

**For discussion on
9 July 2018**

**LEGISLATIVE COUNCIL
PANEL ON WELFARE SERVICES**

**Provision of Elderly and Rehabilitation Service Facilities
in Sham Shui Po and Kwun Tong, and
Arrangements for Annual Briefings on Lotteries Fund Projects**

Purpose

This paper briefs Members on the Government's proposal to set up elderly and rehabilitation service facilities at three development projects in Sham Shui Po and Kwun Tong, with the construction costs to be met by the Lotteries Fund (LF)¹. This paper also explains a new mechanism to facilitate the Panel's understanding of planned welfare facility projects funded by LF by providing annual briefings.

Background

2. The Government's elderly care policy is to promote "ageing in place as the core, institutional care as back-up". The Social Welfare Department (SWD) provides a variety of subsidised community care services to help elderly persons age in place, which include day care services for frail elderly persons provided at day care centres/units for the elderly (DEs/DCUs). These services cover personal and nursing care, rehabilitation exercise, meal, transportation service, etc. While most elderly persons would prefer ageing in place, some frail elderly persons would need institutional care for health or family reasons. In view of the ageing population and the high demand for subsidised residential care places, SWD has continued to strive for more supply. The setting up of new contract residential care homes for the elderly (RCHEs) is one of the

¹ LF is established for the purpose of financing social welfare services. It is primarily used to finance the capital expenditure of welfare projects and provide one-off grants to experimental projects with limited duration. Under section 6(4) of the Government Lotteries Ordinance (Cap. 334), the Financial Secretary has the authority to approve payments from LF to finance the support and development of approved social welfare services. Subject to certain conditions, authority to approve grants from LF has been delegated to the Director of Social Welfare, acting on the advice of the Lotteries Fund Advisory Committee (LFAC).

major initiatives in this regard.

3. As regards rehabilitation services, the overall objective of the Government's policy is to support the full integration of persons with disabilities into society. We provide various rehabilitation services with a view to assisting persons with disabilities in developing their physical, mental and social capabilities to the fullest possible extent and promoting their integration into the community. These services include the provision of residential care services for persons with disabilities who are unable to live independently or cannot be adequately taken care of by their families; training and support for persons with disabilities with a view to enabling them to continue to live independently at home, enhancing their working capacity and opportunities of participating in open employment; and provision of intervention and training services through pre-school rehabilitation services for children with special needs to enhance their physical, psychological and social developments, improve their opportunities of attending ordinary schools and participating in daily activities, and help their families meet their special needs.

4. As at end-May 2018, there were 76 DEs/DCUs in Hong Kong, providing a total of 3 202 service places; and there were a total of 27 493 subsidised residential care places for the elderly. For rehabilitation services, as at end-May 2018, the Government provided a total of 13 176 subsidised residential care places, 17 980 day training and vocational rehabilitation service places and 7 268 pre-school rehabilitation service places.

Proposed Facilities

5. In view of the strong demand for elderly and rehabilitation services from the community, SWD plans to set up elderly and rehabilitation service facilities at the following locations to provide a total of 230 elderly service places and 410² rehabilitation service places:

- (i) public housing development project at North West Kowloon Reclamation (NWKR) Site 1 (East), Sham Shui Po;

² Amongst these rehabilitation service places, 260 involve funding from LF whereas 150 do not involve funding from LF. For details, please refer to paragraph 7.

- (ii) public housing development project at Hiu Ming Street, Kwun Tong; and
- (iii) So Uk Estate Redevelopment Phase 1, Sham Shui Po.

I. Public Housing Development Project at NWKR Site 1 (East), Sham Shui Po

6. The Housing Department (HD) will take forward a public rental housing development project at NWKR Site 1 (East), Sham Shui Po by constructing three new domestic blocks, providing about 2 550 flats with a planned population of about 7 000 (location plan at Annex 1). To meet the demand for welfare services, SWD will, in collaboration with HD, construct a 100-place contract RCHE at the public housing development. The public housing development project will also provide a neighbourhood elderly centre (NEC). In accordance with the established funding arrangements, the construction cost of this facility will be met by the Block Allocation of Capital Works Reserve Fund (CWRF) Head 708 Subhead 8001SX (i.e. not funded by LF). According to HD, the construction works of the public housing development are scheduled for commencement in December 2018 and completion in October 2023.

