

**For discussion on
12 November 2012**

**LEGISLATIVE COUNCIL
PANEL ON WELFARE SERVICES**

**Setting up a New Contract Residential Care Home for the Elderly
with a Day Care Unit, and a Day Care Centre for the Elderly
in Long Ping, Yuen Long**

Purpose

This paper seeks Members' support for a construction project proposed by the Social Welfare Department (SWD), which is to construct a 125-place residential care home for the elderly (RCHE) with a 20-place day care unit (DCU) and a 60-place day care centre for the elderly (DE) at Yuen Long Town Lot No. 513 of the property development at West Rail Long Ping Station (North) (the proposed RCHE with DCU and DE).

Provision of subsidised residential and day care services

2. It is the Government's policy to promote "ageing in place as the core, institutional care as back-up". While noting that most elders prefer ageing in the community, we understand that some frail elders would need institutional care.

3. The provision of subsidised residential care services (RCS), as at end of July 2012, is at **Annex 1**. In view of the ageing population and the strong demand for subsidised RCS places, in particular nursing home (NH) places, SWD is making strenuous efforts to increase the provision. Development of new contract RCHEs is a major initiative in this regard. Contract RCHEs also offer non-subsidised places which are of good quality at more affordable prices. The provision of such places enhances market diversity and broadens the choices of elders and their families.

4. At the same time, SWD also provides a variety of subsidised community care services to help elders age in place. Among these are

day care services for frail elders provided at DEs and DCUs, which cover personal and nursing care, rehabilitation exercise, meal, escort services, etc. As of July 2012, there were altogether 63 DEs and DCUs offering 2 559 day care service places. As there is a large number of part-time service users, the total number of elders being served is about 3 400.

5. Since 2001, SWD has awarded contracts through open tender to non-governmental organisations (NGOs) or private operators to operate 20 purpose-built RCHEs. These contract RCHEs are providing a total of 1 552 subsidised places (about 76% are NH places and 24% care-and-attention (C&A) places) and 1 105 non-subsidised places. Eight of these contract RCHEs have an DCU on the premises, and they provide a total of 184 day care places. From 2013-14 to 2014-15, four new contract RCHEs / RCHEs with DCUs will commence service. They will provide an additional 266 subsidised RCS places, of which 90% are NH places and 10% are C&A places, and 177 non-subsidised ones. As for day care places, an additional 85 places will be provided in DCUs attached to RCHEs. Details are at **Annex 2**.

6. Looking ahead, we have earmarked sites in 11 development projects for the construction of new RCHEs and DEs/DCUs. One of these sites is in Long Ping. The ensuing paragraphs set out the details of our proposal to construct a new contract RCHE with DCU and a DE on that site.

The proposed RCHE with DCU and DE

7. The site area of the entire Long Ping property development project is about 11 200 square meters (m²) and a location plan is at **Annex 3**. The site will be granted to the Mass Transit Railway Corporation Limited (MTRCL) by private treaty for a private residential development. The Government will, through the land grant, require MTRCL to construct the proposed RCHE with DCU and DE. A purpose-built single block will be constructed to accommodate the proposed RCHE with DCU which occupies a net operational floor area (NOFA) of not less than 1 376 m², while the proposed DE will occupy an NOFA of not less than 358 m². The proposed arrangement enables the needed facilities to be provided in a timely and integrated manner through private development, provides for better planning and optimises the use of limited land. Under the proposed arrangement, MTRCL will

be responsible for the design and construction of the facilities according to the Government's specifications and to the Government's satisfaction. Upon completion of the construction works, SWD will take over the facilities and select an NGO / a private operator through tender / proposal for the operation, management and maintenance of the contract RCHE with DCU and DE respectively. We anticipate that the land grant will be executed in around January 2013. MTRCL will then proceed with the construction works. The development is planned for completion by 2019.

8. We plan to provide 75 subsidised RCS places (i.e. 68 NH places and 7 C&A places), 50 non-subsidised RCS places and 20 subsidised DCU places in the proposed RCHE with DCU and DE. Taking into account the lead time required for invitation of tenders / proposals and fitting out the premises by the selected operators, the proposed RCHE with DCU is estimated to come into operation in 2021-22. As for the DE, its 60 subvented places are expected to commence service in around 2020-21.

