10 million per project. As for the three remaining block allocations – **Subheads 1004CA – Compensation for surrenders and resumptions: miscellaneous** and **1100CA – Compensation and ex-gratia allowances in respect of projects in the Public Works Programme** under **Head 701 – Land Acquisition**, and **Subhead 5001BX – Landslip preventive measures** under **Head 705 – Civil Engineering**, FC has delegated the authority to the relevant controlling officers to approve individual items without a financial limit, provided the spending is a proper charge to the subheads and the aggregate expenditure does not exceed the annual allocation approved by FC.

between the actual programme and the indicative one on the funding paper for Members' reference.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Jasmine Choi".

(Jasmine Choi)
for Secretary for Financial Services
and the Treasury

B.177 FINANCING OF THE PUBLIC WORKS PROGRAMME
AND LAND ACQUISITION

6/
IV)

Members are invited to approve in principle the establishment of a Capital Works Reserve Fund for financing the Public Works Programme and land acquisition, and to agree to the introduction of a Resolution in Legislative Council to establish this Fund.

Background

Funds for the Public Works Programme (P.W.P.) and for the acquisition of land are voted annually in the Estimates under five Public Works Non-Recurrent (P.W.N.R.) Heads of Expenditure - Land Acquisition, Buildings, Engineering, New Towns and Public Housing, and Waterworks. Generally speaking each project has its own subhead under the appropriate Head of Expenditure, and an approved project estimate. Funds are provided in each subhead each year to meet the estimated expenditure (cash flow) on that project in that year.

2. A project is usually given a subhead only when it has been upgraded to Category A in the P.W.P. It is at that time that the project estimate is approved, and the maximum funds which may be provided in each subhead in the Estimates each year are limited to the approved project estimate less actual expenditure incurred so far on that project.

Problem

3. This arrangement gives rise to four main problems which may be described as follows -

- (a) it is difficult to estimate with any accuracy the expenditure to be incurred on any particular project during a year;
- (b) the Government's declared aims are obscured, giving rise to misunderstandings as to what achievements are intended;

/(c) ...

- (c) the concept of annuality which is implicit in the Estimates is not capable of logical application to capital works, though the control element must remain qua the annual budget exercise; and
- (d) there is no obvious link between the Government's investment on capital works and the funding of those works.

4. As regards paragraph 3(a), the expenditure incurred on a project in any given year is dependent upon a number of factors, not all of which can be controlled. Much depends on the progress of work, which to a large extent is influenced by the contractor's capability and the weather. A comparison of estimated expenditure on any particular project with the actual expenditure on that project in any one year will show clearly the degree of discrepancy that can arise. In the circumstances the need to estimate expenditure on a particular project in a given year is of questionable value, and could be misleading in that actual performance is very different.

5. As regards paragraph 3(b), it has been commonly assumed in the past that the total estimated expenditure under the five P.W.N.R. Heads represents the Government's declared aim; that is to say, that with the approval of the Estimates, the Government intends spending the total amount of funds provided. As a result when in the past it has become apparent that total expenditure may be less than the total provision approved, steps have been taken to inject new projects into the annual programme of works in order to make use of the funds available. While this has helped to ensure that the total funds voted have been utilized, it has had the undesirable effect of increasing the overhang of carry-over projects from one year to another. Injected projects normally have minimal financial implications in the year they are started, but carry considerable financial implications for the years following. It is now considered that this is the wrong approach. When a project is upgraded to Category A, the intention should be to start work on it within 18 months. And once work has started, the intention should be to complete the project with the best possible speed. This should be the aim, and the total approved provision on an annual basis under the P.W.N.R. Heads is strictly irrelevant in this context.

6. As regards paragraph 3(c), a project once begun should be completed without interruption, unless budgetary considerations are such that actual cut-backs in expenditure must be made (this latter control must remain in place). As expenditure on a project is dependent upon work progress and the contractor's presentation of bills, which must be paid, the concept of annuality implicit in the Estimates is not of great relevance. It is the total commitment entered into when a project is approved that is of greater significance than the pattern of cash flow.

7. As regards paragraph 3(d), the cash flow requirements of the P.W.P. should ideally be met as far as possible from capital revenue (almost entirely made up of revenue from land sales). But there are economic and practical constraints on what can be spent on the P.W.P. in any given year. In a situation where land sales revenue is flushing, as has been the case in recent years (only), the net result has been very considerable overall budgetary surpluses. This can be misleading, particularly to the public, as it is not apparent that there is a very substantial over-hand of capital works which must, at some future date, be financed from these surpluses. In other words the present arrangements do not facilitate the drawing up of a balance sheet to show that the very large surpluses achieved are, in fact, more than committed to capital works projects already in the pipe-line.

Proposal

8. To overcome these problems it is proposed that expenditure on public works should be removed from the annual Estimates. It is proposed that the financial of public works should be effected through a Capital Works Reserve Fund, to be set up by Resolution of the Legislative Council.

9. The Capital Works Reserve Fund would be funded by transfers from General Revenue each year. An analysis of past figures suggests that an annual transfer of 15% of estimated total recurrent revenue and 80% of estimated land sales revenue would be an appropriate rough guideline -

/Year ...

<u>Year</u>	<u>15% of estimated recurrent revenue plus 80% of estimated land sales</u> \$ million	<u>Actual P.W.N.R. expenditure</u> \$ million
1975-76	1,006.4	1,146.8
1976-77	1,193.2	1,128.0
1977-78	1,489.7	1,436.9
1978-79	1,807.5	2,273.9
1979-80	2,761.7	3,092.4
1980-81	6,280.4	3,791.9
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Total	14,538.9	12,869.9

10. If a Fund such as that proposed had been established in 1975, the balance available at 1st April, 1981 would have been \$1,600 million. Transfers from General Revenue for 1981-82 would have been nearly \$11,000 million, giving a total available in the Fund at 1st April, 1981 of at least \$12,600 million, as against a commitment at that date of \$20,800 million comprising an estimated over-hang of outstanding works of nearly \$17,000 million and new works valued at \$3,800 million expected to be introduced in 1981-82.

11. The rationale for this rough guideline is that the surplus on recurrent account should make a contribution to capital expenditure, and a portion of land sales revenue should be retained in the General Revenue Account to recover the overhead and administrative costs involved in land sales. It is not suggested that this rough guideline should be applied automatically. The amount transferred from General Revenue each year would be considered in the context of the budget for the year. The amount proposed for transfer would be entered in the draft Estimates and would be subject to scrutiny by Finance Committee and to the Appropriation Bill being enacted.