II. Public Housing Development Project at Hiu Ming Street, Kwun Tong

7. HD is also planning a public rental housing development project at Hiu Ming Street, Kwun Tong, constructing two new domestic blocks with about 1 080 public housing flats and a planned population of 3 030 (location plan at Annex 2). SWD will incorporate a number of welfare facilities in the development project, including a 100-place contract RCHE cum a 30-place DCU, as well as a 50-place day activity centre (DAC) cum a 50-place hostel for severe mentally handicapped persons (HSMH). The construction costs of the above facilities will be met by LF. In addition, other facilities will be provided in the public housing development, including a 60-place special child care centre (SCCC) cum a 90-place early education and training centre (EETC), as well as a counselling centre for psychotropic substance abusers. In accordance with the established funding arrangements, the construction costs of these facilities will be met by the Block Allocation of CWRF Head 708 Subhead 8001SX (i.e. not funded by LF). According to HD, the construction

works are scheduled for commencement in November 2018 and completion in March 2025.

III. So Uk Estate Redevelopment Phase 1, Sham Shui Po

8. SWD has incorporated a number of welfare facilities in the redevelopment of So Uk Estate Phase 1, including a 40-place care and attention home for severely disabled Persons (C&A/SD), as well as a 30-place SCCC cum a 90-place EETC (location plan at Annex 3). According to HD's redevelopment scheme, the proposed C&A/SD and SCCC cum EETC will be located on the third to fourth floors and the second floor of Block 10 of So Uk Estate respectively. The construction works of So Uk Estate Redevelopment Phase 1 has been completed. The premises are ready for operators from non-governmental organisations (NGOs) to carry out fitting-out works before service commencement.

Selection of Operators

9. SWD will award contracts to suitable NGOs or private operators through open bidding in respect of the operation, management and maintenance of the proposed contract RCHE in the public housing development project at NWKR Site 1 (East), Sham Shui Po and the proposed contract RCHE cum DCU in the public housing development project at Hiu Ming Street, Kwun Tong. For the proposed rehabilitation facilities, SWD will invite NGOs to submit proposals for selecting suitable operators.

10. Taking account of the lead time required for rectification of defects and selection of operators, the service contracts for the operation of the proposed contract RCHE in the public housing development project at NWKR Site 1 (East), Sham Shui Po and the proposed contract RCHE cum DCU in the public housing development at Hiu Ming Street, Kwun Tong are targeted for award in around the fourth quarter of 2024 and the first quarter of 2026 respectively. The proposed DAC cum HSMH in the public housing development at Hiu Ming Street, Kwun Tong is expected to commence operation in the first quarter of 2026, whereas the proposed C&A/SD and SCCC cum EETC in So Uk Estate Redevelopment Phase 1, Sham Shui Po are expected to commence operation in September 2019.

Funding Arrangements

11. The costs of \$237 million for the construction/fitting-out works/purchase of furniture and equipment of the welfare facilities in the

above three development projects will be met by the LF. The funding applications concerned have received the support of LFAC.

Recurrent Financial Implications

12. The estimated full-year recurrent funding requirements³ for the operation of the proposed elderly and rehabilitation service facilities in the public housing development project at NWKR Site 1 (East), Sham Shui Po, the public housing development project at Hiu Ming Street, Kwun Tong and So Uk Estate Redevelopment Phase 1, Sham Shui Po (including personal emoluments, other charges, rates and government rent, management and maintenance fees) are \$16.61 million, \$36.67 million and \$23.57 million respectively after netting off the income of service users' fees. The necessary recurrent provision will be included in the draft Estimates of the relevant years.

Public Consultation

13. HD has consulted the Sham Shui Po District Council (DC), Kwun Tong DC and their committees on the above three public housing development projects respectively, including the proposals of setting up welfare facilities therein. Members generally had no adverse comments on the three development projects including the proposals of setting up welfare facilities therein.

