

ITEM FOR FINANCE COMMITTEE

LOTTERIES FUND

HEAD 341 – NON-RECURRENT GRANTS

Subhead 035 Architectural Services Department

Members are invited to approve –

- (a) allocations of \$194,398,000 and \$334,168,000 in money-of-the-day prices for constructing and fitting-out two purpose-built rehabilitation complexes at the Lai King Headland and the ex-staff quarters site of the Castle Peak Hospital respectively; and
- (b) allocations of \$6,820,000 and \$9,720,000 respectively to meet the costs of the furniture and equipment for the two rehabilitation complexes.

PROBLEM

There are inadequate day and residential services for the disabled.

PROPOSAL

2. The Director of Social Welfare, with the support of the Subventions and Lotteries Fund Advisory Committee (SLFAC), proposes to allocate from the Lotteries Fund –

- (a) \$194,398,000 and \$334,168,000 in money-of-the-day (MOD) prices to the Architectural Services Department to construct and fit out two rehabilitation complexes at the Lai King Headland (LKH) and the ex-staff quarters site of the Castle Peak Hospital (CPH) respectively; and

/(b)

- (b) \$6,820,000 and \$9,720,000 respectively to the non-governmental organisation (NGO) service providers to be selected later to meet the costs of the furniture and equipment for the two rehabilitation complexes.

JUSTIFICATION

Encl. 1 3. There is a considerable number of disabled people in need of day and residential services. A summary of the existing and planned provision and the waiting list of the various types of rehabilitation services is at Enclosure 1. The provision of additional rehabilitation services at the two complexes would help to meet part of the demand for service.

4. Purpose-built rehabilitation complexes have the advantage of overcoming difficulties in incorporating such facilities in public housing estates and private developments due to local sensitivity regarding such services and optimising use of resources through common support services. The gross areas of the sites at the LKH and the ex-staff quarters site of the CPH are 3 719 m² and 4 194 m² respectively. The proposed rehabilitation complex at the LKH will comprise a seven-storey building and provide a gross floor area of about 14 800 m². The other complex at CPH will comprise an 11-storey building and provide a gross floor area of about 20 800 m². In both cases, the development intensity has been vetted by the Government Property Administrator and is considered acceptable from the site utilization point of view. The facilities to be provided in the two complexes are listed below –

Facility	Number of service units (number of places) of LKH	Number of service units (number of places) of CPH	Total number of service units (number of places)
(a) Long stay care home	2 (400)	2 (400)	4 (800)
(b) Halfway house	2 (80)	2 (80)	4 (160)
(c) Sheltered workshop	1 (120)	1 (120)	2 (240)
(d) Day activity centre	–	2 (100)	2 (100)
(e) Hostel for severely mentally handicapped persons	–	2 (100)	2 (100)
(f) Hostel for moderately mentally handicapped persons	–	2 (100)	2 (100)

/Location

Encls. 2&3
Encl. 4

Location maps of the rehabilitation complexes at LKH and CPH are at Enclosures 2 and 3 respectively. A brief description of the day and residential services to be provided is at Enclosure 4.

5. The Director of Architectural Services will manage both projects, from inception and design through tender documentation and subsequent supervision of construction and fitting-out works. Work on site will start in May 2002 and complete in January 2004 for the LKH complex, and will start in February 2002 and complete in August 2004 for the complex at the ex-staff quarters site at the CPH. We plan to select one NGO operator to run the full range of services in each complex. This will facilitate integration of service delivery and allow greater economies of scale.

FINANCIAL IMPLICATIONS

6. The Director of Architectural Services estimates the costs in MOD prices of constructing and fitting-out the rehabilitation complexes at LKH and CPH to be \$194,398,000 and \$334,168,000 respectively, made up as follows –

	LKH	CPH
	\$'000	\$'000
(a) Site works and hoarding	1,292	5,788
(b) Piling, site formation and geotechnical works	4,975	20,373
(c) Building works	87,188	157,591
(d) Building services	41,594	69,563
(e) External works	12,096	2,303
(f) Drainage	2,790	2,359
(g) Widening and re-surfacing of San Fuk Road	–	435
(h) Consultant fees (for quantity surveying works)	3,000	4,600
(i) Contingencies	22,491	38,761
	Sub-total	175,426 301,773
		(September 2000 prices)
(j) Inflation adjustment to convert to MOD prices	18,972	32,395
	Total	194,398 334,168

