

**For discussion on
11 November 2013**

LC Paper No. CB(2)217/13-14(07)

**LEGISLATIVE COUNCIL
PANEL ON WELFARE SERVICES**

**Setting Up a New Contract Residential Care Home for the Elderly
and a Day Care Centre for the Elderly
at Ex-Kwong Choi Market, Tuen Mun**

Purpose

This paper seeks Members' support for a construction project proposed by the Social Welfare Department (SWD), which is to construct a 100-place Contract Residential Care Home for the Elderly (Contract RCHE) and a 60-place Day Care Centre for the Elderly (DE) at Tuen Mun Town Lot 499, i.e. the Ex-Kwong Choi Market site at Tseng Choi Street and Tsing Min Path, Tuen Mun.

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 DEs and day care units for the elderly (DCUs), which cover personal and nursing care, rehabilitation exercise, meal, escort service, etc. As of August 2013, there were altogether 66 DEs and DCUs offering 2 697 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-August 2013, is at **Annex 1**. In view of the ageing population and the strong 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 22 purpose-built RCHEs. As at end-August 2013, 21 of these Contract RCHEs are in operation, providing a total of 1 608 subsidised places (about 84% are nursing home (NH) places and 16% are care and attention (C&A) places upon admission) and 1 142 non-subsidised places. 9 of these Contract RCHEs have DCUs on the premises, and they provide a total of 212 day care places. From 2013-14 to 2015-16, 7 Contract RCHEs / RCHEs with DCUs have commenced/will commence service to provide a total of 472 new subsidised RCS place (of which 90% are NH places and 10% are C&A places upon admission) and 337 non-subsidised ones. As for day care places, a total of 105 places have been/will be provided in DCUs attached to 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 Ex-Kwong Choi Market site located at Tseng Choi Street and Tsing Min Path, Tuen Mun. This is earmarked for the construction and operation of a new Contract RCHE and a DE, as described in paragraphs 6 to 8 below.

The proposed RCHE and DE

6. The subject site, as shown in the location plan at **Annex 4**, has an area of about 2 200 square metres (m²). It is largely zoned “Residential (Group A)” on the approved Tuen Mun Outline Zoning Plan No. S/TM/31 in which the use for “Social Welfare Facility” is always permitted. It has been identified as a land sale site for private residential development. The Government will, through imposing conditions in the land sale, require the purchaser of the site to construct the proposed Contract RCHE and DE as part of the residential development. The proposed Contract RCHE and DE will have a net operational floor area (NOFA) of not less than 1 096 m² and 358 m² respectively. One lay-by and four parking spaces (one for Contract RCHE and three for DE) will be provided for the exclusive use of the proposed welfare facilities.

7. The proposed arrangement of entrusting the construction of the RCHE and DE to the purchaser of the site would enable the proposed welfare facilities to be provided in a timely and integrated manner as part of the private development project, and it would also facilitate better planning and an optimal use of the subject site. Under the proposed arrangement, the purchaser will be responsible for the design and construction of the bare-shell premises for the proposed Contract RCHE and DE with the ancillary parking spaces and lay-by according to the specifications and to the satisfaction of the Government. Upon completion of the construction works, SWD will take over the facilities and select a suitable NGO/private operator through invitation of tenders or proposals for the operation, management and maintenance of the proposed Contract RCHE and subvented DE respectively. The subject site has been included in the Government's 2013-14 Land Sale Programme.

8. We plan to provide 60 subsidised RCS places (54 NH places and 6 C&A places upon admission) and 40 non-subsidised RCS places in the proposed Contract RCHE, together with 60 subsidised day care places in the proposed DE. Taking into account the lead time required for rectification of defects and selection process of the operators, we aim to award the contract for the proposed Contract RCHE in 2021-22. The proposed DE is also expected to commence service around 2021-22.

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 (including the non-subsidised section) and DE, as well as the procurement of furniture and equipment (F&E) for the subsidised section of the proposed Contract RCHE and DE, will be funded by LF. The Lotteries Fund Advisory Committee (LFAC) endorsed, in July 2013, a capital funding of \$69.92 million to meet the construction cost of the proposed Contract RCHE and DE in the subject

development¹. Upon completion of the construction works by the purchaser, we shall reimburse the purchaser the actual cost of construction subject to this pre-determined financial ceiling. 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 (FC), at its meeting in December 2013, for allocation from LF for the proposed construction project which has recurrent financial implications exceeding \$10 million per annum. The estimated full-year recurrent allocation for the operation of the proposed RCHE and DE is \$15.758 million. A breakdown of the recurrent allocation is set out at Annex 5.