Arrangements for Annual Briefings on Welfare Facility Projects Funded by LF

14. At the Panel meeting on 12 March 2018, the Government briefed the Panel on a proposal to construct RCHEs and DEs at a land sale site of Kai Tak, Kowloon. In the paper for the meeting, the Government indicated that we were actively exploring to brief the Panel annually on LF funded welfare facilities. The Government has formulated relevant arrangements for the annual briefings and the details are set out in paragraphs 15 to 18 below.

15. The Government strives to increase the provision of welfare service places under a multi-pronged approach to meet community needs. SWD has earmarked sites in a number of projects for the construction of different types of welfare facilities, in particular elderly service,

³ For RCHEs, the cost of operating each proposed contract RCHE is calculated based on a notional plan of having 60% subsidised places.

rehabilitation service and child care service facilities which are in great demand. These projects include public housing development projects, private land development projects, development projects of the Urban Renewal Authority, redevelopment/conversion projects of vacant school premises, and development projects on “Government, Institution or Community” sites, etc. The Government will also incorporate land sale conditions in suitable land sale sites, requiring private developers to construct welfare facilities specified by the Government with the construction cost to be met by LF. Separately, the Government launched the Special Scheme on Privately Owned Sites for Welfare Uses in September 2013 to encourage NGOs to better utilise their own sites and provide or increase, through expansion, redevelopment or new development, those welfare facilities considered by the Government as being in acute demand, in particular to increase elderly and rehabilitation service places.

16. Under the existing arrangements, the Government will brief the Panel on LF projects with an estimated recurrent cost exceeding a pre-defined threshold of \$10 million (subject to adjustment from time to time where appropriate), including welfare facilities funded by LF. With a view to providing the Panel with early information on the Government’s annual implementation timetable for welfare facility projects and enabling a thorough discussion on the overall plan, we propose briefing the Panel annually on welfare facility projects funded by LF. This briefing arrangement will also help ensure that each welfare facility could tie in with the development project involved in a timely manner.

17. In the annual briefing each year, we propose to provide the Panel with a list of welfare facility projects which are planned to seek funding from LF in the coming year and the estimated recurrent cost of which exceeds the pre-defined threshold of \$10 million. The list will include different projects derived through the multi-pronged measures mentioned in paragraph 15 above. LF projects that are scheduled to seek LF funding in the coming year are set out at **Annex 4**. These projects are at different planning stages. The Government will continue to take various follow-up actions to deliver the projects as soon as possible, which include the planning of necessary welfare facilities, consulting the relevant DCs, estimating the construction cost and recurrent expenditure, etc. Upon confirming the details of individual projects, the Government will, in accordance with the prevailing approval procedures, consult LFAC on the funding applications before officers with delegated authority from the Financial Secretary approve the funding.

