

ITEM FOR FINANCE COMMITTEE

LOTTERIES FUND HEAD 341 – NON-RECURRENT GRANTS

Members are invited to approve an allocation of \$40.65 million from the Lotteries Fund for meeting the construction costs of rehabilitation and elderly services facilities in the development project of the Urban Renewal Authority at Hai Tan Street, Kweilin Street and Pei Ho Street, Sham Shui Po.

PROBLEM

We need to provide more pre-school rehabilitation services for children with disabilities and services for the elderly to meet the growing demand.

PROPOSAL

2. The Director of Social Welfare, with the support of the Secretary for Labour and Welfare and the Lotteries Fund Advisory Committee (LFAC), proposes to allocate \$40.65 million from the Lotteries Fund (LF) to meet the construction costs of a 60-place Special Child Care Centre (SCCC) cum 60-place Early Education and Training Centre (EETC), a 48-place Day Care Centre for the Elderly (DE) and a sub-base for a Neighbourhood Elderly Centre (NEC sub-base) in the development project of the Urban Renewal Authority (URA) at Hai Tan Street, Kweilin Street and Pei Ho Street, Sham Shui Po (the subject site).

JUSTIFICATION

Encl. 1 3. URA's development project at the subject site covers a site area of about 7 513 square metres (m²). Its location map is at Enclosure 1. The site will be granted to URA through land exchange for redevelopment into new residential,

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commercial and government facilities as well as public open space. The Government will, through imposing conditions in the land exchange, require URA to construct the bare-shell premises of the proposed SCCC cum EETC, DE and NEC sub-base as referred to in paragraph 2 above and related ancillary facilities¹ on the site.

4. The welfare facilities will be provided on 1/F to 3/F of the residential block at Site A of the development project as indicated in Enclosure 1. URA will be responsible for the design and construction of the facilities in accordance with the specifications laid down by the Government. Upon completion of the construction works to the satisfaction of the Government, Social Welfare Department (SWD) will take over the facilities and arrange appropriate non-governmental organisations (NGOs) to operate, manage and maintain the welfare facilities.

5. The proposed SCCC cum EETC will be located on 3/F and part of 2/F with a net operational floor area (NOFA) of 511 m² for providing 120 subvented places (i.e. 60 SCCC places and 60 EETC places). Upon completion of the construction works, SWD will invite NGOs to submit proposals to operate the proposed SCCC cum EETC, and select a suitable operator on the basis of service quality.

6. The proposed premises for DE will be located on 1/F with an NOFA of 303 m², and will be used for the relocation and expansion of Hong Kong Young Women's Christian Association (HKYWCA) Lam Woo Memorial Day Care Centre for the Elderly, which is now providing 44 day care places in Lai On Estate, Sham Shui Po. The existing DE in Lai On Estate has a total NOFA of 142 m², which is smaller than the standard provision for a 44-place DE (i.e. 286 m²). The DE, upon relocation to the subject site, will provide 48 day care places in total to fully utilise the larger NOFA.

7. The proposed NEC will be located on 2/F with an NOFA of 132 m². It will be used for setting up a sub-base for the NEC of HKYWCA which is currently located at Un Chau Street Municipal Services Building. The existing NEC, with an NOFA of 171 m², is smaller than the standard provision for an NEC (i.e. 303 m²). After setting up a sub-base, the NEC of HKYWCA will have a total NOFA of 303 m² (i.e. standard provision) and as such will have a more spacious service area.

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¹ These include two lifts (one to be exclusively used by the DE and the other to be used by all the proposed welfare facilities on a sharing basis), one parking space for exclusive use by the SCCC cum EETC and two parking spaces for exclusive use by the DE.

Encl. 2

8. It is expected that the land exchange, which will specify as conditions the construction of the proposed welfare premises and the funding arrangement, will be executed in the first quarter of 2014. URA will then proceed with the construction works. Subject to the approval of this proposal by the Finance Committee (FC), we will clearly inform URA that the funding reimbursed by the Government for the construction of the SCCC cum EETC, DE and NEC sub-base will be capped by the proposed allocation of \$40.65 million from the LF. The development project is scheduled for completion by 2019-20. Upon completing the construction of the bare-shell premises, the relevant NGO will fit out the SCCC cum EETC, DE and NEC sub-base to provide the facilities as set out at Enclosure 2. Taking into account the construction lead time required for the entire development, the services of all three service units are expected to commence in 2020-21.

