

ITEM FOR FINANCE COMMITTEE

LOTTERIES FUND HEAD 341 – NON-RECURRENT GRANTS

Members are invited to approve an allocation of \$31,353,000 from the Lotteries Fund for meeting the construction costs of a new Contract Residential Care Home for the Elderly in the public rental housing development at Fo Tan, Shatin Areas 16 & 58D.

PROBLEM

There is a need to provide more subsidised residential care places for the elderly to meet the substantial and growing demand.

PROPOSAL

2. The Director of Social Welfare, with the support of the Secretary for Labour and Welfare and the Lotteries Fund Advisory Committee (LFAC), proposes to allocate \$31,353,000 from the Lotteries Fund (LF) to meet the construction costs of a new Contract Residential Care Home for the Elderly (RCHE) in the public rental housing (PRH) development of the Housing Authority (HA) at the site of Fo Tan, Shatin Areas 16 & 58D (the subject site).

JUSTIFICATION

3. The Social Welfare Department (SWD) proposes to construct a 100-place Contract RCHE at the subject site. Out of the 100 places in the Contract RCHE, 60 are subsidised residential care places, including 54 nursing home (NH) places and six care and attention (C&A) places upon admission; and 40 are non-subsidised residential care places. The subject site has been identified for PRH development to provide about 4 850 domestic flats for accommodating a planned population of 13 000. Its location plan is at Enclosure 1. The proposed Contract RCHE will have a net operational floor area of about 1 141 square metres. One

shared-use lay-by and one exclusive-use parking space^{Note} will be provided for the proposed RCHE. The Housing Department (HD), as the executive arm of HA and the works agent of the subject PRH development, will be entrusted with the design and construction of a set of bare-shell premises for the proposed Contract RCHE in the domestic block as part of the subject PRH development according to the specifications of SWD. Such entrustment arrangement would enable the proposed welfare facilities to be provided as an integral part of the PRH development in a timely manner. It would also facilitate better planning and optimal use of the subject site.

4. Upon completion of the construction works, SWD will take over the facilities and select a suitable operator through invitation of tenders for the operation, management and maintenance of the proposed Contract RCHE. Taking into account the construction lead time required for the entire development, it is estimated that the contract of the proposed Contract RCHE will be awarded in 2020. The facilities to be provided in the proposed Contract RCHE upon fitting out are detailed at Enclosure 2.

Encl. 2

FINANCIAL IMPLICATIONS

Capital cost estimates

5. The estimated construction cost of the proposed Contract RCHE is \$31,353,000. It is estimated on the basis of the construction floor area and technical requirements of the proposed welfare facilities as assessed by HD. The breakdown of the cost estimate is as follows –

	Item	Estimated Cost (\$'000)
(a)	Foundation and substructure, piling	4,765
(b)	Building envelope and finishes, e.g. main structure, external finishes, internal finishes, fitting	16,925
(c)	Building services, e.g. electrical installation, fire services, lift installation	2,603
(d)	External works and underground drainage	2,436
(e)	Contingencies	1,140

/Item

^{Note} One shared-use lay-by and one exclusive parking space will be constructed for the proposed 100-place Contract RCHE. Parking space is standard provision for RCHE to facilitate the transport and escort of frail elderly persons.

	Item	Estimated Cost (\$'000)
	Sub-total	27,869
(f)	HA on-cost	3,484
	Total	31,353

HA will be reimbursed the actual cost of construction by phases according to the works schedule.

6. The funding for the fitting-out works of the proposed Contract RCHE (including the non-subsidised section), as well as the procurement of the furniture and equipment for the subsidised section of the proposed Contract RCHE, will be sought under LF in accordance with the established mechanism when the construction is near completion.

Recurrent financial implications

7. The estimated recurrent funding requirements for the operation of the proposed Contract RCHE (subsidised section) in a full year, including personal emoluments, other charges, rates and government rent and after netting off income from service users' fees, is \$13,400,000. The recurrent funding estimate is derived with reference to the standard notional staffing of the relevant welfare facilities at present. The necessary recurrent provision will be included in the draft Estimates of the relevant years.

