

**For discussion
on 8 December 2023**

Legislative Council Panel on Health Services

One-off Grant to the Hospital Authority for Minor Works Projects

Purpose

This paper seeks Members' support for the proposed provision of a one-off grant of \$9 billion to the Hospital Authority (HA) for carrying out minor works projects, including various improvement works of hospitals, scheduled maintenance, preparatory works for major capital works etc., for about five years starting from 2024-25, subject to a financial ceiling of \$75 million for each individual item.

Background

2. The Finance Committee (FC) of the Legislative Council (LegCo) approved in December 2013 a one-off grant of \$13 billion under the Capital Works Reserve Fund (CWRP) Head 708 Subhead 8083MM for HA to implement minor works projects in about ten years starting from 2014-15, subject to a financial ceiling of \$75 million for each individual item. Before the introduction of the above arrangement, the Government provided funding to HA for implementing minor improvement work and planned maintenance projects through the CWRP Head 708 Subhead 8100MX block allocation to improve and maintain hospital facilities for effective patient care. In view of the uniqueness to the implementation of HA's minor works projects (in particular, a relatively long lead time is usually required for various operational planning work and decanting arrangements before minor works projects can be carried out in order to minimise disruption to public services), the above funding arrangement was introduced since 2013 to provide sufficient resources and to allow more flexible planning for HA to implement the planned improvement works programme in an intensive manner.

3. The above funding covers many programmes, viz., facility rejuvenation, capacity enhancement, safe engineering, universal accessibility, and regular maintenance / minor works and preparatory works for major capital

projects¹. With the availability of the fund provision, HA has carried out planned renovation of clinical areas, such as wards, clinics and operating theatres, so as to provide safe and comfortable accommodation for patients, visitors and staff. Besides, HA has upgraded various facilities, such as the mechanical ventilation and air-conditioning systems of wards, so as to meet the evolving healthcare standards. Furthermore, HA has also taken a pragmatic approach to enhance the capacity of existing facilities for meeting the growing service and operational demand. In addition, scheduled replacement and maintenance of building service installations have been arranged to ensure their functionality and reliability for safe hospital operation. As at September 2023, HA has initiated over 5 000 minor works projects, including 507 ward renovation projects, added 890 beds, upgraded 298 lifts, replaced 19 emergency generators and 32 main distribution boards, and completed 106 universal accessibility projects (which enhanced the accessibility in 41 hospitals / institutions) etc. The planned and actual expenditure in respect of Subhead 8083MM in the past 10 years are as follows:

Year	Planned Expenditure (\$M)	Actual Expenditure (\$M)	Utilisation Rate
2014-2015	890.000	890.000	100.00%
2015-2016	1,200.000	1,200.000	100.00%
2016-2017	1,225.000	1,224.999	99.99%
2017-2018	1,250.000	1,236.828	98.95%
2018-2019	1,275.000	1,270.206	99.62%
2019-2020	1,300.000	1,300.000	100.00%
2020-2021	1,500.000	1,500.000	100.00%
2021-2022	1,800.000	1,800.000	100.00%
2022-2023	2,100.000	2,100.000	100.00%
2023-2024	2,206.000	---	---
Total	14,746.000²	12,522.033	

4. HA spends about 25% of the funding on the facility rejuvenation programme, 7% on the capacity enhancement programme, 3% on the safe engineering programme, 5% on the universal accessibility programme, and 60% on regular maintenance / minor works and preparatory works for major capital projects. The provision of the above funding enabled HA to plan multi-stage improvement works, and accelerated the progress of the works. It also allowed HA to cope with urgent clinical demands in emergency situations, such as the outbreak of COVID-

¹ The funding subvention under 8083MM does not cover maintenance and repair of medical equipment. HA settles the expenditure on maintenance and repair of medical equipment with its recurrent subvention.

² The Government disbursed \$13 billion in one go to HA in 2014-15. The funding together with the investment interests have all been used for the minor works projects. Therefore, the accumulated expenditure on minor works projects is higher than \$13 billion.

