

Clerk to Finance Committee

Notice of Motion

In addition to the notice of motions dated 20 October 2017 that I have given (“Notice One”), I hereby give you a second notice for the moving of the following motion at the next special meeting of the Finance Committee:

Resolved that –

- (a) the new Paragraph 3A, new Paragraph 16A and new Paragraph 45A be added to the Finance Committee Procedure (“FCP”), and Paragraph 17, 37A, 42 and 46 of FCP be amended as set out in the Appendix to Annex I;
- (b) Paragraph 2(a) of the Establishment Subcommittee Procedure (“ESCP”) and paragraph 3 of the Public Works Subcommittee Procedure (“PWSCP”) be amended as set out in Appendix A to Annex II; and
- (c) the new Paragraph 40A be added to ESCP and the new Paragraph 41A be added to PWSCP as set out in Appendix B to Annex II.

This notice replaces the notice of the motion in paragraph (c) of Notice One.



Martin Liao

Member, Finance Committee

Member, Establishment Subcommittee

Member, Public Works Subcommittee

4 January 2018

ITEM FOR FINANCE COMMITTEE

Amendments to Finance Committee Procedure

Purpose

This paper invites members to approve proposed amendments to the Finance Committee Procedure (“FCP”) for the purpose of providing a procedure for a subcommittee of the Finance Committee (“FC”) to recommend whether further discussion should be conducted in respect of each of the items that it has endorsed, and for FC to decide if such recommendation should be overturned if it is so proposed on a motion with due notice moved by a member. Amendments are also proposed to the FCP in relation to the arrangements for the attendance of public officers and other persons upon receipt of notice to move a motion to overturn such recommendation of a subcommittee and the manner for handling such a motion.

Background

2. According to Rule 71(5) of the Rules of Procedure, FC may appoint subcommittees for the purpose of assisting it in the performance of such functions of FC as it may determine. The functions of the two subcommittees of FC, namely the Establishment Subcommittee (“ESC”) and Public Works Subcommittee (“PWSC”), are set out respectively in Paragraph 1 of the Establishment Subcommittee Procedure (“ESCP”) and Paragraphs 1-2 of the Public Works Subcommittee Procedure (“PWSCP”). These subcommittees are to examine expenditure proposals presented by the Financial Secretary and make recommendation to FC which must make the decision. In doing so, FC is not bound in any way by the recommendations of its subcommittees.

3. Paragraph 3 of FCP further provides that items endorsed by a subcommittee are not normally discussed again in FC, though FC is free to accept or overturn any recommendation. Due to the lack of a procedure to enable a subcommittee to decide and to recommend to FC whether an item endorsed by it should be further discussed when it is

placed before it for its consideration, FC is now faced with a situation where any member may require any item(s) to be further discussed as long as notice is given. For more effective use of FC's time, there is a need to provide a procedure under which it is for the subcommittee to recommend and the FC to decide whether further discussion of an item already endorsed by the subcommittee should again be discussed at the FC meeting.

Proposed amendments

4. The proposed amendments are as follows:

- (a) a new Paragraph 3A be added to require that a subcommittee should also recommend to FC whether an item endorsed by it should be further discussed by FC. Such recommendation of the subcommittee would be followed unless duly notified motion is moved by a member to overturn the recommendation of the subcommittee and is passed by FC. The notice required for moving such a motion is no less than two clear days before the FC meeting concerned, but the Chairman may in his discretion dispense with such notice. The motion is moved solely for the purpose of overturning the recommendation of the subcommittee on further discussion of the item, and not for any other purposes. As such, no amendment may be moved to the motion. After the motion has been moved, the Chairman shall put the question on the motion to vote without debate;
- (b) a new Paragraph 16A be added to set out the arrangements for the attendance of public officers or other persons in respect of items which will or will not require further discussion at the meetings concerned. Where notice is given by a member to overturn the recommendation of a subcommittee, the Clerk should duly notify the Administration to facilitate early preparation;
- (c) a new Paragraph 45A be added to provide that items which do not require further discussion as recommended by the subcommittee or as decided by FC shall be forthwith put to vote; and

(d) Paragraphs 17, 37A, 42 and 46 be amended as consequential amendments to the proposed addition of Paragraphs 16A and 45A referred to above.

