

**For Discussion on
12 May 2025**

**Legislative Council Panel on Welfare Services
Enhancement of the
“Purchase of Premises for Provision of Welfare Services” Scheme**

Purpose

This paper briefs Members on the Government’s enhancement proposals for the “Purchase of Premises for Provision of Welfare Services” Scheme (the Purchase Scheme), and proposes to reduce the financial commitment for the Purchase Scheme from \$20 billion to \$5 billion.

Background

2. The Financial Secretary announced in the 2019-20 Budget an allocation of \$20 billion for the purchase of premises to meet the dire demand for welfare facilities. Funding approval was obtained from the Finance Committee (FC) of the Legislative Council in June 2020. At the time, the Government proposed in the FC paper (FCR(2020–21)6) to purchase 158 target premises for providing welfare services to the elderly, persons with disabilities, and children. Under the Purchase Scheme, the Social Welfare Department (SWD) and the Government Property Agency (GPA) have been following the Enclosure 1 of the FC paper “Proposed List of Welfare Facilities to be Accommodated in the Premises to be Purchased” (the Proposed List of Welfare Facilities) (see Annex) in identifying suitable premises for the specified types of welfare services.

Latest Development

3. As at 31 March 2025, SWD had considered 191 sale proposals and purchased five premises at an actual cost of about \$240 million under the Purchase Scheme. The experience of implementing the Purchase Scheme over the past four years or so has shown that the progress of purchasing premises depends on the availability of suitable and reasonably priced premises in the private market that meet the specific requirements for the service types as

specified in the FC paper as well as the Government's specific requirements on the facilities to be used for the provision of such services. These include height restrictions (for child care service, elderly care service and rehabilitation service facilities), barrier-free requirements (for child care service facilities as well as specific elderly care and rehabilitation service facilities), and compatibility with other uses in the vicinity (for all welfare service facilities). Finding suitable premises in urban areas is particularly challenging because most of these premises were completed in earlier years and their fire safety and barrier-free access provisions are generally unable to comply with the current more stringent requirements. In some cases, even though the seller is willing to improve the facilities/conditions to meet the Government's needs, the works would affect public areas of the buildings and hence could not be implemented. In fact, among the aforementioned 191 sale proposals considered, more than half of them (111 premises) were unsuitable owing to these reasons. 28 premises were not successfully acquired owing to landlords' refusal to break the premises into smaller units for sale, premises in poor conditions or with long tenancies, lack of response from the owners, etc. Also, 20 premises were not successfully acquired because either the asking price exceeded the respective ceiling price considered reasonable by GPA, or the properties were withdrawn / sold by the owners. The Government is considering the remaining 27 properties.

4. In view of the above challenges, SWD and GPA have been reviewing, streamlining and integrating the purchase process to purchase as many premises as possible. For example, SWD and GPA have been proceeding with different steps in parallel, including prior consultation with different departments on suitability of premises for purchase from land use, planning, building safety and fire safety perspectives, with a view to enabling early identification of suitable premises for purchase to expedite the purchase process. For premises that meet technical specifications but are oversized, SWD is also actively identifying other welfare facilities to achieve co-location of different facilities in the premises.

Enhancement of the Premises Purchase Model

5. Following a review of the process and progress of purchase of premises, we consider that the Proposed List of Welfare Facilities mentioned above and the specific requirements for certain welfare facilities have imposed significant constraints on the purchase process. Firstly, the types and distribution of welfare facilities specified in the Proposed List of Welfare Facilities have limited the options for purchasing premises. Moreover, premises on the ground or

lower floors are often in limited supply, and those that meet the requirements for safety, location, and barrier-free access are even rarer. To this end, we propose to implement the following two enhancement measures.

Removing Barriers and Constraints

6. The Government has all along adopted a multi-pronged approach to identify suitable sites or premises for the provision of welfare facilities. In the 2020 Policy Address, the Chief Executive announced that the Hong Kong Housing Authority and the Hong Kong Housing Society will set aside about 5% of the total gross floor area of suitable public housing development projects for the provision of social welfare facilities, on the premise that the public housing supply and other ancillary facilities will not be affected. In addition, welfare facilities are incorporated into private development projects through urban renewal, land sales, lease modifications, and land exchanges etc. With the gradual completion of relevant public housing and private development projects in the coming years, the need to purchase premises in certain districts has changed. Meanwhile, the Government has continuously adapted to changing circumstances by introducing and delivering new welfare initiatives to meet the evolving welfare needs of the community¹. The Proposed List of Welfare Facilities prepared in 2019-20 could no longer reflect the prevailing needs of the community. As such, we propose to dispense with the Proposed List of Welfare Facilities to provide the Government with greater flexibility in allocating resources to meet new challenges and/or unforeseen demands for various types of welfare services. The Government will ensure that the premises purchased can suit the intended welfare service use.