Public Consultation

11. The Environment, Hygiene and District Development Committee of the Tuen Mun District Council was consulted on the proposed sale of the site for residential purpose (including the proposed RCHE and DE) in January 2013. The Committee did not make any adverse comments on the provision of the proposed Contract RCHE and DE at this site.

Advice Sought

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

Labour and Welfare Bureau
Social Welfare Department
November 2013

¹ The breakdown of the construction cost is as follows-

(a) Construction costs	\$39,930,000
(b) Professional/supervision fees (about 12.5% of item (a))	\$5,000,000
(c) Inflation allowance based on Price Adjustment Factor issued by Secretary for Financial Service and the Treasury	\$24,990,000
Total cost (a+b+c):	\$69,920,000 (\$69,92M)

**Provision of Subsidised Residential Care Places
(as at end-August 2013)**

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)	3 087	6 357
Care-and-attention Places (overall)	21 980	23 288
➤ Subvented/Contract /Conversion Home Places	14 487	
➤ Enhanced Bought Place Scheme Places	7 493	
Self-care Hostel and Home-for-the-aged Places	1 399	N.A.
Total	26 466	29 645 (Note)

Note: Including about 3 100 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 Residential Care Homes for the Elderly
(RCHEs) / RCHEs with Day Care Units (DCUs)
(from 2013-14 to 2015-16)**

From 2013-14 to 2015-16, seven new contract RCHEs / RCHEs with DCUs providing a total of 809 residential care places and 105 day care places have / 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.	Central and Western	First Street, Sai Ying Pun <i>(commenced operation in July 2013)</i>	50	6	37	25
2.	Yau Tsim Mong	Hoi Wang Road / Hoi Ting Road <i>(contract awarded in February 2013)</i>	54	6	63	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
5.	Yau Tsim Mong	Hoi Fai Road	81	9	60	0
6.	Sham Shui Po	Ex-Cheung Sha Wan Police Married Quarters	81	9	60	0
7.	Wan Chai	Lee Tung Street / Mcgregor Street	50	6	37	20
Total			424	48	337	105
			809			

Annex 3

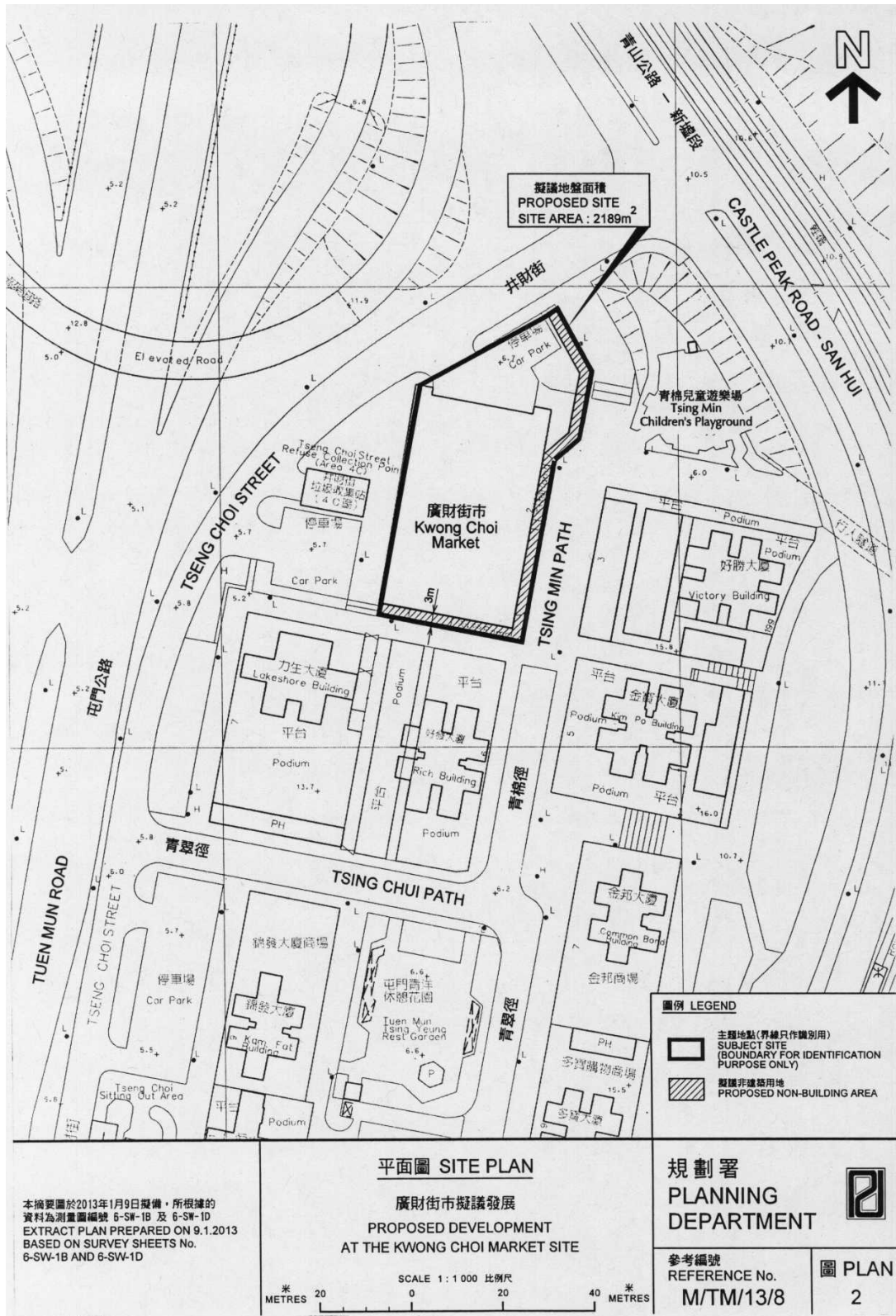
11 Sites Earmarked for the Construction of New Residential Care Homes for the Elderly (RCHEs), RCHEs with Day Care Units and Day Care Centres for the Elderly

