



財經事務及庫務局

香港添馬添美道二號
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LC Paper No. PWSC154/15-16(01)

**FINANCIAL SERVICES AND THE
TREASURY BUREAU**

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(Translation)

10 March 2016

Ms Sharon Chung
Clerk to Public Works Subcommittee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms Chung,

Public Works Subcommittee

Follow-up to meeting on 17 February 2016

The supplementary information on the block allocations under the Capital Works Reserve Fund for 2016-17 requested by Members at the above meeting is set out at **Enclosure** for reference.

Yours sincerely,

(June Ho)
for Secretary for Financial Services
and the Treasury

c.c.

Secretary for Development (Attn : Mr Ivan Chung & Mr John Kwong)
Director of Architectural Services (Attn : Ms Sylvia Chow)
Director of Civil Engineering and Development (Attn : Mr Francis Ng)
Director of Lands (Attn : Ms Joyce Ng)

Enclosure

Subhead 1100CA – Compensation and ex-gratia allowances in respect of projects in the Public Works Programme under Head 701 – Land Acquisition

- (1) Hon SIN Chung-kai requested to provide a breakdown on the amount of funds that had been used and was going to be used for land acquisition and payment of ex-gratia allowances in respect of the projects listed in Annex 1B to Enclosure 1 to the discussion paper LC Paper No. PWSC(2015-16)48, in particular the Liantang/Heung Yuen Wai Boundary Control Point ("LT/HYW BCP") and associated works (connecting road), LT/HYW BCP and associated works (site formation and civil works), and the Hong Kong section of Guangzhou-Shenzhen-Hong Kong Express Rail Link.

Reply:

The actual and estimated expenditure under **Head 701 Subhead 1100CA** for payment of compensation and ex-gratia allowances for land acquisition in respect of the projects listed in Annex 1B to Enclosure 1 to the discussion paper LC Paper No. PWSC(2015-16)48 is shown as below :-

Part I : On-going items

Item no.	Project description	Project Estimate	Actual expenditure to 29.2.2016	Estimate 2016-17	Estimated expenditure after 2016-17
		\$ million	\$ million	\$ million	\$ million
1.	Liantang/Heung Yuen Wai Boundary Control Point and associated works (connecting road)	2,193.51	1,657.51	183.50	352.50
2.	Hong Kong section of Guangzhou-Shenzhen-Hong Kong Express Rail Link	1,775.01	1,380.65	84.08	310.28
3.	Liantang/Heung Yuen Wai Boundary Control Point and associated works (site formation and civil works)	1,455.00	1,199.08	100.00	155.92
4.	Penny's Bay reclamation	1,061.00	0.00	1,061.00	0.00
5.	Regulation of Shenzhen River stage 4 – ancillary road works	461.24	287.39	76.65	97.20

Item no.	Project description	Project Estimate	Actual expenditure to 29.2.2016	Estimate 2016-17	Estimated expenditure after 2016-17
		\$ million	\$ million	\$ million	\$ million
6.	Resumption of land for public housing and community facilities near Siu Hang Tsuen in Area 54, Tuen Mun	337.86	145.55	36.65	155.66
7.	Formation, roads and drains in Area 54, Tuen Mun – phase 1 package 1A – construction of part of road L54D and widening of Hing Fu Street and phase 2 package 2 – construction of road L54A, reprovision of Tong Hang Road and widening of Tsz Tin Road	335.72	132.61	33.37	169.74
8.	Yuen Long and Kam Tin sewerage treatment upgrade – upgrading of San Wai sewage treatment works	178.26	0.00	84.21	94.05
9.	Central – Wanchai Bypass and Island Eastern Corridor Link	114.73	40.39	46.86	27.48
10.	Dualling of Hiram’s Highway between Clear Water Bay Road and Marina Cove and improvement to local access to Ho Chung	82.72	0.00	39.37	43.35

Part II : Proposed new items

Item no.	Project description	Project Estimate	Actual expenditure to 29.2.2016	Estimate 2016-17	Estimated expenditure after 2016-17
		\$ million	\$ million	\$ million	\$ million
1.	Site formation and associated infrastructure works for purpose-built complex of residential care homes for the elderly in Area 29 of Kwu Tung North New Development Area	629.00	0.00	629.00	0.00
2.	Site formation and infrastructure works for development at Wang Chau, Yuen Long	173.80	0.00	11.35	162.45
3.	Northeast New Territories Landfill Extension	140.93	0.00	65.93	75.00
4.	Road works for site formation and infrastructure works for development at Wang Chau, Yuen Long	81.50	0.00	5.21	76.29
5.	Tolo Harbour sewerage of unsewered areas stage 2, phase 2B – Chek Nai Ping, Sha Tin	36.42	0.00	7.36	29.06
6.	Upgrading of Tuen Mun sewerage, phase 1 – village sewerage works at Po Tong Ha, Tuen Mun	34.06	0.00	12.00	22.06
7.	Upgrading of Tuen Mun sewerage, phase 1 – village sewerage works at Fuk Hang Tsuen (Lower), Tuen Mun	26.21	0.00	9.30	16.91
8.	Outlying Islands Sewerage stage 2 – extension of sewerage system to other unsewered villages in Mui Wo – village sewerage works at Luk Tei Tong and Ma Po Tsuen	22.70	0.00	6.80	15.90

Item no.	Project description	Project Estimate	Actual expenditure to 29.2.2016	Estimate 2016-17	Estimated expenditure after 2016-17
		\$ million	\$ million	\$ million	\$ million
9.	Tolo Harbour sewerage of unsewered areas stage 2, phase 1G – Ma Niu, Sha Tin	10.75	0.00	5.42	5.33
10.	Upgrading of Tuen Mun sewerage, phase 1 – village sewerage works at Fu Tei Ha Tsuen, Tuen Mun	10.38	0.00	5.24	5.14

Subhead 3004GX – Refurbishment of government buildings for items in Category D of the Public Works Programme under Head 703 – Buildings

- (2) Hon Cyd HO requested to provide information on the projects of "re-roofing, general refurbishment and replacement of auditorium seats in Kwai Tsing Theatre" and "refurbishment of thematic galleries 3 and 4 and upgrading of electrical system in Hong Kong Heritage Museum" listed in Annex 3A to Enclosure 3 to the discussion paper LC Paper No. PWSC(2015-16)48 –
- (a) whether these two projects were included in the 25 commitment items in the 2015-2016 Estimates where the Administration had invited the Legislative Council ("LegCo") to approve them in the context of the Appropriation Bill 2015, instead of submitting the relevant funding proposals to the Finance Committee for approval; and
- (b) whether the funds to be sought for these two projects under the Capital Works Reserve Fund block allocation 2016-2017 involved a new funding request or an amount that had already been included in the 2015-2016 Estimates.