7. The estimated cash flow (in MOD prices) is as follows –

	LKH	Price	LKH	CPH	Price	CPH
	\$'000	adjustment	\$'000	\$'000	adjustment	\$'000
	(September	factor	(MOD)	(September	factor	(MOD)
	2000)			2000)		
2002-03	3,000	1.05627	3,169	8,000	1.05627	8,450
2003-04	95,000	1.08795	103,355	160,000	1.08795	174,072
2004-05	50,000	1.12059	56,030	90,000	1.12059	100,853
2005-06	22,000	1.15421	25,393	36,000	1.15421	41,552
2006-07	5,426	1.18884	6,451	7,773	1.18884	9,241
Total	175,426		194,398	301,773		334,168

8. Allocations of \$6,820,000 and \$9,720,000 are also required to meet the capital cost of furniture and equipment for the respective complexes at LKH and CPH. These amounts are based on the current level of provision of similar service units.

9. The Hong Kong Jockey Club Charities Trust (Trust) has expressed an interest to meet 20% of the total capital cost of the two complexes in return for their naming rights. Subject to the Trust's confirmation, the allocation from the Lotteries Fund to cover the capital costs of the respective projects would correspondingly be adjusted.

10. SLFAC has endorsed the funding of the above capital costs from the Lotteries Fund. The allocations will be charged to Head 341 Non-recurrent Grants Subhead 035 Architectural Services Department. In respect of the grants for furniture and equipment, upon selection of the NGO service providers later, we shall transfer the allocation from Subhead 035 Architectural Services Department to the respective subheads of the NGO service providers.

11. The estimated total annual recurrent subvention, excluding reimbursement of rates and Government rent for operating the two rehabilitation complexes at LKH and CPH, are \$56 million and \$85 million at 2000-01 prices respectively, which will be allocated and administered in the lump sum mode. Part of the recurrent subvention earmarked for the new Long Stay Care Homes will be made available in 2001-02 for engaging the Hospital Authority to

/establish

Encl. 5

establish 400 long stay care places on a temporary basis at its Lai Chi Kok Hospital (LCKH) premises. This will facilitate earlier provision of service to chronic mentally-ill persons. A note setting out the latter arrangement is at Enclosure 5.

Land Acquisition

12. The complexes will be built on land allocated by Government. Land resumption is not required.

ENVIRONMENTAL IMPLICATIONS

13. The Director of Environmental Protection is satisfied with the preliminary environmental reviews conducted by consultants engaged by the Director of Architectural Services and considers it not necessary to carry out an environmental impact assessment. Appropriate pollution control clauses will be incorporated in the relevant contracts to mitigate noise, dust and site run-off nuisance during the works period.

BACKGROUND INFORMATION

14. Under section 6(4) of the Government Lotteries Ordinance, the Financial Secretary has the authority to approve payments from the Lotteries Fund to finance the development of social welfare services. However, as a matter of practice, Members' approval is obtained for any proposal that has recurrent financial implications exceeding \$10 million. As these two projects will each incur recurrent Government expenditure in excess of \$10 million per annum, we are seeking Members' approval for the two complexes.

15. We have obtained SLFAC's endorsement for the two complexes to be financed from the Lotteries Fund and for a grant of \$2,180,000 to the Hospital Authority for the procurement of furniture and equipment for the temporary long stay care places at LCKH.

16. We have consulted the Kwai Tsing District Council and Tuen Mun District Council on the LKH and CPH projects respectively. The Kwai Tsing District Council indicated support to the LKH project. The Tuen Mun District Council's Social Services Committee expressed some concern about the location of the CPH project on grounds that it is quite near to some residential blocks. While supporting the proposed facilities, the Tuen Mun North West Area

/Committee

Committee (whose boundary includes the site of the CPH project) suggested that an alternative site farther away from the residential blocks be found within the Hospital compound for the project. We have explained to the Committee that the CPH site is the best that we could identify especially given the urgent need for these additional services.

