

**立法會**  
**Legislative Council**

LC Paper No. FC14/20-21  
(These minutes have been  
seen by the Administration)

Ref : FC/1/1(34)

**Finance Committee of the Legislative Council**

**Minutes of the 35<sup>th</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Monday, 29 June 2020, from 2:30 pm to 4:44 pm**

**Members present:**

Hon CHAN Kin-por, GBS, JP (Chairman)  
Hon CHAN Chun-ying, JP (Deputy Chairman)  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon Tommy CHEUNG Yu-yan, GBS, JP  
Prof Hon Joseph LEE Kok-long, SBS, JP  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon WONG Ting-kwong, GBS, JP  
Hon Starry LEE Wai-king, SBS, JP  
Hon CHAN Hak-kan, BBS, JP  
Hon WONG Kwok-kin, SBS, JP  
Hon Mrs Regina IP LAU Suk-yea, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon Claudia MO  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon Frankie YICK Chi-ming, SBS, JP  
Hon WU Chi-wai, MH  
Hon YIU Si-wing, BBS  
Hon Charles Peter MOK, JP  
Hon CHAN Chi-chuen  
Hon Kenneth LEUNG  
Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung, JP  
Hon Dennis KWOK Wing-hang

Dr Hon Fernando CHEUNG Chiu-hung  
Hon IP Kin-yuen  
Hon Elizabeth QUAT, BBS, JP  
Hon POON Siu-ping, BBS, MH  
Dr Hon CHIANG Lai-wan, SBS, JP  
Hon CHUNG Kwok-pan  
Hon Alvin YEUNG  
Hon CHU Hoi-dick  
Hon Jimmy NG Wing-ka, BBS, JP  
Hon Holden CHOW Ho-ding  
Hon SHIU Ka-fai, JP  
Hon SHIU Ka-chun  
Hon Wilson OR Chong-shing, MH  
Hon YUNG Hoi-yan, JP  
Dr Hon Pierre CHAN  
Hon CHEUNG Kwok-kwan, JP  
Hon HUI Chi-fung  
Hon LUK Chung-hung, JP  
Hon LAU Kwok-fan, MH  
Hon Kenneth LAU Ip-keung, BBS, MH, JP  
Dr Hon CHENG Chung-tai  
Hon KWONG Chun-yu  
Hon Jeremy TAM Man-ho  
Hon Vincent CHENG Wing-shun, MH, JP  
Hon Tony TSE Wai-chuen, BBS  
Hon CHAN Hoi-yan

**Members absent:**

Hon James TO Kun-sun  
Hon LEUNG Yiu-chung  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon Steven HO Chun-yin, BBS  
Hon MA Fung-kwok, SBS, JP  
Hon CHAN Han-pan, BBS, JP  
Hon LEUNG Che-cheung, SBS, MH, JP  
Hon Alice MAK Mei-kuen, BBS, JP  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Dr Hon Helena WONG Pik-wan  
Hon Martin LIAO Cheung-kong, GBS, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon Andrew WAN Siu-kin

Dr Hon Junius HO Kwan-yiu, JP  
Hon LAM Cheuk-ting  
Hon Tanya CHAN

**Public officers attending:**

Mr Raistlin LAU Chun, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Mike CHENG Wai-man	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr David LEUNG, JP	Deputy Secretary for Labour and Welfare (Welfare) 1
Mr Gordon LEUNG, JP	Director of Social Welfare
Mr LAM Ka-tai, JP	Deputy Director of Social Welfare (Services)
Ms Barbara CHU Wing-chee	Senior Principal Executive Officer (Special Duties), Social Welfare Department
Miss Leonia TAI Shuk-yiu, JP	Government Property Administrator
Mr Ronald CHAN Chi-ping	Chief Property Manager (Acquisition, Allocation and Disposal), Government Property Agency

**Clerk in attendance:**

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

**Staff in attendance:**

Miss Queenie LAM	Senior Legislative Assistant (1)2
Mr Frankie WOO	Senior Legislative Assistant (1)3
Miss Mandy POON	Legislative Assistant (1)1

---

Action

The Chairman reminded members of the requirements under Rule 83A and Rule 84 of the Rules of Procedure.

