

(English Translation)

政府總部
勞工及福利局

香港添馬添美道
政府總部



LABOUR AND WELFARE BUREAU
GOVERNMENT SECRETARIAT

Central Government Offices
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Tamar, Hong Kong

本函檔號 Our Ref.: LWB CR1/5091/19

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28 August 2020

Ms Anita SIT
Clerk to the Finance Committee
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong

By Email

Dear Ms SIT,

**Legislative Council Finance Committee
Follow-up to the Meeting on 30 June 2020**

At its meeting on 30 June 2020, the Finance Committee discussed and endorsed the funding proposals of the Labour and Welfare Bureau and the Social Welfare Department (SWD) on “purchase of welfare premises (item number: FCR(2020-21)6)” and “Creation of one permanent post of Senior Principal Executive Officer in SWD (item number: FCR(2020-21)7)”. During the meeting, two follow-up items were raised and a motion was passed. In consultation with SWD and the Government Property Agency, the Government’s responses to the follow-up actions and motion passed are at **Annex A** and **Annex B** respectively for Members’ reference.

Yours sincerely,

[signed]

(Michael LI)
for Secretary for Labour and Welfare

c.c. Director of Social Welfare (Attn: Mr Andy LIU)
Government Property Administrator (Attn.: Mr Ronald CHAN)

Finance Committee

Follow-up Items to the Meeting on 30 June 2020 (FCR(2020-21)6)

Follow-up item 1

Upon purchase of the premises concerned, the Administration proposes to provide certain types of social welfare services therein. Please explain, in terms of the services catchment area, (i) whether the premises to be purchased will be situated within the catchment areas concerned (including the boundary of catchment areas and the location of premises to be purchased); (ii) the shortfall (if any) between the number of relevant social welfare facilities available and the target in catchment areas upon completion of the purchase exercise; and (iii) the schedule upon which the Administration would target to overcome the shortfall by other strategies (urban renewal or other new development projects).

Response

Under the exercise to purchase premises for the provision of welfare facilities, the Social Welfare Department (SWD) and the Government Property Agency (GPA) are responsible for making the purchase. GPA will identify suitable premises by different channels according to the requirements on location, type of premises, quantity, floor area, operational and technical parameters, as well as service commencement date, etc. as proposed by SWD. Regarding the locational requirements, SWD will require and ensure that the premises purchased will be situated within the respective catchment areas of the concerned welfare services to facilitate service users. SWD will also determine the locational requirements for individual welfare facilities according to their different needs.

The Government has all along been adopting a multi-pronged approach with long-, medium- and short-term strategies to identify suitable sites or premises for the provision of more welfare services which are in acute demand. For details, please refer to paragraphs 4 to 6 of the Legislative

Council (LegCo) Finance Committee paper FCR(2020-21)6. Moreover, Enclosures 2 and 3 to the aforementioned paper set out details of the revised proposals received in Phase One of the Special Scheme on Privately Owned Sites for Welfare Uses and information concerning planned welfare facilities with target completion date up to 2028 respectively. The Labour and Welfare Bureau and SWD will maintain close liaison with relevant policy bureaux, departments and organisations, with a view to identifying more suitable private and public development projects to set up welfare facilities. We will also closely follow up on and implement planned welfare projects and will keep in view the demand for relevant welfare services.

Follow-up item 2

Please provide relevant information and reports on the studies conducted for this funding proposal.

Response

SWD has taken into account new day services which are in acute demand, existing welfare facilities facing area shortfall or requiring reprovisioning, as well as district profiles, preliminary assessment of the availability of suitable premises, and the number of planned projects of welfare facilities in specific districts, etc., in determining the proposed welfare facilities to be provided under the purchase exercise. Relevant information has been set out in the LegCo Finance Committee paper FCR(2020-21)6.

Finance Committee

**Motion passed under paragraph 37A of the
Finance Committee Procedure in relation to
agenda item FCR(2020-21)6 at the meeting on 30 June 2020**

The motion (moved by Dr Hon Fernando Cheung)

Regarding the Government seeking this Committee's funding approval for a financial commitment of \$20 billion for the purchase of premises for the provision of welfare facilities, this Committee urges the Government to establish an independent steering committee to monitor the procurement exercise, which should comprise independent persons and representatives of service users, with a view to forestalling various scenarios that might result in a waste of public funds, such as acts that aim to boost the property market, corrupt practices, or the procurement of premises at excessively high prices, etc.

The Government's response

Established procedures have all along been in place in the Government for dealing with purchase of premises for provision of public services. Such procedures are implemented by the Government Property Agency (GPA) and relevant government departments, with a view to ensuring that the entire purchase process is fair and just.

Regarding the proposed purchase of welfare premises exercise, the Government will set up a Steering Committee chaired by the Director of Social Welfare, as well as two sub-committees. The Steering Committee and sub-committees comprise representatives from various departments, each providing advice and recommendations on matters within his/her professional realm. Ultimately, the Steering Committee will make a collective decision on each transaction. The major roles of the Steering Committee include overseeing the conduct of the premises purchase

exercise and making collective decisions on each transaction, without involving any policy formulation or discussions. All public officers participating in the purchase exercise have to declare their interests, and are bound by relevant laws (including the Prevention of Bribery Ordinance) and the Civil Service Code (including avoidance of conflict of interest, and observing confidentiality and non-disclosure of information).

To ensure that premises are purchased at reasonable price level, GPA will identify suitable premises by different channels according to the requirements on location, type of premises, quantity, floor area, operational and technical parameters, as well as service commencement date, etc. as proposed by the Social Welfare Department (SWD), with a view to providing welfare facilities. GPA will seek to achieve the best possible terms for the purchase by identifying more than one set of suitable premises for consideration for every one set to be purchased as far as practicable. Only premises with prices in line with the prevailing market values and fulfilling SWD's requirements will be considered for purchase. In this regard, the Government will set up a sub-committee (i.e. one of the sub-committees mentioned in the second paragraph above) comprising professional surveyors of GPA at various ranks. The sub-committee will conduct valuation assessments in accordance with the established mechanism, and determine a ceiling price for each set of suitable premises which the purchase price of the premises must not exceed. This will ensure that the premises will be purchased at a reasonable price level and that public money will be used in a prudent manner.

We are consulting the Independent Commission Against Corruption on the proposed mechanism and the checks and balances of the procedures. In addition, we will provide to the Legislative Council Panel on Welfare Services an annual report on the progress of the purchase exercise and the premises purchased, so as to enhance the transparency of the entire purchase exercise. Hence, we consider it not necessary to set up another steering committee comprising independent persons and representatives of service users.