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Panel on Welfare Services

**Updated background brief prepared by the Legislative Council Secretariat
for the meeting on 20 May 2019**

Special Scheme on Privately Owned Sites for Welfare Uses

Purpose

This paper gives a brief account of past discussions of the Panel on Welfare Services ("the Panel") on the Special Scheme on Privately Owned Sites for Welfare Uses ("Special Scheme").

Background

2. The Labour and Welfare Bureau ("LWB") launched the Special Scheme in September 2013 to encourage social welfare organizations to provide the necessary welfare facilities, in particular elderly and rehabilitation facilities, through in-situ expansion or redevelopment. Non-governmental organizations ("NGOs") may apply for the Lotteries Fund ("LF")¹ to fund the technical feasibility studies for the projects under the Special Scheme, and to pay for the construction and fitting-out costs.

3. According to the Administration, by the closing of application for the Special Scheme on 18 November 2013, preliminary proposals submitted by 43 NGOs involving 63 projects had been received. Based on the rough estimation of the participating NGOs, if all the projects under the Special Scheme could be implemented smoothly, a range of welfare facilities would be provided, including about 9 000 additional elderly service places and about

¹ Participating non-governmental organizations may also seek other funding sources (such as the Hong Kong Jockey Club Charities Trust) to cover all or part of the costs of the projects.

8 000 additional rehabilitation service places. The Government obtained the approval of the Finance Committee in February 2014 for the transfer of additional funds of \$10 billion to LF to provide sufficient resources to implement the feasible projects under the Special Scheme and other projects within the remit of LF. Besides, to ensure that there would be sufficient manpower within the Government to support the implementation of the Special Scheme, the Social Welfare Department ("SWD") has secured additional resources for the creation of some additional posts² on top of its original establishment responsible for project planning.

Deliberations of the Panel

4. The Panel discussed the progress of implementation of the Special Scheme at its various meetings since February 2014. The major deliberations are summarized in the following paragraphs.

Services to be provided under the Special Scheme

5. Some members took the view that as residential care service was in the greatest demand among the social welfare services, participating NGOs should not be allowed to choose the types of services to be provided under the Special Scheme. The Administration should give direction to participating NGOs on the types of services to be provided and the provision timeframe.

6. The Administration advised that the Special Scheme would provide a basis for planning for welfare services in the medium to long term. Among the 63 proposals received by LWB, more than 50 applications involved new development projects or redevelopment projects while the rest involved in-situ expansion or addition. Participating NGOs were required to provide the services prescribed by the Administration. The Administration was aware that the additional service places provided under the Special Scheme might not be adequate to meet the demand fully and would endeavour to secure more Government sites to meet the service needs.

7. Taking into account the substantial financial resources injected into the Special Scheme, some members were of the view that participating NGOs should provide a longer or even permanent service period to ensure the

² There are eight additional posts, including one Technical Officer (Architectural Design), two Senior Executive Officers, one Executive Officer I, one Assistant Clerical Officer, one Quantity Surveyor and two Building Service Engineers. These post holders are also responsible for duties outside the Special Scheme.

continuous provision of the agreed services. The Administration should put in place a mechanism to ensure that participating NGOs would comply with the agreement they reached with the Administration, including the types, scale and duration of the services. Some other members opined that as the needs for welfare services might change with time, the Administration should allow flexibility on the types of services to be provided and consider granting approval to other types of services having regard to the needs.

8. According to the Administration, participating NGOs must comply with the agreement they reached with SWD under the Special Scheme as far as service period was concerned. They were required to provide the types of services as stated in their proposals and any changes to the types of services were subject to SWD's approval. For projects requiring planning permission, the Planning Department ("PlanD") would provide participating NGOs with assistance in seeking the requisite permissions if deemed appropriate. If the services to be provided at a site were governed by the land lease concerned, a participating NGO might need to apply to the Lands Department ("LandsD") for land lease modification if it intended to provide a type of service which was not prescribed in the land lease. SWD would coordinate with PlanD and LandsD in this regard.