19, and carry out ad hoc minor projects for healthcare institutions to meet their urgent needs. As HA will continue to have practical and compelling need for the implementation of minor works, a new funding is proposed to be provided to HA for carrying out minor works projects for about five years starting from 2024-25 in order to meet the ever-evolving service and operational needs.

The Proposed Funding Provision

5. HA is now managing 43 public hospitals / institutions, 49 specialist outpatient clinics and 74 general outpatient clinics, with a total floor area of over 3.0 million square meters (sqm) in around 300 buildings. While 323,000 sqm of existing buildings will be demolished under the First Ten-Year Hospital Development Plan (HDP), there will be an addition of around 2.4 million sqm of new facilities. The total HA portfolio is estimated to reach 4.8 million sqm by 2028-29. Meanwhile, among the HA premises, 45% (about 1.4 million sqm) will be more than 30 years old by 2024-25, and such area will increase to 1.7 million sqm by 2028-29. Apart from construction of major new hospitals and hospital redevelopment projects, regular maintenance and minor modification works are essential to the smooth operations³ of public hospitals /institutions and clinics, especially for the ageing premises under HA. The proposed new funding provision aims at providing HA with sufficient resources to plan more flexibly and implement intensive works programmes for the coming five years or so, depending on the construction inflation during the period. The proposed grant will fund the following programmes with individual items costing not more than \$75 million:

(a) Facility Rejuvenation

Public hospitals and clinics are particularly prone to accelerated deterioration due to their constantly heavy utilisation. As a result, many of HA's ageing facilities are in unsatisfactory conditions, posing health and safety risks to patients, staff and the public. To revert such facilities into conditions fit for modern quality service delivery, HA will continue to launch intensive rejuvenation programme to modernise the physical environment of its hospitals and clinics. As for the wards, in view of the ageing facilities, clinical needs and updates to medical standard, HA plans to carry out rejuvenation works for wards on a fifteen-year cycle. From 2024-25 to 2028-29, about 130 wards will fall into the rejuvenation

³ In the "Report of the Hospital Authority Review Committee on Medical Equipment and Facility Maintenance" issued by HA in June 2023, it is recommended that HA should establish "rolling inspection and maintenance programmes" and "scheduled planned maintenance programmes" for buildings according to age, usage, uniqueness of the structure/building fabric design, history of spalling and risk profile. Apart from carrying out minor repair works by using recurrent subvention, individual hospitals under HA can plan to implement the facility rejuvenation works by the funding under 8083MM.

cycle and requires implementation of the related works . Based on a rough indication, the costs for this programme will account for 20% of the proposed provision.

(b) Capacity Enhancement

To meet the projected increase in demand for medical services arising from the growing and ageing population, apart from major hospital expansion and redevelopment projects, HA will continue to supplement the major works projects by carrying out alteration and addition works to its existing hospitals and clinics to enhance their service capacity. These include the provision of about 100 additional beds in hospitals, enhancements to the facilities of about 20 general out-patient clinics/specialist out-patient clinics, as well as expansion of accident and emergency departments and operating theatres. To enhance the efficiency of services, HA will also streamline the clinical workflow and re-arrange the layout of facilities. Based on a rough indication, the costs for this programme will account for 10% of the proposed provision.

(c) Safe Engineering

Proper functioning of major and critical building services installations in hospitals such as lifts, electrical supply systems, emergency generators, fire services installations and medical gas supply systems is essential to the safe and reliable round-the-clock operations in hospitals. HA will continue its comprehensive programme to rectify deficiencies in critical building services installations in a timely manner to meet prevailing standards and compliance requirements and ensure their functionality and reliability for safe and effective hospital operations. In this programme, HA will upgrade and replace about 20 sets of main distribution boards and 30 emergency generators which have been put in use for over 25 years, as well as 50 lifts which have been in operation for about 25 years. Based on a rough indication, the costs for this programme will account for 20% of the proposed provision.