Reply:

- (a) The two projects listed in PWSC(2015-16)48 are not related to the commitment items in the 2015-16 Estimates.
- (b) The two refurbishment projects listed in PWSC(2015-16)48 are on-going items with a total commitment funding of \$23.64 million. As at 29 February 2016, the actual expenditure of these two projects was \$1.66 million and the total cashflow requirement for 2016-17 is \$11.82 million.

Subhead 7100CX – New towns and urban area works, studies and investigations for items in Category D of the Public Works Programme under Head 707 – New Towns and Urban Area Development

- (3) Hon TAM Yiu-chung requested to provide information on the estimated area of land to be studied under the proposed preliminary land use study for Lam Tei Quarry and the adjoining areas.

Reply:

The land to be studied includes five study sites (about 81 hectare) and two cavern sites (about 206 hectare) for development.

Subhead 1100CA – Compensation and ex-gratia allowances in respect of projects in the Public Works Programme under Head 701 – Land Acquisition and Subhead 7100CX – New towns and urban area works, studies and investigations for items in Category D of the Public Works Programme under Head 707 – New Towns and Urban Area Development

- (4) Hon CHAN Chi-chuen requested to provide information on –
- (a) the details/progress of the reprovisioning of the existing residential care homes for the elderly ("RCHEs") at the Dills Corner Garden to a proposed purpose-built RCHE complex in Area 29 of Kwu Tung North ("KTN") New Development Area ("NDA"), any associated compensation arrangements, and a comparison between the existing RCHEs and the proposed RCHE complex in terms of the floor area per person, etc.; and
 - (b) yearly cashflow of the fund of \$28 million (the project estimate for the site formation and associated infrastructure works of the proposed RCHE project).
- (5) Hon Albert CHAN requested to provide information on –
- (a) a breakdown of the estimated cost of \$629 million (the estimated cost for resuming private land required for the proposed RCHE project), including the area of land to be resumed, the ex-gratia compensation rate(s), and whether the rate(s) would be in line with the compensation arrangements for the KTN NDA and Fanling North NDA projects;
 - (b) given the large amount of funds needed for the resumption of the land for the reprovisioning of the existing RCHEs at the Dills Corner Garden, the cost-effectiveness of the reprovisioning proposal; and

- (c) arrangement of the associated infrastructure works (including road, water and electricity supply) of the proposed RCHE project in view of the implementation in advance of the KTN NDA project.

Reply:

The supplementary information on the proposed purpose-built residential care homes for the elderly complex in Area 29 of KTN NDA prepared by Development Bureau, Labour and Welfare Bureau, Social Welfare Department, Lands Department and Civil Engineering and Development Department is set out at **Annex** for reference.

**Finance Committee
Meeting of 11 March 2016**

**Capital Works Reserve Fund Block Allocations
for the 2016-17 Financial Year**

**Follow-up Items 4 and 5 – Supplementary Information
on the Proposed Purpose-built Residential Care Homes for the Elderly
Complex in Area 29 of Kwu Tung North New Development Area**

Introduction

On 17 February 2016, the application for block allocations of the Capital Works Reserve Fund (CWRF) for the 2016-17 financial year was approved by the Public Works Subcommittee for onward submission to the Finance Committee (FC) of Legislative Council (LegCo). The Government was requested to provide, upon submission of the funding application to FC, supplementary information on the items of expenditure regarding the resumption of private land, site formation and associated infrastructure works for the proposed purpose-built residential care homes for the elderly (RCHE) complex in Area 29 of Kwu Tung North (KTN) New Development Area (NDA).

Background of the Item

2. The purpose of including the funding applications for the RCHE complex in Area 29 of KTN NDA under Head 701 Land Acquisition and Head 707 New Towns and Urban Area Development of the CWRF block allocations is to respond to the request for starting the land resumption and clearance, and site formation for the purpose-built RCHE complex as soon as possible, with a view to commencing and completing the construction works of the RCHE complex earlier, thereby minimising the impact on elderly residents living in the RCHEs at the Dills Corner Garden (DCG) to be demolished.

3. As indicated in the LegCo Panel on Welfare Services before, we would, with the interest of the elderly residents in mind, maintain communication with the elderly residents and their families, as well as the RCHEs operators, on the relocation arrangements for the RCHEs at DCG, with a view to reducing the impact to the minimum. In order to start the land

resumption and site formation of the purpose-built RCHE complex the soonest, so that the elderly residents¹ at DCG would be able to move to the newly constructed RCHE complex seamlessly as far as possible, we need to make funding application for the purpose-built RCHE complex before that for the main works of KTN NDA.

Responses to Follow-up Item 4(a)

Details and Work Progress of the Purpose-built RCHE Complex

4. DCG, a former military camp with 25 blocks of two-storey buildings in the North District and a site area of about 3.3ha (32 573m²), is located at the southern part of KTN NDA along Fanling Highway. For effective use of vacant Government property before long-term development, the Government Property Agency (GPA) has leased out some of the premises at DCG to privately operated RCHEs since end-1998 through short-term tenancy agreements, subject to renewal on a bi-annual basis. Tenants leasing government premises are required to vacate the premises upon the expiry of the tenancies or receipt of an advance termination notice as per the terms of the tenancy agreements.

5. At present, there are 15² private RCHEs operated by 11 licensed operators at DCG. These RCHEs are operated on a commercial basis. The serving capacity as at end-February 2016 was 1 127, of which 924 places were occupied. Of the 15 private RCHEs, six participated in the EBPS under the Social Welfare Department (SWD), offering 306 EBPS places of which 294 places were occupied. Of the non-EBPS places in these 15 private RCHEs,

¹ Under the prevailing policy, elderly persons applying for subsidised residential care service (including subsidised places in subvented RCHEs, contract RCHEs and private RCHEs under the Enhanced Bought Place Scheme (EBPS)) must pass the care needs test under the Standardised Care Need Assessment for Elderly Services (SCNAMES) administered by SWD and then be put on the Central Waiting List (CWL). Service allocation will follow the applicant's order on CWL. As for non-subsidised residential care service, elderly persons admitted to the non-subsidised places of contract RCHEs must also pass the care needs test under SCNAMES, but they are not required to waitlist on CWL. Regarding non-subsidised places in self-financing and private RCHEs, SWD does not impose any requirement for admission. In respect of DCG, the purpose-built RCHE complex to be constructed will, in accordance with the arrangements set out in paragraphs 9 to 11 below, accommodate elderly residents affected by the removal.