12. It is of importance that the funds available in the Fund should be strictly controlled and should be subject to budgetary considerations and the approval of Legislative Council. It is proposed, therefore, that the interest earned on the Fund's balances at any time should accrue to General Revenue and not to the Fund. The Fund will thus only have available the funds voted and transferred to it.

/13. The ...

13. The intention would be that expenditure from the Fund would be controlled at three points - first, by the approved project estimate for each project; second, by the upgrading of projects to Category A; and third, by the start date.

14. The approved project estimate for each project would limit expenditure on that project. As at present, no excess would be permitted without formal prior approval of a revised project estimate by Finance Committee or under delegated powers.

15. A project once upgraded to Category A would start within 18 months of its upgrading. Before proposing to Public Works Sub-Committee that a project be upgraded to Category A, regard would be had to the total over-hang of outstanding projects. The intention would be to keep the total value of outstanding works to about four years' worth of expenditure (fitting in with the Five-year Forecast); this would be about \$25,000 million at the present time.

16. As soon as a project is upgraded to Category A, steps would be taken to ensure that work is started within 18 months. The actual start date would be adjusted to have regard to the year's outturn and its economic implications. But once work had started, the aim would be to complete the project with the best possible speed. A formal procedure would be established to determine start dates, involving the setting up of a steering group under Finance Branch chairmanship; the steering group would monitor outturn and decide upon start dates for specific projects.

17. In effect, therefore, the Fund would meet the cash flow requirements of P.W.N.R. expenditure, but the estimated provision shown against each subhead would not be a cash limit.

18. The existing five P.W.N.R. Heads would continue in their present format, but instead of being on white pages in the body of the Estimates, would be on blue pages at the back of the Estimates. The existing P.W.P. procedures would continue to apply. Supplementary provision as required in each subhead would continue to be approved, as required, under delegated powers within each approved project estimate, but without the need to quote savings.

/19. An...

19. An important advantage of this proposal is that the General Revenue Account will no longer be subject to substantial deviations resulting from significant under-expenditure or over-expenditure on capital works, or from land sales revenue flushing or failing. The budgetted surplus (or deficit) in any year on General Revenue Account will thus be somewhat easier to estimate, and the application of cash limits will be more meaningful.

20. The public may be expected to welcome evidence that funds earned on land sales are earmarked for public works rather than seemingly lost in the fiscal reserves. The Public Works Sub-Committee at a meeting held on 23rd December considered this proposal to establish a Capital Works Reserve Fund and gave it their unanimous support.

Conclusion

21. Members are invited to approve this proposal to establish a Capital Works Reserve Fund, and to agree to the introduction of the Resolution at Enclosure 6 into the Legislative Council. It is proposed that the Fund be established from 1st April, 1982.

Encl 6

CAPITAL WORKS RESERVE FUND
RESOLUTION OF THE LEGISLATIVE COUNCIL

Resolution made and passed by the Legislative
Council on _____

RESOLVED -

- (a) that there will, with effect from 1st April 1982, be established a fund styled the Capital Works Reserve Fund;
- (b) that the Fund shall be administered by the Financial Secretary;
- (c) that there shall be credited to the Fund such appropriations from the general revenue of Hong Kong as may be approved by this Council;
- (d) that there shall accrue to the general revenue of Hong Kong all sums received by way of interest or dividends earned in respect of such unexpended balances as may be held in the Fund at any time;
- (e) that the Financial Secretary may expend moneys from the Fund for the purposes of the Government's Public Works Programme and for the acquisition of land, in accordance with such terms and conditions as are approved by the Finance Committee;

/ . . (f)

- (f) that the Financial Secretary may from time to time transfer from the Fund to the general revenue of Hong Kong any balances in the Fund which are not required for the purposes of the Fund.

Chapter:	2A	CAPITAL WORKS RESERVE FUND	Gazette Number	Version Date
		Empowering section		30/06/1997

RESOLUTIONS OF THE LEGISLATIVE COUNCIL

(Originally L.N. 18 of 1982; L.N. 250 of 1983; L.N. 131 of 1985; L.N. 610 of 1997)

Paragraph:	1			30/06/1997
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Resolution made and passed by the Legislative Council on 20 January 1982.

RESOLVED-

- (a) that there will, with effect from 1 April 1982, be established a fund styled the Capital Works Reserve Fund;
- (b)-(f) (ceased to apply, see paragraph 2(g).)

(L.N. 18 of 1982)

Paragraph:	2			30/06/1997
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Resolution made and passed by the Legislative Council under section 29(1) of the Public Finance Ordinance (Cap 2) on 27 July 1983.

RESOLVED with respect to the Capital Works Reserve Fund established by resolution made and passed by this Council on 20 January 1982 and deemed under section 29(3) of the Ordinance to have been established in accordance with that section, that-

- (a)-(f) (ceased to apply, see paragraph 3 (o).)
- (g) paragraphs (b), (c), (d), (e) and (f) of the resolution made and passed by this Council on 20 January 1982 and published in the Gazette as Legal Notice No. 18 of 1982, which relate to the composition, expenditure and administration of the Fund, cease to apply.

(L.N. 250 of 1983)

Paragraph:	3		L.N. 634 of 1997	01/01/1998
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Resolution made and passed by the Legislative Council under section 29(1) of the Public Finance Ordinance (Cap 2) on 15 May 1985.

RESOLVED with respect to the Capital Works Reserve Fund established by resolution made and passed by this Council on 20 January 1982 and published in the Gazette as Legal Notice No. 18 of 1982, and for the purpose of giving effect to arrangements for implementing paragraph 6 of Annex III to the Joint Declaration of the Government of the United Kingdom and the Government of the People's Republic of China signed in Peking on 19 December 1984, that with effect from the entry into force of the Joint Declaration-

- (a)-(n) (ceased to apply, see paragraph 4(h).)
- (o) paragraphs (a), (b), (c), (d), (e) and (f) of the resolution made and passed by this Council on 27 July 1983, and published in the Gazette as Legal Notice No. 250 of 1983, shall cease to apply.