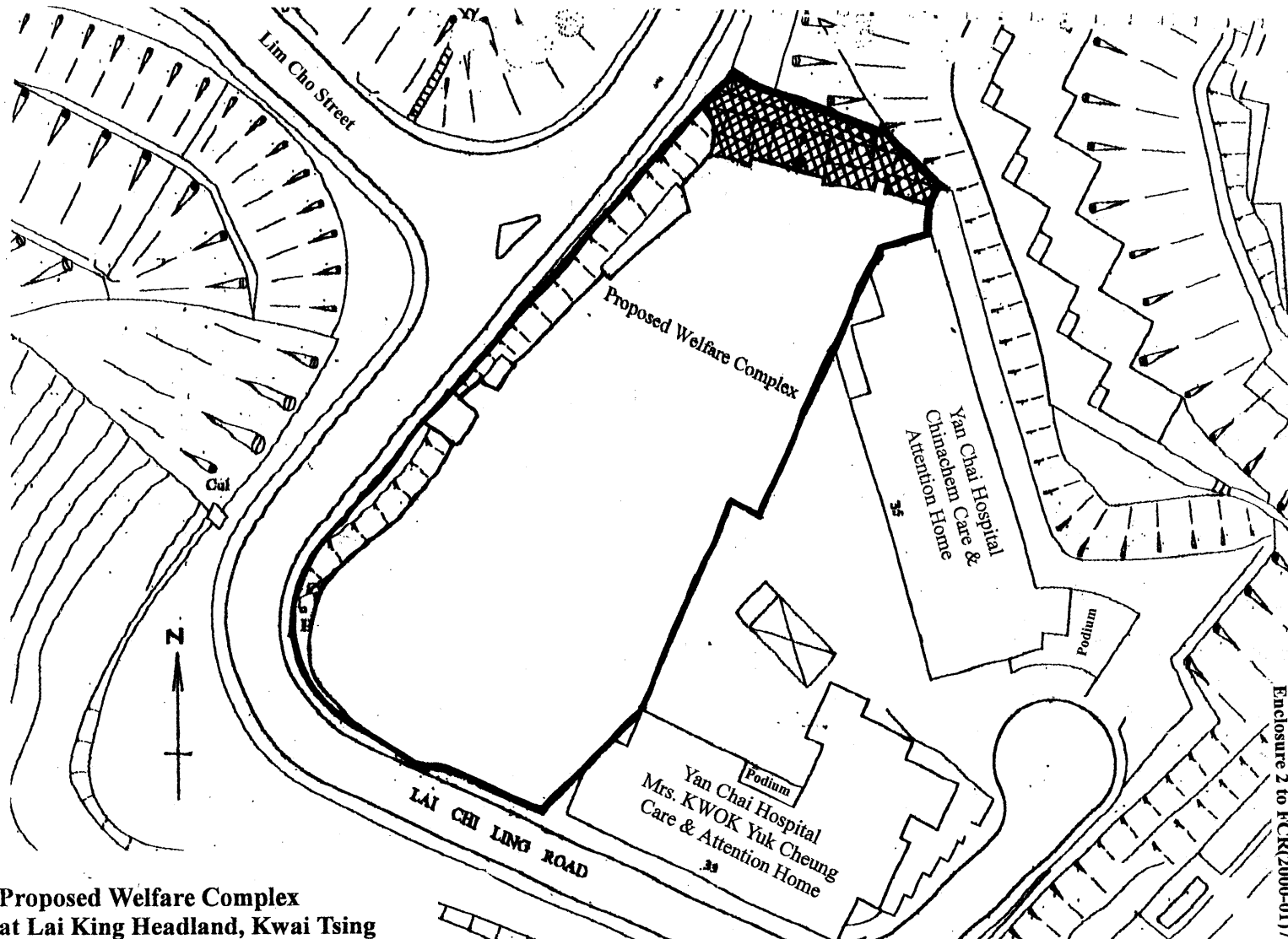
17. We briefed the Legislative Council Panel on Welfare Services on the two projects and the provision of temporary long stay care places at the LCKH on 8 January 2001. Members generally supported the proposal.