5. The marked-up version of the proposed amendments is in the **Appendix**.

Advice sought

6. Members are invited to approve the proposed amendments to FCP as set out in the Appendix.

Proposed amendments

Finance Committee Procedure

Subcommittees

3A. For each item endorsed by a subcommittee, the subcommittee shall recommend to the Committee whether there is to be further discussion of the item by the Committee. The Committee will deal with the item as recommended by the subcommittee, unless a motion moved by a member to overturn such recommendation of the subcommittee is passed by the Committee. A member who wishes to move a motion to overturn such recommendation of the subcommittee shall give notice of the motion to the Clerk at least two clear days before the meeting concerned, provided that the Chairman may in his discretion dispense with such notice. After the member has moved and spoken on the motion, the Chairman shall forthwith put the question on the motion for the Committee's decision without amendment or debate.

Attendance of Public Officers and Other Persons

16A. For an item endorsed by a subcommittee for which no further discussion is to be conducted by the Committee as recommended by the subcommittee, no arrangement will be made by the Administration for relevant public officers or other persons to attend the meeting concerned to answer questions on the item. However, if notice is given under paragraph 3A by a member to move a motion to overturn such recommendation of the subcommittee, the Clerk shall notify the Administration to make arrangements to facilitate possible discussion of the item at the meeting.

17. *For items to be discussed by the Committee, the*~~The~~ Chairman or the Committee may invite any public officer, or, in the case of a head of the Estimates relating to a non-government body or organization, any member or employee of that body or organization to give information or any explanation or to produce any records or documents which the

Committee may require in the performance of its duties; and the Committee may also invite any other person to assist the Committee in relation to any such information, explanation, records or documents [Rule 71(12)]. Should a member wish to request that a public officer or other person be invited to attend a meeting of the Committee, such request should reach the Clerk by 5:00 pm on the working day before the meeting concerned. The Clerk will state in the agenda the office of the public officers and other persons invited for discussion of the particular items.

Motions

37A. During the deliberation of an agenda item, prior to the question on it being put to vote, a member may move a motion without notice to express a view on the agenda item if the motion is considered by the Chairman as directly related to the agenda item and agreed by a majority of members that it should be proceed forthwith. Any proposed motion or amendment to the motion should be presented in written form. Members may speck on the motion and amendment to the motion, if any, in a joint debate.¹ *No such motion may be proposed in respect of an agenda item endorsed by a subcommittee for which no further discussion is to be conducted by the Committee as recommended by the subcommittee or as decided by the Committee.*

Questions

42. After the Chairman calls a meeting to order, he normally deals first with the business left over from a previous meeting, if any. The Chairman then gives a brief summary of each item (except confidential items) for the benefit of members of the public who do not have copies of the papers on the agenda item, and introduces the persons, *if any*, at the meeting responsible for answering questions on the item. *For an item to be discussed by the Committee, the Chairman invites Members to ~~then~~ discuss the item or put questions to the persons responsible for answering them.*

¹ Existing Paragraph 37A is proposed to be amended under notice of motion dated 20 October 2017.

Voting

45A. For an item endorsed by a subcommittee for which no further discussion is to be conducted by the Committee as recommended by the subcommittee or as decided by the Committee, the Chairman shall forthwith put the item to vote without discussion. For an item that has been discussed by the Committee, before putting the item to vote, the Chairman shall ask members if they have further questions.

46. ~~Before putting an item to the vote, the Chairman shall ask members if they have any further questions.~~ When the Chairman puts a question to the Committee for its decisions, he shall first call upon those members who are in favour of the question to raise their hands and shall then call upon those who are against the question to raise their hands. The Chairman shall then, according to his judgement, state whether or not he thinks the majority of the members present and voting are in favour of the question. If no member challenges the statement, the Chairman shall declare the question to have been so decided. If a member challenges the statement of the Chairman by claiming a division, then the Chairman shall order the Committee to proceed to a division and the division shall be held forthwith immediately after a division bell has been rung for five minutes. [Rule 47 (1)]

ITEM FOR FINANCE COMMITTEE

**Amendments to Establishment Subcommittee Procedure
And Public Works Subcommittee Procedure**

Purpose

This paper invites members to approve proposed amendments to the Establishment Subcommittee Procedure (“ESCP”) and the Public Works Subcommittee Procedure (“PWSCP”) for the purpose of providing a procedure for formulating a recommendation to the Finance Committee (“FC”) on whether items endorsed by a subcommittee should be further discussed by FC. The proposed procedure includes defining explicitly in the terms of reference that the recommendations of the Establishment Subcommittee (“ESC”) and the Public Works Subcommittee (“PWSC”) shall include such a recommendation.