FINANCIAL IMPLICATIONS

Capital cost estimates

9. The funding sought under this submission - \$40.65 million, relates to the estimated construction cost of bare-shell premises of the proposed SCCC cum EETC, DE and NEC sub-base and related ancillary facilities. It is worked out on the basis of the construction floor area and technical requirements of the proposed welfare facilities as assessed by the Architectural Services Department. A breakdown of the cost estimate is as follows –

	Amount (\$ million)		
	<u>SCCC cum EETC</u>	<u>DE</u>	<u>NEC Sub-base</u>
(a) Construction Cost (at Q3/2013 price level)	13.66	9.14	3.10
(b) Professional/ supervision fees (about 12.5% of item (a))	1.71	1.14	0.39
(c) Provision for price adjustment	6.07	4.06	1.38
Total:	21.44	14.34	4.87
Grand Total:	<hr/> 40.65 <hr/>		

/Upon

Upon completion of the construction works by URA to the Government's satisfaction, URA will be reimbursed the actual cost of construction or the above-mentioned sum, whichever is the less.

10. The funding for fitting-out works and procurement of furniture and equipment (F&E) for the proposed welfare facilities will be separately sought from LF in accordance with the established mechanism when the construction is near completion.

Recurrent financial implications

11. The estimated additional recurrent funding requirements for operating the SCCC cum EETC, the DE and the NEC sub-base, including personal emoluments, other charges, reimbursement of rates and government rent and after netting off income from service users' fees where applicable, are \$11.539 million in total. The recurrent funding estimate is derived with reference to the standard notional staffing of the relevant welfare facilities at present. The necessary recurrent provision will be included in the draft Estimates of the relevant years.

PUBLIC CONSULTATION

12. The Sham Shui Po District Council was consulted on the development project at Hai Tan Street, Kweilin Street and Pei Ho Street (including the proposed welfare facilities) in September 2009. The District Council did not make any adverse comments. On 11 November 2013, we also consulted the Legislative Council Panel on Welfare Services on the proposal to construct the welfare facilities at the subject site. The Panel supported the proposal.

BACKGROUND

Pre-school Rehabilitation Services

13. The policy objective of the Government is to provide children, from birth to the age of six years, with disabilities or at the risk of becoming disabled with early intervention to enhance their physical, psychological and social developments, thereby improving their opportunities to participate in ordinary schools and daily life activities and helping their families to meet their special needs.

14. At present, the Government provides children with special needs with a wide range of pre-school rehabilitation services, including those provided by SCCC and EETC. SCCC provides services for children with moderate or severe disabilities aged between two and six. The objective of these services is to develop these children's fundamental developmental skills and intellectual ability, as well as the perceptual-motor, cognitive, communication, social and self-care skills to facilitate their smooth transition from pre-school education to primary education. EETC provides services for children with disabilities from birth to the age of six years. The objective of these services is to maximise the developmental functioning of children with disabilities by helping their parents, through support and assistance, accept, understand, care for and train their children with disabilities. The current provision and the number of children on the waiting list in respect of SCCC and EETC services are tabulated at Enclosure 3.

Encl. 3

15. The Government has been continuously increasing pre-school rehabilitation places. There are currently a total of 6 245 pre-school rehabilitation places². From the remaining period of 2013-14 to 2017-18, the Social Welfare Department (SWD) has reserved sites for providing around 1 200 additional places, out of which 607 will come on stream in the remaining period of 2013-14. We will continue to actively identify additional sites for provision of more places to meet the demand.

Elderly Day Care and Community Support Services

16. In line with the policy of "ageing in place", SWD provides a range of subsidised community care and support services to meet various needs of elderly persons and their carers, and to enhance elderly persons' quality of life so as to enable them to stay in the community for as long as possible. Among these are day care services provided for frail elderly persons at DEs/Day Care Units for the Elderly (DCUs). The services cover personal and nursing care, rehabilitation exercise, meals and transportation service to and from the centre, etc. Currently, there are a total of 66 DEs/DCUs serving about 3 700 elderly persons (including about 2 150 full-time service users and about 1 550 part-time service users), whereas about 1 660 elderly persons are waiting for day care service. SWD estimates that some 180 additional day care places will come into operation in remaining period of 2013-14. In addition, the Government will provide 100 new day care places which will commence service from 2014-15 to 2015-16 and extend the service hours of new DEs/DCUs.