(L.N. 131 of 1985)

Paragraph:	4		L.N. 634 of 1997	01/01/1998
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- (a) the Fund be administered by the Financial Secretary, who may delegate his power of administration to other public officers;
- (b) there be credited to the Fund-
 - (i) premium income received from land transactions;
 - (ii) all moneys received arising from works or commitments entered into for the purposes of the Fund;
 - (iii) unclaimed deposits in respect of moneys referred to in subparagraph (ii) which have been unpaid for 5 years;
 - (iv) such appropriations from general revenue as may be approved by the Provisional Legislative Council or Legislative Council;
 - (v) sums borrowed under section 3 of the Loans Ordinance (Cap 61) where the resolution of the Provisional Legislative Council or Legislative Council approving the borrowing so stipulates;
 - (vi) all moneys received by way of interest or dividends earned in respect of moneys held in the Fund;
 - (vii) such donations and other moneys as may be received for the purposes of the Fund;
- (c) the Financial Secretary may expend moneys from the Fund for-
 - (i) the purposes of the Government's public works programme;
 - (ii) the purchase and installation of equipment consequential on implementing the public works programme;
 - (iii) the development, purchase and installation of major systems and equipment used by the Government;
 - (iv) capital subventions;
 - (v) the acquisition of land; and
 - (vi) the payment of redemption money payable in respect of land exchange entitlements and of interest payable thereon under the New Territories Land Exchange Entitlements (Redemption) Ordinance (Cap 495),
in accordance with such conditions, exceptions and limitations as may be specified by the Finance Committee;
- (d) the Financial Secretary may-
 - (i) transfer from the Fund to the general revenue any balance in the Fund which is not required for the purposes of the Fund;
 - (ii) repay the principal, interest thereon and expenses incurred in relation to sums borrowed under section 3 of the Loans Ordinance (Cap 61) where such sums have been credited to the Fund;
 - (iii) in his discretion, authorize the investment in such manner as he may determine of any moneys held in the Fund at any time;
- (e) the Director of Accounting Services shall, under the authority of a funds warrant issued by the Financial Secretary, pay from the Fund such sums as may be required to meet expenditure from the Fund;
- (f) this resolution shall come into operation* on a date to be appointed by the Financial Secretary by notice in the Gazette;
- (g) on the coming into operation of paragraphs (a) to (f), the suspense account, works account and reserve account of the Fund shall be cancelled and any moneys remaining in those accounts shall be carried forward in their entirety in the Fund; and
- (h) paragraphs (a) to (n) of the resolution made and passed by the Legislative Council on 15 May 1985, and published in the Gazette as Legal Notice No. 131 of 1985, and any subsequent amendments made to those paragraphs shall cease to apply.

(L.N. 610 of 1997)

Note:

* **Commencement date: 1 January 1998.**

Item B.170 DELEGATION OF FINANCIAL POWERS
 (FIN B 1/2/
 50 IV)

(English version only)

(只有英文版本)

Members are invited to approve the delegation of financial powers as set out in the First and Second Schedules to this agenda item, in accordance with Section 8 of the Public Finance Ordinance and with the Resolution made by Legislative Council on 20th January 1982 setting up the Capital Works Reserve Fund.

Introduction

The Public Finance Ordinance will come into effect on 1st April 1983. Section 8 of the Ordinance provides that no changes may be made to the approved Estimates of Expenditure except with the approval of Finance Committee.

2. Section 8 of the Ordinance also provides -

- (a) for Finance Committee to delegate to the Financial Secretary powers to approve changes, subject to such conditions, exceptions and limitations as are specified in the delegation;
- (b) for Finance Committee's delegation to allow the Financial Secretary further to delegate his powers to any public officer, subject to such conditions, exceptions and limitations as may be specified; and
- (c) for the Financial Secretary, in further delegating his powers to a public officer, to specify further conditions, exceptions and limitations.

3. The purpose of this agenda item is to seek Members' approval of delegations in accordance with paragraphs 2(a) and 2(b) above. For the sake of completeness, the further delegations proposed in accordance with paragraph 2(b) include references to the Deputy Financial Secretary, although this is strictly unnecessary as, under the Interpretation and General Clauses Ordinance, the term "Financial Secretary" includes "Deputy Financial Secretary".

4. The proposed delegations are explained in the following paragraphs under the categories of changes to Heads of Expenditure (that is the actual estimates pages), changes to Establishments of Posts (that is the statements of establishment pages) and changes to Non-Recurrent Commitments (that is the Capital Account commitments pages). They are set out in the First Schedule to this agenda item.

Heads of expenditure

5. It is proposed that powers should be delegated to the Financial Secretary to approve supplementary provision under subheads subject to the following conditions and limitations -

- (a) Personal emoluments subheads - unlimited powers are sought, provided the supplementary provision is required for the payment of salaries and allowances in accordance with approved pay scales and rates of allowances, and in respect of approved posts. As posts must be approved separately, either by Finance Committee or under delegated powers, and as pay scales and rates of allowances are also subject to separate approval by Finance Committee, there is no purpose in placing a limit on the delegated powers to approve supplementary provision as required to enable payments to be made. For the same reason, it is proposed that the Financial Secretary should be able further to delegate his powers to officers in Finance Branch down to the level of Finance Officers (that is Chief Executive Officers or Chief Management Services Officers paid on the top segment of the Master Pay Scale, points 48 - 51, and Administrative Officers) (First Schedule, item I.1(1)).

/(b) Other ...

(b) Other recurrent subheads - powers are sought up to a limit of \$1,500,000 in any financial year under any recurrent subhead, other than personal emoluments subheads, provided that the supplementary provision is required for expenditure within the approved ambit of the subhead. It is proposed that the Financial Secretary should be able further to delegate his powers to officers in the Finance Branch with the following limitations under any subhead in any financial year -

Finance Officer	\$ 200,000
Assistant Financial Secretary	\$ 500,000
Principal Assistant Financial Secretary	\$ 900,000
Deputy Financial Secretary	\$1,500,000

These amounts are not cumulative - that is to say, the limitation at each level is inclusive of all supplementary provisions already approved under delegated powers by any officer. If an Assistant Financial Secretary approves supplementary provision under a subhead of, say, \$300,000, no Finance Officer may subsequently exercise his delegated powers in respect of that subhead, as his limitation of \$200,000 will already have been exceeded. If the Deputy Financial Secretary approves supplementary provision under a subhead of, say, \$1,000,000, this will effectively remove the delegated powers of officers at all the other levels for the rest of the financial year in respect of that subhead (First Schedule, item I.2(2)).

(c) Capital subheads without commitments (block votes) - these subheads are the same as recurrent subheads, but are in the Capital Account only because expenditure charged to them is in the nature of capital investment (that is the creation or acquisition of a capital asset). The same delegated powers are therefore sought as in paragraph 5(b) above (First Schedule, item I.3).

