

庫務局局長
香港下亞厘畢道
中區政府合署



SECRETARY FOR THE TREASURY
Central Government Offices,
Lower Albert Road,
Hong Kong.

23 August 1997

Mr Ricky C C Fung
Secretary General
Provisional Legislative Council Commission
Legislative Council Building
8 Jackson Road
Central, Hong Kong

Dear Ricky

1997 Recurrent Allocation Exercise: Recurrent Account

Star Chamber has decided your global allocation for 1998-99 and the planning totals for subsequent years, as shown at Annex A.

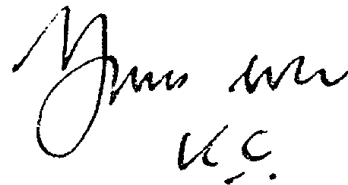
The global allocation for 1998-99 comprises the baseline-plus and an additional allocation by Star Chamber of \$3.76 million for 1998-99 and for the subsequent years. The additional allocation by Star Chamber is earmarked for the purposes specified in Annex B.

Under a one-line vote arrangement, you are, of course, free to deploy resources as you see fit. However, should you redeploy resources from the bids supported by Star Chamber to other purposes, you will not normally be allowed to repeat the request for funds for the same purpose in subsequent years.

The planning totals under the Recurrent Account from 1999-2000 to 2001-02 are indicative only. The cashflow requirements for the period will need to be reviewed in the preparation of next year's baseline-

plus forecast. However, subject to economic and budgetary conditions at the time, it can be assumed that the allocation agreed by Star Chamber will be reflected in the baseline-plus forecast for 1999-2000.

Finally, may I draw your attention to the need to keep the decisions of Star Chamber strictly confidential at this stage so as to avoid any press comment or speculation in advance of the Chief Executive's Policy Address to be delivered to the Provisional Legislative Council in October. I should be grateful if you would ensure that the contents of this letter are treated in strict confidence and made known only to those whose assistance is essential to the preparation of the necessary returns.

A handwritten signature in black ink, appearing to read 'K C Kwong' with a stylized flourish.

(K C Kwong)
Secretary for the Treasury

c.c. PAS(Tsy)D

Annex A

1997 Resource Allocation Exercise: Recurrent Account

**Global Allocation for 1998-99 &
Planning Totals for Future Years**

Policy Secretary/Controlling Officer: Secretary General, Provisional
Legislative Council Commission

	1998-99 (\$M)	1999-2000 (\$M)	2000-01 (\$M)	2001-02 (\$M)
A. 1997-98 Baseline Outturn	277.660	277.660	277.660	277.660
B. Earmarked Growth	4.115	5.662	7.516	8.753
C. Baseline-Plus (A+B)	281.775	283.322	285.176	286.413
D. Additional Allocation by Star Chamber	3.760	3.760	3.760	3.760
E. Global Allocation (C+D)	285.535	287.082	288.936	290.173
F. Redeployment/savings retained	0	0	0	0
G. Amount available for new or improved services (D+F)	3.760	3.760	3.760	3.760

Note: The allocations are on the same price basis as the 1997-98 printed Estimates. Price adjustments for the PE and other recurrent components will be made centrally when the Provisional Acceptable Levels (PALs) are issued.

Annex B

1997 Resource Allocation Exercise: Recurrent Account

**Initiatives to be Funded by Additional
Allocation and Savings**

**Policy Secretary/Controlling Officer: Secretary General, Provisional
Legislative Council Commission**

	Bids Selected	1998-99 (\$M)	1999-2000 (\$M)	2000-01 (\$M)	2001-02 (\$M)
1	Management and development of computerization	0.986	0.986	0.986	0.986
2	Legal service	1.505	1.505	1.505	1.505
3	Research and library service	0.644	0.644	0.644	0.644
4	Public information service	0.625	0.625	0.625	0.625
	Total	3.760	3.760	3.760	3.760