

立法會
Legislative Council

LC Paper No. FC73/15-16

(These minutes have been
seen by the Administration)

Ref : FC/1/1(1)

Finance Committee of the Legislative Council

**Minutes of the 57th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 3 July 2015, at 5:08 pm**

Members present:

Hon Tommy CHEUNG Yu-yan, GBS, JP (Chairman)

Hon CHAN Kin-por, BBS, JP (Deputy Chairman)

Hon Albert HO Chun-yan

Hon LEE Cheuk-yan

Hon James TO Kun-sun

Hon CHAN Kam-lam, SBS, JP

Hon LEUNG Yiu-chung

Hon Emily LAU Wai-hing, JP

Hon TAM Yiu-chung, GBS, JP

Hon Abraham SHEK Lai-him, GBS, JP

Hon Frederick FUNG Kin-kee, SBS, JP

Hon Vincent FANG Kang, SBS, JP

Hon WONG Kwok-hing, BBS, MH

Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN

Hon Jeffrey LAM Kin-fung, GBS, JP

Hon Andrew LEUNG Kwan-yuen, GBS, JP

Hon WONG Ting-kwong, SBS, JP

Hon Cyd HO Sau-lan, JP

Hon Starry LEE Wai-king, JP

Dr Hon LAM Tai-fai, SBS, JP

Hon CHAN Hak-kan, JP

Dr Hon Priscilla LEUNG Mei-fun, SBS, JP

Hon CHEUNG Kwok-che

Hon WONG Kwok-kin, SBS

Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon WONG Yuk-man
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon James TIEN Pei-chun, GBS, JP
Hon NG Leung-sing, SBS, JP
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon Gary FAN Kwok-wai
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon CHAN Yuen-han, SBS, JP
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Kenneth LEUNG
Hon Alice MAK Mei-kuen, BBS, JP
Hon KWOK Wai-keung
Hon Dennis KWOK
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon SIN Chung-kai, SBS, JP
Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, JP
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu, JP
Dr Hon CHIANG Lai-wan, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
Hon Tony TSE Wai-chuen, BBS

Members absent:

Dr Hon LAU Wong-fat, GBM, GBS, JP
Hon Ronny TONG Ka-wah, SC

Dr Hon LEUNG Ka-lau
Hon Paul TSE Wai-chun, JP
Hon CHAN Han-pan, JP
Dr Hon Kenneth CHAN Ka-lok
Dr Hon KWOK Ka-ki
Hon Martin LIAO Cheung-kong, SBS, JP

Public officers attending:

Ms Elizabeth TSE Man-yee, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Esther LEUNG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) ¹
Mr Alfred ZHI Jian-hong	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr David LEUNG, JP	Commissioner for Rehabilitation Labour and Welfare Bureau
Mr FONG Kai-leung	Assistant Director of Social Welfare (Rehabilitation and Medical Social Services)
Mr Kenneth WOO	Acting Assistant Director of Social Welfare (Subventions)
Mr LAI Cheuk-man	Senior Architect, Social Welfare Department
Mrs Elina CHAN	Principal Assistant Secretary for Labour and Welfare (Welfare) ³
Mr LAM Ka-tai, JP	Deputy Director of Social Welfare (Services)
Ms PANG Kit-ling	Assistant Director of Social Welfare (Elderly)

Clerk in attendance:

Ms Anita SIT	Assistant Secretary General 1
--------------	-------------------------------

Staff in attendance:

Mr Derek LO	Chief Council Secretary (1)5
Mr Daniel SIN	Senior Council Secretary (1)7
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Michelle NIEN	Legislative Assistant (1)5
Miss Yannes HO	Legislative Assistant (1)6

Action

The Chairman said that three Finance Committee ("FC") meetings had originally been scheduled for the day. However, as the House Committee ("HC") needed to resume its meeting after the first FC meeting, the second FC meeting would start immediately after HC had finished its business. The Chairman added that, as indicated in the circular FC210/14-15, the third FC meeting would not be convened.