² According to the paper submitted to the LegCo Panel on Welfare Services in May 2014, there were 16 RCHEs operating at DCG in end-March 2014. As two of these RCHEs have merged since 1 January 2016, the number of RCHEs has now become 15.

630 places were occupied³.

6. The DCG RCHEs are situated at the KTN NDA Town Centre adjoining a railway station. This Town Centre including the DCG together with the surrounding areas is planned for the development of high-density residential and commercial developments, as well as various public facilities including public transport interchange and other community facilities to serve the future NDA residents (**Plan 1**). It is therefore impossible to keep the existing vintage low-rise buildings in-situ with the current form. The Development Bureau and the Labour and Welfare Bureau informed the LegCo Panel on Welfare Services on 12 May 2014 (**Annex 1**) that with the interest of the elderly residents in mind and as a special compassionate arrangement, a purpose-built RCHEs complex with no fewer than 1 100 places for the elderly will be built nearby, and is expected to commence service before 2023 to accommodate eligible elderly residents affected by the removal exercise. According to the latest progress of the Advance Works and the first phase works of the KTN and FLN NDAs, the removal of the DCG RCHEs may have to be carried out in two phases, with the first phase to take place in 2018 and the second in 2023 at the latest.

7. Members of the LegCo Panel on Welfare Services, North District Council as well as RCHEs operators and elderly residents all request the Government to well handle the removal of the RCHEs at DCG affected by the advance works, with a view to reducing the impact on the elderly residents. The requests include avoiding removal of elderly residents away from DCG and speeding up the construction of the new complex, so that the affected elderly residents could move from the RCHEs at DCG to the new complex seamlessly. To this end, we are further studying the feasibility of reducing the number of RCHEs to be demolished in the first phase of demolition in 2018, but whether this can be done is subject to the results of the detailed design underway.

³ As at end January 2016, there were 924 elderly residents in these privately run RCHEs at DCG, including:

- (a) 294 who had passed the care needs test under SCNAMES administered by SWD and were occupying subsidised residential care places under EBPS;
- (b) 131 who had passed the care needs test under SCNAMES and were on CWL for subsidised residential care service and were occupying non-EBPS places; and
- (c) the remaining 499 residents who had not been assessed under SCNAMES and were thus not on CWL and occupying non-EBPS places.

8. Upon LegCo's funding approval for the land resumption and clearance and site formation of the RCHE complex, the Government may start the land resumption and site formation works for the RCHE complex site and commence construction works as soon as possible, so as to strive for a seamless transition.

Reprovisioning Arrangement and Building Design

9. As mentioned above, the first phase demolition of the RCHEs at DCG has to be conducted in 2018 to fit in with the implementation programme of the KTN NDA. To further reduce the number of elderly residents to be affected, the Government is considering the conversion of non-RCHE buildings at DCG into RCHEs during the transitional period (i.e. before the completion of the purpose-built RCHE complex) to accommodate elderly residents affected by the first phase demolition. We aim to accommodate affected elderly residents as far as possible. However, if there is any elderly resident, who could not move to the converted RCHEs, the Government would make every effort to help each and every (i.e. all) of the elderly residents to find alternative accommodation as appropriate, as mentioned in our paper submitted to the LegCo Panel on Welfare Services on 12 May 2014. In accordance with the established practice, in case a RCHE participating in EBPS ceases operation, SWD would provide those elderly residents occupying EBPS places with alternative available EBPS places.

10. Regarding the remaining elderly residents who have not been assessed under SCNAMES, SWD will arrange for such assessment to be done quickly. If the elderly residents pass the care needs test under SCNAMES, they may apply and waitlist for subsidised residential care services. For those who would like to stay in private RCHEs or do not pass the care needs test under SCNAMES, they may consider other private RCHE places in the North District. In addition, operators of the DCG RCHEs may arrange for the affected elderly residents to move to their other RCHEs according to the residents' wish. If necessary, SWD will offer the elderly residents every assistance in finding alternative residential care places in other private RCHEs as appropriate by, for instance, providing information on the availability of places in other private RCHEs in the vicinity.

11. As indicated at the LegCo Panel on Welfare Services on 12 May 2014, in allocating the subsidised residential care places of the new RCHE complex,

priority would be given to eligible existing residents at DCG who have passed the care needs test under SCNAMES before its service commencement in 2023. For those residents who have not passed the care needs test or not been assessed under SCNAMES by the time of service commencement, SWD will assist them in finding alternative placements in other private RCHEs.

12. The 15 private RCHEs currently operating in DCG shall comply with the requirement on minimum net floor area per resident of 6.5 square metres under the Residential Care Homes (Elderly Persons) Regulation (Cap. 459A). Those private RCHEs which have participated in EBPS shall meet even a higher requirement on minimum net floor area per resident, namely 8 square metres for EA2 homes and 9.5 square metres for EA1 homes.

13. All new contract RCHEs will be designed according to the standards applicable at the time. As the detailed design of the purpose-built RCHE complex is underway, relevant technical standards including the area of floor space per resident are to be determined. We are therefore unable to provide concrete figures on spacing at the moment. However, making reference to existing new contract homes, the net floor area per resident is generally larger than that of EA1 homes. Also, as the site of the purpose-built RCHE complex is relatively larger, there is greater flexibility in the design. We will complete the detailed design work at the next stage and explain the details when making funding application for the construction of the complex.

Responses to Follow-up Items 4(b) and 5(a)

Land Resumption Compensation and Work Budget

14. The Government has to resume relevant private land for construction of the purpose-built RCHE complex near the DCG RCHEs, such that the site formation and associated infrastructure works for the complex may commence before the end of 2016. The current funding application is not for the main works or other land resumption compensation associated with the advance works and first phase works of the KTN NDAs, and separate funding application of the two items are still required to be submitted to LegCo separately.

