

**Drainage Services Department**  
**Technical Circular No. 3/2004**

**Block Allocation Subhead 4100DX –**  
**Drainage Works, Studies and Investigations for Items**  
**in Category D of the Public Works Programme**

**Scope**

This circular promulgates the departmental procedure for processing and monitoring of items under the Capital Works Reserve Fund (CWRP) Block Allocation Subhead **4100DX**. It supersedes Drainage Services Department (DSD) Technical Circular No. 3/96.

**Ambits of the Block Allocation under 4100DX**

2. The Block Allocation **4100DX** is for minor works including slope inspections and minor slope improvement works, feasibility studies and site investigations in respect of drainage projects<sup>1</sup>, subject to a maximum ceiling of

---

<sup>1</sup> "Drainage projects" referred in the ambits include drainage, sewerage, sewage treatment and associated projects.

expenditure of not more than \$15 million per Category D item. Items may also be included in Category D to cover the costs of preliminary feasibility studies and investigations to enable drainage projects to be included in Category C of the Public Works Programme, and consultants' fees and charges for feasibility investigations and design (including preparation of tender documents) of drainage projects in Category B or (subject to the Secretary for Financial Services and the Treasury's approval) Category C of the Public Works Programme. Urgent payments for minor outstanding works not exceeding \$100,000 incurred on drainage projects that have been substantially completed and that have no subhead in the Fund estimates may also be charged to this subhead. Approval will be sought from the Financial Secretary to reinstate such projects in the Fund estimates during the year and, once this approval has been obtained, expenditure will be transferred to the original project.

### **Annual Estimates - Provision for Block Allocation**

3. For the preparation of the Annual Estimates each year, departments are required to review the expenditure under Block Allocations for the current financial year and to bid funds for the next financial year. Senior Engineer/Headquarters (SE/HQ) shall coordinate the returns as required by Financial Services and the Treasury Bureau (FSTB). Divisions should critically review the cashflow of the existing approved items and identify potential new items to be included in the Block Allocation 4100DX. Based on

the prevailing funding conditions and criteria, the Assistant Director (AD) concerned shall endorse and prioritize the new items of the branch, and SE/HQ shall then consolidate the branch lists and compile an overall priority list for the discussions at the Block Vote meeting (para.14) and the agreement of ADs. The priority list shall be cleared by Deputy Director and agreed by Director of Drainage Services (D of DS) for submission to FSTB.

4. To make the best and effective use of the block allocation funding, divisions should make forward planning of their potential new items and submit them for consideration during the Annual Estimates Exercise. However, if there is a urgent need to inject a new item under the Block Allocation **4100DX** during other time of the year, divisions could still submit proposals for approval. The approval will be subject to the urgency and priority of the item as compared with the other items on the priority list and the availability of funds.

#### **Submissions of New Items/Increase of Approved Project Estimate**

5. To include a new item or to increase the approved project estimate (APE) of an existing item under Block Allocation **4100DX**, a Category D paper similar to a Public Works Sub-committee submission is required. Divisions should submit the draft Category D paper together with a certifying document to SE/HQ for processing. For Category D items greater than \$10 million, which require approval from the policy bureau, divisions

should also include an aide-memoire checklist in the submission. Samples of the certifying documents, aide-memoire checklist and approved Category D papers are available in the Headquarters Unit site on the Drainage Services Department Portal for reference.

**Points to Note for Preparing the Submission**

6. In submitting a Category D paper for approval, division heads shall ensure that all preparatory administrative and legal procedures necessary for the implementation of the project have been completed and shall confirm this in the certifying document. Approval will not be given until the necessary gazetting procedure has been completed and all objections have been either resolved or overruled by the Executive Council. All land acquisition and delivery issues should also be resolved.

7. Similar rules apply in respect of public consultation with District Council and other similar bodies. Divisions should carefully assess the need on public consultation and if considered necessary, carry out appropriate public consultation and resolve objections raised.