Item No. 1 – FCR(2015-16)28

**RECOMMENDATION OF THE ESTABLISHMENT
SUBCOMMITTEE MADE ON 10 JUNE 2015**

2. The Chairman advised that the paper invited the Committee to approve the recommendations of the Establishment Subcommittee made on 10 June 2015 as stated in EC(2015-16)2. No members had requested for the item to be considered and voted on separately at FC meeting.

3. There being no question from members, the Chairman put the item FCR(2015-16)28 to vote. The Chairman declared that the Committee approved the item.

Item No. 2 – FCR(2015-16)17

LOTTERIES FUND

HEAD 341 – NON-RECURRENT GRANTS

Item No. 3 – FCR(2015-16)18

LOTTERIES FUND

HEAD 341 – NON-RECURRENT GRANTS

4. The Chairman advised that the Committee would continue with the deliberations on the items FCR(2015-16)17 and FCR(2015-16)18 related to the use of Lotteries fund ("LF") for provision of welfare facilities that were carried over from the last meeting.

Planning for the provision of rehabilitation services

5. Ms Emily LAU expressed support for the proposals. Pointing out that there was a long waiting list for various rehabilitation services at present, Ms LAU asked the extent to which the proposed projects could help satisfy the demand for relevant services. Commissioner for Rehabilitation ("C for R") advised that the two proposed projects under discussion would provide a total of 1 450 additional residential care service places for persons with disabilities. Apart from the two projects, it is envisaged that other planned projects would provide more than 1 000 additional residential care service places in the short- to medium-term.

6. Dr Fernando CHEUNG noted that many handicapped persons who were awaiting training places did not need boarding services. He said that the proposed projects which only provided day activity centre cum hostel places might not benefit these people. Dr CHEUNG asked if the Administration had plans to provide training places without boarding services.

7. Assistant Director of Social Welfare (Rehabilitation and Medical Social Services) ("ADSW(RM)") advised that there were presently about 3 500 places of Hostel for Severely Mentally Handicapped Persons (HSMH) and about 5 000 places of Day Activity Centre (DAC). There were around 1 500 DAC places without boarding services. Upon implementation of the proposed facilities and other facilities on the pipeline, the waiting list for DAC services could be shortened by 90%. Moreover, more day training places in stand-alone DACs would then be made available upon the transfer of some existing service users of these stand-alone DAC places to the newly established Integrated Rehabilitation Services Complexes ("IRSCs") to receive DAC cum HSMH services by then.

Expediting the implementation of welfare projects

8. Ms Emily LAU commented that it had taken too long for the Administration to develop the site of ex-Siu Lam Hospital in Tuen Mun ("the ex-Siu Lam site") after it had been vacated. She considered that the Administration should expedite the process of project planning.

9. Acting Assistant Director of Social Welfare (Subventions) ("ADSW(S)(Atg.)") said that the Social Welfare Department ("SWD") had, upon learning about the relocation of the Siu Lam Hospital, applied to the Lands Department ("LandsD") for use of the ex-Siu Lam site for development of rehabilitation facilities. Following the in-principle approval given for the land allocation in end 2012, the Department arranged for preliminary studies and

local consultation, and then conducted a detailed technical feasibility study for setting up of an IRSC at the site in 2013. Meanwhile, the Department had co-ordinated with relevant government departments with a view to taking forward the project as soon as possible. When the feasibility study was completed in about mid-2014 confirming the technical viability of the project with an estimated project cost, SWD arranged to seek funding approval for the subsequent detailed design and capital works.

10. Ms Emily LAU noted that a number of welfare facilities were to be located in multi-user government buildings. These projects often took a long time to proceed because the multi-user building would not be constructed until all users had been identified. She found the arrangement unsatisfactory and urged the Administration to review the mechanism of developing facilities in Government buildings. The Administration took note of Ms LAU's comments.

Optimizing the utilization of land resources at the project sites

11. Ms Emily LAU and Mr WU Chi-wai asked how the land resources at the proposed project sites was fully utilized as the Administration had claimed. Noting that the permitted plot ratios ("PR") of the ex-Siu Lam site and the ex-Kai Nang site for the proposed developments were set at 1.27 and 6.63 respectively, Mr WU Chi-wai enquired whether the PRs could be further increased to augment the service capacity of the proposed IRSCs to address the acute shortfall in the provision of various rehabilitation services at present.