15. A funding application of \$629 million (Head 701 Subhead 1100CA) was made by the Government to cater for the compensation for resumption of

the relevant private land of 15 000 m² (160 000 ft²) and ex-gratia allowances for land clearance. This estimate is worked out based on the existing mechanism of compensation and ex-gratia allowances for land resumption⁴. Regarding the estimate for the compensation and ex-gratia allowances for land resumption, this is assessed in accordance with the prevailing compensation and the ex-gratia allowance mechanism. When private land is resumed, the Government would compensate the land owners according to the relevant ordinances and the ex-gratia zonal compensation system. The system consists of four compensation zones (i.e. Zones A, B, C and D). The distribution and the applicable compensation rate of each zone are determined according to the established mechanism. Generally speaking, if an area is located within a New Town, it will be graded as Zone A under the existing mechanism. The zonal compensation rates are reviewed half-yearly on the basis of the market value and will be published in the gazette. The latest ex-gratia allowance for Zone A (agricultural land) is \$1 112.4 per square foot; as for owners of Zone A (building land), they may be offered compensation based on professional valuation plus ex-gratia allowance at \$2 202 per square foot. This mechanism, which has long been applicable to all land resumption items in the New Territories, was approved by the FC as early as 1996.

16. As regards the site formation and associated infrastructure works of the purpose-built RCHE complex, it is estimated to be \$28 million (Head 707 Subhead 7100CX). This estimate has made reference to related types of public works projects, and taken into account the relevant price indices and other potential risks. Subject to funding approval, the phased expenditure is as follows -

Year	\$ million (MOD prices)
2016-17	6.0
2017-18	18.0
2018-19	4.0
	28.0

⁴ (i) estimated compensation of land resumption \$516 million
(ii) estimated compensation of land clearance \$1 million
(iii) estimated interest relating to various compensation \$7 million
(iv) contingency \$105 million
Total \$629 million

Responses to Follow-up Item 5(b)

Cost effectiveness

17. Through re-planning, provision of transport and basic infrastructures, coupled with increase in development density to make the best use of scarce land resources for increasing the supply of housing and commercial floorspace, it has long been the effective way in developing New Town adopted by the Government. The relatively flat lands in the New Territories are intertwined with numerous private agricultural lands. The Government has to conduct land resumption and clearance before development. With the construction of the RCHE complex, the land occupied by the low-density DCG can be freed up for New Town development (for development of the town centre of KTN NDA and community and public facilities in support of the neighbourhood). This is essentially the same as our new town development approach in the past. This holistic mode of development is cost effective in providing desirable housing and living environment to the residents. In addition, there is a need to construct the RCHE complex as RCHE places are in great demand in the community.

Responses to Follow-up Item 5(c)

Infrastructural packaging

18. The overall design and arrangement of the infrastructure works of KTN NDA have taken into account and made provisions for phased implementation of various areas within the NDA. The purpose-built complex of the RCHE will connect with the existing Castle Peak Road - Chau Tau Section via the proposed Road D1. The power and water supply for the purpose-built complex will be laid along Road D1 (**Plan 2**) to connect to public utilities installations in the Castle Peak Road – Chau Tau Section. Related infrastructures will be available to serve the RCHE complex earlier than the completion of the infrastructure works of KTN NDA itself, and there is no conflict between the works.

Relationship with the Adjacent Site Involved in Land Exchange

19. Some Members are concerned that it is the Government's intention to clear and vacate part of the DCG RCHE site in 2018 in order to complete the

land exchange application with the developer of the adjacent site as soon as possible. For the KTN and FLN NDAs' new town extension, the Government will, on the premise of compliance with the NDAs' planning and development schedule, apply more stringent requirements⁵ for handling "conditional lease modification application" (including in-situ land exchange) where specified criteria and conditions are met. The Lands Department announced earlier (on 15 July 2015) that two land exchange applications were accepted for further processing and one of those was located in the KTN NDA (**Plan 2**).

20. The area of the abovementioned KTN land exchange application lies entirely beyond the current site of the DCG RCHEs. The RCHE site, which is Government land, is not involved in any of the land exchange applications accepted for further processing. The northern portion of the DCG RCHE and the land located to its east, currently zoned "Other Specified Uses", will be used for commercial/residential development-cum-public transport interchange. The Government's proposal to demolish part of the RCHE site in 2018 is only intended to facilitate early construction of the public transport interchange to serve the first population intake in 2023. It is not related to developer's land exchange application. The relevant Government land will not be incorporated into any land exchange application.

Background of Kwu Tung North and Fanling North New Development Areas

21. The KTN and FLN NDAs will be an important source of housing and land supply for Hong Kong, especially in terms of public rental housing (PRH) and Home Ownership Scheme (HOS) flats. The NDAs will have a capacity to provide 60 000 residential units, amongst which 60 per cent (i.e. 36 000 flats) would be PRH and HOS flats, to accommodate a new population of over 170 000. Apart from housing land supply, the NDAs could provide

⁵ The set of criteria include four key points:

- (i) lease modification/land exchange application is only applicable to sites lying within an area planned for private development in the adopted KTN Outline Development Plan and FLN Outline Development Plan.
- (ii) specified criteria and conditions must be met, including that the proposed site should have an area of not less than 4 000 m² and all the lots contained therein should be under a unified ownership.
- (iii) "Lease modification application" (including in-situ land exchange) has to be concluded within a specified time period, and under any circumstance, it must be completed before the Government initiates land resumption programme.
- (iv) landowners in proposed lease modification applications should be fair to the tenants/occupants, such as offering them with monetary compensation comparable to that offered by the Government.

development space for different types of commercial, office, hotel, retail and services, as well as research and development uses, so as to satisfy the demand for other land uses. Together with the employment opportunities from other community facilities, about 37 700 new jobs will be provided in these NDAs.

22. In June 2014, funding approval for the detailed design and site investigation of the advance site formation and engineering infrastructure works of the KTN and FLN NDAs (the advance works) was granted by the FC. The detailed design and site investigation of the Advance Works have commenced in November 2014. We plan to seek funding approval from the LegCo in due course to support the advance works, which include the site formation and associated infrastructure works for the relevant housing land. Subject to LegCo's funding approval, the abovementioned construction works may commence in 2018 to provide about 16 000 new residential units, of which 13 000 will be public housing units. The first population intake is expected to start in 2023.

Development Bureau

Labour and Welfare Bureau

Social Welfare Department

Lands Department

Civil Engineering and Development Department

March 2016

For discussion
12 May 2014

LC Paper No. CB(2)1430/13-14(08)

Legislative Council Panel on Welfare Services

Private Residential Care Homes for the Elderly at Dills Corner Garden

Purpose

This paper sets out the information and latest development on the existing private residential care homes for the elderly (RCHEs) at the Dills Corner Garden (DCG) and the elderly residents living therein in the context of implementing the Kwu Tung North (KTN) New Development Area (NDA) in 2018.