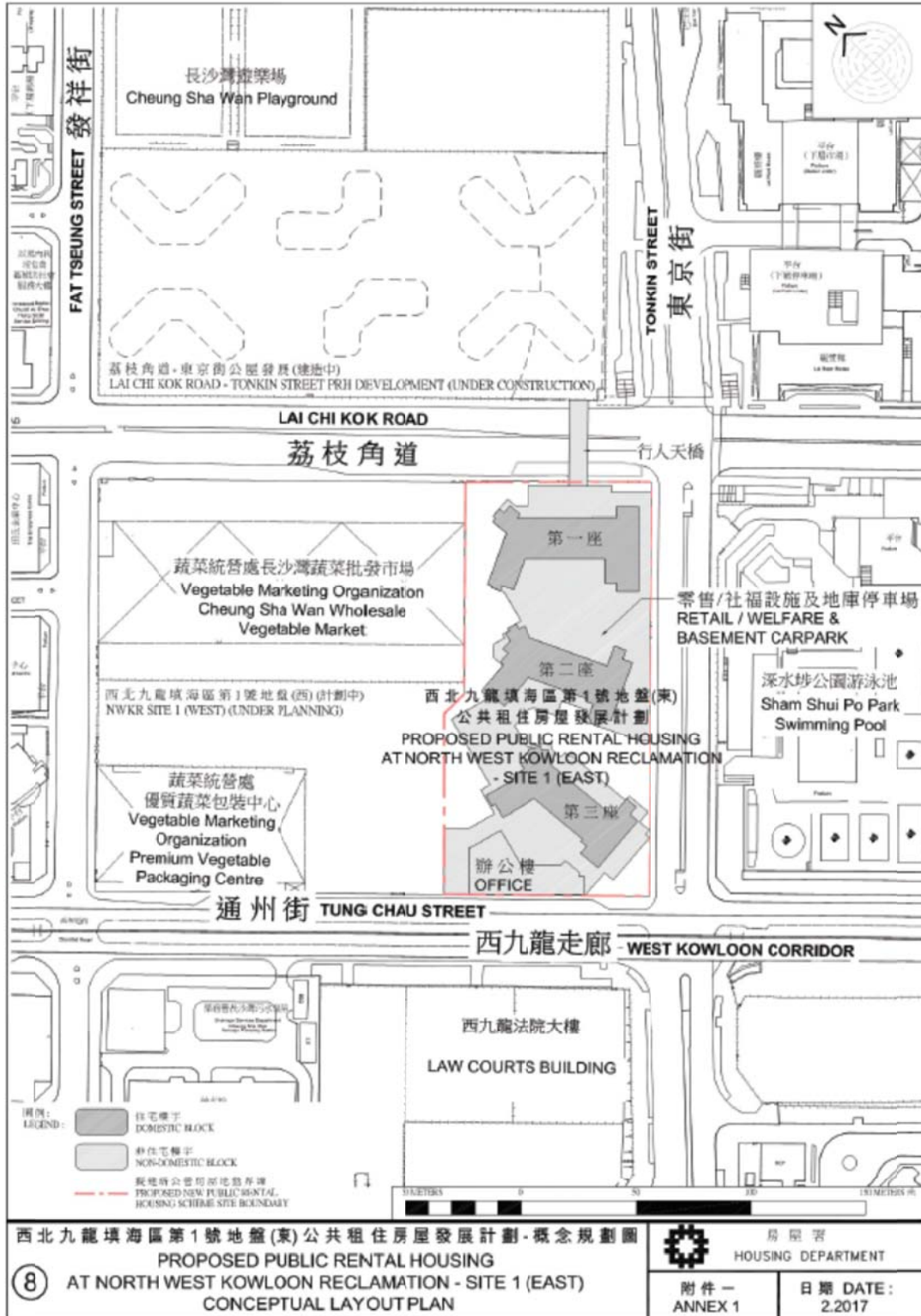
18. Apart from introducing projects planned for funding from LF in the coming year, the annual briefing each year will also provide updated information on projects included in the previous annual briefing to enable the Panel to keep track of their latest development. On the other hand, where an individual LF project cannot tie in with the timing of the annual briefing and has not been included in the project list of an annual briefing, and it is necessary to seek funding from LF before the next annual briefing, the Government will separately brief the Panel on the project before its implementation.

Advice Sought

19. Members are invited to note and comment on the proposed elderly and rehabilitation service facilities at the above three projects and the arrangements for providing annual briefings on welfare facility projects funded by LF.