(d) Enhancement of Infection Control and Hygienic Environment

Proper functioning of infection control provisions and upkeep of hygienic environment in hospitals are crucial for health and safety of patients and staff, particularly during pandemic situations. To ensure the functionality, reliability and capacity of clinical facilities, HA will implement an intensive programme for periodic

overhaul of clinical facilities such as operating theatres, airborne infection isolation rooms, etc. and for upgrading/ replacement of ventilation provisions, drainage systems and other infection control related facilities. Based on a rough indication, the costs for this programme will account for 5% of the proposed provision.

(e) Energy Conservation

HA plans to contribute to carbon neutrality and enhance stability of the electrical and mechanical systems by implementing a comprehensive programme for replacing such systems with intense energy consumption in hospitals such as mechanical ventilation and air-conditioning systems, lighting systems and boiler systems, and other environmental-friendly projects such as retro-commissioning of chillers, installation of solar panels. HA aims to promote energy reduction in their premises with a target reduction of electricity consumption in 2028-29 by 5% against the 2015 baseline. Based on a rough indication, the costs for this programme will account for 10% of the proposed provision.

(f) Scheduled Maintenance

To tie in with the implementation of “rolling inspection and maintenance programmes” and “scheduled planned maintenance programmes” at HA premises, HA plans to implement more frequent and comprehensive planned maintenance programmes which aim at rectifying building defects at an earlier stage and conducting preventive maintenance to the critical structure of buildings. Projects such as re-roofing, external wall repair, concrete repair, window replacement, re-plumbing works, as well as renovation and maintenance works for hospital areas will be included in this programme. Based on a rough indication, the costs for this programme will account for 25% of the proposed provision.

(g) General Minor Works and Preparatory Works for Major Capital Works

Apart from the above specific programmes of improvement and planned maintenance works, the proposed funding will also be used to cover general minor works (such as site preparation for medical equipment installation, provision of infrastructure to facilitate smart hospital initiatives, other maintenance and improvement works in hospitals etc.), and preparatory works for major capital works projects. This programme will involve about 200 works

items, accounting for 10% of the proposed provision based on a rough indication.

6. An initial list of projects items to be funded by the new funding provision, some of which are subject to site availability or technical feasibility, is provided at **Appendix I**. The list will continue to be updated throughout the coming years as new items are created or existing items adjusted to meet changes to service requirements or to take into account actual site situations. In 2024-25, HA estimates that around 500 projects will be implemented with an annual expenditure of about \$2.10 billion. The key on-going and new items to be implemented in 2024-25 are set out in **Appendix II**.

Financial Implications

7. We propose to provide HA with a funding of \$9.0 billion which will be disbursed to HA over five financial years. HA projects that there will be a remaining balance of about \$0.59 billion under Subhead 8083MM by the end of 2023-24. The approved provision together with the estimated remaining balance of Subhead 8083 will be fully used to meet the cashflow requirement of the planned programmes set out in paragraph 5 above for the coming 5 years or so. The mechanism for HA to consider and process minor works project items to be funded by the proposed provision will mirror the existing one under Subhead 8083MM.

8. Having regard to the need to maintain public hospital services without disruptions, HA considers that around 500 new projects can be initiated annually. HA estimates that a total of around 2 500 projects will be carried out by using the proposed provision of \$9.0 billion and the estimated remaining balance of \$0.59 billion from Subhead 8083MM. HA will endeavour to expedite the implementation of the above programmes wherever circumstances permit.

9. Similar to the use of fund under Subhead 8083MM, the use of the proposed provision will continue to be monitored by LegCo and the Health Bureau (HHB). HA will -

- (a) deposit with the LegCo Secretariat annually a full list of all the items proposed to be funded by the provision in the following financial year;
- (b) provide an annual report on the key minor works projects implemented and the actual expenditure in the past financial year, as well as key minor works projects planned to be implemented and the forecast expenditure under the provision in the coming year;

- (c) prepare separate audited financial statements on the use of the funding provision on an annual basis. The audited financial statement and the report on the key minor works projects mentioned in (b) above will be submitted to LegCo Panel on Health Services and the Public Works Subcommittee (PWSC) annually; and
- (d) seek prior approval from HHB of each individual item of expenditure to be funded by the provision.