Private RCHEs at DCG

2. DCG, a former military camp with 25 blocks of two-storey buildings in the North District and a site area of about 3.3ha (32 573m²), is located at the southern part of KTN NDA along Fanling Highway. The Government Property Agency (GPA) has leased out some of the premises at DCG to privately operated RCHEs since end-1998 through short-term tenancy agreements, subject to renewal on a bi-annual basis. Generally speaking, in respect of leasing of government premises, tenants are required to vacate the premises upon the expiry of the tenancies or the giving of advance notice to terminate the tenancies as per the terms of the tenancy agreements.

3. At present, there are 16 private RCHEs operated by 11 licensed operators at DCG. These RCHEs are operated on a commercial basis. The serving capacity as at end-March 2014 was 1 129, of which 958 places were occupied. The monthly fee charged by these RCHE varies, with the average rate at about \$6,500¹. Of the 16 RCHEs, seven participated in the Enhanced Bought Place Scheme (EBPS) under the Social Welfare Department (SWD), offering 306 EBPS places of which 297 places were occupied. Of the non-EBPS places in these 16 private RCHEs, 661 places were occupied (please see further details in paragraph 6 below).

¹ As at end-March 2014, out of the 958 residents at DCG RCHEs, 737 (77%) were Comprehensive Social Security Assistance recipients.

Clearance of DCG for KTN NDA

4. The DCG falls within the Town Centre of KTN NDA. The whole DCG site is within a 500-metre radius of the future Kwu Tung Station which would be the focal point of KTN, with its northern part located right next to the Station. The site falls within an area zoned “Other Specified Uses” annotated “Commercial/Residential Development with Public Transport Interchange”, “Government, Institution or Community”, “Open Space” and Road on the Draft KTN Outline Zoning Plan No. S/KTN/1 (see plan at **Annexes 1 and 2**). From the planning perspective, the DCG has to be cleared to provide space for redevelopment into the future Town Centre of KTN which will be occupied by high density developments and active uses. The developments are essential to serve the first population intake of the KTN NDA. It is impossible to keep the existing premises at DCG in-situ without adversely affecting the planning and implementation of the KTN NDA town centre.

5. According to the current implementation programme of KTN NDA, the RCHEs at DCG would need to be vacated and cleared for the above planned developments in 2018. Any delay to completion of the facilities at these sites would have major adverse impact on the first population intake for the KTN NDA. The continued presence of RCHEs at DCG would also constrain the implementation of the new Town Centre. Keeping the DCG site intact is thus not an option. Moreover, it should be noted that DCG is located close to the arsenic hot spot where extensive arsenic treatment may be required. Whilst very stringent environmental mitigation measures would be taken during construction, there would likely be dust and noise nuisance caused to the elderly residents.

Assisting Elderly Residents at Private RCHEs under existing practice

6. As at end-March 2014, there were 958 residents in these privately run RCHEs at DCG, including:

- (a) 297 who had passed the care needs test under the Standardised Care Needs Assessment Mechanism for Elderly Services (SCNAMES) administered by SWD and were occupying subsidised residential care places under EBPS;

- (b) 110 who had passed the care needs test under SCNAMES and were on the Central Waiting List (CWL) for subsidised residential care service and were occupying non-EBPS places; and
- (c) the remaining 551 residents who had not been assessed under SCNAMES and were thus not on CWL and occupying non-EBPS places.

7. The Government would make every effort to help each and every (and all) of the elderly residents to find alternative accommodation as appropriate when the RCHEs at DCG are cleared in 2018 to fit in with the implementation programme of KTN DNA, as referred to in paragraph 5 above. In accordance with the established practice, in case an RCHE participating in EBPS ceases operation, SWD would provide those elderly residents occupying EBPS places (as referred to in paragraph 6(a) above) with alternative available EBPS places.

8. For the 110 elderly residents who were already on CWL (as referred to in paragraph 6(b) above), 50 were waiting for nursing home places while the other 60 for care-and-attention home places. Given the current average waiting time for such subsidised places, it is very likely that these elderly persons would have been offered subsidised residential care places by SWD in or before mid-2018.

9. Regarding the remaining 551 residents (as referred to in paragraph 6(c) above), they may apply for assessment by SCNAMES and SWD would arrange for such assessment to be done quickly and if they pass the care needs test under SCNAMES, they may apply for and waitlist for subsidised residential care services. For those who would like to stay in private RCHEs or do not pass the care needs test under SCNAMES, they may choose to move to another private RCHE operated by the same operator, move to other RCHEs arranged by the operator, or move to other RCHEs / places as decided by the residents or their family members, etc. SWD will offer them every assistance in finding alternative residential care places in other private RCHEs as appropriate, e.g. to provide information on the availability of places in other private RCHEs in the vicinity.

The Latest Development

10. Noting the wish of the existing elderly residents at DCG for preserving their communities and relocating them in the vicinity en bloc, the Development Bureau (DEVB), Labour and Welfare Bureau (LWB) and

relevant departments have been working hard and in concert to explore possible special arrangements, in addition to those referred to in paragraphs 7 to 9 above, with the interest of the elderly residents in mind. Our preliminary thinking is as follows :

- (a) As mentioned in paragraph 4 above, it is not possible to keep the existing premises at DCG in-situ without adversely affecting the planning and implementation of KTN NDA Town Centre. Notwithstanding this, we are considering decanting and demolishing the RCHEs at DCG in two phases to tie in with KTN NDA development programme, in particular the Advance Works, with the first phase to take place in 2018 and the second in 2023 at the latest. Those RCHEs on the part of the site which is subject to development by 2023 could stayput at DCG until the second phase removal. It should be noted that they would be located adjacent to works sites where active decontamination and construction works would be underway. Whilst stringent mitigation measures will be implemented, there would still likely be dust and noise nuisance to the elderly residents at DCG;
- (b) As part of KTN NDA Advance Works, we are seriously exploring constructing a purpose-built complex of contract homes with 1 100 places for the elderly at a possible site within KTN NDA in the vicinity of DCG. If this option is found feasible, we expect the contract homes to commence service by 2023. We would make every effort to expedite the project. The contract homes would be equipped with modern facilities and required to comply with the latest design and standard of contract homes in order to offer quality residential care services;
- (c) In allocating the residential care places of the new contract homes, priority would be given to eligible existing residents at DCG who have passed the care needs test under SCNAMES before service commencement of the proposed new contract homes in 2023. Eligible residents affected by the second-phase clearance may move directly from the existing RCHEs at DCG to the new contract homes. Eligible residents affected in the

first phase clearance may also opt to move to the new contract homes, though inevitably they would have to move to other RCHEs during the interim period. For those residents who have not passed the care needs test or not been assessed under SCNAMES by the time of service commencement of the new contract homes, SWD will offer them assistance in finding alternative placements in other private RCHEs; and