/(d) Capital ...

(d) Capital subheads with commitments - unlimited powers are sought, provided the supplementary provision is within the actual unexpended balance of the approved commitment. As each commitment requires separate approval, either by Finance Committee or under delegated powers, and adequate funds must be provided as necessary to meet commitments entered into, there is no purpose in placing a limit on the delegated powers to approve supplementary provision. For the same reason, it is proposed that the Financial Secretary should be able further to delegate his powers to officers in Finance Branch down to the level of Finance Officers (First Schedule, item I.4(2)).

6. It is proposed that powers should be delegated to the Financial Secretary to create new departmental expenses subheads and new capital subheads, provided that any new departmental expenses subhead is listed as such in the General Memorandum Note and any new capital subhead is required for a new commitment approved under delegated powers. Delegated powers are not sought for the creation of new capital subheads for block votes - that is where there is no commitment. Nor is it proposed that powers should be delegated for the creation of any other type of subhead, as the need would normally only arise from a new service which should be referred to Members for approval. It is proposed that the Financial Secretary should be able further to delegate his powers to the Deputy Financial Secretary only (as explained in paragraph 3 above, this is strictly unnecessary, but is included for the sake of completeness) (First Schedule, items I.2(1) and I.4(1)).

7. Certain subheads have credit entries - for example the personal emoluments subhead in the Urban Services Department to which is credited reimbursements of salaries and allowances by the Urban Council, or the unallocated stores subhead in the Government Supplies Department to which is credited the value of stores issued from stock to other departments. These subheads comprise a gross sum, a credit sum and provision representing the difference between the two sums. The gross sum is the significant figure in terms of controlling expenditure, and is the equivalent of the provision under normal subheads. It is proposed, therefore, that the same powers should be delegated to the

Financial Secretary to exceed the gross sum in a subhead with a credit entry as are proposed for supplementary provision in a normal subhead in paragraphs 5(a) and 5(b) above. It is proposed that the Financial Secretary should be able further to delegate his powers in respect of personal emoluments subheads with credit entries to the level of Finance Officers. An excess of the gross sum for recurrent subheads other than personal emoluments subheads is, however, a more serious matter and it is proposed that the Financial Secretary should be able further to delegate his power to the Deputy Financial Secretary only (First Schedule, items I.1(2) and I.2(3)).

8. As regards supplementary provision for subheads with credit entries, it is proposed that the Financial Secretary should have unlimited powers to approve this where required to meet an increase in the difference between the gross sum and the credit sum, and that he should be able to delegate his powers down to the level of Finance Officers (First Schedule, items I.1(3) and I.2(4)).

Establishments of posts

9. Controlling Officers at present have delegated powers to create or delete permanent non-directorate posts, provided that the establishment ceiling laid down in the Estimates is not thereby exceeded, that no new rank or grade is thereby created, and that approved pay scales are not altered. It is proposed that these powers should now be delegated to the Financial Secretary, with authority to further delegate to Controlling Officers, thus maintaining the present position (First Schedule, item II.1).

10. Supernumerary non-directorate posts may at present be created by Controlling Officers for periods of up to 12 months, provided they are required to replace officers on no-pay leave, on pre-retirement leave or leave prior to termination of agreement, or are held against vacant permanent posts in ranks with the same or a higher pay scale. The Secretary for the Civil Service has similar powers in respect of supernumerary directorate posts. The Public Finance Ordinance provides only for powers to be delegated by Finance Committee to the Financial Secretary, and through the Financial Secretary to other public officers. It is therefore proposed that these same powers should now be delegated to the Financial Secretary, with authority further to delegate his powers to Controlling Officers. As regards supernumerary directorate posts, it is proposed that a condition to the further delegation to Controlling Officers should be that the powers shall not be exercised except with the prior approval of the Secretary for the Civil Service (First Schedule, item II.2(1)).

/11. The ...

11. The Secretary for the Civil Service also at present has delegated powers to create additional supernumerary directorate posts to meet a temporary need lasting not longer than six months. It is proposed that these powers should be delegated to the Financial Secretary with authority further to delegate them to Controlling Officers subject to the prior approval of the Secretary for the Civil Service being obtained before the powers are exercised. It is also made clear that such posts are for a temporary purpose and are non-renewable after six months. The powers should not be used to create a supernumerary post in anticipation of approval by Finance Committee of a permanent post where it is apparent that the requirement will be for longer than six months (First Schedule, item II.2(2)).

Non-Recurrent commitments

12. It is proposed that the Financial Secretary should have delegated powers to approve a new non-recurrent commitment not exceeding \$1,500,000, and that he should be able further to delegate his powers to the Deputy Financial Secretary for the full amount, and to Principal Assistant Financial Secretaries for up to \$900,000 (First Schedule, item III.2).

13. As regards increases in non-recurrent commitments already approved by Finance Committee, it is proposed that the Financial Secretary should have delegated powers to increase such commitments by up to \$1,500,000. It is proposed that he should be able further to delegate his powers as follows -

Assistant Financial Secretary by up to	\$ 500,000
Principal Assistant Financial Secretary by up to	\$ 900,000
Deputy Financial Secretary by up to	\$1,500,000

These limits are, again, not cumulative. If the Deputy Financial Secretary approves an increase of, say, \$1,000,000, this will effectively remove the delegated powers of officers at the other levels (First Schedule, item III.1(1)).

14. As regards increases in non-recurrent commitments approved under delegated powers, it is proposed that the Financial Secretary should have powers to increase any such commitment to bring it up to a total value of \$1,500,000 only, and that he should have the authority further to delegate his powers to the Deputy Financial Secretary for the full amount, and to Principal Assistant Financial Secretaries for up to \$900,000 (First Schedule, item III.1(2)).

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Capital Works Reserve Fund

15. The proposed financial delegations in respect of the Capital Works Reserve Fund are set out in the Second Schedule to this agenda item, and are generally in line with those for the Estimates. The delegations are sought in accordance with the Resolution made in Legislative Council on 20th January 1982 setting up the Capital Works Reserve Fund.

16. It is proposed that the Financial Secretary should have powers to create new subheads where necessary for approved projects in Category A of the Public Works Programme, and should be able further to delegate his powers to the level of Assistant Financial Secretaries (Second Schedule, item 1).