**Item 8 — FCR(2020-21)6  
CAPITAL WORKS RESERVE FUND**

**HEAD 703 — BUILDINGS**  
**Social Welfare — Multi-purpose/Miscellaneous**  
**1SG — "Purchase of welfare premises"**

**Item 9 —FCR(2020-21)7  
RECOMMENDATION OF THE ESTABLISHMENT  
SUBCOMMITTEE MADE ON 24 JUNE 2019**

**EC(2019-20)9**  
**HEAD 170 — SOCIAL WELFARE DEPARTMENT**  
**Subhead 000 Operational expenses**

2. The Chairman said that since item FCR(2020-21)6 and item FCR(2020-21)7 were both related to the provision of welfare facilities, the two items would be discussed together to enable effective use of meeting time and avoid questions being raised repeatedly. The two items would be voted on separately after discussion.

3. The Chairman said that the two items invited the Finance Committee ("FC") to approve:

- (a) the proposal in the paper FCR(2020-21)6 on a new commitment of \$20 billion for the purchase of premises for the provision of welfare facilities; and
- (b) the proposal in the paper FCR(2020-21)7 on the recommendation of the Establishment Subcommittee ("ESC") made on 24 June 2019 on the creation of one permanent post of Senior Principal Executive Officer ("SPEO") (D2) in the Social Welfare Department ("SWD") to head a new Planning and Development ("PD") Branch to strengthen the planning, coordination and implementation of capital works projects of welfare premises and formulating departmental policies and procedures on all matters relating to project planning, implementation as well as management and maintenance for the provision of welfare facilities, i.e. the proposal in the paper EC(2019-20)9.

A request for separate voting for the above recommendation of ESC at the FC meeting had been made by members. The duration of the discussion on item FCR(2020-21)6 by the Panel on Welfare Services was one hour 12 minutes, whereas that for the discussion on item FCR(2020-21)7 by ESC was about two hours.

Purchase of welfare premises

*Planning issues*

4. Mr Charles Peter MOK asked whether SWD had worked out a list of premises to be purchased for provision of welfare facilities across the 18 districts and how different service types and districts were prioritized in the purchase exercise. Dr Fernando CHEUNG agreed to the need to purchase premises to solve the long-standing shortfall problem particularly with respect to child/special child care and day care services in the old and developed districts. That said, Dr CHEUNG expressed doubt about the policy to apply the purchase exercise across-the-board to all 18 districts.

5. Director of Social Welfare ("DSW") said that the purchase exercise, as a short-term measure, aimed to expedite the provision of welfare facilities to address the acute shortage of welfare facilities in respect of family and child care, elderly care, rehabilitation services and youth services. The purchase exercise had to be considered in parallel with the medium- and long-term planning of SWD to enhance the overall welfare service provision. With the input of District Social Welfare Officers on the welfare needs of individual districts, a proposed list of welfare facilities to be accommodated in the premises by district and service type was detailed at the Annex to Enclosure 1 of the paper FCR(2020-21)6.

6. Mr CHU Hoi-dick asked about the current status of the welfare facilities acquired by SWD in the last purchase exercise in 1995-1998. Ms Claudio MO expressed concern about the long-term utilization of the permanent welfare premises acquired by the Government, as the nature of service demand would evolve over time due to demographic changes. Ms YUNG Hoi-yan supported the purchase exercise to tackle the service shortfall particularly in old and developed areas with aging population and little prospect for new development. Ms YUNG asked about the mechanism to monitor the utilization of the acquired premises to ensure that vacated premises, if any, would be immediately taken up by other non-government organizations ("NGOs"). Noting that the Government had not initiated such purchase exercise since 1998, she suggested that such exercise should be implemented regularly to solve the facilities shortfall problem.

7. DSW advised that of the 63 welfare premises purchased in 1995-1998, all but one were still actively operated by NGOs. For the one vacant premises, which were located at basement level and were not easily accessible by service users, a proposal to make use of it as an NGO office was under consideration. Government Property Administrator said that the premises to be acquired in the purchase exercise were to meet the on-going need for welfare facilities for various services. The welfare premises acquired would become permanent government property for long-term use.