12. C for R responded that the PR of the ex-Siu Lam site had increased from 0.3 when it was used for the provision of hospital services to 1.27 under the proposed development. ADSW(S)(Atg.) supplemented that as the ex-Siu Lam site was situated under a flight path and was subject to height restriction as advised by the Civil Aviation Department (CAD), the proposed PR of 1.27 of the proposed development would have little room for further increase. The proposed development plan had already optimized the development potential of the ex-Siu Lam site within the said height restriction.

13. In respect of the ex-Kai Nang site, ADSW(S)(Atg.) said that the allowable PR had been finally relaxed to 6.63 under the proposed development upon SWD's repeated applications to PlanD. The said PR was already on the high side for Government, Institution/Community sites in general. He added that a majority of welfare facilities were subject to height restrictions. Given that users of rehabilitation facilities were people with disabilities, the relevant facilities were normally accommodated at a height level not exceeding 24 from the ground level according to the Fire Services Department's advice. Any additional floor areas at the upper levels as a result of further increase in PR or

building height restriction would not be suitable for provision of rehabilitation services.

Enhancing the accessibility of the proposed Integrated Rehabilitation Services Complex at Siu Lam

14. Dr Fernando CHEUNG pointed out that the proposed IRSC at the ex-Siu Lam site was a large scale rehabilitation facility accommodating more than 1 000 persons with disabilities but its location was rather remote. He asked if the Administration would introduce necessary transport facilities to enhance the accessibility of IRSC to facilitate visits by families of the service users. C for R responded that funding for 12 centre vehicles with drivers would be made available for the concerned non-governmental organization ("NGO") running the centre to provide service-related transport services to service users. SWD would explore with Transport Department the possibility of extending an existing green minibus route to the vicinity of the Complex.

Provision for price adjustment

15. Mr YIU Si-wing noted that provisions for price adjustment had been included in the project estimates to cater for variation of material and labour costs during construction. He asked whether there was any mechanism to prevent abuse by contractors to overcharge the Administration for the works done and how the Administration would ensure that the price adjustment paid to the main contractors would be passed in full to the sub-contractors.

16. C for R explained that provisions for price adjustment were allowed in the project estimates to cater for upward movement in the costs of labour and materials during the contract period. The Administration adopted price adjustment factors, which were derived from the Government's latest set of forecast on the trend rate of change in the prices of public sector building and construction output, to convert the estimated project costs at constant prices into money-of-the-day ("MOD") prices. The difference between MOD prices and constant prices was the provision for price adjustment to be allowed in the project estimates. He added that the contracts of capital works projects had provided for a Contract Price Fluctuation ("CPF") mechanism under which payments to contractors for construction contracts would be adjusted according to prevailing labour and material costs indices.

17. On the release of payments arising from price adjustment to sub-contractors, C for R explained that public works contracts mainly governed the rights and obligations between the Government and the main contractors. It was up to the main contractors and their sub-contractors to arrange their own

contractual terms. He said that the CPF mechanism was a risk-sharing mechanism which is intended to protect the Government's interests by reducing the contractors' chance of over pricing the tender when bidding for a public works project.

Other issues and concerns

18. Mr NG Leung-sing asked whether the Administration would identify other more conveniently located sites for the proposed development. C for R responded that SWD had been making on-going efforts to identify suitable sites in various districts in the territory for the development of rehabilitation facilities.

19. Mr NG Leung-sing sought information on the day training services to be provided at the proposed IRSCs and the related staffing. ADSW(RM) responded that for DAC, nursing care services were provided by nursing staff. In addition, para-medical staff such as physiotherapists and occupational therapists provided suitable training services for service users according to their degree of disability and capability. The delivery of other relevant services were provided by a team of supporting staff. Workshop instructors were available in Integrated Vocational Rehabilitation Services Centre to provide training on work skills.