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² These places comprise 1 757 places provided by SCCCs, 2 628 places provided by EETCs and 1 860 places under integrated programmes in kindergarten-cum-child care centres.

17. We have been providing through NECs a series of comprehensive and accessible support services including educational and developmental activities, referral and counselling services as well as carer support services, etc. These services aim at enabling elderly persons to lead a healthy, respectful and dignified life in the community as well as encouraging their active participation and contribution to society. Currently, there are 118 NECs in Hong Kong, serving about 90 000 elderly members and their carers. In the remaining period of 2013-14, one new NEC (expected to serve at least 600 elderly members and their carers) will commence operation.

Funding for capital cost of social welfare facilities

18. The costs of construction, fitting-out works and acquisition of F&E (for the subsidised section only) of social welfare facilities are funded by the LF. Under Section 6(4) of the Government Lotteries Ordinance (Cap. 334), the Financial Secretary has the authority to approve payments from the LF to finance the development of social welfare services. In line with the established practice, the Finance Committee's approval is sought for this proposal, as it is estimated to incur recurrent financial implications exceeding \$10 million per annum (details in paragraph 11 above).

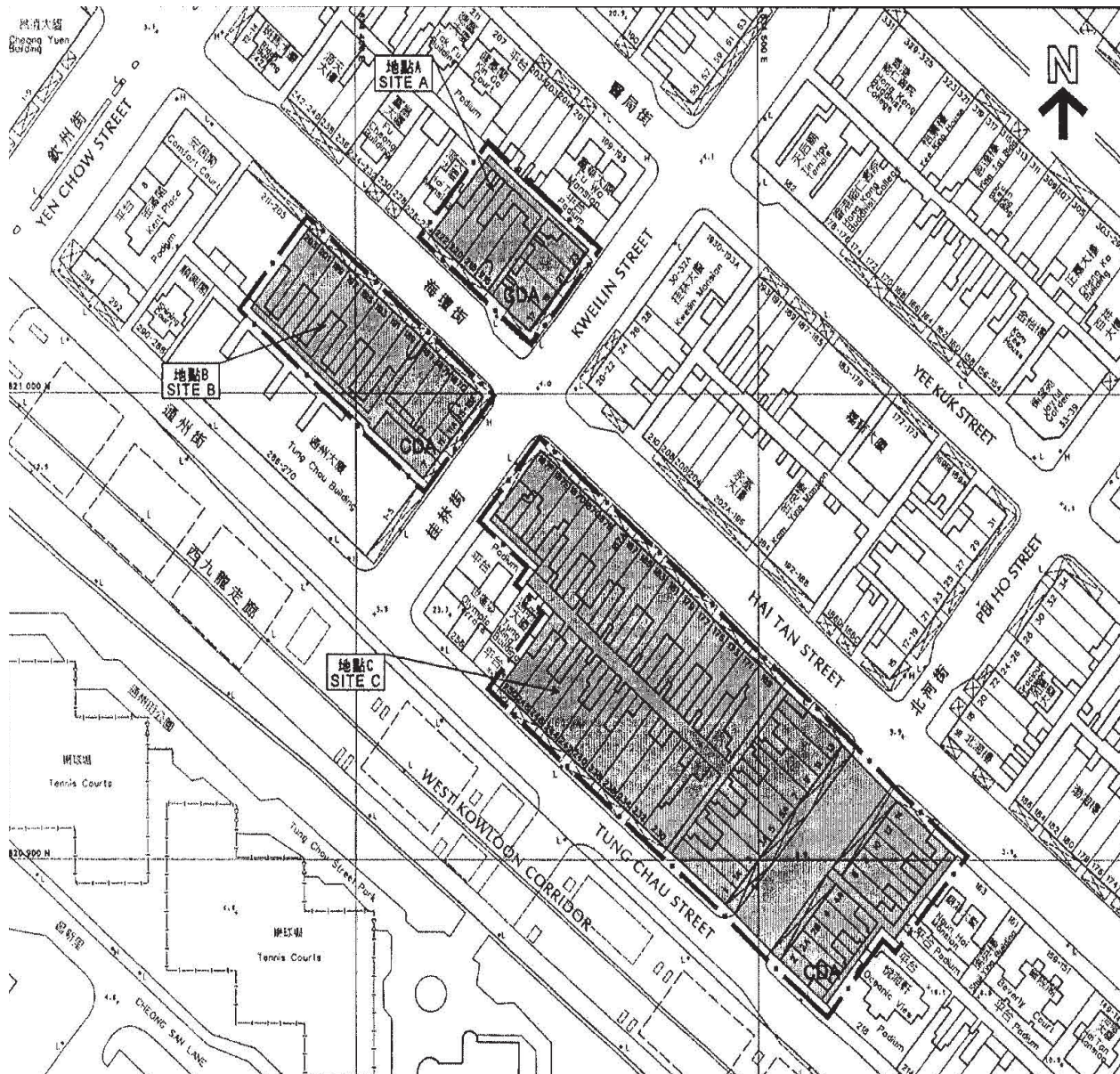
19. The LFAC endorsed the proposed LF allocations of \$40.65 million for the construction of the proposed rehabilitation and elderly services facilities in the development project of the URA at the subject site through circulation of LFAC paper in October 2013. The membership list and terms of reference of LFAC are at Enclosure 4.