Funding Arrangement

9. Under Section 6(4) of the Government Lotteries Ordinance (Cap. 334), the Financial Secretary (FS) has the authority to approve payments from the Lotteries Fund (LF) to finance the development of social welfare services. As in the case of other contract RCHEs, the construction and fitting-out (F/O) works of the entire RCHE with DCU (including the non-subsidised section) and DE, as well as the procurement of furniture and equipment (F&E) for the subsidised section of the RCHE with DCU and DE will be funded by LF. SWD obtained endorsement of the LF Advisory Committee (LFAC) in September 2012 for a capital funding of \$72.72 million to meet the construction cost of the proposed RCHE with DCU and DE. Upon completion of the construction works by MTRCL, we shall reimburse MTRCL the actual cost of construction subject to this pre-determined financial ceiling. As for the funding arrangement of F/O works and procurement of F&E, SWD will seek LFAC's endorsement and funding approval nearer the time of construction completion.

10. In line with the established practice, we will seek the Finance Committee (FC)'s approval for the proposed project which has recurrent financial implications exceeding \$10 million per annum, before seeking

FS's approval for the LF payment. The estimated full-year recurrent allocation for operation of the RCHE with DCU and DE is \$19.42 million and we will include necessary provisions in the draft Estimates of the relevant years. A breakdown of the recurrent allocation is set out at **Annex 4**. Subject to Members' views, we plan to seek FC's approval on the proposed project in the first quarter of 2013, with a view to seeking FS's approval for funding allocation under LF thereafter.

Public Consultation

11. The Town Planning and Development Committee of the Yuen Long District Council was consulted in July 2011 on the proposed RCHE with DCU and DE. The Committee supported the proposal.

Advice Sought

12. Members are invited to comment on the proposed RCHE with DCU and DE.

**Labour and Welfare Bureau
Social Welfare Department
November 2012**

**Provision of Subsidised Residential Care Places
(as at the end July 2012)**

Types of RC Places	Number of Subsidised Places	Number of Elders on the Waiting List
Nursing Home (NH) Places (including Nursing Home Place Purchase Scheme)	2 680	6 529
Care-and-attention (C&A) Places (overall)	21 808	22 217
➤ Subvented/Contract /Conversion Homes Places	14 456	
➤ Enhanced Bought Place Scheme (EBPS) Places	7 352	
Self-care Hostel and Home-for-the-aged Places	1 688	N.A
Total	26 176	28 746 (Note)

Note Including about 3 300 elders who were using subsidised community care services while waiting for residential care services.