- (d) In line with the existing practice, SWD will select suitable non-governmental organisations / private operators through invitation of tenders for the operation of the proposed contract homes. The DCG RCHE operators can participate in the open tendering exercise and bid for the operation of such contract homes in accordance with the existing arrangements. Given the large number of residential care places (1 100) involved, SWD would select several operators to run the places in the form of separate RCHEs.

11. DEVB, LWB and relevant departments will continue to seriously explore the above as special measures to facilitate the smooth removal of the RCHEs at DCG for KTN NDA development as a new town extension which is an important source of public housing supply in the next decade. We will continue to keep in touch with all stakeholders at DCG in the process, including the elderly residents and their family members as well as the operators. Our aim is to reduce the impact of the removal exercise to a minimum.

Advice Sought

12. Members are invited to note the contents of this paper. We will keep Members abreast of developments.

**Development Bureau
Labour and Welfare Bureau
Social Welfare Department
May 2014**



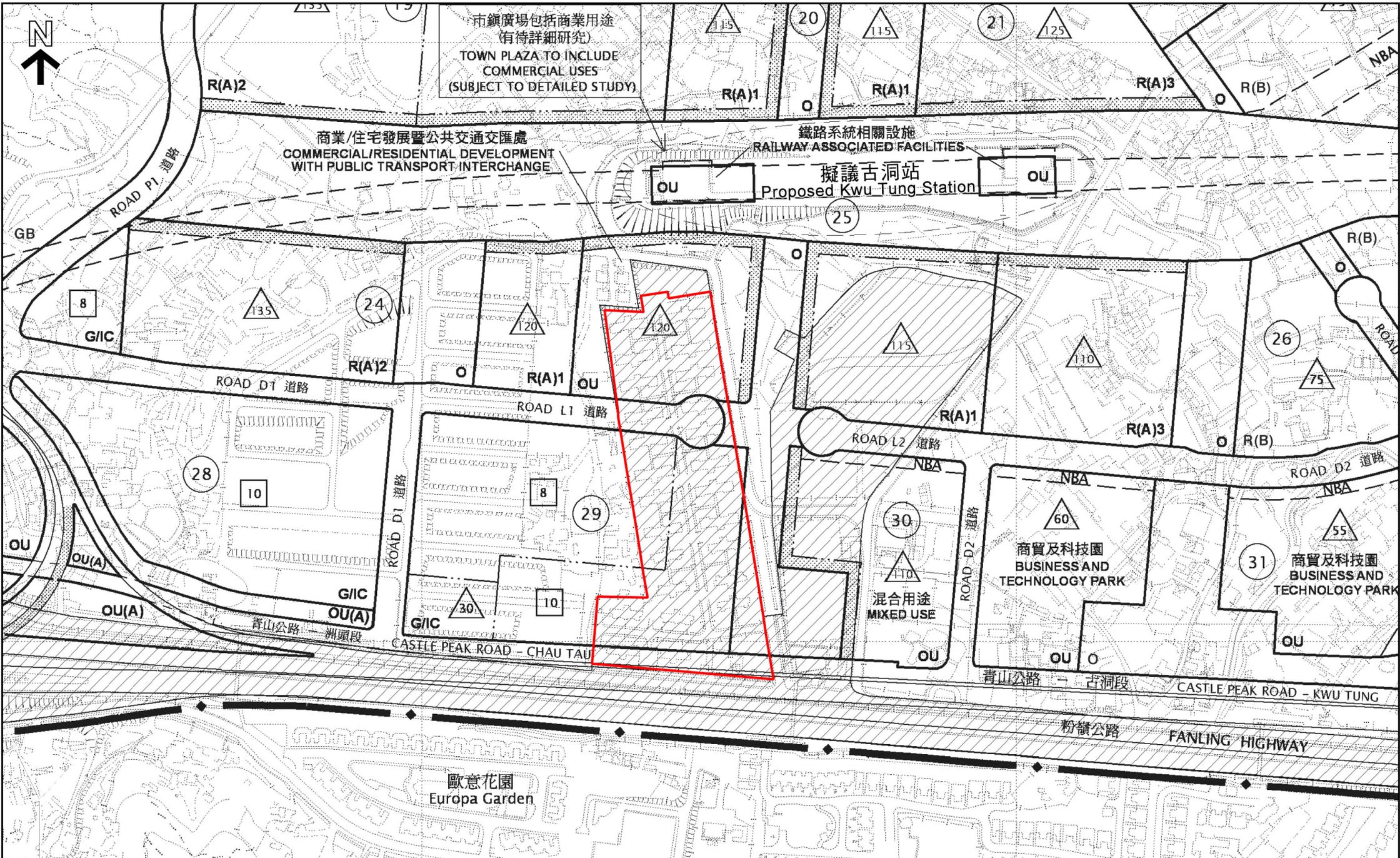
此圖是根據《1997年4月1日在憲報公佈的屯門北中期發展審批地區圖綱》
 (S/KTN/1) 及《1997年4月1日在憲報公佈的屯門北中期發展審批地區圖綱》
 在憲報公佈的屯門北中期發展審批地區圖綱 (S/KTN/1) 的範圍內。
 AREA NOT FALLING WITHIN THE BOUNDARIES OF THE KWU TUNG NORTH
 INTERIM DEVELOPMENT PERMISSION AREA PLAN NO. IDPA/N/NT/1 PUBLISHED IN
 THE GAZETTE ON 17.8.1990 BUT INCLUDED IN THE PLANNING SCHEME AREA
 OF THE DRAFT KWU TUNG NORTH OUTLINE ZONING PLAN NO.
 S/KTN/1 PUBLISHED IN THE GAZETTE ON 20.12.2013

根據古洞北分區計劃大綱草圖編號S/KTN/1
 BASED ON KWU TUNG NORTH DRAFT
 OUTLINE ZONING PLAN No. S/KTN/1