17. Delegated powers are sought for the Financial Secretary to approve additional allocations of funds under subheads, provided that these do not exceed the actual unexpended balance of the project estimates. The Financial Secretary should be able further to delegate his powers down to Finance Officers. Where a subhead has no project estimate (that is block votes) it is proposed that the Financial Secretary should have powers to approve additional allocations up to \$1,500,000 in any financial year, and that he should be able further to delegate his powers as in paragraph 5(b) above (Second Schedule, items 2(1) and 2(2)).

18. It is proposed that the Financial Secretary should have powers to increase project estimates approved by Finance Committee by up to \$1,500,000, and that he should be able further to delegate his powers as follows -

Assistant Financial Secretary by up to	\$ 500,000
Principal Assistant Financial Secretary by up to	\$ 900,000
Deputy Financial Secretary by up to	\$1,500,000

These limits are not cumulative, and each level of officer will be able to approve up to the limits proposed less increases already approved under delegated powers (Second Schedule, item 3(1)).

/19. From ...

19. From time to time, it may be necessary to reduce a project estimate. It is proposed that the Financial Secretary should have powers to do so provided that the scope of the project as approved by Finance Committee is not thereby altered, and that he should be able further to delegate his powers down to the level of Assistant Financial Secretary (Second Schedule, item 3(2)).

20. It is proposed that the present limit for Category D projects of \$500,000 should be raised to \$1,500,000. This means that the Financial Secretary will have delegated powers to approve the inclusion of new Category D projects in the Public Works Programme with a project estimate not exceeding \$1,500,000. It is proposed that he should be able further to delegate his powers to the Deputy Financial Secretary and, up to a limit of \$900,000, to Principal Assistant Financial Secretaries. It is proposed that these officers should also have powers to increase the project estimate for a Category D project to bring it up to these same limits (Second Schedule, item 3(3)).

Delegations by Financial Secretary

21. These proposals, if approved, will come into effect on 1st April 1983, and the delegations will replace those set out in a Resolution made by Legislative Council on 18th July 1973, which will be rescinded by a resolution to be introduced into the Legislative Council before 1st April.

22. It is intended that the Financial Secretary, in accordance with paragraph 2(c) above, will lay down the condition that the approval of supplementary provision by officers to whom he delegates his powers will be subject to offsetting savings being deleted under other subheads or under the Additional commitments subheads, thus preserving the cash limit rule.

FIRST SCHEDULE

(Delegations by Finance Committee to the Financial Secretary to make changes to the approved Estimates of Expenditure in accordance with the Public Finance Ordinance)

(1) Classification	(2) Type of change : Section 8(2) of the Public Finance Ordinance	(3) Conditions, exceptions and limitations : Section 8(3) of the Public Finance Ordinance	(4) Officers to whom the Financial Secretary may delegate powers, subject to the further conditions, exceptions and limitations specified: Section 8(4) of the Public Finance Ordinance
1. HEADS OF EXPENDITURE			
Recurrent account -			
1 personal emoluments subheads	(1) supplementary provision under subheads without credit entries	provided that the supplementary provision is required for salaries and allowances in accordance with approved pay scales and rates	Finance Officer Assistant Financial Secretary Principal Assistant Financial Secretary Deputy Financial Secretary
	(2) excess over the gross sum under subheads with credit entries	provided that the excess is required for salaries and allowances in accordance with approved pay scales and rates	Finance Officer Assistant Financial Secretary Principal Assistant Financial Secretary Deputy Financial Secretary
	(3) supplementary provision under subheads with credit entries	provided that the supplementary provision is required to meet an increase in the difference between the gross sum and the credit sum	Finance Officer Assistant Financial Secretary Principal Assistant Financial Secretary Deputy Financial Secretary
2 personnel related expenses, departmental expenses, other charges and subventions subheads	(1) creation of new departmental expenses subheads	provided that the new subhead is listed as a departmental expenses subhead in the General Memorandum Note	Deputy Financial Secretary
	(2) supplementary provision under subheads without credit entries	provided that - (a) the supplementary provision is required for expenditure within the approved ambit of the subhead; and (b) the total supplementary provision approved under delegated powers during the financial year does not exceed \$1,500,000	Finance Officer up to \$200,000; Assistant Financial Secretary up to \$500,000; Principal Assistant Financial Secretary up to \$900,000; Deputy Financial Secretary up to \$1,500,000; and in every case less supplementary provision already approved under delegated powers during the financial year
	(3) excess over the gross sum under subheads with credit entries	the same conditions and limitations as at I.2(2) above	Deputy Financial Secretary
	(4) supplementary provision under subheads with credit entries	provided that the supplementary provision is required to meet an increase in the difference between the gross sum and the credit sum	Finance Officer Assistant Financial Secretary Principal Assistant Financial Secretary Deputy Financial Secretary

(1) Classification	(2) Type of change : Section 8(2) of the Public Finance Ordinance	(3) Conditions, exceptions and limitations : Section 8(3) of the Public Finance Ordinance	(4) Officers to whom the Financial Secretary may delegate powers, subject to the further conditions, exceptions and limitations specified: Section 8(4) of the Public Finance Ordinance
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Capital account -

3 subheads without commitments (i.e. block votes)	supplementary provision	the same conditions and limitations as at I.2(2) above	the same officers and limitations as at I.2(2) above
4 subheads with commitments	(1) creation of new subheads	provided that the new subhead is required for a new commitment approved under delegated powers	Deputy Financial Secretary
	(2) supplementary provision	provided that the actual unexpended balance of the approved commitment is not thereby exceeded	Finance Officer Assistant Financial Secretary Principal Assistant Financial Secretary Deputy Financial Secretary

II. ESTABLISHMENTS OF POSTS

1 permanent non-directorate posts	creation or deletion of posts	provided that -	Controlling Officer
		(a) the establishment ceiling is not thereby exceeded; (b) a new rank or grade is not thereby created; and (c) approved pay scales are not thereby altered	
2 supernumerary posts	(1) creation of posts in circumstances specified in column (3)	provided that the post - (a) is created for periods not exceeding 12 months on each occasion; and (b) (i) is required to replace an officer on no-pay leave, pre-retirement leave or leave prior to termination of agreement; or (ii) is held against a vacant permanent post in a rank with the same or a higher pay scale	Controlling Officer, subject to the prior approval of the Secretary for the Civil Service in the case of directorate posts
	(2) creation of additional directorate posts	provided that the post - (a) is for a period not exceeding six months; (b) is required for a temporary purpose; and (c) is non-renewable	Controlling Officer, subject to the prior approval of the Secretary for the Civil Service

