

ITEM FOR FINANCE COMMITTEE

LOTTERIES FUND HEAD 341 – NON-RECURRENT GRANTS

Members are invited to approve an allocation of \$1,853.6 million from the Lotteries Fund for meeting the design, construction and fitting-out costs for the redevelopment of ex-Siu Lam Hospital into an Integrated Rehabilitation Services Complex.

PROBLEM

We need to increase the provision of the much-needed residential care, day training and vocational rehabilitation services for persons with disabilities to meet the substantial 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 from the Lotteries Fund (LF) \$1,853.6 million to meet the design, construction and fitting-out costs of an Integrated Rehabilitation Services Complex (IRSC) at the site of ex-Siu Lam Hospital in Tuen Mun (the ex-Siu Lam site).

JUSTIFICATION

3. The Social Welfare Department (SWD) proposes to make use of the ex-Siu Lam site for setting up an IRSC to provide 1 700 additional places for residential care, day training and vocational rehabilitation services. This proposal was one of the initiatives included in the Chief Executive's 2013 Policy Address for increasing the supply of subvented day training and residential care places for persons with disabilities, having regard to the substantial demand for support services for persons with disabilities.

Encl. 1 4. The ex-Siu Lam site is situated at Hong Fai Road, 16½ Milestone, Castle Peak Road, Tai Lam, Tuen Mun. A location map is at Enclosure 1. The site has a gross site area of about 30 800 square metres (sq m) and is zoned “Government, Institution or Community” in the So Kwun Wat Outline Zoning Plan No. S/TM-SKW/11 in respect of which the use for “Social Welfare Facility” is permitted. The buildings in the site have been vacated upon the relocation of Siu Lam Hospital to Castle Peak Hospital since April 2012. The project does not require land acquisition.

5. For sustainable development and better utilisation of the site to augment the provision of the much-needed rehabilitation services, it is necessary to redevelop the site. SWD engaged a consultant to conduct the feasibility and related studies¹ with a view to assessing the technical viability of setting up the proposed IRSC on the site and preparing a project cost estimate. The consultant has confirmed that the redevelopment project is technically feasible. The welfare facilities proposed to be provided in the proposed IRSC upon redevelopment of the site are as follows –

Facility	Capacity
<i>Residential care services</i>	
(a) Long Stay Care Home	400
(b) Care and Attention Home for Severely Disabled Persons	200
(c) Hostel for Severely Mentally Handicapped Persons	400
(d) Hostel for Severely Physically Handicapped Persons	75
(e) Hostel for Moderately Mentally Handicapped Persons	75
<i>Subtotal:</i>	<i>1 150</i>
<i>Day training services</i>	
(f) Integrated Vocational Rehabilitation Services Centre	150
(g) Day Activity Centre	400
<i>Subtotal:</i>	<i>550</i>
Total:	1 700

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¹ The cost of the technical feasibility study was met by a grant of \$8 million from LF.

6. According to the consultant's preliminary design, the proposed welfare facilities (i.e. 1 150 residential care places and 550 day training places for persons with disabilities or chronic mental patients) will be provided in two four-storey building blocks on two level platforms with a net operational floor area of 20 260 sq m and gross floor area of 39 070 sq m. The conceptual sectional diagram and visual perspective views of the IRSC as worked out by the consultant are at Enclosure 2.

Encl. 2

7. Upon funding allocation in mid-2015, the building works (including demolition of the existing buildings) are expected to commence in 2016 and complete by 2019. SWD will invite non-governmental organisations to submit project proposals for the new services to be provided in the IRSC during the building works stage with a view to speeding up the fitting-out works (to be carried out by the selected service operator) upon completion of the building works.

FINANCIAL IMPLICATIONS

Capital cost estimates

8. The consultant estimates the costs of designing, constructing and fitting-out the IRSC at the ex-Siu Lam site to be \$1,853.6 million. A breakdown of the cost estimates is as follows -

Item	\$ million
A. Site works and demolition	89.7
B. Basement construction	49.3
C. Piling	62.1
D. Building	421.9
E. Building services	123.6
F. External works, drainage and landscaping	169.3
G. Fitting-out works	303.6
H. Provision of sustainable design	24.4
<i>(Items A to H) Sub-total</i>	1,243.9

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Item	\$ million
I. Consultants fees	109.4
J. Remuneration of resident site staff	27.4
K. Contingencies	124.4
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<i>(Items A to K) Sub-total</i>	1,505.1²
L. Provision for price adjustment	348.5
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Total	1,853.6

9. When the construction is near completion, SWD will seek funding under LF for the procurement of furniture and equipment items in accordance with the established practice.

