

LEGISLATIVE COUNCIL

Panel on Development

Capital Works Reserve Fund Block Allocations for 2012-13

INTRODUCTION

This paper briefs Members on the forthcoming funding submission (draft attached) to the Public Works Subcommittee (PWSC)/Finance Committee (FC) for the Capital Works Reserve Fund (CWRP) block allocations for 2012-13.

BACKGROUND

2. Over the years, FC has approved the establishment of block allocations under different Heads of Expenditure of the CWRP, covering different types of public works, acquisition of land, capital subventions and computerisation projects. At present, there are a total of 24 block allocations under the CWRP, of which 20 are subject to a financial ceiling of \$21 million in spending on each item. In the case of **Subhead A007GX – New administrative computer systems** under **Head 710 Computerisation**, the financial ceiling is \$10 million per project. Projects exceeding the above ceilings in cost are submitted to the FC for funding approval on a project basis.

3. 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**, the relevant controlling officers are empowered under delegated authority of the FC 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.

4. In accordance with the established practice, we seek FC's approval for the funding allocations for the existing block allocations on a lump-sum basis once every year. The proposed CWRP block allocations for 2012-13 are estimated to be \$11,427.3 million.

/ADVISE

ADVICE SOUGHT

5. Members are invited to note the contents of the draft PWSC submission on the CWRP Block Allocations for 2012-13.

Financial Services and the Treasury Bureau
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