8. Mr WU Chi-wai expressed concern that premises found suitable for the accommodation of certain welfare facilities might not fall within the service catchment area of the relevant district. Mr Wilson OR expressed support for the proposal in principle. Noting that the service users in Kwun Tong district were mostly public housing estates ("PHEs") tenants, Mr OR expressed concern that welfare premises acquired in the commercial or industrial buildings in Kwun Tong might not be convenient for service users. Mr Jeremy TAM asked whether the purchase exercise would cover areas in the vicinity of transitional housing to address the service need of the residents.

9. DSW said that SWD would in the course of the purchase exercise seek to identify suitable premises that would fall within the service catchment areas of the relevant districts. In identifying potential premises in the relevant districts, SWD would assess whether those premises would be accessible to service users in the areas. While transitional housing projects steered by the Transport and Housing Bureau would require the relevant NGOs operating the project to provide relevant welfare services for the tenants, Social Welfare District Officers of respective districts would keep in view NGOs' service provision for transitional housing tenants.

10. Mr Jeremy TAM opined that as it might take longer than three years to identify suitable welfare premises for the planned services, SWD should adopt a flexible approach regarding the completion of the purchase exercise within the three-year timeframe with the \$20 billion funding provision.

11. DSW said that SWD was committed to expediting the implementation of the purchase exercise and completing the exercise over some three years, so as to address the imminent need for welfare facilities of various districts. That said, DSW noted Mr TAM's view to allow flexibility regarding the three-year timeframe. SWD would report to the

Legislative Council ("LegCo") on the progress of the purchase exercise on a yearly basis.

*Area shortfall and waiting time*

12. Mr Alvin YEUNG noted that in respect of the purchase of premises for rehabilitation services across the 18 districts, the Administration proposed the purchase of premises for accommodating three Day Activity Centres ("DACs"), three Support Centres for Persons with Autism ("SPAs"), five District Support Centres for Persons with Disabilities ("DSCs") and nine Parents/Relatives Resources Centres ("PRCs"). Mr YEUNG asked how the respective numbers of various rehabilitation facilities included in the purchase exercise were determined. Mr YEUNG noted that, at present, the waiting time for DAC stood at 57.5 months, while that of the other three services (viz., SPA, DSC,PRC) seemed shorter.

13. Mr WU Chi-wai asked whether the problem of facilities shortfall would be solved upon the completion of the purchase exercise. Mr YIU Si-wing and Ms YUNG Hoi-yun enquired about the estimated reduction of waiting time of the various services concerned upon completion of the purchase exercise. Ms YUNG remarked that the existing waiting time for child care service was around two years.

14. Deputy Secretary for Labour and Welfare (Welfare)1 ("DSLW(W)1") and DSW reiterated that given the Government's multi-pronged approach, the effect of the purchase exercise as a short-term approach should be gauged in conjunction with the medium- and long-term measures. In this connection, the Government had provided at Enclosures 2 and 3 respectively the revised proposals received in Phase One of the Special Scheme on Privately Owned Sites for Welfare Uses ("Special Sites Scheme ") and the list of planned welfare facilities with target completion date up to 2028 which included Residential Care Homes for the Elderly ("RCHEs") and hostels for physically/mentally handicapped persons.

15. DSW advised that welfare service provision would adhere to the population-based planning ratios specified in the Hong Kong Planning Standards and Guidelines ("HKPSG") as far as practicable. The implementation of the medium- and long-term strategies would have to take into account a basket of factors; for example, changes in demographic population and service demand; new initiatives of the Government from the provision of residential services to enhancement of day care and home care services; the progress of implementing new planning projects in newly developed areas. The Government was positive that the purchase exercise

would contribute to reducing service waiting time in respect of family child care, elderly care, rehabilitation services and youth services, although it would be difficult to quantify the reduction precisely.