石仔嶺花園位置圖 Location Plan of Dills Corner Garden

附件 1
 Annex 1

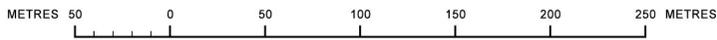


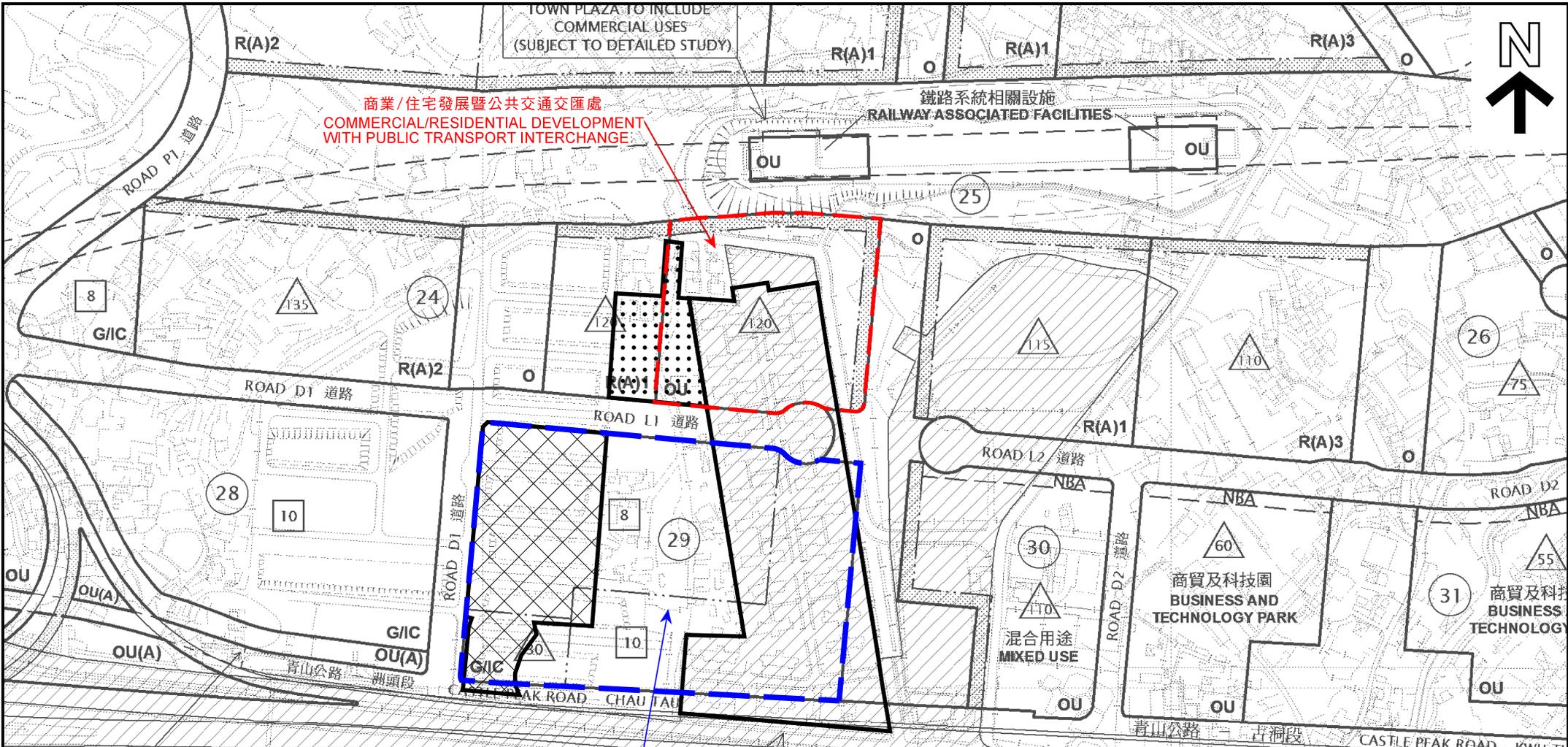


根據古洞北分區計劃大綱草圖編號S/KTN/1
 BASED ON KWU TUNG NORTH DRAFT
 OUTLINE ZONING PLAN No. S/KTN/1

石仔嶺花園位置圖
 Location Plan of Dills Corner Garden

附件 2
 Annex 2





商業/住宅發展暨公共交通交匯處
COMMERCIAL/RESIDENTIAL DEVELOPMENT
WITH PUBLIC TRANSPORT INTERCHANGE

鐵路系統相關設施
RAILWAY ASSOCIATED FACILITIES

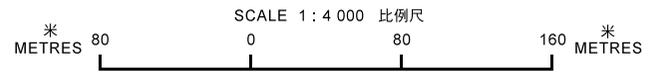
- 圖例 LEGEND**
-  特建安老院舍綜合大樓地盤
PURPOSE-BUILT COMPLEX OF RESIDENTIAL CARE HOMES FOR THE ELDERLY SITE
 -  建議換地申請土地
PROPOSED LAND EXCHANGE APPLICATION SITE
 -  現時位於石仔嶺花園的安老院舍
THE EXISTING RESIDENTIAL CARE HOMES FOR THE ELDERLY AT DILLS CORNER GARDEN

政府、機構或社區用地-預留作學校、體育中心、地區圖書館、
社會會堂、綜合兒童及青少年務中心、綜合家庭服務中心、
幼兒中心及社會保障辦事處(有待部門詳細設計)
GOVERNMENT, INSTITUTION OR COMMUNITY ZONE - EARMARKED
FOR SCHOOLS, SPORTS CENTRE, DISTRICT LIBRARY, COMMUNITY
HALL, INTEGRATED CHILDREN AND YOUTH SERVICES CENTRE,
INTEGRATED FAMILY SERVICE CENTRE, CHILD CARE CENTRE
AND SOCIAL SECURITY FIELD UNIT
(SUBJECT TO DETAILED DESIGN BY DEPARTMENTS)

