

立法會 *Legislative Council*

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Panel on Welfare Services

Background brief prepared by the Legislative Council Secretariat for the meeting on 11 May 2020

Annual briefing on welfare facility projects funded by the Lotteries Fund

Purpose

This paper gives a brief account of past discussions of the Panel on Welfare Services ("the Panel") on the annual briefing on welfare facility projects funded by the Lotteries Fund ("LF").

Background

2. LF was established in 1965 by resolution of the Legislative Council ("LegCo") for the purpose of financing the support and development of social welfare services in Hong Kong by way of providing grants, loans and advances. It is mainly funded from the proceeds of the Mark Six Lottery. Total receipts of LF during the 2018-2019 financial year were \$2.35 billion. A non-governmental organization ("NGO") or a government bureau/department may apply for a LF grant to finance five major categories of social-welfare related expenditures.¹ In March 2014, \$10 billion was allocated from the General Revenue to LF to finance the Special Scheme on Privately Owned Sites for Welfare Uses ("the Special Scheme") targeting to provide 17 000 additional service places for the elderly and persons with disabilities.

¹ The five major categories of social-welfare related expenditures are: (a) those incurred for premises renovation and construction; (b) an experimental project; (c) subvention-linked minor expenditures; (d) Social Welfare Department Fund expenditures; and (e) fitting-out works and furniture and equipment expenditures for new/reprovisioned premises.

3. With a view to obtaining early information on the Administration's annual implementation timetable for welfare facility projects and enabling a thorough discussion on the overall plan, the Panel agreed at its meeting on 9 July 2018 that the Administration would brief the Panel annually on welfare facility projects funded by LF.²

Deliberations of the Panel since 2018-2019 session

Implementation progress of welfare facility projects

4. Members expressed concern about the lengthy process of implementing LF-funded welfare facility projects. Some members suggested that a lump-sum funding mode should be adopted for large-scale welfare facility projects so that NGOs would not be required to apply for funding item by item. The Administration advised that as construction of welfare facilities involved land uses, considerable time was required for collaboration among various bureaux/departments and the conduct of technical feasibility studies. In addition, various funding modes had been adopted for various types of construction projects under LF and allocation of fund on an item-by-item basis was not applicable to construction projects undertaken by private developers, the Housing Department and the Architectural Services Department. The Administration would look into the funding arrangements for projects under the Special Scheme having regard to members' view.

Ratio of subsidized to self-financing residential care places for the elderly

5. Members expressed concerned that a ratio of 6:4 was adopted for subsidized to self-financing places for some residential care home for the elderly ("RCHE") projects under the Special Scheme. They suggested that the Administration should allocate more funding to increase the supply of subsidized residential care places for financially needy elderly persons. They also enquired about the basis for setting the ratio of subsidized to self-financing residential care places in RCHEs.

6. The Administration advised that when planning for new contract

² In the annual briefing, the Panel will be provided with a list of welfare facility projects planned to be funded by the Lotteries Fund in the coming year and with an estimated recurrent cost exceeding the pre-defined threshold of \$10 million. The annual briefing will also provide updated information on projects included in the previous annual briefing to enable the Panel to keep track of their latest development.

RCHEs, a 6:4 ratio of subsidized to non-subsidized residential care places was adopted as a general guideline. Since 2015, a provision had been included in the service contracts to allow the Administration to adjust the ratio of subsidized to non-subsidized places in contract RCHEs having regard to the demand for and supply of such places in the community. In considering the types of services to be provided by the projects under the Special Scheme, the Administration would take account of the existing services provided by participating NGOs and the service needs.

Arrangements for stakeholders affected by the redevelopment projects

7. Some members were concerned about the decanting arrangements for service users affected by redevelopment projects. They called on the Administration to provide the NGOs concerned with support for solving problems arising from redevelopment of their welfare facilities and funding for making decanting arrangements.

8. According to the Administration, in case NGOs were required to rent premises as temporary reprovisioning, the expenditure incurred in services relocation and fitting-out works for the temporary premises would be covered by LF provision. LF provision might also be used to meet the expenses on rent and rates of the temporary premises in warranted cases.

9. Some members urged the Administration to establish a mechanism under which NGOs were required to enhance the transparency of their redevelopment projects and consult stakeholders on the projects at the initial stage. They suggested that NGOs should involve stakeholders in decision-making process.

10. The Administration advised that under the existing quality monitoring mechanism, NGOs were required to collect views from service users affected by the redevelopment projects. Given that some NGOs might revise their project proposals, the Administration would discuss with NGOs the suitable timing of consultation with staff members, service users and their family members affected by the projects. The Administration would also remind NGOs to enhance their communication with the stakeholders.

Relevant papers

11. A list of the relevant papers on the LegCo website is in the **Appendix**.

Council Business Division 2
Legislative Council Secretariat
6 May 2020

Appendix

Relevant papers on annual briefing on welfare facility projects funded by the Lotteries Fund

Committee	Date of meeting	Paper
Panel on Welfare Services	9 July 2018 (Item III)	Agenda Minutes
	15 April 2019 (Item V)	Agenda Minutes

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