Labour and Welfare Bureau
Social Welfare Department
July 2018

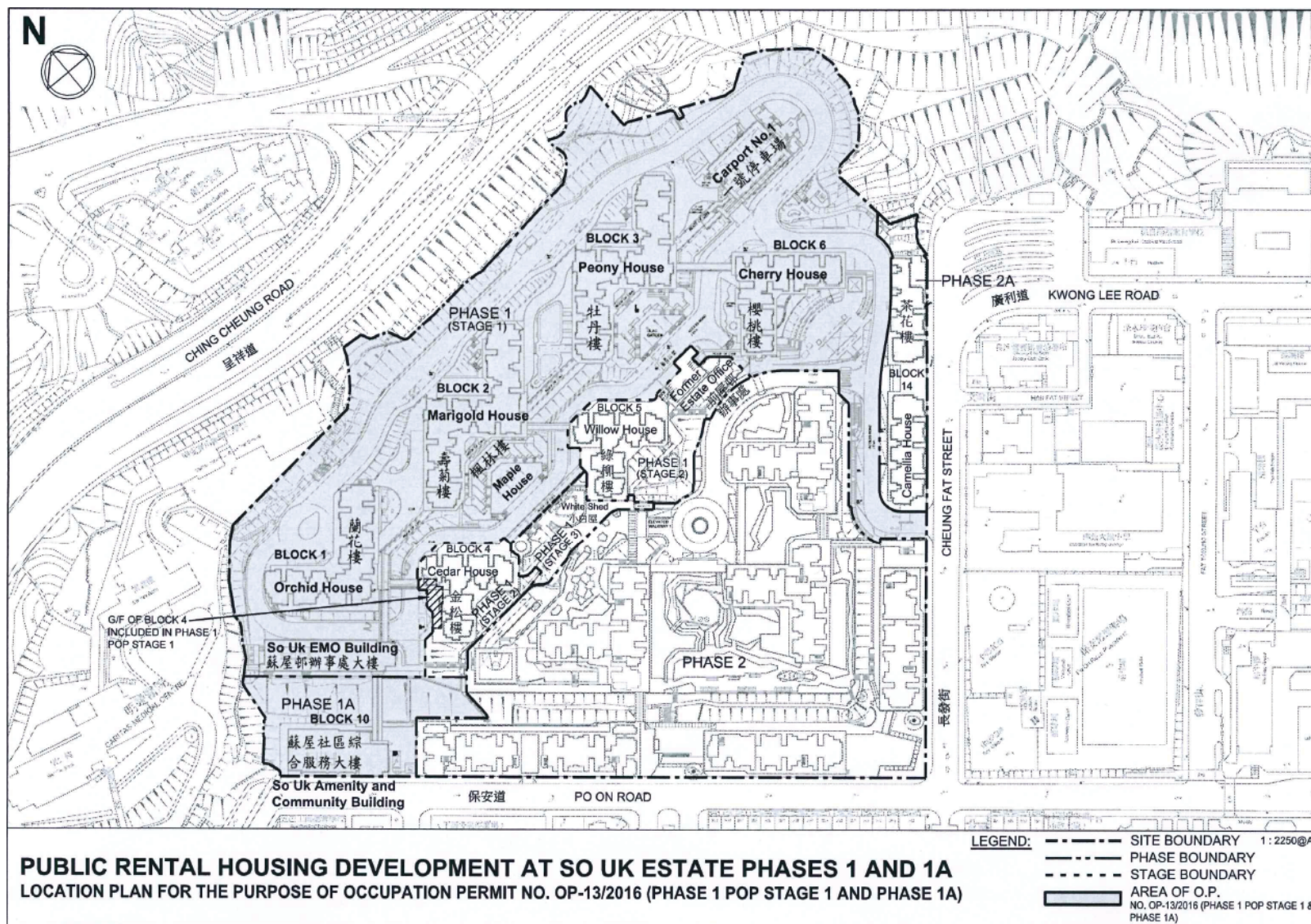
**Site Plan of Public Housing Development Project
at NWKR Site 1 (East), Sham Shui Po**



Site Plan of Public Housing Development Project at Hiu Ming Street, Kwun Tong



Site Plan of So Uk Estate Redevelopment Phase 1, Sham Shui Po



LF Projects Planned to Seek Funding from July 2018 to June 2019⁴
(excluding the three projects in Sham Shui Po and Kwun Tong introduced in the paper)

