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Panel on Welfare Services

**Updated background brief prepared by the Legislative Council Secretariat
for the meeting on 8 June 2020**

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 launched Phase One of the Special Scheme in September 2013. Non-governmental organization ("NGO") applicants have to provide or increase on their own sites, through expansion, redevelopment or new development, those welfare facilities considered by the Administration as being in acute demand, in particular elderly and rehabilitation service facilities. 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 Phase One of the Special Scheme on 18 November 2013, preliminary proposals submitted by 43 NGOs involving 63 projects had been received. The projects are at various stages of development. As at end of March 2019, five projects under Phase One of the Special Scheme have been completed and commenced service in phases. One other project has entered the construction stage and is

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.

expected to be completed by phases commencing the 2019-2020 financial year. These six projects provide various welfare services, including about 260 additional elderly service places (including about 100 subvented places) and about 1 020 additional rehabilitation service places.

4. In view of the community's pressing demand for welfare services and the scarce land resources, the Administration has launched Phase Two of the Special Scheme in April 2019, under which targeted assistance is provided for participating NGOs during the planning or development process. Phase Two of the Special Scheme aims at providing diversified subvented and self-financing facilities, in particular additional places of elderly, rehabilitation and child care services. The application for Phase Two of the Special Scheme was closed on 30 August 2019 and applications have been received from 17 NGOs involving 26 projects.

Deliberations of the Panel since 2013-2014 session

5. 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

6. 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.

7. The Administration advised that the Special Scheme would provide a basis for planning for welfare services in the medium to long term. 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.

8. 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 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.

9. According to the Administration, participating NGOs must comply with the agreement they reached with the Social Welfare Department ("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.

10. Some members expressed concern that the provision of early education and training centres ("EETCs") had not been included in Phase Two of the Special Scheme. Some other members considered that youth services should also be included in the list of welfare facilities to be provided under Phase Two of the Special Scheme.

11. The Administration advised that around 3 000 additional EETC service places would be provided under Phase One of the Special Scheme and some of SWD's planned projects, including public housing development projects. Furthermore, the number of places of on-site pre-school rehabilitation services had been increased from about 3 000 to about 5 000, which would be further increased to 7 000 in October 2019. These additional service places had resulted in a drop in the number of waitlistees for EETC service from around 5 000 to around 2 000. The Administration further advised that while EETC and youth services were not on the list of welfare facilities to be provided under Phase Two of the Special Scheme, the Administration would explore the inclusion of EETCs in future public housing projects and also consider NGOs' proposals for provision of EETC services under the Special Scheme.

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

12. 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.

13. 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 and their operational modes in the community in the long run, the ability and operating experience of the NGOs concerned, 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. 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.

14. 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 take into account the supply of and demand for subsidized services and self-financing services on a district basis and adjust the ratio to suit the circumstances of individual districts if necessary.

Implementation progress of the Special Scheme

15. Noting that only five projects under the Special Scheme had been completed since its implementation in November 2013, some members urged the Administration to speed up the implementation progress. 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, communal facilities and transport facilities,

requirements prescribed in the land lease conditions and restrictions stipulated in the outline zoning plans on use and development intensity, etc. would affect the progress of the projects. Depending on the time taken to complete the necessary development and planning procedures (e.g. modification of lease, outline zoning plan amendment, planning permission, etc.), it might take several years or longer to implement these projects. 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 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 of Phase One of the Special Scheme with a view to helping participating NGOs speed up the process.

Interface of the Special Scheme with other social welfare services

16. 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. As at end of March 2019, SWD was implementing or planning to implement 73 development projects. Of these projects, 45 involved the provision of new contract residential care homes for the elderly and day care centres/units for the elderly, 42 for the provision of rehabilitation services for persons with disabilities, and 15 for the setting up of child care services.

17. 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 Elderly Services Programme Plan, 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.

Relevant papers

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

Council Business Division 2
Legislative Council Secretariat
2 June 2020

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
Finance Committee	21 February 2014	Agenda Minutes
Panel on Welfare Services	13 April 2015 (Item III)	Agenda Minutes
	13 June 2016 (Item III)	Agenda Minutes
	12 December 2016 (Item III)	Agenda Minutes
	8 January 2018 (Item III)	Agenda Minutes
	20 May 2019 (Item III)	Agenda Minutes

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