Advice sought

10. Members are invited to support the proposed funding provision of \$9 billion to HA. Subject to Members' views, we will seek endorsement from the PWSC and then funding approval from the Finance Committee.

**Health Bureau
Hospital Authority
December 2023**

New funding provision to the Hospital Authority for minor works projects

**Indicative list of project items to be funded by the proposed grant
(Subject to site availability or technical feasibility)**

Hong Kong East Cluster

- Renovation of operating theatres in Main Block of PYNEH**
- Extension of West Wing in Specialist Out-Patient Block of PYNEH
- Setting up of triage and test holding area in Main Block of PYNEH
- Façade repair in PYNEH**
- Setting up of Integrated Medical Ambulatory Centre in East Block of PYNEH
- Setting up of Mixed Surgical Ambulatory Centre in Main Block of PYNEH
- Renovation of Main Pharmacy in Main Block of PYNEH
- Renovation of Pharmacy Aseptic Services Unit in East Block of PYNEH
- Renovation of wards in PYNEH**
- Replacement of lifts in Hospital Main Building of RH
- Replacement of lifts in TSKH
- Overhaul work for isolation facilities in PYNEH
- Renovation of Special Care Baby Unit in Main Block of PYNEH
- Renovation of Geriatric Day Hospital in East Block of PYNEH
- Renovation of Psychiatric Day Centre in East Block of PYNEH**

Hong Kong West Cluster

- Renovation of clinical areas in TYH
- Renovation of Kennedy Town Jockey Club General Out-Patient Clinic (GOPC)
- Renovation of Aberdeen Jockey Club GOPC
- Renovation of wards in Centenary Building of TWH**
- Renovation of Central District Health Centre GOPC
- Renovation of Day Surgery Center in Centenary Building of TWH
- Renovation of clinical areas in DTRC
- Maintenance of external walls in QMH
- Conversion of office into Allied Health Center in Centenary Building of TWH
- Renovation of Specialist Out-Patient Clinic (SOPC) in Hawkins Wing of TWH
- Maintenance of external walls in DTRC
- Renovation of Cardiac Rehabilitation Center in Li Shiu Chung Memorial Building of TWH
- Renovation of Physiotherapy Department in MMRC
- Renovation of Kitchen in Centenary Building of TWH
- Installation of central control and monitoring system (CCMS) in TWH

Kowloon Central Cluster

- Renovation of Block P in KH
- Extension works in Main Building of KH**

- Renovation of Yau Ma Tei Jockey Club GOPC
- Renovation of Block JMOQ in KH**
- Renovation of wards in KH**
- Renovation of Block B in KH
- Replacement of lifts in Main Building of KH
- Replacement of low voltage switchboards in KH
- Renovation of Physiotherapy Gym Room in Rehabilitation Building of KH
- Addition of overnight rooms in Rehabilitation Building of KH
- Periodic inspection, testing and certification for low voltage electrical installation in HKCH
- Replacement of chillers in KH**
- Improvement works to female changing room in West Wing at KH
- Renovation of Block C in KH
- Mortuary expansion in Rehabilitation Building of KH

Kowloon East Cluster

- Provision of additional beds in Hospital Main Block of TKOH
- Improvement of isolation facilities for wards in HHH
- Replacement of cooling towers in Block S of UCH**
- Renovation of wards in TKOH
- Renovation of tuberculosis laboratory in Main Block of HHH
- Renovation of wards in UCH
- Replacement of steam boilers in UCH
- Façade repair in UCH
- Renovation of Clinical Diagnostic Unit in Main Block of HHH
- Replacement of chillers in Ambulatory Care Block of TKOH
- Renovation of staff changing room in Annex Building of HHH
- Renovation of quarters in Block K of UCH
- Replacement of CCMS components in Ambulatory Care Block of TKOH
- Overhaul of operating theatres in Hospital Main Block of TKOH
- Overhaul of operating theatres in Ambulatory Care Block of TKOH

