

## **ITEM FOR FINANCE COMMITTEE**

### **LOTTERIES FUND**

#### **HEAD 341 – NON-RECURRENT GRANTS**

Members are invited to approve an allocation of \$22,948,000 from the Lotteries Fund for fitting-out works and acquisition of furniture and equipment for a new Day Activity Centre cum Hostel for Severely Mentally Handicapped Persons and Supported Hostel for Mentally Handicapped Persons at Cheung Sha Wan Estate, Sham Shui Po.

### **PROBLEM**

We need to increase the provision of day training and residential care services for persons with disabilities to meet the substantial demand for services.

### **PROPOSAL**

2. The Director of Social Welfare, with the support of the Secretary for Labour and Welfare and the Lotteries Fund Advisory Committee (LFAC), proposes to allocate from the Lotteries Fund (LF) \$22,948,000 (comprising \$20,806,000 for fitting-out works and \$2,142,000 for acquisition of furniture and equipment (F&E)) for the setting up of a Day Activity Centre cum Hostel for Severely Mentally Handicapped Persons (DAC cum HSMH)<sup>1</sup> and Supported Hostel for Mentally Handicapped Persons (SHOS)<sup>2</sup> at Cheung Sha Wan Estate, Sham Shui Po.

### **/JUSTIFICATION .....**

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<sup>1</sup> HSMH provides residential care for persons with severe intellectual disability who lack basic self-care skills and require assistance with personal and nursing care. DAC provides day care and training for persons with severe intellectual disability who are unable to benefit from vocational training. The programmes include training on motor skills, self-help skills, communication skills, domestic skills, community living skills, simple work skills, social and interpersonal skills, and provision of social and recreational activities.

<sup>2</sup> SHOS provides group home living for persons with disabilities who may live semi-independently with a fair degree of assistance from hostel staff in daily living.

**JUSTIFICATION**

Encl. 1

3. There is a substantial demand for the services of DAC, HSMH and SHOS. The Social Welfare Department (SWD) proposes to set up a DAC cum HSMH and SHOS at the newly constructed purpose-built Ancillary Facilities Block in Cheung Sha Wan Estate<sup>3</sup>. The proposed DAC cum HSMH and SHOS will occupy Unit 101, 1/F and Unit 301, 3/F of the Ancillary Facilities Block respectively with a total internal floor area of 1 705 square metres. A location map is at Enclosure 1. The future operator of the proposed DAC cum HSMH and SHOS will be required to provide 70 residential care places and 50 day training places for persons with disabilities. Details of the facilities are as follows –

*1/F (HSMH 50 places and DAC 50 places)*

Dormitory  
 Training Area for DAC  
 Dining / Multi-purpose Room  
 TV / Common Room  
 Physiotherapy Room  
 Interview Room  
 Small Group Room / Sitting Room / Peer Room  
 Staff Barrack Room  
 Staff Locker cum Changing Room  
 General Office  
 Office-in-charge's Room  
 Nurse Duty Room cum Sick Bay  
 General and Cleansing Store  
 Kitchen and Kitchen Store  
 Pantry  
 Laundry and Linen Store / Workroom

*3/F (SHOS 20 places)*

Living Units  
 Dining / Recreation Room  
 Interview Room  
 Small Group Room  
 General Office  
 Warden's Room  
 Kitchen and Kitchen Store  
 Laundry and Linen Store  
 Staff Barrack Room

/4. ....

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<sup>3</sup> The Cheung Sha Wan Ancillary Facilities Block is a four-storey standalone building that provides communal and social welfare facilities for the local community.

4. The proposed DAC cum HSMH and SHOS is targeted to commence operation in the first quarter of 2015. SWD plans to invite non-governmental organisations (NGOs) to submit proposals for operating the DAC cum HSMH and SHOS in the third quarter of 2014, and to select a suitable operator on the basis of service quality. The selected NGO will be required to carry out fitting-out works and to put in place F&E in the premises with the LF allocation proposed in this submission.

## FINANCIAL IMPLICATIONS

### *Capital cost estimates*

5. The funding sought under this submission comprises the cost of fitting-out works and acquisition of F&E for the DAC cum HSMH and SHOS. The estimated cost of fitting out the DAC cum HSMH and SHOS is \$20,806,000, which is worked out on the basis of the standard of accommodation or fitting-out requirements currently adopted for such facilities. As for the estimated cost of acquisition of F&E of \$2,142,000, it is calculated on the basis of the planned capacity of the DAC cum HSMH and SHOS as well as the standard F&E provision for such facilities. A breakdown of the cost estimates is as follows –