20. Dr Fernando CHEUNG enquired whether the Administration would re-provision a 24-hour convenience store currently operated by a social enterprise at the Kai Nang Sheltered Workshop under an employment assistance programme. ADSW(RM) responded that the NGO concerned had decided not to continue with the operation of the convenience store upon demolition of the existing building at the project site. The Administration would render assistance to the NGO concerned to identify a suitable location for reprovisioning of the convenience store if necessary.

21. Mr NG Leung-sing commented that members should confine their questions to matters within the terms of reference of the Committee; questions on policy matters should be discussed at the relevant Panels. He considered that members should not waste the time on minor issues.

Voting on FCR(2015-16)17

22. There being no further questions from members. The Chairman put the item FCR(2015-16)17 to vote. At the request of Mr CHAN Chi-chuen, the Chairman ordered a division and the division bell was rung for five minutes. The Chairman announced that 41 members voted for, one member voted against

the proposal and no member abstained. The votes of individual members were as follows –

For:

Mr Albert HO Chun-yan
Mr CHAN Kam-lam
Ms Emily LAU Wai-hing
Mr Frederick FUNG Kin-kee
Prof Joseph LEE Kok-long
Mr Andrew LEUNG Kwan-yuen
Ms Cyd HO Sau-lan
Mr CHEUNG Kwok-che
Mr IP Kwok-him
Mr Alan LEONG Kah-kit
Mr WONG Yuk-man
Mr Steven HO Chun-yin
Mr YIU Si-wing
Mr CHAN Chi-chuen
Mr LEUNG Che-cheung
Miss Alice MAK Mei-kuen
Mr Dennis KWOK
Dr Fernando CHEUNG Chiu-hung
Dr Elizabeth QUAT
Mr TANG Ka-piu
Mr Tony TSE Wai-chuen
(41 members)

Mr LEE Cheuk-yan
Mr LEUNG Yiu-chung
Mr TAM Yiu-chung
Mr WONG Kwok-hing
Mr Jeffrey LAM Kin-fung
Mr WONG Ting-kwong
Ms Starry LEE Wai-king
Mr WONG Kwok-kin
Mrs Regina IP LAU Suk-yee
Mr Albert CHAN Wai-yip
Mr NG Leung-sing
Mr WU Chi-wai
Mr Gary FAN Kwok-wai
Miss CHAN Yuen-han
Mr Kenneth LEUNG
Mr KWOK Wai-keung
Mr Christopher CHEUNG Wah-fung
Mr SIN Chung-kai
Mr POON Siu-ping
Ir Dr LO Wai-kwok

Against:

Mr MA Fung-kwok
(1 member)

23. The Chairman declared that the Committee approved the item.

24. Mr MA Fung-kwok said that he supported the funding proposal but had wrongly pressed the "No" button while voting on the item. The Chairman said that he had already declared the voting result and the voting record could not be changed. The Chairman said that Mr MA's voting intention would be recorded in the minutes of the meeting.

Voting on FCR(2015-16)18

25. The Chairman then put FCR(2015-16)18 to vote. At the request of Mr Albert CHAN, the Chairman ordered a division. The Chairman announced

that 41 members voted for the proposal. No member voted against the proposal or abstained. The votes of individual members were as follows –

For:

Mr LEE Cheuk-yan	Mr CHAN Kam-lam
Mr LEUNG Yiu-chung	Ms Emily LAU Wai-hing
Mr TAM Yiu-chung	Mr Frederick FUNG Kin-kee
Mr WONG Kwok-hing	Prof Joseph LEE Kok-long
Mr Jeffrey LAM Kin-fung	Mr Andrew LEUNG Kwan-yuen
Mr WONG Ting-kwong	Ms Cyd HO Sau-lan
Ms Starry LEE Wai-king	Mr CHEUNG Kwok-che
Mr WONG Kwok-kin	Mr IP Kwok-him
Mrs Regina IP LAU Suk-yee	Mr Alan LEONG Kah-kit
Mr Albert CHAN Wai-yip	Mr WONG Yuk-man
Ms Claudia MO	Mr NG Leung-sing
Mr Steven HO Chun-yin	Mr WU Chi-wai
Mr YIU Si-wing	Mr Gary FAN Kwok-wai
Mr MA Fung-kwok	Mr CHAN Chi-chuen
Miss CHAN Yuen-han	Mr LEUNG Che-cheung
Mr Kenneth LEUNG	Miss Alice MAK Mei-kuen
Mr KWOK Wai-keung	Mr Dennis KWOK
Mr Christopher CHEUNG Wah-fung	Dr Fernando CHEUNG Chiu-hung
Dr Elizabeth QUAT	Mr POON Siu-ping
Dr CHIANG Lai-wan	Ir Dr LO Wai-kwok
Mr Tony TSE Wai-chuen	
(41 members)	