Kowloon West Cluster

- Expansion of Department of Anaesthesiology and Operating Theatre Services in YCH
- Upgrading of power supply in Block B of YCH**
- Renovation of Delivery Suite in Main Block of PMH**
- Renovation of wards in YCH**
- Replacement of emergency generator in Block S of PMH
- Site preparation works for medical equipment installation/replacement in PMH
- Renovation of SOPC in Block K of PMH
- Renovation of Bess Tsin Man Kuen Wellness Centre for Breast Disease in Block B of YCH
- Renovation work for North Kwai Chung GOPC
- Replacement of lifts in Block B of YCH
- Renovation of wards in NLTH

- Maintenance of external walls in YCH
- Maintenance of external walls in PMH**
- Replacement of emergency generators in Wai Shun Block of CMC
- Periodic inspection, testing and certification for low voltage electrical installation in PMH

New Territories East Cluster

- Replacement of air-cooled chillers in Main Clinical Block & Trauma Centre of PWH**
- Replacement of CCMS in Main Clinical Block & Trauma Centre of PWH**
- Renovation of Li Ka Shing Specialist Clinics (North Wing) of PWH
- Renovation of Wong Siu Ching Family Medicine Centre
- Renovation of wards in AHNH**
- Renovation of SOPCs in Li Ka Shing Specialist Clinics (North Wing) of PWH
- Replacement of CCMS in AHNH
- Renovation of Burns Centre in Main Clinical Block and Trauma Centre of PWH
- Renovation of wards in Main Clinical Block and Trauma Centre of PWH
- Conversion works for new integrated clinic in Cancer Centre of PWH**
- Improvement of building services facilities for isolation wards of AHNH**
- Improvement works for chilled water piping system in Main Clinical Block and Trauma Centre of PWH
- Renovation of wards in SH
- Renovation of wards in TPH**
- Maintenance of external walls in SH

New Territories West Cluster

- Extension at podium in Rehabilitation Block of TMH
- Alteration and addition works for Blocks A & B in TMH
- Addition of new lift towers in TMH
- Construction of linked bridge in Block A of CPH
- Replacement of water-cooled chiller in Main Block of POH
- Provision of disabled access to main entrance in Block C of CPH
- Renovation of 1/F & 2/F in Block S of CPH
- Renovation of Ambulatory Services Centre in POH
- Renovation of Accident and Emergency Department in POH
- Renovation of wards in POH**
- Renovation of operating theatres in POH**
- Renovation of wards in CPH**
- Renovation of wards in TMH**
- Renovation of wards in SLH
- Renovation of SOPC in POH