<b>Fitting-out works</b>	<b>\$'000</b>
(a) Demolition	20
(b) Walls and partitioning	1,168
(c) Doors and windows	679
(d) Wall, floor and ceiling finishes	2,837
(e) Fittings, signage and sundries	1,805
(f) Plumbing, drains and sanitary fittings	1,245
(g) Building services installations	9,286
(h) Professional fee	1,874.4
(i) Lithography	187.4
(j) Contingencies	1,704
<b>Sub-total (1)</b>	<b>20,806</b>
<b>Furniture and equipment</b>	
(k) F&E	2,142
<b>Sub-total (2)</b>	<b>2,142</b>
<b>Total (1)+(2)</b>	<b>22,948</b>

*/Recurrent .....*

***Recurrent financial implications***

6. The estimated recurrent funding requirements for operating the proposed DAC cum HSMH and SHOS in a full year, including personal emoluments, other charges, reimbursement of rates and government rent and after netting off income from service users' fees where applicable, are about \$15,710,000. The recurrent funding estimate is derived with reference to the standard notional staffing of the relevant current welfare facilities. The necessary recurrent provision will be included in the draft Estimates of the relevant years.

**PUBLIC CONSULTATION**

7. The Transport and Housing Affairs Committee of the Sham Shui Po District was consulted on the public housing development which included the provision of the proposed welfare facilities in June 2008. Members supported the proposed project. On 12 May 2014, we consulted the Legislative Council Panel on Welfare Services. The Panel supported the proposal.

**BACKGROUND**

8. The Administration strives to ensure a steady supply of subvented day training and residential care services for persons with disabilities to meet the demand. To facilitate shared use of common support facilities for enhanced cost-effectiveness and to enable the continuum of care and training, SWD adopts as far as possible an integrated service mode for the provision of day training and residential care services.

Encl. 2 9. The latest provisions of HSMH, SHOS and DAC, the numbers of persons on the waiting list and the average waiting time are set out at Enclosure 2.

10. The costs of fitting-out works and acquisition of F&E of social welfare facilities are funded by the LF. Under section 6(4) of the Government Lotteries Ordinance (Cap. 334), the Financial Secretary has the authority to approve payments from the LF to finance the development of social welfare services. In line with the established practice, the Finance Committee's approval is sought for this proposal, as the recurrent cost is estimated to exceed \$10 million per annum (see paragraph 6 above).

11. The LFAC endorsed the proposed LF allocations of \$20,806,000 for fitting-out works and \$2,142,000 for acquisition of F&E for the proposed DAC cum HSMH and SHOS at its meeting held on 19 March 2014. The membership list and the terms of reference of LFAC are set out at Enclosure 3.

Encl. 3

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Labour and Welfare Bureau  
May 2014

## Location Map of Cheung Sha Wan DAC cum HSMH and SHOS



**Current Provision, Waiting List and Average Waiting Time  
for Hostel for Severely Mentally Handicapped Persons (HSMH), Supported  
Hostel for Mentally Handicapped Persons (SHOS) and Day Activity Centre  
(DAC)**

<b>Service type</b>	<b>Provision as at March 2014 (places)</b>	<b>Persons with disabilities on the waiting list as at March 2014</b>	<b>Average waiting time in 2013-14 (months)</b>
<i>Residential care services</i>			
HSMH	3 382	2 200	105.6
SHOS	596	1 340	16.5
<i>Day training service</i>			
DAC	4 801	1 293	57.6

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**Lotteries Fund Advisory Committee**

**Membership  
(1 September 2013 – 31 August 2015)**

	<b>Name</b>	<b>Professional Background</b>
<b>Chairperson:</b>	Ms YIP Man-kuen, Carol	Director of Social Welfare
<b>Member:</b>	Mr CHAN Wai-ming, David	Tsuen Wan District Councillor
	Mr CHENG Wai-hung, Nelson	Director K L Partnership Limited
	Professor LAM Ching-man	Vice Chairperson Department of Social Work The Chinese University of Hong Kong
	Dr LEUNG Sai-man, Sigmund	President The Hong Kong Dental Association
	Ms LO Yee-hang, Loretta	Central and Western District Councillor
	Mr MA Kam-wah, Timothy	Committee Member, Senior Citizen Home Safety Association
	Mr MAN Hung-yee, Joseph	Deputy Director Hong Kong Sheng Kung Hui Welfare Council Limited
	Professor MENG Mei-ling, Helen	Chairperson Department of Systems Engineering and Engineering Management The Chinese University of Hong Kong
	Mr SUEN Lai-sang	Director Hong Kong Christian Service
	Ms WONG Wai-ching, Connie,	Managing Director Wong Sun Hing Limited
<b>Official Representative:</b>	Secretary for Labour and Welfare or representative	
<b>Secretary:</b>	Senior Executive Officer (Lotteries Fund) Social Welfare Department	



### **Terms of Reference**

The terms of reference of the Lotteries Fund Advisory Committee are as follows –

To advise the Director of Social Welfare on applications from welfare organisations for allocations from the Lotteries Fund and on charitable fund-raising issues including the allocation of flag days.

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