(1) Classification	(2) Type of change : Section 8(2) of the Public Finance Ordinance	(3) Conditions, exceptions and limitations : Section 8(3) of the Public Finance Ordinance	(4) Officers to whom the Financial Secretary may delegate powers, subject to the further conditions, exceptions and limitations specified: Section 8(4) of the Public Finance Ordinance
III. NON-RECURRENT COMMITMENTS			
(i.e. CAPITAL ACCOUNT COMMITMENTS)			
1 approved commitments	(1) increases in approved commitments where the commitments were approved by Finance Committee	provided that the total increase does not at any time exceed \$1,500,000	Assistant Financial Secretary up to \$500,000; Principal Assistant Financial Secretary up to \$900,000; Deputy Financial Secretary up to \$1,500,000;
	(2) increases in approved commitments where the commitments were approved under delegated powers	provided that the total commitment does not thereby exceed \$1,500,000	and in every case less any increase already approved under delegated powers
2 new commitments	creation of new commitments	provided that the new commitment does not exceed \$1,500,000	Principal Assistant Financial Secretary provided that the total commitment does not thereby exceed \$900,000; Deputy Financial Secretary Principal Assistant Financial Secretary up to \$900,000; Deputy Financial Secretary up to \$1,500,000

SECOND SCHEDULE

(Delegations by Finance Committee to the Financial Secretary to make changes to the printed estimates for the Capital Works Reserve Fund in accordance with the Resolution made on 20 January 1982 - L.N. No. 18/82)

(1) Type of change	(2) Conditions, exceptions and limitations	(3) Officers to whom the Financial Secretary may delegate powers, subject to the further conditions, exceptions and limitations specified
1 creation of new subheads	provided that the project is in Category A of the Public Works Programme	Assistant Financial Secretary Principal Assistant Financial Secretary Deputy Financial Secretary
2 (1) additional allocations of funds under subheads with approved project estimates	provided that the actual unexpended balance of the approved project estimate is not thereby exceeded	Finance Officer Assistant Financial Secretary Principal Assistant Financial Secretary Deputy Financial Secretary
(2) additional allocations of funds under subheads without approved project estimates (i.e. block votes)	provided that - (a) the additional allocation is required for expenditure within the ambit of the subhead; and (b) the total additional allocation approved under delegated powers during the financial year does not exceed \$1,500,000	Finance Officer up to \$200,000; Assistant Financial Secretary up to \$500,000; Principal Assistant Financial Secretary up to \$900,000; Deputy Financial Secretary up to \$1,500,000; and in every case less any additional allocation already approved under delegated powers during the financial year
3 (1) increases in approved project estimates	(1) provided that, where the project estimate was approved by Finance Committee, the total increase does not at any time exceed \$1,500,000	Assistant Financial Secretary up to \$500,000; Principal Assistant Financial Secretary up to \$900,000; Deputy Financial Secretary up to \$1,500,000; and in every case less any increase already approved under delegated powers
(2) decreased in approved project estimates	(2) provided that, where the project is in Category D of the Public Works Programme, the total project estimate does not thereby exceed \$1,500,000	Principal Assistant Financial Secretary provided that the total project estimate does not thereby exceed \$900,000; Deputy Financial Secretary
(3) creation of new Category D items in the Public Works Programme	provided that the scope of the project as approved by Finance Committee is not thereby altered	Assistant Financial Secretary Principal Assistant Financial Secretary Deputy Financial Secretary Principal Assistant Financial Secretary up to \$900,000; Deputy Financial Secretary up to \$1,500,000

Item B.98 HEAD 701 - LAND ACQUISITION
 (FIN P6/258) HEAD 703 - BUILDINGS
 HEAD 705 - ENGINEERING
 HEAD 707 - NEW TOWNS AND PUBLIC HOUSING
 (OTHER THAN HOUSING AUTHORITY)
 HEAD 709 - WATERWORKS

BLOCK ALLOCATIONS

CAPITAL WORKS RESERVE FUND

Members are invited to approve allocations totalling \$1,220,850,000 for the financial year 1984-85 under the Capital Works Reserve Fund as listed at Enclosure 3.

Introduction

The Capital Works Reserve Fund (CWRP) was established on 20 January 1982 for the purpose of financing the Public Works Programme (PWP) and the acquisition of land. The Resolution of the Legislative Council setting up the CWRP stated, inter alia, that the Financial Secretary may expend moneys from the Fund for the purposes of the Government's PWP and for the acquisition of land in accordance with such terms and conditions as are approved by Finance Committee.

2. Only projects in Category A of the PWP are funded; each such project has a project estimate which is submitted to Members for approval on the recommendation of Public Works Sub-Committee. Expenditure against each project may not in total exceed the approved project estimate without Members' further approval of an increase in the approved project estimate.

3. A small number of items under each Head of the CWRP - the block allocations - are funded on a year-to-year basis and have no approved project estimate. Expenditure against each block allocation in one year may not exceed the allocation approved for it by Members annually. Before the CWRP was established in 1982, this was done in the context of the Estimates.

4. The estimated expenditure under the CWRP, as shown in the blue pages of the 1983-84 Estimates, was noted by Members on 23 February 1983. However, it is now considered that, to accord with the Resolution setting up the CWRP, Members' specific approval should be sought each year for the funds to be shown in the Estimates for each block allocation. This item seeks Members' approval for block allocations to be shown in the 1984-85 Estimates.

HEAD 701 - LAND ACQUISITION

5. Allocation of \$35,000,000 is sought for compensation for surrenders and resumptions: miscellaneous for resumption costs for projects to be undertaken by the Urban Council and the Housing Authority. Expenditure against this allocation up to 30 November 1983 was \$7,339,118 and the revised estimate for 1983-84 is \$29,000,000 against an allocation of \$35,000,000.

6. Allocation of \$50,000 is sought for demolition expenses and ex-gratia compensation for dangerous buildings for emergency works on dangerous buildings on land that has reverted to the Crown and for the payment of ex-gratia compensation to tenants in the event of demolition being necessary. There has been no expenditure against this allocation up to 30 November 1983 and the revised estimate is \$50,000 against an allocation of \$50,000.

7. Allocation of \$1,100,000,000 is sought for compensation and ex-gratia allowances for the PWP to meet all land acquisition costs, other than direct works costs, in respect of projects in the PWP. Expenditure against this block allocation up to 30 November 1983 was \$601,673,677 and the revised estimate for 1983-84 is \$1,100,000,000 against an allocation for 1983-84 of \$1,557,450,000.