9. Some members took the view that to enable elderly persons to age in place, the Administration should not focus on the provision of residential care places but overlook the demand of elderly persons for day care services ("DCS") and community care services ("CCS"). Noting that only around 2 000 additional DCS places for elderly persons would be provided under the Special Scheme, they called on the Administration to increase the provision of DCS and CCS for elderly persons under the Special Scheme. According to the Administration, the recommendations of the Elderly Services Programme Plan ("ESPP") included, inter alia, the strengthening of CCS. The provision of DCS would also be planned and provided under projects outside the Special Scheme to facilitate elderly persons to age in place.

Subvented and self-financing social welfare services under the Special Scheme

10. Some members were of the view that as the projects under the Special Scheme were funded by LF, they should aim to provide subsidized welfare services and a cap on the self-financing portion should be imposed to ensure that public money was spent in public interest. The Administration should provide participating NGOs with guidelines regarding the provision of subvented and self-financing services under the Special Scheme. These members sought information on the rules and procedures for the provision of subvented and self-financing services and the proportion of such services to be

provided under the Special Scheme.

11. The Administration advised that in considering the proportion of subvented and self-financing services to be provided by the projects under the Special Scheme, it would adhere to the established rules and procedures for the projects funded by LF. It would also liaise with participating NGOs, and take into account the need for different types of services in the community in the long run, the choices for service users as well as the maturity of the relevant services in the market. When discussing with individual NGOs the proportion of subvented and self-financing services under their projects, reference would be made to the ratio of 6:4, which was adopted for planning purposes for contract residential care homes ("RCHs"). There were cases in which the relevant ratio had been increased to suit special circumstances. At its meeting on 13 April 2015, the Panel passed a motion urging that the services provided under the Special Scheme should be dominated by publicly funded services and supplemented by self-financing services, with a ratio of 8:2 as the benchmark.

12. Some members expressed concern that the ratio of 6:4 was still adopted for many of the projects under the Special Scheme. In their view, the Special Scheme should aim to meet the service needs of the needy groups rather than those who could afford to pay for self-financing services. The Administration should consider fully subsidizing needy users who were not provided with subvented services to use self-financing services or impose conditions to ensure that participating NGOs would accord priority to the provision of subvented services. The Administration advised that it would review the ratio before inviting tenders in respect of the contract RCHs and adjust the ratio to suit individual circumstances if necessary.

Implementation progress of the Special Scheme

13. Noting that as at December 2017, 47 projects under the Special Scheme had not yet proceeded with technical feasibility studies, some members enquired about the causes of the slow progress of the Special Scheme. The Administration advised that the projects under the Special Scheme were at various stages of development and factors such as the location and surrounding environment of the sites concerned, feedback received from local consultations, etc. would affect the progress of the projects. Certain procedures (e.g. modification of lease, outline zoning plan amendment, etc.) and relatively more complicated projects would require longer time to complete. The process would also be prolonged when participating NGOs needed to revise their proposals. Since the launch of the Special Scheme, the Administration had conducted seven information exchange sessions with the participating NGOs

and the Hong Kong Council of Social Service ("HKCSS") to collect their feedbacks on the implementation of the Special Scheme. Having regard to participating NGOs' feedback, the Administration had made further clarifications on and refinements to some arrangements under the Special Scheme with a view to helping participating NGOs speed up the process.

Multi-pronged approach to increase the provision of welfare facilities

14. Some members expressed concern that no additional service places would be provided for elderly persons and/or persons with disabilities in some districts (e.g. Central and Western) and only a small number of such service places would be provided in Sha Tin where there was a large elderly population. They took the view that the Administration should promote provision of these services by the business sector and specify in the land sale conditions that developers should allocate not less than 10% of the construction area of residential development projects and development projects along the Mass Transit Railway stations for provision of long-term care services and welfare facilities. They also urged the Administration to review its plan and construct more RCHs to make up for the shortfall in new service places provided by NGOs, so that elderly persons and persons with disabilities could have more choices and receive the relevant services in their familiar communities.