Background

2. ESC and PWSC are subcommittees appointed by FC under Rule 71(5) of the Rules of Procedure. The functions of the Establishment Subcommittee and the Public Works Subcommittee are to assist FC in examining financial proposals within their respective scope of work and to put forward their recommendations to FC. The current ESCP and PWSCP have not provided any procedure of the subcommittees to decide whether to put forward recommendations to FC on whether items endorsed by them should be further discussed by FC although Paragraph 3 of the Finance Committee Procedure (“FCP”) have provided that the items endorsed by subcommittees are not normally discussed in FC.

3. A proposal is separately made for FC to amend FCP to provide a procedure for FC to overturn recommendations of subcommittees on the further discussion of endorsed items. This proposal is to provide a procedure at the subcommittee level to tally with that being proposed for the FCP.

Proposed amendments

4. The proposed amendments are as follows:
 - (a) Paragraph 2 of ESCP and Paragraph 3 of PWSCP be amended by including a provision in the terms of reference of the two subcommittees that the recommendations on the items included in the Administration's submission to FC for its consideration should also include the subcommittees' recommendations on whether there should be further discussion of the relevant items by FC (marked-up version of proposed amendment in **Appendix A**); and
 - (b) a new Paragraph 40A and a new Paragraph 41A be added respectively to ESCP and PWSCP to set out the procedure to enable the respective Chairman to put the question on whether there should be further discussion on an item to vote immediately after the item has been examined and endorsed by the subcommittee. The decision of the subcommittee should be included as a recommendation on the Administration's submission to FC (marked-up version of the proposed amendment in **Appendix B**).

Advice sought

5. Members are invited to approve the proposed amendments to ESCP and PWSCP as set out in Appendices A and B.

Proposed amendments

ESTABLISHMENT SUBCOMMITTEE PROCEDURE

Terms of Reference

2. The terms of reference of the ESC are –
 - (a) To consider submission from the Administration and, as appropriate, to recommend to the FC:
 - (i) the creation, redeployment and deletion of permanent and supernumerary posts remunerated at the directorate pay scales;
 - (ii) the retention of supernumerary directorate posts;
 - (iii) the creation of supernumerary posts held against permanent posts in ranks with a lower notion annual mid-point salary value;
 - (iv) the creation of individual consultancy positions at directorate level lasting more than one year;
 - (v) changes to the departmental establishment ceilings shown in the approved Estimates;
 - (vi) changes to the arrangements for the creation, redeployment and deletion of directorate posts;
 - (vii) changes to the structure of civil service ranks and grades (including pay scales, new grades and new ranks) recommended by the Standing Commission on Civil Service Salaries and Conditions of Service, or the Standing Committee on Directorate Salaries and Conditions of Service, or the Standing Committee on

Judicial Salaries and Conditions of Service, or the Standing Committee on Disciplined Services Salaries and Conditions of Service, and the consequential creation and deletion of posts in affected ranks; and

(viii) changes to the organizational structure of the Government and consequential transfers of posts.

The recommendations of the ESC on a submission from the Administration shall include the ESC's recommendation on whether there is to be further discussion of the relevant item by the FC.

(b) To report to the FC on changes in departmental establishments shown in the Estimates and on the size and cost of the civil service.

PUBLIC WORKS SUBCOMMITTEE PROCEDURE

Terms of Reference

3. The terms of reference of the PWSC are to consider submissions from the Administration, and as appropriate, to recommend to the FC –
 - (a) the upgrading of projects to or downgrading from Category A of the Public Works Programme;
 - (b) changes to the scope and/or approved project estimates of projects currently in Category A of the Public Works Programme;
 - (c) the approval of new commitments for capital subvention works projects funded under CWRP Head 708; and
 - (d) changes to the scope and/or approved project estimates of works projects approved for funding under CWRP Head 708.

The recommendations of the PWSC on a submission from the Administration shall include the PWSC's recommendation on whether there is to be further discussion of the relevant item by the FC.

Appendix B to Annex II

Proposed amendments

Establishment Subcommittee Procedure

Recommendations to the Finance committee

40A. Immediately after an item has been examined and endorsed by the ESC for submission to the FC, the Chairman shall forthwith put the question on whether there is to be further discussion of the item by the FC to the ESC for decision without amendment or debate. The decision of the ESC on the question shall be included in the paper for submission to the FC that contains the ESC's recommendations including any motions passed under paragraph 31A on the items concerned.

Public Works Subcommittee Procedure

Recommendations to the Finance Committee

41A. Immediately after an item has been examined and endorsed by the PWSC for submission to the FC, the Chairman shall forthwith put the question on whether there is to be further discussion of the item by the FC to the PWSC for decision without amendment or debate. The decision of the PWSC on the question shall be included in the paper for submission to the FC that contains the PWSC's recommendations including any motions passed under paragraph 32A on the items concerned.