	Site Location and Nature of Development Project	Brief Descriptions of Development Project	Proposed Welfare Facilities	Works Agent	Estimated Construction Cost	Indicative Recurrent Cost⁵	Estimated Timetable of Delivery of Welfare Facilities	Public Consultation
1.	Public housing development at Ching Hong Road North, Tsing Yi	The public housing development will be carried out in three phases involving a total site area of about 6.2 hectares (ha). Four	<ul style="list-style-type: none"> • RCHE (150 places) • The construction cost of the following facilities will be met by Block Allocation of CWRP Head 708 Sub-head 8001SX: <ul style="list-style-type: none"> - DE (60 places) - NEC 	HD	<p>The estimated construction cost of the welfare facility is under planning.</p> <p><u>For Members' reference only:</u> The estimated construction</p>	About \$25 million	Service commencement expected in 2025-26	DC consultation was completed in October 2017

⁴ The list only includes projects with an estimated recurrent cost exceeding \$10 million.

⁵ The indicative recurrent cost is only a preliminary estimate and will be subject to change as we continue to work out the details of the projects.

	Site Location and Nature of Development Project	Brief Descriptions of Development Project	Proposed Welfare Facilities	Works Agent	Estimated Construction Cost	Indicative Recurrent Cost⁵	Estimated Timetable of Delivery of Welfare Facilities	Public Consultation
		domestic blocks are proposed to be constructed, producing about 3 200 flats for a planned population of about 7 800. According to the present development programme, the works are expected to commence by phases in 2019 for completion by phases from	<p>(reprovisioned facility)</p> <ul style="list-style-type: none"> - Integrated children and youth services centre (reprovisioned facility) - Social and recreational centre for the disabled (reprovisioned facility) - Day child care centre (100 places) (reprovisioned facility) 		cost of the 100-place RCHE in the public housing development project at NWKR Area Site 1 (East), Sham Shui Po is \$67.335 million.			

	Site Location and Nature of Development Project	Brief Descriptions of Development Project	Proposed Welfare Facilities	Works Agent	Estimated Construction Cost	Indicative Recurrent Cost⁵	Estimated Timetable of Delivery of Welfare Facilities	Public Consultation
		2023 to 2029.						
2.	Conversion of ex-Kei Leung Primary School, Tuen Mun into an integrated welfare services complex	SWD proposes converting the premises of ex-Kei Leung Primary School at Leung King Estate, Tuen Mun into an integrated welfare services complex. The school premises consist of two buildings of one storey and seven storeys	<ul style="list-style-type: none"> • RCHE (100 places) • Integrated vocational rehabilitation services centre (120 places) • Supported hostel (60 places) • Integrated community centre for mental wellness (reprovisioned facility) 	SWD	The estimated construction cost of the welfare facilities is under planning.	About \$41 million	Service commencement expected in 2023-24	DC consultation was completed in September 2013. Agreement from the Incorporated Owners of Leung King Estate was obtained in March 2018.

	Site Location and Nature of Development Project	Brief Descriptions of Development Project	Proposed Welfare Facilities	Works Agent	Estimated Construction Cost	Indicative Recurrent Cost⁵	Estimated Timetable of Delivery of Welfare Facilities	Public Consultation
		respectively with an estimated gross floor area (GFA) of about 5 185 square metres (m ²).						
3.	Conversion of ex-Kei Ching Primary School, Tai Po into an integrated welfare services complex	SWD proposes converting the premises of ex-Kei Ching Primary School at Fu Shin Estate, Tai Po to an integrated welfare services complex. The school building	<ul style="list-style-type: none"> • RCHE (130 places) • DE (60 places) • HSMH (60 places) • DAC (60 places) 	SWD	The estimated construction cost of the welfare facilities is under planning.	About \$49 million	Service commencement expected in 2023-24	DC consultation was completed in July 2013.