Coverage of welfare services under the purchase exercise

*Residential care homes for the elderly*

16. Mr CHAN Chi-chuen and Mr Alvin YEUNG noted that RCHEs, which presumably required larger floor areas, were not on the purchase list. Mr CHAN Chi-chuen noted that the floor area requirements of the 158 welfare facilities on the list were on the low side. Mr CHAN asked whether SWD had capped the floor area and purchase price of the respective premises at the planning stage.

17. DSW and Deputy Director of Social Welfare (Services) ("DDSW(S)") said that there was no cap on the floor area and the purchase price of the respective premises. As there were more stringent technical and layout requirements for the provision of residential facilities for the elderly and the disabled, such as building height restriction, lighting and ventilation requirement etc., the Government considered it more appropriate to provide purpose-built RCHEs or assist relevant NGOs to expand or redevelop their existing facilities through the Special Sites Scheme to solve the shortage problem.

*Integrated Home Care Services*

18. Mr SHIU Ka-chun asked why the purchase list did not cover premises for the accommodation of Integrated Home Care Services ("IHCS"), which was included in the previous purchase exercise in 1995-1998. Mr SHIU remarked that there was a huge service demand in the community for IHCS and the Government had announced the increase of service quota for IHCS in recent years. Mr SHIU said that the IHCS teams of various districts were short of space for food preparation and storing home care service equipment.

19. DSW and DDSW(S) advised that IHCS was not covered in the purchase exercise because the size of a set of premises for an IHCS team, which was not intended for receiving service users, was relatively smaller (i.e. around 90 square metres), as compared with other day services. Such premises could be acquired easily through renting, by providing the concerned NGOs with rent subsidies.



Operation mechanism

*Monitoring of the purchase exercise*

20. Mr Charles Peter MOK, Dr CHIANG Lai-wan, Mr KWONG Chun-yu, Dr Fernando CHEUNG expressed concern that the purchase exercise with an allocation of \$20 billion might give rise to corrupt practices or transfer of benefits between the Government and property owners/agencies. Mr KWONG Chun-yu stressed that the Administration should be prudent in using public money and ensure that it would not fall prey to the property market by purchasing premises with jacked up prices.

21. Dr CHIANG Lai-wan suggested that SWD should make transparent the requirements of the 126 welfare premises to be acquired on the Government website and openly invite offers from property owners/agencies. Dr CHIANG stressed that the purchase exercise should be conducted in a fair and transparent manner. Dr Fernando CHEUNG, Ms Claudia MO, and Dr KWOK Ka-ki expressed similar concern as to how SWD could ensure that the purchase exercise would be conducted in an open and transparent manner. Mr KWOK Wai-keung held a different view that open invitation to property owners/agencies might potentially lead to bid-rigging among property owners/agencies.

22. DSW and Government Property Administrator advised that:

- (a) a Steering Committee would be set up jointly by SWD and Government Property Agency ("GPA") to supervise the purchase exercise and make collective decisions on the purchase of premises taking into account the specific requirements of the respective welfare facilities; and
- (b) GPA would identify suitable premises through different channels, including considering property information provided by owners or real estate agents; approaching the property owners directly; identifying suitable properties from advertisements of newspapers, websites of developers/owners or property agents; conducting site visits at targeted districts; and inviting through the Government's website saleable properties from owners. The professional staff of GPA would assess the market value of suitable premises by reference to latest transaction prices of similar premises in the same locality and adopt the market value as the price ceiling for negotiation with the owners.

23. Dr Fernando CHEUNG considered it unsatisfactory that the Steering Committee, which was to supervise and make decisions on the purchase of premises, had not invited the participation of non-government representatives and service users. Dr CHEUNG said that feedback of service users could help ensure that the premises selected for the respective services would match users' needs; and the engagement of a third party in the Steering Committee could help assure the public that no transfer of interest was involved in the purchase exercise. Mr SHIU Ka-chun said that there was good reason for the public's expression of concern about the proper use of the \$20 billion allocation by the Government. Mr SHIU remarked that the recent use of the Lotteries Fund for the purpose of constructing quarantine units to tackle the Covid-19 pandemic was allegedly a breach of the regulation governing the Lotteries Fund, which was meant to be used for financing capital expenditure on welfare projects. Mr Wilson OR considered that the Steering Committee should be more transparent by inviting the participation of stakeholders such as service users, LegCo members or District Council members to ensure checks and balances in the decision-making process.