Introducing Swapping Arrangement

7. Currently, owing to fire safety considerations, certain welfare facilities are subject to specific height restrictions and requirements regarding nearby land use. For example, premises intended for use as child care centres or special child care centres must not be more than 12 metres above ground level, must not be in the

¹ Examples of new welfare initiatives introduced in recent years include:

- (1) Carer support facilities, such as operation base for the Designated Hotline for Carer Support and Community Care Teams;
- (2) Parents/Relatives Resource Centre for persons in mental recovery;
- (3) After School Care Programme for Pre-primary Children and Neighbourhood Support Child Care Project;
- (4) Short-term Food Assistance Service Teams; and
- (5) Social Work Service for Pre-primary Institutions.

neighborhood of entertainment establishments such as massage parlours, and must not have restaurants on the floors above or below. Premises used for day services for the elderly or persons with disabilities must not be more than 24 metres above ground level. In addition, newly established welfare facilities must comply with prevailing fire safety and barrier-free access standards. Based on past experience, the supply of premises in the market that meet these requirements is limited. Therefore, the Government proposes to introduce a swapping arrangement. In addition to acquiring premises directly for welfare facilities currently in short supply, the Government would also allow the acquisition of new premises to relocate current welfare facilities situated on the ground or lower floors that are not subject to height restrictions (such as youth service units or offices), thereby releasing their original premises for welfare facilities that are subject to height restrictions (such as child care centres).

Reducing Financial Commitment

8. In the 2025-26 Budget, the Financial Secretary requested relevant policy bureaux to review expenditures, including social welfare spending, to ensure the prudent use of public funds. Over the past few years, the actual expenditure under the Purchase Scheme amounted to about \$240 million. With an estimated expenditure of \$250 million for 2025-26, the remaining balance of the commitment is around \$19.5 billion. Considering the purchase progress in the past few years, the approved and unutilised balance might remain idle for a long period of time, which could not meet the principle of effectively utilising public financial resources. To maximise the effectiveness of public resources, we propose to reduce the financial commitment for the Purchase Scheme from \$20 billion to \$5 billion. After implementing the above enhancement measures for a period of time, the Government will review the progress of the Purchase Scheme as appropriate and seek funding through established mechanisms to continue the Scheme when necessary.

Implementation of the Scheme

9. Subject to the FC's approval of the above proposals, we will promptly proceed with the enhanced acquisition arrangements.

Advice Sought

10. Members are invited to note and comment on the above proposals. After consultation with Members, we will submit the proposals to the FC for consideration.

Labour and Welfare Bureau
Social Welfare Department
May 2025

Annex**Proposed List of Welfare Facilities to be Accommodated in the Premises to be Purchased**

Type of service	Hong Kong Island				Kowloon					New Territories									Total	Remarks
	CW	E	S	WC	KC	YTM	SSP	KT	WTS	Is	KwT	TW	SK	ST	TP	N	TM	YL		
Family and Child Care Facilities																				
CCC	1	1	1	1	1	1	1	1	2	2	2	1	3	2	2	1	2	3	28	For setting up new service facilities in the districts.
CSC	1					1		1								1		1	5	For meeting area shortfall of existing service facilities or reprovisioning existing service facilities in the districts.
IFSC					1	1		1						1				2	6	For meeting area shortfall of existing service facilities or reprovisioning existing service facilities in the districts.
Elderly Facilities																				
DE	1	1	1		1	1		1	1		1	1	1	1	1	1	1	1	15	For setting up new service facilities in the districts.
NEC	6	6	3	2	3	5	3	4	2	2	4	1		2		1	1	3	48	For meeting area shortfall of existing service facilities or reprovisioning existing service facilities in the districts.
DECC	1	1				2		1	1									1	7	For meeting area shortfall of existing service facilities or reprovisioning existing service facilities in the districts.
Rehabilitation Facilities																				
DAC		1						1				1				1			3	For setting up new service facilities in the districts.