Health and Welfare Bureau
February 2001

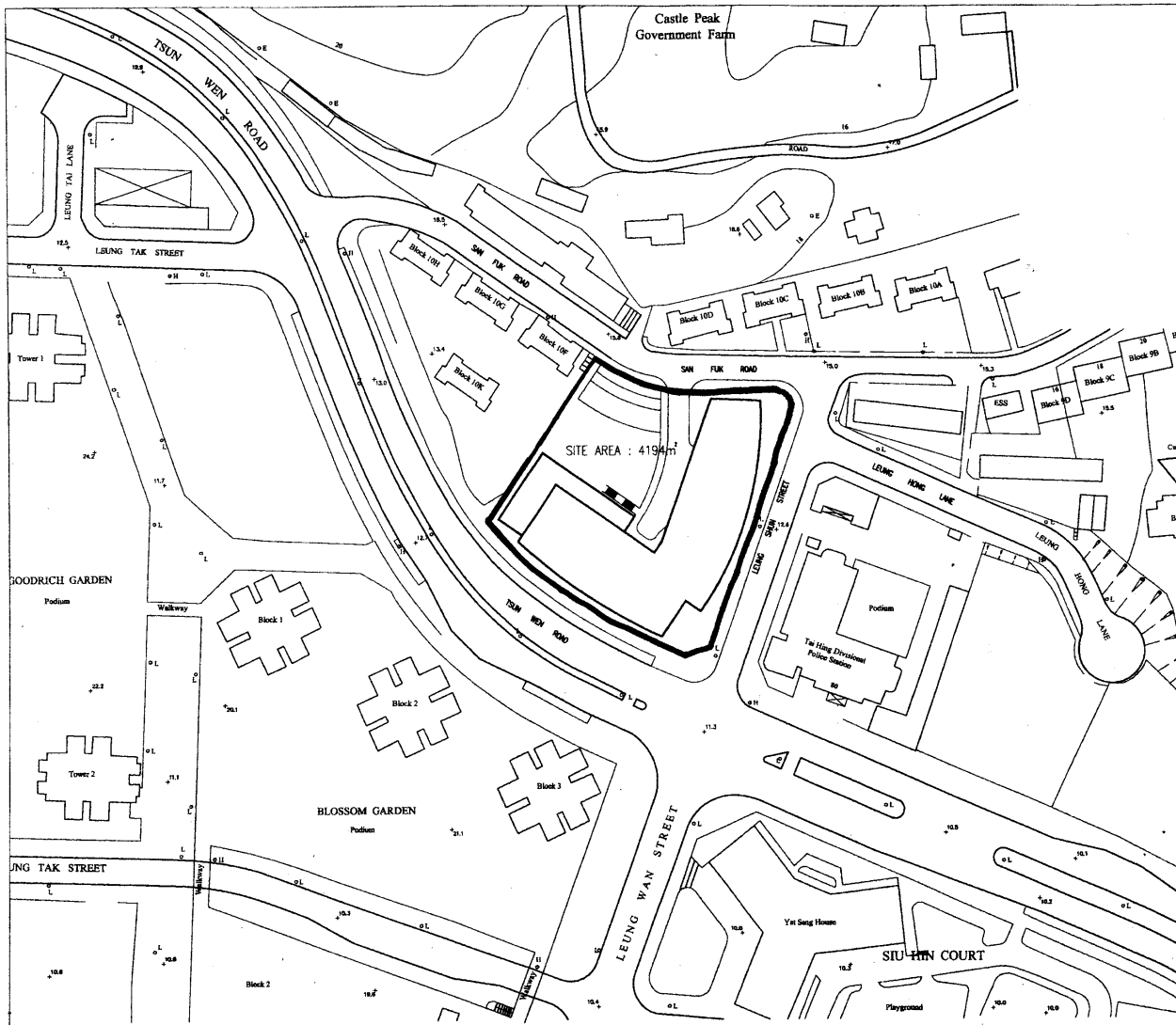
**Summary of Existing and Planned Provision
and Waiting List for Rehabilitation Services
to be Provided in the Two Rehabilitation Complexes**

Service	Provision as at November 2000	Number of applicants on the waiting list as at November 2000	Planned provision with secured funds (Note)
Long stay care home	570	1 378	800
Halfway house	1 307	369	200
Hostel for moderately mentally handicapped	1 544	1 260	650
Day activity centre	3 526	913	160
Hostel for severely mentally handicapped	2 355	1 595	250
Sheltered workshop	6 795	1 543	1 300

Note The planned provision with secured funds include the proposed services planned at Lai King Headland and Castle Peak Hospital ex-staff quarters.