26. The Chairman declared that the Committee approved the item.

Item No. 4 – FCR(2015-16)19

LOTTERIES FUND

HEAD 341 – NON-RECURRENT GRANTS

27. The Chairman advised that the item invited the Committee's approval of an allocation of \$55,122,000 from LF for meeting the construction costs of a new contract Residential Care Home for the Elderly ("RCHE") at the ancillary facilities block ("AFB") in the public rental housing ("PRH") development of the Housing Authority ("HA") at the site of Choi Yuen Road, Sheung Shui. The Chairman declared that he was a non-official member of HA.

28. At the invitation of the Chairman, Mr CHEUNG Kwok-che, Chairman of the Panel on Welfare Services ("the Panel"), reported that the proposal was

discussed at the meeting of the Panel held on 11 May 2015. While the Panel supported the proposal in principle, some Panel members requested the Administration to increase the ratio of subsidized to non-subsidized residential care places in the proposed contract RCHE from 6:4 to 8:2. Noting that the proposed contract RCHE would come into operation in 2022, Panel members urged the Administration to compress the works programme and expedite the tendering exercise for selecting suitable operator for the proposed contract RCHE so that the said facility could come into operation early.

Enhancing the provision of subsidized residential places for the elderly

29. Mr LEE Cheuk-yan pointed out that there was an acute shortage of subvented elderly homes. He urged the Administration to increase the ratio of subsidized to non-subsidized residential care places in the proposed contract RCHE from 6:4 to 8:2. Mr LEUNG Yiu-chung considered that the Administration should convert all of the 40% non-subsidized places of the proposed contract RCHE to subsidized places, as most elderly people on the waiting list for the service could not afford the high fees of non-subsidized places, and that subsidizing RCHE places would ensure better quality of service to be provided.

30. Mr CHEUNG Kwok-che said that SWD had not taken heed of the views of the Panel of enhancing the ratio of subsidized and non-subsidized places to 8:2 in the proposed project. He considered that the mixed-mode operation of contract RCHEs, under which a certain percentage of the home's service capacity was designated for the provision of non-subsidized places, had in fact reduced the resources which might be deployed for provision of subsidized places for the elderly persons in need.

31. Dr Fernando CHEUNG echoed Mr CHEUNG Kwok-che's view. He opined that Government's resources should be deployed to assist the most vulnerable elderly people at grassroots level. The provision of non-subsidized places in contract RCHE would only favour more affluent service users who could afford higher fees in non-subsidized homes.

32. While expressing her support for the proposal, Ms Emily LAU enquired whether it was the Administration's policy to provide non-subsidized places in contract RCHEs. Pointing out that most of the 31 000 elderly persons on the waiting list for subsidized residential care services were financially in need and many of them had died while awaiting placements, Ms LAU urged the Administration to inject more financial resources to enhance the provision of subsidized residential care places for the elderly and consider increasing the ratio of subsidized to non-subsidized places in contract RCHEs.

33. Deputy Director of Social Welfare (Services) ("DDSW(S)") responded that SWD had awarded contracts through open tenders to NGOs or private operators to operate 27 purpose-built RCHEs since 2001. Operating in a mixed-mode comprising both subsidized and non-subsidized residential care places, the policy objective of contract RCHEs was to provide a choice of non-subsidized places for the elderly. SWD would take into account the proposed fee schedule for non-subsidized places submitted by individual bidders when selecting the operators for individual contract RCHEs.