** Projects planned to commence in 2024-25

Abbreviations

Hong Kong East Cluster	
CCH	Cheshire Home, Chung Hom Kok
PYNEH	Pamela Youde Nethersole Eastern Hospital
RH	Ruttonjee Hospital
SJH	St. John Hospital
TSKH	Tang Shiu Kin Hospital
TWEH	Tung Wah Eastern Hospital
WCHH	Wong Chuk Hang Hospital
Hong Kong West Cluster	
DKCH	The Duchess of Kent Children's Hospital at Sandy Bay
FYKH	Fung Yiu King Hospital
GH	Grantham Hospital
MMRC	MacLehose Medical Rehabilitation Centre
QMH	Queen Mary Hospital
TWH	Tung Wah Hospital
TYH	Tsan Yuk Hospital
Kowloon Central Cluster	
HKBH	Hong Kong Buddhist Hospital
HKCH	Hong Kong Children's Hospital
HKEH	Hong Kong Eye Hospital
BTS	HK Red Cross Blood Transfusion Service
KH	Kowloon Hospital
KWH	Kwong Wah Hospital
OLMH	Our Lady of Maryknoll Hospital
QEH	Queen Elizabeth Hospital
WTSH	TWGHs Wong Tai Sin Hospital
Kowloon East Cluster	
HHH	Haven of Hope Hospital
TKOH	Tseung Kwan O Hospital
UCH	United Christian Hospital
Kowloon West Cluster	
CMC	Caritas Medical Centre
KCH	Kwai Chung Hospital
NLTH	North Lantau Hospital
PMH	Princess Margaret Hospital
YCH	Yan Chai Hospital
New Territories East Cluster	
AHNH	Alice Ho Miu Ling Nethersole Hospital
BBH	Bradbury Hospice
SCH	Cheshire Home, Shatin
NDH	North District Hospital
PWH	Prince of Wales Hospital
SH	Shatin Hospital
TPH	Tai Po Hospital
New Territories West Cluster	
CPH	Castle Peak Hospital
POH	Pok Oi Hospital
SLH	Siu Lam Hospital
TSWH	Tin Shui Wai Hospital
TMH	Tuen Mun Hospital

Appendix II

Key on-going and new items to be funded by the proposed funding provision in 2024-25

Part I: On-going key items

	Project description	Project estimate \$M	Estimate 2024-25 \$M
1.	Renovation of Ward F1 for establishment of protective environment for hematology patients in Tuen Mun Hospital	69.000	1.000
2.	Extension of Accident and Emergency Department in Alice Ho Miu Ling Nethersole Hospital	67.100	1.450
3.	Construction of new wards at Hospital Main Block in Tseung Kwan O Hospital	65.500	2.407
4.	Addition and alteration works for installation of the 6th linear accelerator in Prince of Wales Hospital	62.530	31.665
5.	Renovation of Accident and Emergency Department at Block H in Princess Margaret Hospital	54.000	3.000
6.	Addition of lifts at Main Block and East Block in Pamela Youde Nethersole Eastern Hospital	50.000	0.441
7.	Construction of linked bridge in Queen Mary Hospital	45.000	25.860
8.	Renovation of tuberculosis laboratory and molecular laboratory of Kowloon Central Cluster in Main Building of Kowloon Hospital	29.000	13.378
9.	Extension of East Wing on G/F of Specialist Out-patient Block in Pamela Youde Nethersole Hospital	28.900	18.000
10.	Renovation of operating theatres on 11/F of Main Block in Pamela Youde Nethersole Eastern Hospital	28.900	16.900

Part II: Proposed key new items

	Project description	Project estimate \$M	Estimate 2024-25 \$M
1.	Replacement of air-cooled chillers in Main Clinical Block and Trauma Centre of PWH (Phase 1)	28.000	2.800
2.	Conversion of pavilion areas to staff changing rooms on G/F in Shatin Hospital	27.000	1.000
3.	Renovation works to Ward D5 in Pamela Youde Nethersole Eastern Hospital	25.000	9.500
4.	Renovation of Ward E6 in Block E of Alice Ho Miu Ling Nethersole Hospital	24.000	11.000
5.	Maintenance of external walls in Lai King Building of Princess Margaret Hospital	22.000	11.000
6.	Replacement of central control and monitoring system in Main Clinical Block and Trauma Centre of Prince of Wales Hospital	20.000	2.000
7.	Conversion of hydropool room and portion of covered area on G/F to Supplies Store in Shatin Hospital	20.000	0.730
8.	Renovation of Delivery Suite in Main Block of Princess Margaret Hospital	19.500	11.700
9.	Site preparation for replacement of transformers in Block B of Yan Chai Hospital	19.000	11.400
10.	Renovation Works to Operation Theatre C7 in Pamela Youde Nethersole Eastern Hospital	19.000	10.000

Part III: Others

	Estimate 2024-25 \$M
1 725 other on-going and new items with expected expenditure in 2024-25	1,914.769
Total of Parts I to III:	2,100.000