	Site Location and Nature of Development Project	Brief Descriptions of Development Project	Proposed Welfare Facilities	Works Agent	Estimated Construction Cost	Indicative Recurrent Cost⁵	Estimated Timetable of Delivery of Welfare Facilities	Public Consultation
		has seven storeys with an estimated GFA of about 5 559 m ² .						
4.	Public housing development at Lei Yue Mun Estate Phase 4	The public housing development at Lei Yuen Mun Estate Phase 4, Yan Wing Street has a site area of about 1.1 ha. About 2 000 public rental flats are proposed for a planned population of	<ul style="list-style-type: none"> • RCHE (250 places) • This development project will also provide other welfare facilities, the details of which are under planning. 	HD	<p>The estimated construction cost of the welfare facilities is under planning.</p> <p><u>For Members' reference only:</u> The estimated construction cost of the 100-place RCHE in the</p>	About \$42 million	Service commencement expected in 2028-29	HD consulted the relevant DC in May 2016 on the subject housing development project. The Government will consult the DC concerned on

	Site Location and Nature of Development Project	Brief Descriptions of Development Project	Proposed Welfare Facilities	Works Agent	Estimated Construction Cost	Indicative Recurrent Cost⁵	Estimated Timetable of Delivery of Welfare Facilities	Public Consultation
		about 5 600. According to the present development programme, site formation works are expected to commence in 2019-20 for completion in 2024-25.			public housing development project at NWKR Area Site 1 (East), Sham Shui Po is \$67.335 million.			the latest welfare facilities in the project.
5.	Public housing development at Tuen Mun Area 29 West	In the public housing development project, which has a site area of about 0.75 ha, a	RCHE (100 places)	HD	The estimated construction cost of the welfare facility is under planning.	About \$17 million	Service commencement expected in 2026-27	The DC has been consulted five times since 2012. The consultation

	Site Location and Nature of Development Project	Brief Descriptions of Development Project	Proposed Welfare Facilities	Works Agent	Estimated Construction Cost	Indicative Recurrent Cost⁵	Estimated Timetable of Delivery of Welfare Facilities	Public Consultation
		domestic block is proposed to be constructed, producing about 990 flats for a planned population of about 2 500. According to the present development programme, the works are expected to commence in 2019 the earliest for completion in 2024.						has been completed.

	Site Location and Nature of Development Project	Brief Descriptions of Development Project	Proposed Welfare Facilities	Works Agent	Estimated Construction Cost	Indicative Recurrent Cost⁵	Estimated Timetable of Delivery of Welfare Facilities	Public Consultation
6.	Joint-user building at Lei King Road	The Leisure and Cultural Services Department and SWD plan to develop a joint-user building on a Government site at Lei King Road, Sai Wan Ho to provide a district library and an RCHE respectively. The proposed site, located at Lei King Road, Sai Wan Ho (i.e. adjacent to	RCHE (200 places)	Architectural Services Department	The estimated construction cost of the welfare facilities is under planning.	About \$33 million	Service commencement expected in 2024-25	DC consultation was completed in October 2017.

	Site Location and Nature of Development Project	Brief Descriptions of Development Project	Proposed Welfare Facilities	Works Agent	Estimated Construction Cost	Indicative Recurrent Cost⁵	Estimated Timetable of Delivery of Welfare Facilities	Public Consultation
		the Eastern Law Courts Building), has a site area of about 2 700 m ² . The proposed building has six storeys, and the proposed RCHE will be located on the third to fifth floors.						
7.	Expansion of Hong Kong Sheng Kung Hui Nursing Home, Wong	The subject site is located at 6 Chun Yan Street, Wong Tai Sin. The	An additional 120 nursing home places and 60 DE places, all of which to be operated on a subvented basis.	Hong Kong Sheng Kung Hui Welfare Council Limited will	The estimated construction cost of the welfare facilities is	About \$34 million	The timetable of the delivery of the welfare facilities is under planning	The applicant organisation and the Government will jointly

	Site Location and Nature of Development Project	Brief Descriptions of Development Project	Proposed Welfare Facilities	Works Agent	Estimated Construction Cost	Indicative Recurrent Cost⁵	Estimated Timetable of Delivery of Welfare Facilities	Public Consultation
	Tai Sin by Hong Kong Sheng Kung Hui Welfare Council Limited (this is a project under the Special Scheme on Privately Owned Sites for Welfare Uses)	existing nursing home building has eight storeys, providing a total of 280 subsidised nursing home places. The organisation plans to construct an eight-storey new building at the carpark near the existing building, and a two-storey new building at the		appoint authorised persons for the works	under planning.			consult the relevant DC in due course.