34. DDSW(S) also remarked that the ratio of 6:4 for subsidized and non-subsidized places in the proposed contract RCHE was taken as a general reference for service planning purpose. The Administration would take into account the socio-economic conditions of the service catchment areas and the availability of other non-subsidized residential care places in the vicinity when determining the actual number of subsidized and non-subsidized places in individual contract RCHEs. The Administration would not rule out the possibility of increasing the proportion of subsidized places in the proposed project in the future, having regard to the relevant situation in the North District. In fact, there were contract RCHEs in Sham Shui Po and Tsuen Wan Districts where a higher ratio of subsidized to non-subsidized places as 8:2 was adopted.

35. The Chairman advised members not to raise further questions concerning the ratio of subsidized to non-subsidized residential care places since it was a matter relating to policy which should be pursued at meetings of the relevant Panel.

36. Ms Emily LAU enquired whether it was a policy of the Administration that suitable areas should be set aside in new PRH and Home Ownership Scheme developments for development of elderly homes. DDSW(S) said that the Administration would grasp every opportunity to provide RCHEs at suitable sites in PRHs and other developments. He explained that, of the 11 sites earmarked for the construction of new RCHEs listed in Enclosure 5 to the Administration's paper (i.e. FCR(2015-16)19), seven were located in PRH developments.

Utilization of the land resources at the proposed project site

37. Mr WU Chi-wai noted that only 100 residential places for the elderly would be provided in the proposed contract RCHE. Given the severe shortage of elderly residential places and the substantial demand for the service, Mr WU asked whether land resources at the proposed project site had been fully utilized

Action

to maximize the number of residential places that could be provided in the proposed project. Ms Cyd HO expressed a similar concern.

38. DDSW(S) responded that the project site was not very large and the usable floor area available for provision of community facilities at the five-storey AFB to be built at the site was rather limited. He said that the utilization of the limited available space had been optimized by setting up, apart from the proposed contract RCHE, a neighbourhood elderly centre ("NEC") and a 40-place day care centre for the elderly ("DCCE") in AFB. These facilities, together, occupied 40% of the total floor area of the AFB.

39. In response to Mr WU Chi-wai's query, DDSW(S) said that the whole housing development site occupied an area of 1.24 hectares and would provide a total floor area of 83 400 m², of which 61 000 m² would be used for residential purpose and 22 400 m² for non-residential development. The welfare facilities, including the proposed RCHE, would occupy 2 900 m² of the non-residential floor area.

Admin

40. Referring to the list of 11 sites set out in Enclosure 5 of the Administration's paper (i.e. FCR(2015-16)19) which had been earmarked for the construction of new RCHEs, Mr WU Chi-wai requested the Administration to provide information on the number of places to be provided by DCCEs and NECs that would also be set up at these 11 sites. The Administration undertook to provide relevant information after the meeting.

Construction cost

41. Mr Albert CHAN and Ms Claudia MO questioned about the justification for the high cost of the foundation and substructure and piling works of the proposed project (\$19,334,000), which was equivalent to about 90% of that of the building envelope and finishes works (\$21,083,000). They considered that the relevant cost was disproportionately high vis-à-vis the construction cost of the building. Mr Albert CHAN commented that the proposed project was not cost-effective given the small number of residential places to be provided and its high construction cost, and he queried the need for piles to be as deep as 37 metres given that the facility building was only five storeys high.

42. Senior Architect, Social Welfare Department and DDSW(S) said that the relatively high cost of the foundation, substructure and piling works was mainly attributed to the complex site environment and underground conditions. They explained that piles of 37 metres in length were required due to the existing underground condition of the site, and the requirement was specified by

the Housing Department. In addition, given that the project site was long and narrow, it was necessary to conduct more excavation works, and erect soil retaining structure with steel sheets and struts and more horizontal working platforms when carrying out the foundation and sub-structure works.