HEAD 703 - BUILDINGS

8. Allocation of \$500,000 is sought for minor outstanding building items as an arbitrary amount which may be used initially for urgent payments in respect of minor outstanding works to a value not exceeding \$100,000 on any building project which has been substantially completed and for which there is no subhead in the CWRP estimates. New subheads will be created for such projects during the year, and once these are created, the expenditure will be transferred to the new subheads. The total debit against this block allocation as at 30 November 1983 was \$32,606. This will have been cleared by 31 March 1984, and there will thus be no net expenditure during the current financial year.

/9. Allocation ...

9. Allocation of \$18,000,000 is sought for minor building works selected from items in Category D of the PWP. Projects approved for inclusion in Category D by the Financial Secretary under delegated authority will be funded up to the limit of the allocation agreed by Members on a first-come-first-served basis. Projects included in Category D after the approved allocation has been fully committed will be held over until the following year. Works funded under this block allocation include fitting-out of leased government office accommodation, minor improvements to existing buildings and small recreation facilities and amenities in the urban areas and rural New Territories. Expenditure up to 30 November 1983 on minor works selected from Category D of the PWP was \$6,036,194 and the revised estimate for 1983-84 is \$13,245,000. The estimate of \$18,000,000 for the funds required in 1984-85 compares with \$14,000,000 approved for 1983-84. The increased allocation sought is to recognize the increase in the financial limit from \$500,000 per project to \$1,500,000 per project agreed by Members on 9 March 1983.

10. Allocation of \$3,000,000 is sought for minor investigations for building projects for expenditure on minor site investigation works costing not more than \$250,000 in respect of each site. For 1983-84, the financial limit for individual investigations to be charged to this block allocation was \$100,000. This limit has not proved realistic, and it has not been possible to fund the majority of investigations needed within it. As site investigations are now required for all projects before detailed design can begin, it is proposed that the limit be raised to \$250,000 so that all investigations other than very major ones (for which separate projects in Category A will be sought) can be charged to this block allocation. Expenditure on minor investigations up to 30 November 1983 was \$152,799 and the revised estimate for 1983-84 is \$1,000,000 against an allocation of \$3,000,000.

HEAD 705 - ENGINEERING

11. Allocations of \$200,000 each are sought for minor outstanding civil engineering items and minor outstanding highways items as arbitrary amounts which may be used for these purposes and in accordance with the procedures described in paragraph 8. There has been no debit against either of these block allocations up to 30 November 1983, and none is anticipated during the current financial year.

/12. Allocations ...

12. Allocations of \$2,800,000 and \$6,000,000 respectively are sought for minor civil engineering works selected from items in Category D of the PWP and minor highway works selected from items in Category D of the PWP, to be applied in accordance with the procedures described in paragraph 9. Works funded under these block allocations include minor civil engineering and highway works, including improvements to existing facilities, in Hong Kong, Kowloon and the rural New Territories. Expenditure up to 30 November 1983 on minor civil engineering works selected from Category D of the PWP was \$417,723 and the revised estimate for 1983-84 is \$1,186,000. The estimate of \$2,800,000 for the funds required in 1984-85 for minor civil engineering works compares with \$1,800,000 approved for 1983-84. Expenditure up to 30 November 1983 on minor highway items selected from Category D of the PWP was \$764,572 and the revised estimate for 1983-84 is \$2,811,000. The estimate of \$6,000,000 for the funds required in 1984-85 for minor highway works compares with \$4,500,000 originally approved for 1983-84. The increased allocations sought are to recognize the increase in the financial limit from \$500,000 per project to \$1,500,000 per project agreed by Members on 9 March 1983.

13. Allocations of \$1,000,000 and \$500,000 respectively are sought for minor investigations for civil engineering projects and minor investigations for highway projects for expenditure on minor site investigation works costing not more than \$250,000 in respect of each site. As with the allocation described in paragraph 10, the financial limit for individual investigations to be charged to these block allocations is currently \$200,000 and it is similarly proposed to raise the limit to \$250,000. Expenditure on minor investigations for civil engineering projects up to 30 November 1983 was \$195,481 and the revised estimate for 1983-84 is \$763,000 against an allocation of \$1,000,000. There has been no expenditure up to 30 November 1983 on minor investigations for highway projects, and the revised estimate for 1983-84 is \$350,000 against an allocation of \$450,000.

14. Allocation of \$14,000,000 is sought for traffic engineering works for pedestrian and vehicular aids and Mass Transit Railway traffic management and associated works. Expenditure against this allocation up to 30 November 1983 was \$2,648,114 and the revised estimate for 1983-84 is \$10,500,000 against an allocation of \$10,500,000.

/15. Allocation ...

- 5 -

15. Allocation of \$7,500,000 is sought for minor roads and bridges for minor reconstruction, improvements (street widening, bus bays and traffic islands) and construction of footpaths in Hong Kong, Kowloon and the rural New Territories. Expenditure under this allocation up to 30 November 1983 was \$2,084,420 and the revised estimate for 1983-84 is \$6,800,000 against an allocation of \$7,500,000.

16. Allocation of \$12,000,000 is sought for works contingent on development for modifications to public roads, drains and sewers contingent on development. Expenditure under this allocation up to 30 November 1983 was \$4,226,619 and the revised estimate for 1983-84 is \$11,000,000 against an allocation of \$12,000,000.

HEAD 707 - NEW TOWNS AND PUBLIC HOUSING (OTHER THAN HOUSING AUTHORITY)

17. Allocation of \$500,000 is sought for minor outstanding new towns and public housing (other than Housing Authority) items as an arbitrary amount which may be used in the same way as the allocation described in paragraph 8. There has been no debit against this block allocation up to 30 November 1983, and none is anticipated during the current financial year.

18. Allocation of \$8,900,000 is sought for minor new towns and public housing (other than Housing Authority) works selected from items in Category D of the PWP as described in paragraph 9. Works funded under this block allocation include minor development works and small recreation facilities and amenities in the new towns. Expenditure up to 30 November 1983 against this allocation was \$181,369 and the revised estimate for 1983-84 is \$2,122,000. The estimate of \$8,900,000 for the funds required in 1984-85 compares with \$3,237,000 approved for 1983-84. The increased allocation sought is to recognize the increase in the financial limit from \$500,000 per project to \$1,500,000 per project agreed by Members on 9 March 1983.