Recurrent financial implications

10. The estimated full-year recurrent funding requirement for the operation of the IRSC at the ex-Siu Lam site, including personal emoluments, other charges, reimbursement of rates and government rent and after netting off income from service users' fees, is \$263.2 million. 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.

ENVIRONMENTAL IMPLICATIONS

11. The project is a designated project under the Environmental Impact Assessment (EIA) Ordinance (Cap. 499) because a clinical waste incinerator is identified in an existing block. An EIA report will be prepared and the required control measures will be implemented to meet the requirements under the Ordinance.

12. During construction, noise, dust and site run-off nuisances will be controlled within the established standards and guidelines through the implementation of mitigation measures in the relevant contract.

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² At September 2014 prices.

13. At the planning and design stages, measures to reduce the generation of construction waste where possible will be considered. In addition, the contractor will be required to reuse inert construction waste on site or in other suitable construction sites as far as possible, in order to minimise the disposal of inert construction waste at public fill reception facilities.

14. With the required buffer distance away from the surrounding road or highways of the subject site, no adverse air quality impact on the development is anticipated owing to vehicular emission. The traffic noise impact assessment also reveals no adverse traffic noise impact.

15. The traffic impact assessment conducted under the feasibility and related studies confirms that there would be minimal traffic and pedestrian impact generated by the proposed services on the existing roads in the vicinity.

Energy Conservation, Green and Recycled Features

16. Provision is allowed in the budget for the adoption of energy efficient features, renewable energy technologies, and green and recycled features. For greening features, landscape will be provided on part of the roof terraces and ground level for environmental and amenity benefits.

PUBLIC CONSULTATION

17. The Social Services Committee (SSC) of Tuen Mun District Council was briefed on the redevelopment project in July 2012. They supported the proposal. After further consultation with residents living near the site, the concerns raised by the SSC on environment, traffic impact and management of proposed services have been addressed in the feasibility and related studies. The SSC expressed support after being briefed on the findings of the studies at its meeting on 11 November 2014. The Legislative Council Panel on Welfare Services was consulted on 8 December 2014, and supported the proposal.

/BACKGROUND

BACKGROUND

18. 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. As an administrative practice, the Financial Secretary has advised that LF proposals involving recurrent cost of over \$10 million per annum would be referred to the Finance Committee (FC).

19. For the financial year of 2014-15, 729 allocations (including major grants, minor grants and block grants) involving a total cost of \$1,079 million were approved under LF. Four of these involving a total cost of \$242 million had been presented to FC in line with the administrative practice.

