

**For discussion on
14 April 2014**

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**LEGISLATIVE COUNCIL
PANEL ON WELFARE SERVICES**

**Setting Up a New Contract Residential Care Home for the Elderly
with a Day Care Unit in a Public Rental Housing Development
at ex-Kwai Chung Police Married Quarters Site, Kwai Chung**

Purpose

This paper seeks Members' support for a project proposed by the Social Welfare Department (SWD), which is to construct a 100-place Contract Residential Care Home for the Elderly (Contract RCHE) with a 20-place Day Care Unit for the Elderly (DCU) in the public rental housing (PRH) development of the Housing Authority (HA) at the site of ex-Kwai Chung Police Married Quarters at Kwai Yi Road, Kwai Chung (the subject site).

Provision of Subsidised Residential Care and Day Care Services

2. It is the Government's policy to promote "ageing in place as the core, institutional care as back-up". SWD provides a variety of subsidised community care services to help elderly persons age in place. Among these are day care services for frail elderly persons provided at Day Care Centres for the Elderly (DEs) and DCUs, which cover personal and nursing care, rehabilitation exercise, meal, escort service, etc. As at end-January 2014, there were altogether 67 DEs and DCUs offering 2 752 day care service places. The total number of elderly persons being served is about 3 700.

3. While most elderly persons prefer ageing in the community, some frail elderly persons would need institutional care for health or family reasons. The provision of subsidised residential care services (RCS), as at end-January 2014, is at Annex 1. In view of the ageing population and the high demand for subsidised RCS places, SWD has been making strenuous efforts to increase the provision.

Development of new Contract RCHEs is a major initiative in this regard.

4. Since 2001, SWD has awarded contracts through open tenders to non-governmental organisations (NGOs) or private operators in respect of 24 purpose-built RCHEs. As at end-January 2014, 22 of these Contract RCHEs are in operation, providing a total of 1 676 subsidised places (about 87% are nursing home (NH) places and 13% are care-and-attention (C&A) places upon admission) and 1 197 non-subsidised places. Nine of these 22 Contract RCHEs have DCUs on the premises, and they provide a total of 210 day care places. The remaining two Contract RCHEs, together with another five new Contract RCHEs / RCHEs with DCUs will commence service from 2014-15 to 2016-17, providing a total of 532 new subsidised RCS places (of which 90% are NH places and 10% are C&A places upon admission) and 281 non-subsidised ones. As for day care places, a total of 102 places will be provided in DCUs attached to these new Contract RCHEs. Details are at **Annex 2**.

5. Looking ahead, we have earmarked sites in 11 development projects for the construction of new Contract RCHEs, Contract RCHEs with DCUs and DEs. Details are at **Annex 3**. One of these sites is the subject site in Kwai Chung. This is earmarked for the construction and operation of a new Contract RCHE with DCU, as described in paragraphs 6 to 8 below.

The proposed Contract RCHE with DCU

6. The subject site, as shown in the location plan at **Annex 4**, has been identified for PRH development to provide about 866 domestic flats for accommodating a planned population of 2 400. To meet the demand for subsidised RCS for the elderly, SWD has worked in collaboration with the Housing Department (HD) to incorporate a 100-place RCHE with a 20-place DCU in this PRH development. The proposed Contract RCHE with DCU will have a net operational floor area of about 1 166 square metres. One shared-use lay-by and one exclusive-use parking space will be provided for the proposed welfare facilities.

7. HD will be entrusted with the construction of a set of bare-shell premises for the proposed Contract RCHE with DCU in the subject PRH development. The proposed arrangement of entrusting the construction of the Contract RCHE with DCU to HD would enable the proposed welfare facilities to be provided in a timely and integrated manner as part of the PRH development, and would also facilitate better planning and an optimal use of the subject site. Under the proposed arrangement, HD will be responsible for the design and construction of the bare-shell premises for the proposed Contract RCHE with DCU with the parking space according to the specifications of SWD. Upon completion of the construction works, SWD will select a suitable NGO/private operator through invitation of tenders for the operation, management and maintenance of the proposed Contract RCHE with DCU. According to HD's current project schedule, the PRH development, including the bare-shell premises for the proposed Contract RCHE with DCU, is scheduled for completion in the last quarter of 2017.

8. We plan to provide 60 subsidised RCS places (54 NH places and six C&A places upon admission) which include one designated residential respite care place, 40 non-subsidised RCS places and 20 subsidised DCU places in the proposed Contract RCHE with DCU. Taking into account the lead time required for rectification of defects and selection process of the operator, we aim to award the contract for the proposed Contract RCHE with DCU in 2019.

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. The construction and fitting-out (F/O) works of the proposed Contract RCHE with DCU, as well as the procurement of furniture and equipment (F&E) for the subsidised section of the proposed Contract RCHE with DCU, will be funded by LF. In November 2013, the Lotteries Fund Advisory Committee (LFAC) endorsed a capital funding of \$49.019 million to meet the construction cost of the proposed Contract RCHE with DCU in the subject

development¹. According to the established funding arrangements, SWD will, through LF, provide funding to HA to meet the construction cost of the RCHE with DCU. Nearer the completion of the construction works, SWD will seek LFAC's endorsement and appropriate funding approval for allocations from LF for the F/O works and F&E procurement.

10. In line with the established practice, we will seek the approval of the Finance Committee for allocation from LF for the proposed construction project which has recurrent financial implications exceeding \$10 million per annum. The estimated recurrent funding requirement for the operation of the proposed contract RCHE with DCU in a full year, including personal emoluments, other charges and rates and government rent, after netting off income from service users' fees is \$15.033 million.