19. Allocation of \$2,000,000 is sought for minor investigations for new towns and public housing (other than Housing Authority) projects for expenditure on minor site investigation works costing not more than \$250,000 in respect of each site. As with the allocation described in paragraph 10, the financial limit for individual investigations to be charged to this block allocation is currently \$100,000, and it is now proposed to raise the limit to \$250,000. Expenditure on minor investigations up to 30 November 1983 was \$121,452 and the revised estimate for 1983-84 is \$605,000 against an allocation of \$900,000.

/20. Allocation ...

20. Allocation of \$5,600,000 is sought for minor landscaping works in the New Towns for minor amenity planting and landscaping to unallocated Crown Land within the New Town lay-outs, costing less than \$200,000 for each site. In previous years, this block allocation was entitled "minor development works each costing less than \$200,000". The change in ambit of this allocation is proposed to reflect the type of works most frequently funded by it, and to exclude works for which funds are provided from other sources. Expenditure up to 30 November 1983 on minor development works was \$1,513,325 and the revised estimate for 1983-84 is \$4,872,000. The estimate of the allocation required in 1984-85 is \$5,600,000, which is the same as that approved for 1983-84.

HEAD 709 - WATERWORKS

21. Allocation of \$100,000 is sought for minor outstanding waterworks items as an arbitrary amount which may be used for this purpose in accordance with the procedures described in paragraph 8. The total debit against this block allocation as at 30 November 1983 was \$12,897. This will have been cleared by 31 March 1984, and there will thus be no net expenditure during the current financial year.

22. Allocation of \$2,000,000 is sought for minor waterworks selected from items in Category D of the PWP as described in paragraph 9. Works funded under this block allocation include minor local supplies works and minor improvements to existing facilities. Expenditure up to 30 November 1983 on minor works selected from Category D of the PWP was \$10,011 and the revised estimate for 1983-84 is \$648,000. The estimate of \$2,000,000 for the funds required in 1984-85 compares with \$415,000 approved for 1983-84. The increased allocation sought is to recognize the increase in the financial limit from \$500,000 per project to \$1,500,000 per project agreed by Members on 9 March 1983.

23. Allocation of \$1,000,000 is sought for minor investigations for waterworks projects for expenditure on minor site investigation works costing not more than \$250,000 in respect of each site. As described in paragraph 10, the financial limit for individual investigations of this kind is \$100,000 and it is proposed that the limit be raised to \$250,000. There has been no expenditure on minor investigations up to 30 November 1983 as it has not been possible to undertake any investigations within the present limit of \$100,000 per site.

<u>Head</u>	<u>Title</u>	<u>Allocation for 1983-84</u>	<u>Expenditure from 1.4.83 to 30.11.83</u>	<u>Revised estimate for 1983-84</u>	<u>Estimate 1984-85</u>
		\$	\$	\$	\$
701 - Land Acquisition	Compensation for surrenders and resumptions : Miscellaneous	35,000,000	7,339,118	29,000,000	35,000,000
	Demolition expenses and ex-gratia compensation for dangerous buildings	50,000	-	50,000	50,000
	Compensation and ex-gratia allowances for the Public Works Programme	1,557,450,000	601,673,677	1,100,000,000	1,100,000,000
	Sub-total	1,592,500,000	609,012,795	1,129,050,000	1,135,050,000
703 - Buildings	Minor outstanding building items	500,000	32,606*	-	500,000
	Minor building works selected from items in Category D of the Public Works Programme	14,000,000	6,036,194	13,245,000	18,000,000
	Minor investigations for building projects	3,000,000	152,799	1,000,000	3,000,000
	Sub-total	17,500,000	6,221,599	14,245,000	21,500,000
705 - Engineering	Minor civil engineering works selected from items in Category D of the Public Works Programme	1,800,000	417,723	1,186,000	2,800,000
	Minor outstanding civil engineering items	200,000	-	-	200,000
	Minor investigations for civil engineering projects	1,000,000	195,481	763,000	1,000,000
	Traffic engineering works	10,500,000	2,648,114	10,500,000	14,000,000
	Minor roads and bridges	7,500,000	2,084,420	6,800,000	7,500,000
	Works contingent on development	12,000,000	4,226,619	11,000,000	12,000,000

<u>Head</u>	<u>Title</u>	<u>Allocation for 1983-84</u>	<u>Expenditure from 1.4.83 to 30.11.83</u>	<u>Revised estimate for 1983-84</u>	<u>Estimate 1984-85</u>
		\$	\$	\$	\$
	Minor highway engineering works selected from items in Category D of the Public Works Programme	4,500,000	764,572	2,811,000	6,000,000
	Minor outstanding highway items	300,000	-	-	200,000
	Minor investigations for highway projects	450,000	-	350,000	500,000
	Sub-total	<u>38,250,000</u>	<u>10,336,929</u>	<u>33,410,000</u>	<u>44,200,000</u>
707 - New Towns and Public Housing (other than Housing Authority)	Minor investigations for new towns and public housing (other than Housing Authority) projects	900,000	121,452	605,000	2,000,000
	Minor landscaping works in the new towns	5,600,000	1,513,325	4,872,000	5,600,000
	Minor new towns and public housing (other than Housing Authority) works selected from items in Category D of the Public Works Programme	3,237,000	181,369	2,122,000	8,900,000
	Minor outstanding new towns and public housing (other than Housing Authority) items	500,000	-	-	500,000
	Sub-total	<u>10,237,000</u>	<u>1,816,146</u>	<u>7,599,000</u>	<u>17,000,000</u>

<u>Head</u>	<u>Title</u>	<u>Allocation for 1983-84</u>	<u>Expenditure from 1.4.83 to 30.11.83</u>	<u>Revised estimate for 1983-84</u>	<u>Estimate 1984-85</u>
		\$	\$	\$	\$
709 - Waterworks	Minor waterworks selected from items in Category D of Public Works Programme	415,000	10,011	648,000	2,000,000
	Minor outstanding waterworks items	100,000	12,897*	-	100,000
	Minor investigations for waterworks projects	100,000	-	-	1,000,000
	Sub-total	615,000	22,908	648,000	3,100,000
	Total	<u>1,659,102,000</u>	<u>627,410,377</u>	<u>1,184,952,000</u>	<u>1,220,850,000</u>

* These represent the current debits against the allocations, which will be cleared on creation of the necessary subheads by debiting the new subheads and crediting the subheads with token allocations for this purpose.