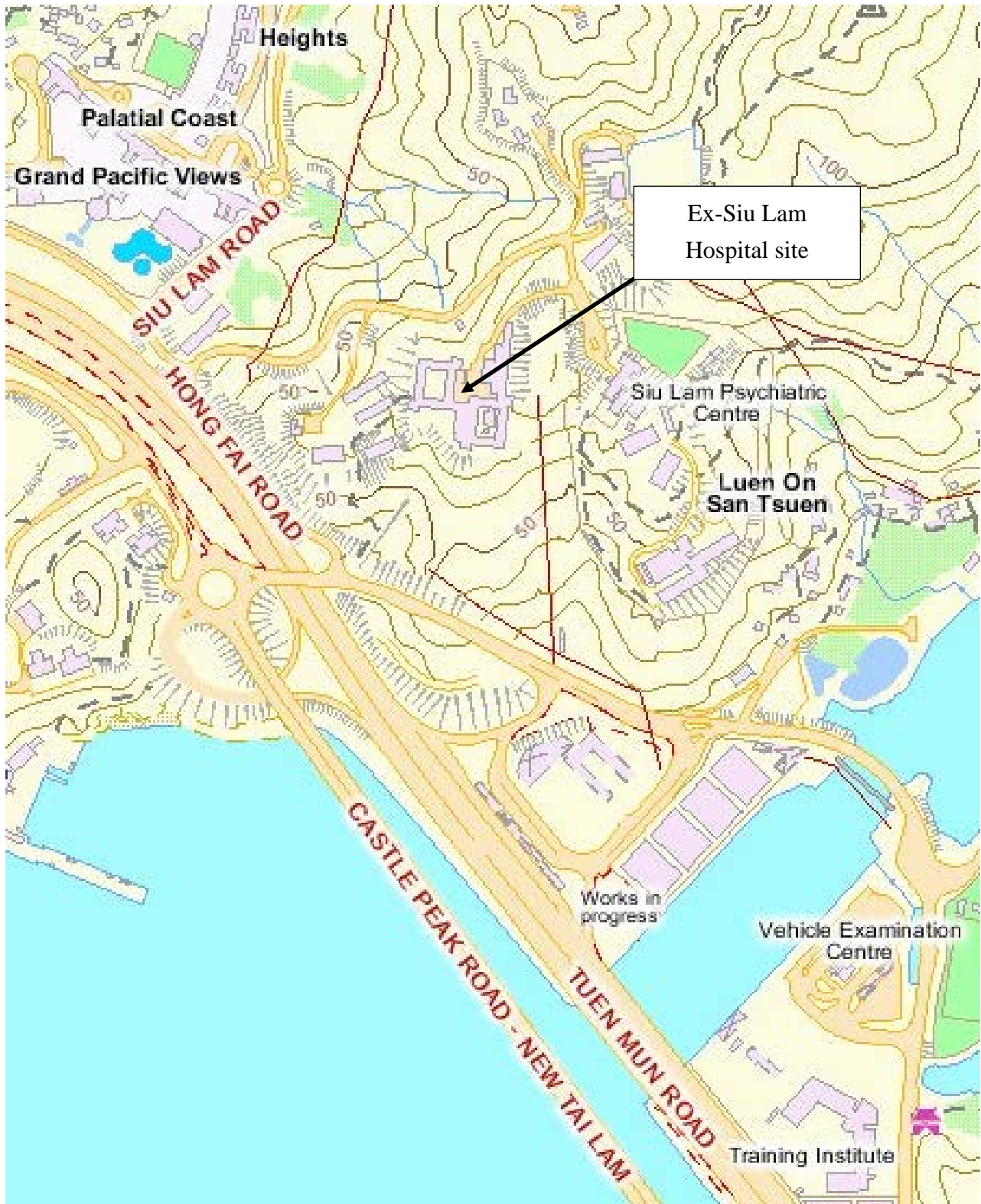
20. During 2014-15, expenditure incurred against the approved allocations amounted to \$876 million and total receipts were \$1,322 million. As at 31 March 2015, the balance of LF was \$22 billion. The balance of LF is estimated to rise to \$23 billion as at 31 March 2016.

21. At its meeting on 28 October 2014, LFAC endorsed the proposed LF allocation of \$1,853.6 million for the design, construction and fitting-out of an IRSC at the ex-Siu Lam site. The membership and terms of reference of LFAC is at Enclosure 3.