Type of service	Hong Kong Island				Kowloon					New Territories									Total	Remarks
	CW	E	S	WC	KC	YTM	SSP	KT	WTS	Is	KwT	TW	SK	ST	TP	N	TM	YL		
IVRSC													1	1		1			3	For setting up new service facilities in the districts.
SCCC						1					1			1				2	5	For setting up new service facilities in the districts.
OPRS	1	1			1	1		1			1	1	1	1		1	1	1	12	For meeting area shortfall of existing service facilities or reprovisioning existing service facilities in the districts.
SPA	1											1		1					3	For meeting area shortfall of existing service facilities or reprovisioning existing service facilities in the districts.
DSC			1	1		1			1					1					5	For setting up new service facilities, and for meeting area shortfall of existing service facilities or reprovisioning existing service facilities in the districts.
PRC			1	1	1		1				1		1	1	1			1	9	For meeting area shortfall of existing service facilities or reprovisioning existing service facilities in the districts.
CRDC		1																	1	For meeting area shortfall of an existing service facility or reprovisioning an existing service facility in the district.
SCCC cum EETC				1															1	For meeting area shortfall of an existing service facility or reprovisioning an existing service facility in the district.
Youth Facilities																				
ICYSC									1										1	For meeting area shortfall of an existing service facility or reprovisioning an

Type of service	Hong Kong Island				Kowloon					New Territories									Total	Remarks
	CW	E	S	WC	KC	YTM	SSP	KT	WTS	Is	KwT	TW	SK	ST	TP	N	TM	YL		
																				existing service facility in the district.
YOT														1					1	For meeting area shortfall of an existing service facility or reprovisioning an existing service facility in the district.
CYST				1			1		1		1			1					5	For meeting area shortfall of existing service facilities or reprovisioning existing service facilities in the districts.
Total	<i>12</i>	<i>12</i>	<i>7</i>	<i>7</i>	<i>8</i>	<i>14</i>	<i>6</i>	<i>10</i>	<i>9</i>	<i>4</i>	<i>11</i>	<i>5</i>	<i>8</i>	<i>14</i>	<i>4</i>	<i>7</i>	<i>5</i>	<i>15</i>	158	

Legend

Types of welfare services

<i>CCC</i>	Child Care Centre
<i>CRDC</i>	Community Rehabilitation Day Centre
<i>CSC</i>	Co-parenting Support Centre
<i>CYST</i>	Cyber Youth Support Team
<i>DAC</i>	Day Activity Centre
<i>DE</i>	Day Care Centre for the Elderly
<i>DECC</i>	District Elderly Community Centre
<i>DSC</i>	District Support Centre for Persons with Disabilities
<i>ICYSC</i>	Integrated Children and Youth Services Centre
<i>IFSC</i>	Integrated Family Service Centre
<i>IVRSC</i>	Integrated Vocational Rehabilitation Services Centre
<i>NEC</i>	Neighbourhood Elderly Centre
<i>OPRS</i>	Office-base for On-site Pre-school Rehabilitation Services
<i>PRC</i>	Parents/Relatives Resource Centre
<i>SCCC</i>	Special Child Care Centre
<i>SCCC cum EETC</i>	Special Child Care Centre cum Early Education and Training Centre
<i>SPA</i>	Support Centre for Persons with Autism
<i>YOT</i>	Youth Outreaching Team

Districts

Hong Kong Island (HKI)

<i>CW</i>	Central and Western
<i>E</i>	Eastern
<i>S</i>	Southern
<i>WC</i>	Wan Chai

Kowloon (Kln)

<i>KC</i>	Kowloon City
<i>KT</i>	Kwun Tong
<i>SSP</i>	Sham Shui Po
<i>WTS</i>	Wong Tai Sin
<i>YTM</i>	Yau Tsim Mong

New Territories (NT)

<i>Is</i>	Islands
<i>KwT</i>	Kwai Tsing
<i>N</i>	North
<i>SK</i>	Sai Kung
<i>ST</i>	Shatin
<i>TM</i>	Tuen Mun
<i>TP</i>	Tai Po
<i>TW</i>	Tsuen Wan
<i>YL</i>	Yuen Long