石仔嶺花園未來土地用途

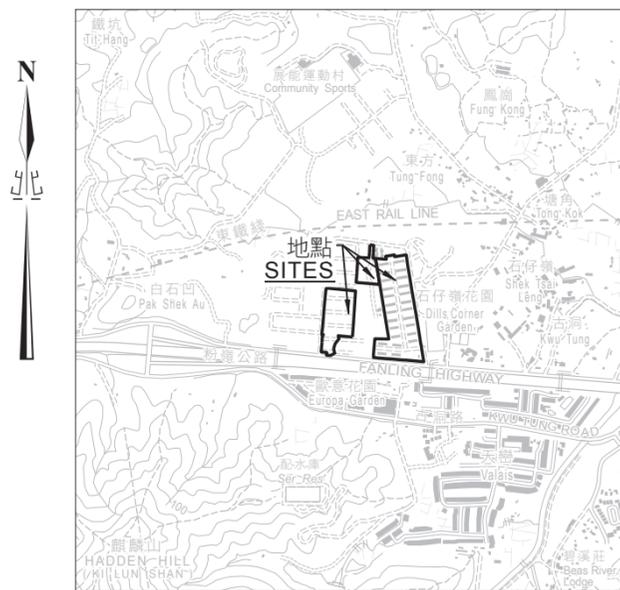
FUTURE LAND USE OF DILLS CORNER GARDEN

根據的資料為於2015年6月16日核准的
分區計劃大綱圖編號S/KTN/2
BASED ON OUTLINE ZONING PLAN
No. S/KTN/2 APPROVED ON 16.6.2015



附圖一
PLAN 1

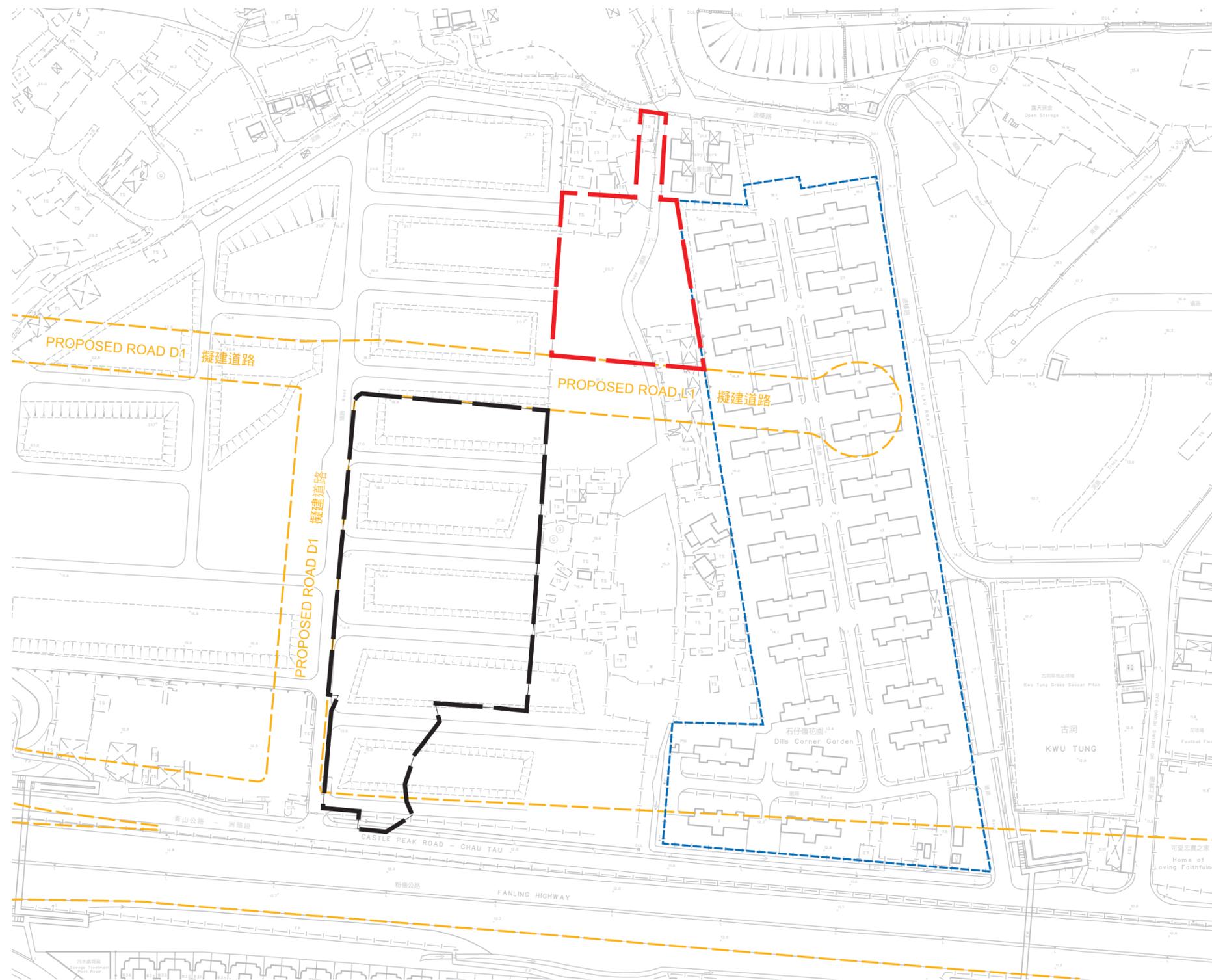
位置 LOCATION



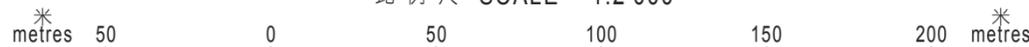
比例 SCALE 1:20 000

圖例 LEGEND

-  特建安老院舍綜合大樓地盤
PURPOSE-BUILT COMPLEX OF RESIDENTIAL CARE HOMES FOR THE ELDERLY SITE
-  建議換地申請土地
PROPOSED LAND EXCHANGE APPLICATION SITE
-  現時位於石仔嶺花園的安老院舍
THE EXISTING RESIDENTIAL CARE HOMES FOR THE ELDERLY AT DILLS CORNER GARDEN



比例尺 SCALE 1:2 000



位置圖
LOCATION PLAN

只作識別用 FOR IDENTIFICATION PURPOSES ONLY

地政總署 工程項目組
Projects Section
Lands Department

圖則由測繪處工程項目測量小組繪製
Plan Prepared by Projects Survey Unit, Survey and Mapping Office

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檔案編號 File No. -----

地圖編號 Map Sheet No. 2-SE-9B

分區計劃大綱圖編號 O.Z.P. No. S/KTN/2

參考圖編號 Reference Plan. No. -----

圖則編號 PLAN No. DNM5038

日期 Date : 22/02/2016