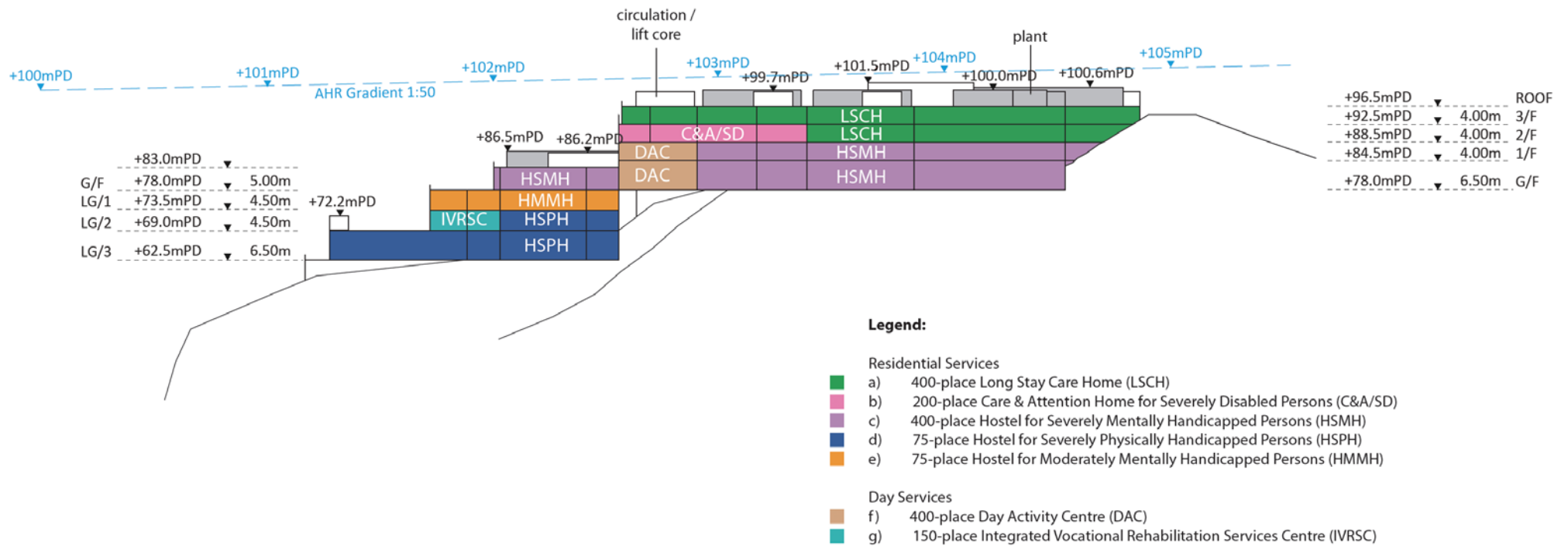
Encl. 3

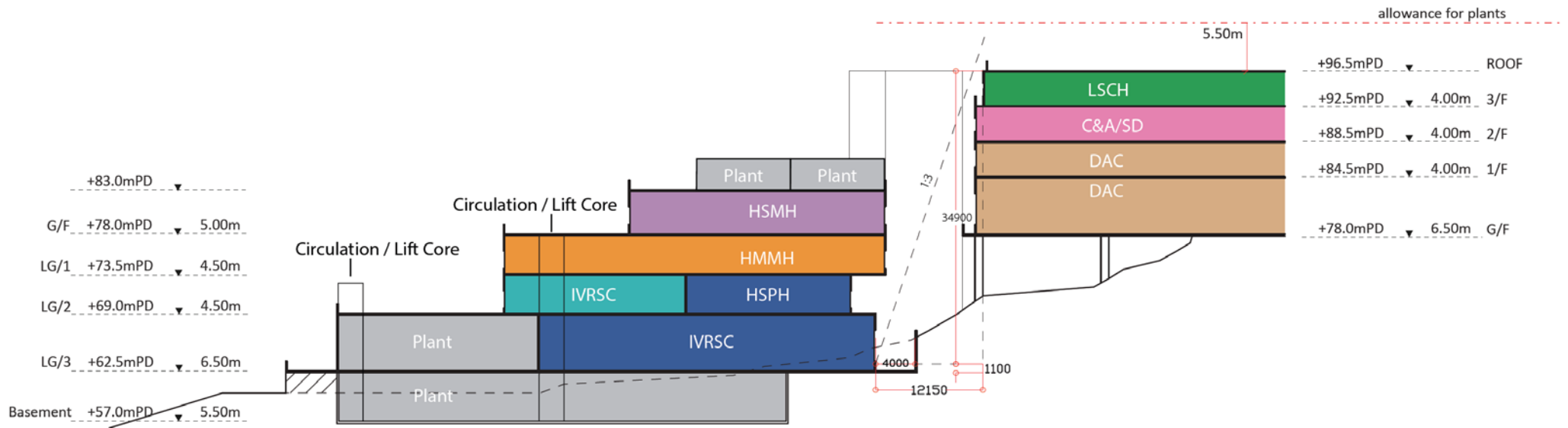
Labour and Welfare Bureau
June 2015

Location Map of ex-Siu Lam Hospital site
Hong Fai Road, 16 1/2 Milestone, Castle Peak Road, Tai Lam, Tuen Mun



Conceptual Sectional Diagram





Legend:

Residential Services

- a) 400-place Long Stay Care Home (LSCH)
- b) 200-place Care & Attention Home for Severely Disabled Persons (C&A/SD)
- c) 400-place Hostel for Severely Mentally Handicapped Persons (HSMH)
- d) 75-place Hostel for Severely Physically Handicapped Persons (HSPH)
- e) 75-place Hostel for Moderately Mentally Handicapped Persons (HMMH)

Day Services

- f) 400-place Day Activity Centre (DAC)
- g) 150-place Integrated Vocational Rehabilitation Services Centre (IVRSC)

Visual Perspective View





Lotteries Fund Advisory Committee

Terms of Reference

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.

Membership

	Name	Professional Background
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-ye, 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

	Name	Professional Background
Member(Cont'd):	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	