24. DSW said that the Government considered it not viable to engage non-official members in the Steering Committee as its deliberations would involve market-sensitive information and issues related to purchase strategy. SWD would set up mechanisms for corruption prevention and prevention of conflict of interests. The Government would consult the Independent Commission Against Corruption for setting up a system for declaration of interests for all public officers involved in the purchase exercise as well as external parties engaged by the Government. DSW reiterated that the Government would report the progress of the purchase exercise to LegCo on a yearly basis.

25. Mr KWONG Chun-yu, Dr KWOK Ka-ki, Ms Claudia MO expressed concerns about the transfer of interest between the Government and the property sector, and whether public money would be used for boosting the property market of those district areas which had become dead quiet amid the downturn of the local economy.

26. Government Property Administrator advised that the priority concern of GPA was to meet the requirements of the welfare premises set by SWD and ensure that the premises would be purchased at market price. The Government would also ensure that the purchased premises would comply with relevant land deeds, statutory planning control, fire safety and other statutory requirements. There was no question of using public money to boost the property market in the purchase exercise. GPA would not pay commission to property agencies for purchase of properties.

27. Mr CHU Hoi-dick enquired what information on the purchase exercise would be made public through the Government's website to invite saleable properties from owners. Mr CHU said that the provision of more relevant information could enable the public to suggest to the Government alternative means to acquire the relevant premises in the districts.

28. Government Property Administrator said that open invitation to property owners was one of the many approaches for identifying the relevant premises in the districts. For the identified potential premises which were considered as suitable by SWD, the professional staff of GPA would assess the market value of the premises by reference to the latest transaction prices of similar premises in the same district and adopt the market value as the price ceiling for negotiation with the owners.

*Valuation assessment*

29. Mr Jeremy TAM asked whether GPA would consider purchasing premises which were being occupied by tenants, and if so, how the Government could protect its interest in such transactions. Mr TAM called on the Administration to lay down detailed guidelines in this regard.

30. DSW said that as the purchase exercise was meant to meet the imminent shortage of welfare facilities, the premises to be acquired should be put into service at the earliest possible time. Property with a remaining lease period of more than several months would unlikely be considered for purchase. DSW said that he would further consider the issue with GPA.

31. Mr KWOK Wai-keung said that the purchase of permanent premises was more cost effective in the long run. The Administration should consider the possibility of purchasing entire building blocks to accommodate various welfare facilities if deemed suitable. In identifying potential premises for purchase, GPA should pay attention to the structural conditions of relevant premises and the building blocks concerned, as old buildings or buildings poorly maintained would incur higher maintenance and operational costs.

32. Government Property Administrator said that, in assessing the suitability of premises for purchase, the Government would consider, among others, the age of the building and its structural conditions. The Government would also make sure that the building structure of the potential premises was in compliance with fire safety regulations and other statutory requirements.

Medium- and long-term planning

33. Dr Fernando CHEUNG urged the Administration to actively earmark 50% of the gross floor area in new development projects in the New Development Areas ("NDAs"), such as Hung Shui Kiu, for the construction of purpose-built welfare facilities to meet service demand. Dr KWOK ka-ki said that the Government should, in its planning for the NDAs, allocate more resources for developing welfare facilities vis-a-vis commercial developments in view of the foreseeable decline of the local economy.

34. DSLW(W)1 responded that SWD would work with the departments concerned (e.g. the Housing Department and the Planning Department) in reserving floor space for provision of elderly services and facilities in accordance with the population-based planning ratios reinstated in the HKPSG in planning new and redevelopment areas/projects as far as practicable. SWD had also incorporated relevant population-based ratio into the HKPSG in March 2020 to facilitate the planning and reservation of suitable premises for operating child care centres. In the meantime, the formulation of planning ratios for the provision of rehabilitation services for enhancing provision of facilities for handicapped persons was in progress.