	Site Location and Nature of Development Project	Brief Descriptions of Development Project	Proposed Welfare Facilities	Works Agent	Estimated Construction Cost	Indicative Recurrent Cost⁵	Estimated Timetable of Delivery of Welfare Facilities	Public Consultation
		landscaped garden on the other side of the existing building.						
8.	Public housing development at Wang Chiu Road (Phase 1), Kwun Tong	The public housing development at Wang Chiu Road (Phase 1) has a total site area of about 1.71 ha. Three domestic blocks are proposed to be constructed, producing about 2 650	<ul style="list-style-type: none"> • RCHE (100 places) cum DCU (20 places) • The project will also provide a day child care centre (100 places), the construction cost of which will be met by Block Allocation of CWRP Head 708 Sub-head 8001SX 	HD	<p>The estimated construction cost of the welfare facilities is under planning.</p> <p><u>For Members' reference only:</u> The estimated construction cost of the 100-place RCHE cum</p>	About \$19 million	Service commencement expected in 2025-26	DC consultation was completed in May 2017.

	Site Location and Nature of Development Project	Brief Descriptions of Development Project	Proposed Welfare Facilities	Works Agent	Estimated Construction Cost	Indicative Recurrent Cost⁵	Estimated Timetable of Delivery of Welfare Facilities	Public Consultation
		public rental flats for a planned population of about 6 600. According to the present development programme, the works are expected to commence in 2019 for completion in 2024.			30-place DCU in the public rental housing development project at Hiu Ming Street, Kwun Tong is \$85.031 million.			
9.	Junction of Yau King Lane and Pok Yin Road,	The site has an area of about 3.32 ha and is planned to be	RCHE and other welfare facilities, the details of which are under planning	To be constructed by developer	The construction cost of the proposed	The indicative recurrent cost of the	The timetable of the delivery of the welfare facilities is	The Government will consult the relevant

	Site Location and Nature of Development Project	Brief Descriptions of Development Project	Proposed Welfare Facilities	Works Agent	Estimated Construction Cost	Indicative Recurrent Cost ⁵	Estimated Timetable of Delivery of Welfare Facilities	Public Consultation
	Pak Shek Kok, Tai Po [TPTL 244]	put up for sale by tender. The site is currently zoned “Residential (Group B)” under the relevant outline zoning plan.			welfare facilities will be met by LF. The estimated construction cost is under planning.	welfare facilities is under planning. <u>For Members’ reference only:</u> At Site 1F1 of Kai Tak, Kowloon, two contract RCHEs and two DEs will be constructed, providing a total of 400 residential	under planning	DC

	Site Location and Nature of Development Project	Brief Descriptions of Development Project	Proposed Welfare Facilities	Works Agent	Estimated Construction Cost	Indicative Recurrent Cost⁵	Estimated Timetable of Delivery of Welfare Facilities	Public Consultation
						<p>care places and 120 day care places. Based on a notional plan of having 60% subsidised places (i.e. 120 subsidised places), the estimated recurrent funding requirement for operating each contract RCHE in a full year is</p>		

	Site Location and Nature of Development Project	Brief Descriptions of Development Project	Proposed Welfare Facilities	Works Agent	Estimated Construction Cost	Indicative Recurrent Cost⁵	Estimated Timetable of Delivery of Welfare Facilities	Public Consultation
						about \$32.85 million after netting off the income of service users' fee.		
10.	Kai Tak Area 4A Site 1, Kowloon [NKIL 6577]	The site has an area of about 1.46 ha and is planned to be put up for sale by tender. The site is currently zoned "Residential (Group B)" under the relevant outline zoning plan.	RCHE and other welfare facilities, the details of which are under planning.	To be constructed by developer	The construction cost of the proposed welfare facilities will be met by LF. The estimated construction cost is under planning.	The indicative recurrent cost of the welfare facilities is under planning. Members are invited to refer to Item 9 above.	The timetable of the delivery of the welfare facilities is under planning.	The Government will consult the relevant DC.