

財經事務及庫務局



**FINANCIAL SERVICES AND THE  
TREASURY BUREAU**

24/F, Central Government Offices,  
2 Tim Mei Avenue, Tamar  
Hong Kong

香港添馬添美道二號  
政府總部二十四樓

Translation

傳真號碼 Fax No. : 2147 5240  
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14 January 2020

Clerk to Public Works Subcommittee  
Legislative Council Secretariat  
Legislative Council Complex  
1 Legislative Council Road, Central  
Hong Kong  
(Attn: Ms Doris LO)

Dear Ms LO,

**Provision for Capital Works Reserve Fund block allocations in 2020-21  
Request for singling out projects relating to the Police Force and  
invitation to officers to attend meetings for deliberation on funding proposals**

Regarding the agenda item “Provision for Capital Works Reserve Fund block allocations in 2020-21” of the Public Works Subcommittee (LC Paper No. PWSC(2019-20)23), ten Members requested that projects relating to the Police Force be singled out for separate deliberation and invited the Secretary for Security and the Commissioner of Police to attend meetings (LC Paper No. PWSC67/19-20(01)) in a joint letter dated 8 January 2020. The Government’s consolidated reply, prepared in consultation with relevant policy bureaux/departments, is given below.

The Government has been committed to promoting economic development and improving people’s livelihood through launching public works projects. The block allocations mechanism has long been established. In accordance with the resolution of the Legislative Council on the establishment of the Capital Works Reserve Fund (CWRF), the Financial Secretary is responsible for the administration of the CWRF. The block allocations mechanism was established on the basis of the CWRF, under which specific subheads are created to enable the Government to respond promptly to the ever-changing needs of the community by implementing, under duly delegated authority from the legislature, more than 10 000 important works projects of a smaller scale and pre-construction activities every year.

The operation of the block allocations mechanism involves elaborate procedures and considerations of the use of public funds, including assessment of project priorities and management of works progress and contract accounts, etc. The idea of establishing the mechanism as well as the creation of new subheads and the amendments made over the years were initiated by the Government and then introduced to the legislature for deliberation and approval. The aim is to ensure the practicability of the mechanism and avoid any adverse impact on the operation of the CWRF, while giving due respect and recognition to the legislature's functions to scrutinise and endorse proposed amendments. Furthermore, the block allocations arrangement is a pragmatic and effective approach as it enables the Finance Committee (FC) to focus its time and resources on vetting more important and higher valued projects. Singling out individual items for separate deliberation by the PWSC and the FC runs contrary to the intention of establishing the block allocations mechanism, which is to enable the FC to make more effective use of meeting time, and will seriously undermine the efficiency in scrutinising and approving proposals. The Government opposes to the singling out of some projects for separate deliberation and opines that voting should be on the basis of block allocation in accordance with the existing mechanism.

The FC convened a special meeting to discuss the block allocations mechanism in late 2017, during which Members expressed many different views, including the singling out of controversial items for separate deliberation. The Government responded by providing the above justifications and gained the understanding of Members. As a result, the current practice under the block allocations mechanism was maintained.

In administering and expending monies from the CWRF, the Government has been acting in strict accordance with the authority delegated by the FC. The existing practice of delegation of authority is a precise and effective arrangement, with which the Government can administer the CWRF effectively and ensure proper use of monies to achieve the purpose of the CWRF in financing capital works projects, while complying with all the conditions and restrictions imposed by the FC.

Block allocations cover more than 10 000 items of diverse nature across different government departments. As controlling officers for relevant subheads are responsible for administering the use of funding and implementation of projects, meetings on funding applications in respect of such projects are mainly attended by relevant controlling officers, who will answer enquiries raised by Members. As for funding applications in respect of items relating to the Police Force, while the Security Bureau (SB) and the Hong Kong Police Force (HKPF) will not send representatives to the meeting, the controlling officers concerned, namely the Director of Lands, the Director of Architectural Services, the

Director of Civil Engineering and Development and the Government Chief Information Officer, will endeavour to provide details and answer enquiries about the scope of works. The SB and the HKPF are also ready to provide written replies to specific questions raised by Members, if necessary.

Yours sincerely,

(Original signed)

(Margaret HSIA)  
for Secretary for Financial Services  
and the Treasury

c.c. Hon CHAN Kin-por, Chairman of the Finance Committee  
(Attn: Ms Anita SIT, Clerk to the Finance Committee)

Secretary for Security  
Commissioner of Police