*Use of vacant government / school premises*

35. Mr WONG Ting-kwong said that the Government should be prudent in using public money and explore all possibilities of using existing vacant government sites for accommodating welfare facilities prior to proceeding with property purchase. Mr WONG requested the Administration to provide information listing out the vacant government sites (including vacant school premises) which had been considered by SWD for the purpose of accommodating welfare facilities. The information should set out the various departments that had been provided with government sites and the types of service provided thereof.

[*Post-meeting note:* The supplementary information provided by the Administration was issued to members vide LC Paper No. FC 231/19-20(01) on 30 June 2020.]

36. DSW responded that SWD had all along endeavoured to seek vacant government sites suitable for accommodating welfare facilities. DSLW(W)1 advised that the ex-Kai Nang Sheltered Workshop and Hostel in Kwun Tong and the ex- Siu Lam Hospital site in Tuen Mun had been/were being redeveloped as Integrated Rehabilitation Services

Complexes with necessary funding allocated from the Lotteries Fund, providing a total of some 2 000 residential care places and day training places. SWD also planned to convert some vacant schools (in Tuen Mun, Tai Po, and Sai Kung) into integrated welfare services complexes to provide a total of some 700 service places in the future.

37. Mr Michael TIEN remarked that according to Government source, there were some 900 vacant government sites and some 40 vacant school premises open for application for use by NGOs. Mr Michael TIEN, Mr Wilson OR and Dr KWOK Ka-ki queried whether SWD had thoroughly examined the suitability of all the vacant school premises and other vacant government sites with building structure for conversion into welfare facilities. Mr TIEN requested the Administration to provide the total floor area of the vacant school sites/ vacant government sites with building structure and explain why each of these 40 school sites and other vacant government sites with building structure was considered not suitable for conversion into welfare facilities.

*[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC 231/19-20(01) on 30 June 2020.]*

38. Mr IP Kin-yuen noted that as at March 2020, there were 234 vacant school premises of which around 80% (i.e. 181) were earmarked by the Planning Department for “government, institution or community” use in the long term. Of the remaining vacant school premises, around 22 with floor area ranging from 1 900 to 3 700 square metres were located in urban and newly developed areas in the vicinity of PHEs. Many of these vacant school premises, which were without proper maintenance, had led to security, environmental and hygiene problems causing nuisance to other schools nearby. Mr IP remarked that government expenditure related to the management of such vacant school premises had been on the rise (viz. from \$720,000 in 2013-2014 to \$1.81 million in 2020-2021). Noting that around 10 vacant school premises had been used for reprovisioning other schools in the past three years, Mr IP called on the Administration to step up its effort to tap into the existing land resources with ex-school premises when addressing the issue of area shortfall of welfare facilities. Dr KWOK Ka-ki said that many vacant school premises close to residential areas had spacious open areas for physical exercises and activities and these premises were most suitable for converting to day care centres for the elderly.

39. DSW advised that SWD had reviewed the vacant school premises on the list and considered that most of the sites concerned were not suitable

for welfare uses because of different reasons like remote location, poor road conditions and being inaccessible to the public. In response to Mr IP Kin-yuen and Dr KWOK Ka-ki, DSW said that SWD would endeavor to make use of vacant government sites as far as possible, but the arrangement was subject to other competing government purposes and the suitability of the premises for conversion into welfare facilities. District Social Welfare Officers of respective districts would maintain close liaison with the Planning Department and keep in view the availability of vacant government premises from time to time.

*Vacant sites in housing estates*

40. Dr CHIANG Lai-wan said that, instead of purchasing private property in the commercial market with huge costs, the Administration should incorporate welfare facilities in public housing developments for the convenience of service users, especially those in need of elderly service and family and child care service. Dr KWOK Ka-ki called on SWD to exhaust vacant premises of all PHEs for the provision of welfare facilities, particularly those PHEs in old districts with few new developments. Dr KWOK asked whether there was a list of vacant premises at PHEs of all 18 districts which could be considered for accommodating welfare facilities. DSW agreed to provide such information, if any, after the meeting.