¹ The breakdown of the construction cost is as follows-

	(a) Item	(b) Sub-item	(c) Estimated Cost \$M		
			RCHE	DCU	Total
1	Site Formation or Demolition		-	-	-
2	Foundation & Substructure	e.g. Foundation & Substructure; Piling	5.569	0.356	5.925
3	Building Envelope and finishes	e.g. Main Structure, external finishes, internal finishes	24.062	1.537	25.599
4	Fitting		-	-	-
5	Building Services	e.g. Electrical installation, fire services, MRL installation	4.676	0.299	4.975
6	External works & underground drainage	e.g. external works, underground drainage	3.747	0.239	3.986
7	Contingency for Items 1 to 6		1.902	0.122	2.024
8	Other project cost (2.5% of Item 1 to 7)	e.g. Site investigation, material testing, geotechnical and civil engineering studies	0.999	0.064	1.063
		Sub-Total	40.955	2.617	43.572
9.	HA on-cost		5.120	0.327	5.447
		Total:	46.075	2.944	49.019

Public Consultation

11. The Housing Affairs Committee of the Kwai Tsing District Council was consulted on the proposed PRH development (including the proposed Contract RCHE with DCU) in June 2011 and June 2012. The Committee did not make any adverse comments on the provision of the proposed Contract RCHE with DCU at the subject site.

Advice Sought

12. Members are invited to comment on the proposed allocation from LF for construction of the Contract RCHE with DCU.

Labour and Welfare Bureau
Social Welfare Department
April 2014

**Provision of Subsidised Residential Care Places
(as at end-January 2014)**

Type of Residential Care Places	Number of Subsidised Places	Number of Elderly Persons on the Waiting List
Nursing Home Places (including Nursing Home Place Purchase Scheme)	3 198	6 335
Care-and-attention Places (overall)	22 184	
➤ Subvented/Contract /Conversion Home Places	<i>14 569</i>	23 558
➤ Enhanced Bought Place Scheme Places	<i>7 615</i>	
Self-care Hostel and Home-for-the-aged Places	1 151	N.A.
Total	26 533	29 893 (Note)

Note: Including about 3 400 elderly persons who were using subsidised community care services while waiting for subsidised residential care services.

**Additional Residential Care Places and Day Care Places Provided
in the New Contract RCHEs / RCHEs with DCUs
(from 2014-15 to 2016-17)**

From 2014-15 to 2016-17, seven new Contract RCHEs / RCHEs with DCUs providing a total of 813 residential care places and 102 day care places are expected to commence service. Details are as follows –

	District	Location	Number of Subsidised Residential Care Places		Number of Non-subsidised Residential Care Places	Number of Subsidised Day Care Places
			Nursing Home Places	Care-and-attention Places		
1.	Sha Tin	Tai Wai (contract awarded in Dec 2013)	54	6	40	30
2.	Sham Shui Po	Shek Kip Mei Estate Phase 2 (contract awarded in Dec 2013)	54	6	40	32
3.	Yau Tsim Mong	Hoi Fai Road	81	9	60	0
4.	Sham Shui Po	Ex-Cheung Sha Wan Police Married Quarters	81	9	60	0
5.	Wan Chai	Lee Tung Street / Mcgregor Street	50 [Note]	6	37	20
6.	Sham Shui Po	Po On Road / Wai Wai Road	72 [Note]	8	20	0
7.	Tsuen Wan	West Rail Tsuen Wan West Station	86 [Note]	10	24	20
Total			478	54	281	102
			813			

Note: Include one designated residential respite care place.

**11 Sites Earmarked for the Construction of
New RCHEs, RCHEs with DCUs and DEs**

	Location and District	Estimated number of residential care places (including both subsidised and non-subsidised places) ^{Note 1}	Estimated number of places of day care centres/unit(s) for the elderly (DEs/DCUs) ^{Note 2}
1	Shui Chuen O, Shatin	100	0
2	Tung Chung Area 56, Tung Chung	100	0
3	Un Chau Street / Hing Wah Street / Fuk Wing Street, Sham Shui Po	100	0
4	West Rail Long Ping Station (North), Long Ping, Yuen Long ^{Note 3}	125	DE: 60 DCU: 20
5	Ex-Kwong Choi Market, Tuen Mun ^{Note 4}	100	DE: 60
6	Anderson Road, Kwun Tong	100	DCU: 20
7	Ex-Kwai Chung Police Married Quarters, Kwai Chung	100	DCU: 20
8	Government Joint User Complex at Lei King Wan, Sai Wan Ho, Eastern	100	0
9	Choi Yuen Road, Sheung Shui	100	DE: 40
10	Shek Mun, Sha Tin	150	DCU: 30
11	Ex-Fo Tan Cottage Area, Sha Tin Area 16 & 58D	100	DE: 60

Note 1: The number of places to be provided is a preliminary estimate and is subject to change as we continue to work out the details of the projects. One designated residential respite care place will be included in the subsidised places of each project.

Note 2: The number of places to be provided is a preliminary estimate and is subject to change as we continue to work out the details of the projects.

Note 3: Lotteries Fund allocation for meeting the construction cost of the project has been approved by Finance Committee in January 2013.

Note 4: Lotteries Fund allocation for meeting the construction cost of the project has been approved by Finance Committee in December 2013.

Annex 4

Residential Care Home for the Elderly with Day Care Unit in a Public Rental Housing Development at ex-Kwai Chung Police Married Quarters Site, Kwai Chung