Admin 43. At the request of Mr CHAN Chi-chuen and Mr Albert CHAN, the Administration undertook to provide the following supplementary information for the Committee's reference after the meeting –

- (a) a comparison of the cost of "foundation and substructure, piling" and the cost of "building envelope and finishes" of RCHE projects of similar size and scale as the one proposed in the public housing site of Choi Yuen Road, Sheung Shui; and
- (b) a comparison of the cost of "foundation and substructure, piling" and the cost of "building envelope and finishes" of the proposed RCHE project with the same cost items in the other public housing building works in the public housing site of Choi Yuen Road, Sheung Shui.

44. Mr Albert CHAN commented that an on-cost of \$6,125,000 to be paid to HA was too high as he considered that the proposed AFB was not a complicated project. DDSW(S) advised that an on-cost equivalent to 12.5% of the total project cost was normally charged for entrusting HA to undertake similar welfare projects in a public housing development. He said that the on-cost covered design, contract management and works supervision of the proposed project.

45. Ms Cyd HO noted that apart from the proposed contract RCHE, other community facilities, namely a DCCE, an NEC, a kindergarten and a multi-purpose activity room would also be provided in the proposed AFB. She asked whether the calculation of the construction cost of the proposed contract RCHE was based on the proportion of floor area it occupied in AFB. DDSW(S) replied in the affirmative. Ms HO considered the arrangement undesirable because the Administration would have to seek funding approval from FC for other facilities to be provided in the same building. As a result, members would be examining the common features (e.g. piling works) several times. Ms HO suggested that the Administration should consider submitting the funding applications of the concerned welfare facilities as well as other community facilities for the Committee's consideration in one batch to facilitate members' deliberation.

Rationale of using Lotteries Fund to finance the construction cost of contract Residential Care Homes for the Elderly

46. Dr Fernando CHEUNG noted that the construction of a number of welfare facilities was funded under LF. He queried the arrangement of using LF for such purpose as he considered that LF should be deployed for supporting direct services and social welfare facilities should be provided with public funds. Ms Claudia MO expressed similar views. Dr CHEUNG was concerned that the resources of LF that could be deployed for provision of direct services would be reduced if the resources were also used to support the construction cost of welfare projects. Dr CHEUNG queried the criteria for using LF for construction of welfare facilities.

47. DDSW(S) said that LF was created in June 1965 by Resolution of the Legislative Council for the purpose of financing social welfare services. The fund was primarily used to finance the capital cost of welfare projects and provide one-off grants to experimental projects of limited duration. The Administration had been financing the construction of contract RCHEs using LF since 2001.

48. Ms Claudia MO sought further clarification on the uses of LF, such as the details of projects that were regarded as experimental in nature and thus ought to be supported by LF. The Chairman ruled that the said question raised by Ms MO was not directly related to the item under discussion and should be raised at the relevant Panel if Ms MO so wished.

Other issues and concerns

49. Mr CHAN Chi-chuen said that the service quality of private elderly homes was unsatisfactory despite their high fees. Affluent elderly people might turn away from private homes due to their poor service quality and choose to apply for placements in subsidized homes, thereby further aggravating the demand for subsidized residential care places for the elderly. He urged SWD to step up monitoring the operation of private homes to improve service standards.

50. Mr LEUNG Yiu-chung noted that only one car parking space was to be provided in the proposed RCHE. He asked whether the parking space was to be used exclusively by vehicles carrying elderly people to and from the current RCHE, or whether it was to be shared by service users and staff. Mr LEUNG also asked whether one car parking space was sufficient to serve the operational need of the home and the demand of its staff for parking spaces. DDSW(S) responded that it was the current standard for RCHE to be provided with one exclusive parking space for a 16-seater van for transporting and

escorting frail elderly persons to and from the RCHE. Parking spaces for staff would not be provided. Mr LEUNG suggested that the Administration should review the provision of car parking space in RCHEs. In response to another query by Mr WU Chi-wai and Mr LEUNG Yiu-chung, DDSW(S) said that two more car parking spaces would be provided for the DCCE facility in AFB. The car parks would be located on the ground floor of AFB.

51. At 7:03 pm, the Chairman declared that the meeting be adjourned. The Chairman said that the second FC meeting would be held immediately after the HC meeting had finished its business.

Legislative Council Secretariat
5 January 2016