Encl. 4

Labour and Welfare Bureau
December 2013

**URA's Development Project at
Hai Tan Street, Kweilin Street and Pei Ho Street, Sham Shui Po**

Location Plan



**Facilities of the Proposed Rehabilitation and Elderly Services Premises
in URA's Development Project
at Hai Tan Street, Kweilin Street and Pei Ho Street, Sham Shui Po**

Facilities of the 60-place SCCC cum 60-place EETC

Activity/Training rooms
Therapy/Special rooms
Interview room
Observation room
Sick Bay
Training aids adaptation area and store
Kitchen and food store
Laundry area
General store
Toilet for children and staff
Staff changing room
General office/Staff room
Reception/Waiting area

Facilities of the 48-place DE

Common room
Dining/Activity room/Meal provision area
Physiotherapy/Training room
Multi-sensory area
Medical consultation/Nurse duty room/Sick room
Interview room
Laundry/Workroom
Bath/Toilet
General store
Staff changing room
Office
Reception

Facilities of the NEC sub-base

Reception area

Activity room 1

Activity room 2

Club room

Common room

Carer support & resource room

Office

Volunteer room

Store

Toilet

**Provision and Waiting List
for Pre-school Rehabilitation Services
(as at October 2013)**

Type of Service	Number of Places	Number of Applicants on the waiting list
Special Child Care Centre	1 757	1 017
Early Education and Training Centre	2 628	3 364

Lotteries Fund Advisory Committee

Membership
(1 September 2013 – 31 August 2015)

	<u>Name</u>	<u>Professional Background</u>
Chairperson:	Ms YIP Man-kuen, Carol	Director of Social Welfare
Member:	Mr CHAN Wai-ming, David	Tsuen Wan District Councillor
	Mr CHENG Wai-hung, Nelson	Director K L Partnership Limited
	Professor LAM Ching-man	Vice Chairperson Department of Social Work The Chinese University of Hong Kong
	Dr LEUNG Sai-man, Sigmund	President The Hong Kong Dental Association
	Ms LO Yee-hang, Loretta	Central and Western District Councillor
	Mr MA Kam-wah, Timothy	Committee Member, Senior Citizen Home Safety Association
	Mr MAN Hung-yee, Joseph	Deputy Director Hong Kong Sheng Kung Hui Welfare Council
	Professor MENG Mei-ling, Helen	Chairperson Department of Systems Engineering and Engineering Management The Chinese University of Hong Kong
	Mr SUEN Lai-sang	Director Hong Kong Christian Service
	Ms WONG Wai-ching, Connie,	Managing Director Wong Sun Hing Limited
Official Representative:	Secretary for Labour and Welfare or representative	
Secretary:	Senior Executive Officer (Lotteries Fund) Social Welfare Department	

Terms of Reference

The terms of reference of the Lotteries Fund Advisory Committee are as follows –
to advise the Director of Social Welfare on applications from welfare organisations for allocations from the Lotteries Fund and on charitable fund-raising issues including the allocation of flag days.