Annex 2

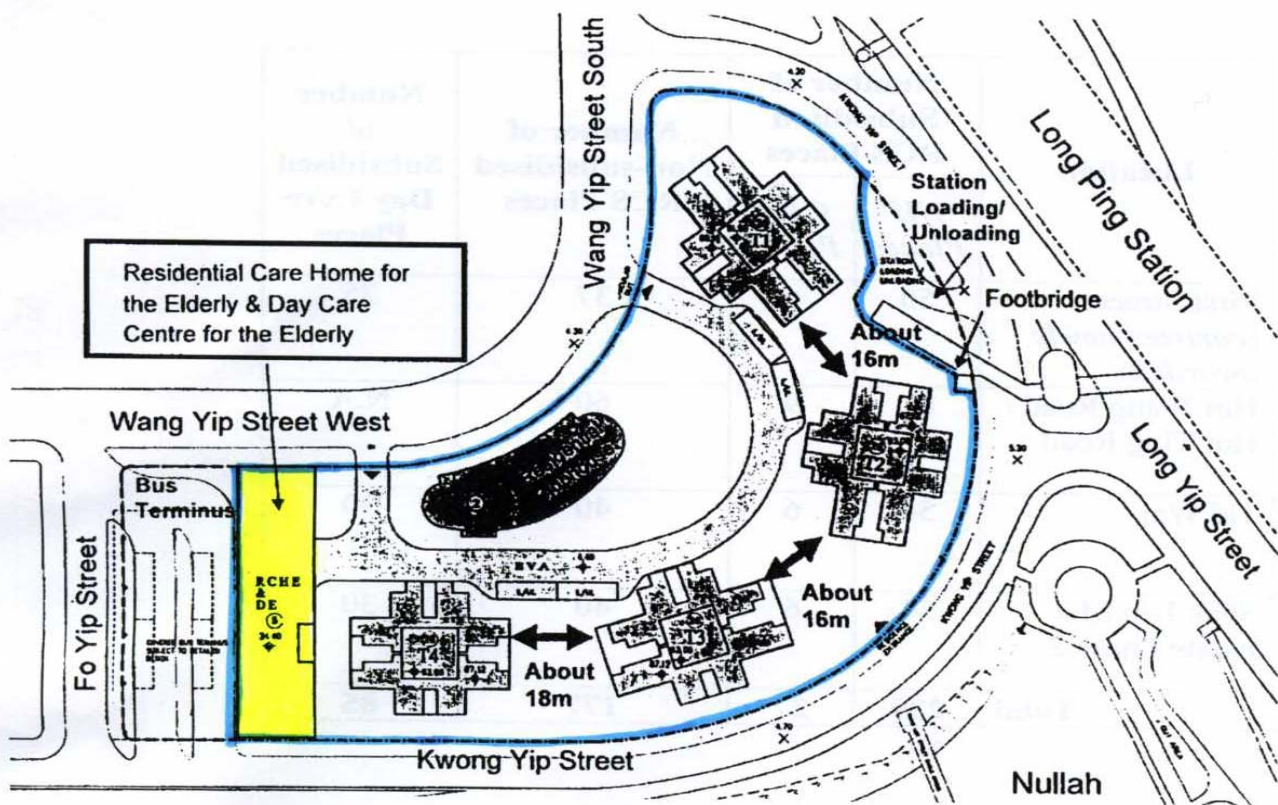
Additional Residential Care Places and Day Care Places to be Provided in the New Contract Residential Care Homes for the Elderly (RCHEs) / RCHEs with Day Care Units (DCUs) (from 2013-14 to 2014-15)

From 2013-14 to 2014-15, four new contract RCHEs / RCHEs with DCUs providing a total of 443 residential care services (RCS) places and 85 day care places are expected to commence service. Details are as follows –

	District	Location	Number of Subsidised RCS Places		Number of Non-subsidised RCS Places	Number of Subsidised Day Care Places
			<i>Nursing Home Places</i>	<i>Care-and-attention Places</i>		
1.	Central and Western	First Street <i>(contract newly awarded)</i>	50	6	37	25
2.	Yau Tsim Mong	Hoi Wang Road / Hoi Ting Road	81	9	60	N.A
3.	Sha Tin	Tai Wai	54	6	40	30
4.	Sham Shui Po	Shek Kip Mei Estate Phase 2	54	6	40	30
Total			239	27	177	85
			443			

**Residential Care Home for the Elderly cum Day Care Unit and
a Day Care Centre for the Elderly
at Yuen Long Town Lot No. 513
(Property Development at the West Rail Long Ping Station (North))**

Location Plan



Proposed Residential Care Home for the Elderly cum Day Care Unit and Day Care Centre for the Elderly



Boundary of the Property Development

**Breakdown of the recurrent expenditure on the proposed
Residential Care Home for the Elderly (RCHE) with Day Care Unit
(DCU) and a Day Care Centre for the Elderly**

<i>RCHE</i> Note	Items	(\$)
(a)	Personal emoluments (PE)	10,440,000
(b)	Other charges (OC) [including food, insurance (employees' compensation, public liability), site specific costs, rent & rates, higher care supplement, etc and deducting fee income]	1,350,000
(c)	Maintenance and management (M&M) fee	556,776
	<i>Sub-total (A)</i>	<i>12,346,776</i>
<i>20-place DCU</i>		
(a)	PE	1,272,840
(b)	OC [including food, insurance (employees' compensation, public liability), rent & rates, dementia supplement, etc and deducting fee income]	197,160
(c)	M&M fee	46,620
	<i>Sub-total (B)</i>	<i>1,516,620</i>
<i>60-place DE</i>		
(a)	PE	4,704,844
(b)	OC [including food, insurance (employees' compensation, public liability), rent & rates, dementia supplement, etc and deducting fee income]	610,196
(c)	M&M fee	238,428
	<i>Sub-total (C)</i>	<i>5,553,468</i>
	Total (A+B+C)	19,416,864
	Say	19,417,000

Note : For the RCHE with DCU, subventions will be provided only for the subsidised RCS places and DCU.