15. The Administration advised that it had all along been encouraging the business sector to use its sites owned for welfare uses. In drawing up development plans, the relevant government departments would seek SWD's views on the requirements for welfare facilities. LandsD would, by modifying lease conditions or land sale conditions if necessary, require developers to provide the welfare facilities in need.

16. Given the serious shortfall of elderly services and rehabilitation services, some members took the view that the Administration should start exploring the use of sites which were owned by NGOs but had not yet been included in the Special Scheme. The Administration advised that it had made efforts in identifying suitable premises (e.g. vacant premises in public rental housing estates and vacant Government premises) for provision of residential care and rehabilitation services for the elderly. In this connection, three vacant school premises would be used to provide rehabilitation services. A multi-pronged approach, including the implementation of the Special Scheme, had been adopted to increase places for elderly and rehabilitation services.

Interface of the Special Scheme with other social welfare services

17. Some members expressed concern about the impact of the Special Scheme on the implementation of other projects on welfare facilities and the number of service places to be provided by the Administration. The Administration advised that the implementation of the Special Scheme would not affect other welfare facility projects that were being or would be implemented by SWD. SWD had reserved sites in 35 development projects to build new contract homes and day care centres/units for the elderly, with about 3 700 residential care places (including subsidized and non-subsidized places) and about 1 250 DCS places for the elderly expected to come on stream starting from 2018-2019.

18. Some members considered that the Administration should amalgamate its social welfare services with those provided under the Special Scheme and draw up a comprehensive plan on the supply of and demand for these services. A committee should be set up to follow up how participating NGOs and the Administration could complement each other in the provision of services. According to the Administration, in drawing up ESPP, the Elderly Commission took into account, among others, the service places to be provided under the Special Scheme and other service places being contemplated by the Administration to meet the service demand. The Administration would also consult the Rehabilitation Advisory Committee on the provision of rehabilitation services.

Arrangements for services affected by the Special Scheme

19. Some members expressed concern about the pressure on the residential care sector if there were a large number of residents of RCHs needed to be rehoused because of the in-situ expansion and redevelopment projects under the Special Scheme. The Administration advised that it would consider exercising its discretion to approve the use of LF to pay for the decanting costs involved if a participating NGO needed to relocate the existing welfare services to other premises pending the development or redevelopment of the site. The participating NGOs proposing more than one project under the Special Scheme would stagger the construction schedules and carry out the redevelopment projects by phases to maintain their services.

20. Some members were of the view that the Administration should coordinate relevant parties' efforts in assisting participating NGOs in solving the problems arising from redevelopment including the decanting arrangements for the affected RCH residents. The Administration advised that a working group comprising representatives of relevant bureaux/departments had been

formed to help coordinate actions on the Special Scheme. The Administration had also held several meetings with HKCSS and participating NGOs to discuss the relevant coordination work.

Relevant papers

21. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

Council Business Division 2
Legislative Council Secretariat
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Appendix

Relevant papers on Special Scheme on Privately Owned Sites for Welfare Uses

Committee	Date of meeting	Paper
Panel on Welfare Services	10 February 2014 (Item III)	Agenda Minutes
Legislative Council	13 February 2014	Official Record of Proceedings Pages 218 to 219
Finance Committee	21 February 2014	Agenda Minutes
Finance Committee	2 April 2015	Administration's replies to members' written question in examining the Estimates of Expenditure 2014-2015 Pages 647 – 650
Panel on Welfare Services	13 April 2015 (Item III)	Agenda Minutes
Panel on Welfare Services	13 June 2016 (Item III)	Agenda Minutes
Panel on Welfare Services	12 December 2016 (Item III)	Agenda Minutes
Panel on Welfare Services	8 January 2018 (Item III)	Agenda Minutes