	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 centre/unit(s) for the elderly (DE/DCUs) ^{Note 1}
1	Po On Road / Wai Wai Road, Sham Shui Po	100	NIL
2	West Rail Tsuen Wan West Station, Tsuen Wan	120	DCU: 20
3	Shui Chuen O, Shatin	100	NIL
4	Tung Chung Area 56, Tung Chung	100	NIL
5	Un Chau Street / Hing Wah Street / Fuk Wing Street, Sham Shui Po	100	NIL
6	West Rail Long Ping Station (North), Long Ping, Yuen Long ^{Note 2}	125	DE: 60 DCU: 20
7	Ex-Kwong Choi Market, Tuen Mun	100	DE: 60
8	Anderson Road, Kwun Tong	100	DCU: 20
9	Ex-Kwai Chung Police Married Quarters, Kwai Chung	100	DCU: 20
10	Government Joint User Complex at Lei King Wan, Sai Wan Ho, Eastern	100	NIL
11	Choi Yuen Road, Sheung Shui	100	NIL

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 project.

Note 2: Lotteries Fund allocation for meeting the construction cost of the project have been approved by Finance Committee (FC) in January 2013.

**Residential Care Home for the Elderly and
Day Care Centre for the Elderly
at Tuen Mun Town Lot 499, the Ex-Kwong Choi Market site
at Tseng Choi Street and Tsing Min Path, Tuen Mun**



**Breakdown of Recurrent Expenditure on
the Proposed Residential Care Home for the Elderly (RCHE)
and Day Care Centre for the Elderly (DE)**

60-place RCHE (Note)	Items	(\$)'000 (Rounded to the nearest thousand)
(a)	Personal emoluments	8,729
(b)	Other charges [including food, insurance (employees' compensation, public liability), site specific costs, etc.]	2,336
(c)	Rates and government rent	171
(d)	Higher care supplement	119
(e)	Management and maintenance fee	493
(f)	<i>Less</i> income from service users' fee	-1,397
	<i>Sub-total (A)</i>	<i>10,451</i>
60-place DE		
(a)	Personal Emoluments	4,324
(b)	Other charges [including food, insurance (employees' compensation, public liability)]	908
(c)	Rates and government rent	87
(d)	Dementia supplement	347
(e)	Management and maintenance fee	342
(f)	<i>Less</i> income from service users' fee	-701
	<i>Sub-total (B)</i>	<i>5,307</i>
	Total (A+B)	15,758

Note: For the RCHE, recurrent funding will be provided for an estimated 60 subsidised residential care places.