8. Divisions shall also ensure that environmental impacts arising from the proposed item have been thoroughly addressed and resolved. For designated projects under the Environmental Impact Assessment Ordinance, or projects with potential environmental problems or projects to be submitted to

the Policy Bureau for approval, an Environmental Implication paragraph is required in the Category D paper. Divisions should liaise with Environmental Protection Department and other relevant authority for the clearance of the paragraph.

9. For projects with subsequent recurrent expenditure requirements, divisions should liaise with the maintenance departments/divisions concerned to agree on the additional recurrent consequences required and prepare the recurrent consequences proforma for clearance by the FSTB beforehand. The proforma should be prepared in accordance with Financial Circular No. 5/86 and Departmental Financial & Supplies Circular No. 4/2001.

#### **Approval Limits and Conditions**

10. In accordance with Financial Circular No. 8/2002, the authority for creating items under Block Allocation **4100DX** is as follows :

	<b>Approving limit per item</b>
Permanent Secretary (Environment & Transport)	\$15 million
Deputy Secretary	\$12 million
Director of Drainage Services	\$10 million
Deputy Director of Drainage Services	\$7 million
Directorate Officer (as designated by D of DS)	\$3 million

11. For items not exceeding \$3 million, D of DS has designated the

approval authority to Assistant Director/Electrical & Mechanical, Assistant Director/Operations & Maintenance, Assistant Director/Projects & Development (AD/P&D) and Assistant Director/Sewage Services.

12. The approval is conditioned upon the works set out in the Category D paper starting within 6 months after the date of approval. Failing that, the approval will lapse automatically unless special dispensation is obtained from the Policy Secretary to extend the validity period for six more months. Requests to extend the validity period for a second time must be addressed to the Secretary for Financial Services and the Treasury.

#### **Control, Monitoring and Reporting**

13. To control the overall expenditure of the Block Allocation **4100DX** within the Provision approved by the Finance Committee for each financial year, SE/HQ shall allocate funding to each approved item for expenditure in that financial year, based on the Provision and the latest expenditure forecasted by Divisions. Divisions should ensure that the expenditure (including works expenditure authorization and allocation warrants issued) of each item does not exceed the allocation and shall seek additional allocation from SE/HQ well in advance when required. Divisions should also ensure that the total commitments and expenditure of each item do not exceed the APE. A submission is required for an increase in the APE and divisions

should submit the paper in good time to process the submission. If the latest estimate of an approved Category D item exceeds \$15 million, the approval of Finance Committee via the Public Works Subcommittee will be required.

14. Divisions shall provide the updated situation report on a monthly basis to SE/HQ for monitoring and reporting purposes. The report shall include the progress, the expenditure and targets/commitments to be met for items under their control. A Block Vote meeting chaired by AD/P&D will be conducted quarterly to discuss and monitor expenditure and progress of Category D items. The membership and terms of reference of the Block Vote meeting are shown in Appendix 1.

#### **Reference**

15. For more details on the delegated authorities and guidelines on the approval of block allocation items, please refer to Financial Circular No. 8/2001 dated 31 August 2001 and 8/2002 dated 12 July 2002, or the updates.

#### **Enquiries**

16. Enquiries on this circular should be directed to SE/HQ.



( R T K CHEUNG )

Director of Drainage Services

**Membership of the Block Vote Meeting**

Chairman: AD/P&D

Members : CEs

Secretary: SE/HQ

Note taker: E/HQ

Co-opted members : Other ADs will be invited to attend the Block Vote meeting if necessary.

**Meeting Schedule**

The Block Vote meeting is to be held **quarterly**. Ad-hoc meetings will be held if necessary.

**Terms of Reference**

- (a) To monitor the progress, the expenditure and targets/commitments to be met of CWRP Head 704 Category D items;
- (b) To review priorities of new Category D items; and
- (c) To monitor the submissions of new Category D items.