[*Post-meeting note:* The supplementary information provided by the Administration was issued to members vide LC Paper No. FC 231/19-20(01) on 30 June 2020.]

41. DSW advised that despite efforts made to reserve some premises in the housing development projects of the Housing Authority, the floor area available for use by SWD was limited. Vacant premises in PHEs easily accessible to the public, such as ground level units, were often in great demand while other vacant premises of PHEs were either too small or not usable for welfare services.

Proposed creation of a directorate post

42. In respect of the proposed creation of a permanent directorate post, Mr Wilson OR noted that the general responsibility of the proposed post of Assistant Director (Planning and Development) ("AD(PD)") to plan and develop services was common to other directorate staff of SWD. Mr OR enquired about the specific justifications for the creation of the post. He noted that the directorate post was to be filled by an officer at the SPEO rank instead of a professional grade staff familiar with property

purchase. Mr OR called on the Administration to re-consider the need for the proposed post.

43. DSW advised that apart from the duty to oversee the planning and development of the proposed purchase exercise, AD(PD) would be tasked with implementing the Special Sites Scheme, monitoring the use of sites granted to NGOs by way of private treaty for welfare purposes, and securing funding for the construction of purpose-built welfare facilities from the Lotteries Fund or Capital Works Reserve Fund as appropriate. AD(PD) would also be dedicated to facilitating high-level coordination and negotiation with relevant departments and bureaux, and liaising with NGOs. As of March 2020, there were a total of over 250 planned projects administered under the existing project planning section which would be overseen by the proposed post.

#### Financial implication

##### *Purchase of welfare premises*

44. Noting the foreseeable decline of local property prices due to the impact of the COVID-19 pandemic on the economy, Mr YIU Si-wing asked whether the Administration had revised the estimated budget of \$20 billion for the purchase of 126 welfare premises (viz. 57 000 square metres) and examined the possibility of an increase in the floor area to be purchased. Mr CHAN Chi-chuen raised a similar question about the possibility to purchase more welfare premises and the need to revise the estimated budget, since it had been a year the proposal was last discussed at the Panel on Welfare Services in June 2019. Mr WU Chi-wai asked whether the Administration would aim to exhaust the \$20 billion allocation for the purchase exercise; if not, whether the surplus would be reverted to the Treasury.

45. DSW said that:

- (a) the property market was always subject to ongoing fluctuation. Depending on the level of property price in the market at the time of the implementation of the purchase exercise, SWD would optimize the use of the \$20 billion to purchase as many premises as possible. For the time being, it would be difficult to estimate whether the floor area to be purchased could be increased; and
- (b) the priority concern of the purchase exercise was to seek accommodation to meet the area shortfall of welfare

facilities and the need for the provision/reprovisioning of new/existing services.

In response to Mr CHAN Chi-chuen, DSW said that SWD would invite NGOs to operate new welfare facilities in the purchased premises.

46. Mr YIU Si-wing asked whether existing welfare services accommodated in rented premises would be relocated to the premises purchased under the exercise, and if so, what would be the estimated amount of rental saving in the long term.

47. DSW said that the purchase exercise aimed to address the imminent need to provide new services facilities, meet area shortfall of existing service facilities in the district, and enable the reprovisioning of existing services. The exercise was not mainly targeted at providing permanent premises for welfare facilities currently accommodated in rented premises.

*Operational cost of welfare premises*

48. Mr YIU Si-wing asked about the recurrent operational costs of the 126 welfare premises to be acquired by SWD. Mr WONG Ting-kwong and Ms Claudia MO asked whether the \$20 billion allocation would cover non-recurrent expenditure on fitting-out, furnishing and equipping the relevant purchased premises.

49. DSW advised that the non-recurrent expenditure on fitting-out, furnishing and equipping the relevant purchased premises would be met as usual by the Lotteries Fund; whereas the recurrent operational cost of the welfare premises would be included in the annual Estimates.

50. At 4:30 pm, the Chairman directed that the meeting be extended for 15 minutes beyond the appointed ending time.

51. The meeting ended at 4:44 pm.