**Proposed Welfare Complex
at Lai King Headland, Kwai Tsing**



NOTES

no.	date	description
REVISION		
drawn		
checked		
approved		
Client Architect		
Senior Architect		
Project Architect		
Agent		
contract no.		
file no.		
project no.		
contract PROPOSED WELFARE COMPLEX AT EX-QUARTERS OF CASTLE PEAK HOSPITAL		
drawing title SITE PLAN		
drawing no.	scale	
AB/6210/SK-01	1:1000	
office ARCHITECTURAL BRANCH		
ARCHITECTURAL SERVICES		

Enclosure 3 to FCR(2000-01)76

**Brief Description of Services to be Provided
at LKH and CPH Projects**

Long stay care home

It provides long term residential care and active maintenance services to discharged chronic mental patients to equip them with the necessary abilities to progress to more integrated living in the community.

Halfway house

2. It provides community rehabilitation service for discharged mental patients after a period of medical treatment to facilitate their re-integration into the community.

Day activity centre

3. It provides day care and training in daily living skills and simple work skills to mentally handicapped adults who are unable to benefit from vocational training or sheltered employment.

Sheltered workshop

4. It provides persons with mental and/or physical disabilities a working environment specially designed to accommodate the limitations arising from their disabilities, in which they can be trained to engage in income-generating work process, learn to adjust to normal work requirements, develop social skills and relationships and prepare for potential advancement to supported/open employment where possible.

Hostel for severely mentally handicapped persons

5. It provides home living for persons with severe/moderate mental handicap who lack basic self-care skills and require assistance in personal and nursing care.

Hostel for moderately mentally handicapped persons

6. It provides home living for persons with moderate mental handicap who are capable of basic self-care but lack adequate daily living skills to live independently in the community.

Provision of Temporary Long Stay Care Places at the Lai Chi Kok Hospital

The Lai Chi Kok Hospital (LCKH) is a public hospital administered and managed by the Hospital Authority (HA). It occupies an extensive area and comprises about 20 single or two-storeyed buildings scattered over a terraced slope. Pursuant to a review of its psychiatric service, the HA has plans to release the LCKH premises¹. In the normal event, the premises will be returned to the Government Property Agency for alternative use or demolition. Through discussions with HA, we consider it most appropriate to establish long stay care (LSC) places on a temporary basis at these premises pending the construction and commissioning of the LSC Homes in the two new complexes to facilitate earlier provision of services to the chronic mentally-ill persons who need long term rehabilitation, including those currently in HA's psychiatric hospitals who are suitable for discharge. Given its temporary nature and to ensure a smooth transition from a psychiatric hospital to LSC places, we have invited and the HA has agreed to be Social Welfare Department's (SWD's) agent in operating 400 temporary LSC places in the LCKH for a time-limited period.

2. The operation of the temporary LSC places in LCKH will be subvented by SWD, with the HA taking up the management work. For the latter purpose, the HA has set up a subsidiary company as provided for under the Hospital Authority Ordinance to ensure clear delineation of accountability, and facilitate the management of the LSC places according to SWD's subvention provision and requirements. The management and operation of the temporary LSC places will be governed by a Funding and Service Agreement (FSA) signed between SWD and HA. The FSA is similar to all FSAs signed between SWD and other NGOs and funding to HA will be in a lump sum grant mode. A Board has been set up to oversee the operation of the company.

3. Admission to the temporary LSC places at LCKH will be in two phases. Phase I admission scheduled for March 2001 would accept 200 applicants on SWD's waiting list for LSC places and who are currently staying in the LCKH. It will be followed by a gradual process of admission of patients from SWD's Central Waiting List, many of whom require rehabilitation in a LSC setting. The admission to 400 places is scheduled to be completed by August

/2001

¹ Arising from a review of the psychiatric service, the HA has plans to rationalise inpatient psychiatric service and enhance community service which will result in returning the LCKH premises to government.

2001. These temporary LSC places will be closed down and the residents would be transferred to the new rehabilitation complexes upon their commissioning in 2004. SWD will decide on whether these temporary places should be transferred to the new facility at the Lai King Headland or the ex-staff quarters site of the Castle Peak Hospital in the light of the works progress.

4. The estimated annual subvention for a 400-place LSC home is \$35,982,000, excluding reimbursement of rates and government rent to be met on an actual reimbursement basis. In order to provide a home-like environment for the social rehabilitation of chronic mental patients, the Subventions and Lotteries Fund Advisory Committee has agreed to allocate a grant of \$2,180,000 from the Lotteries Fund to the HA to meet the costs of replacement and additional furniture and equipment for these LSC places.