PUBLIC CONSULTATION

8. HD consulted the Development and Housing Committee of the Sha Tin District Council on the subject PRH development, among other PRH developments under planning in the district, at its meetings in September and October 2013 and May 2014. No adverse comments on the proposed welfare facilities in the subject PRH development have been received. We consulted the Legislative Council Panel on Welfare Services on 9 February 2015. The Panel supported the proposal.

BACKGROUND

9. It is the Government's policy to promote "ageing in place as the core, institutional care as back-up". In line with this policy, SWD strives to increase the supply of both subsidised residential care and community care services.

Encl. 3 10. The provision of subsidised residential care places and the number of elderly persons on the waiting list, as at end-January 2015, are set out at Enclosure 3. SWD has been making strenuous efforts to increase the provision through various measures. Development of new Contract RCHEs is a major initiative in this regard.

11. Since 2001, SWD has awarded contracts through open tenders to non-governmental organisations or private operators to operate 26 purpose-built RCHEs. As at end-January 2015, among these 26 Contract RCHEs, 24 Contract RCHEs were in operation, providing a total of 1 811 subsidised places (about 90% are NH places and 10% are C&A places upon admission) and 1 262 non-subsidised places. The remaining two RCHEs are currently under renovation.

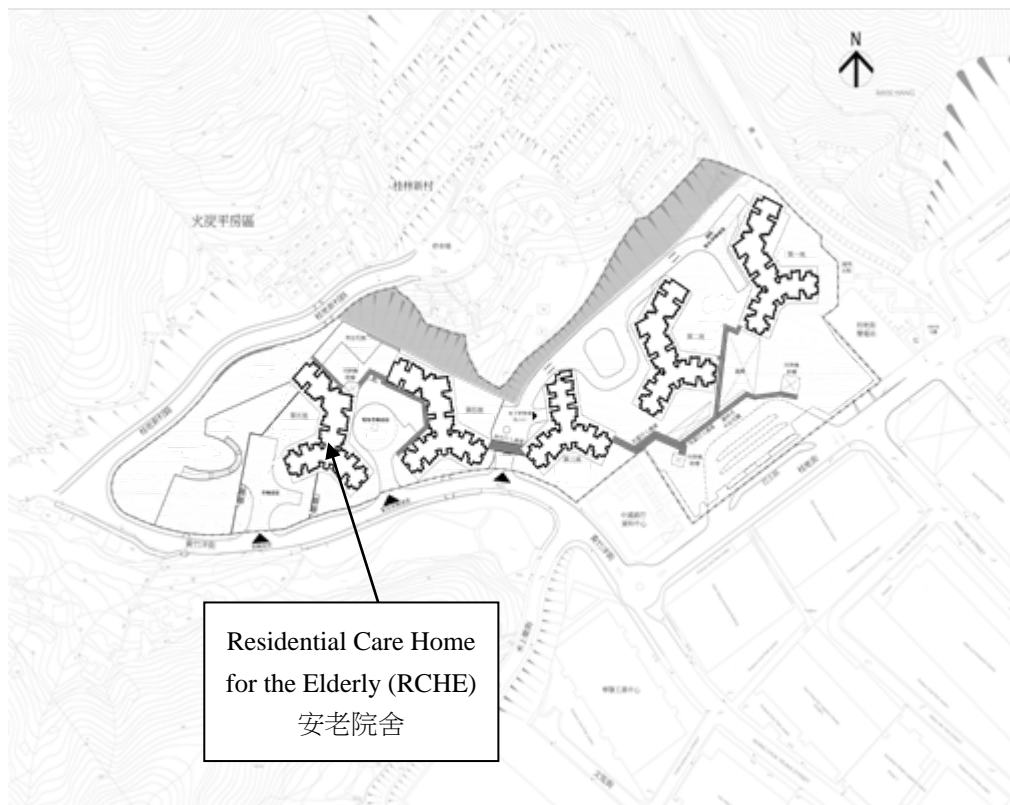
Encl. 4 12. On top of the existing places set out in paragraph 11 above, from 2015-16 to 2017-18, six Contract RCHEs/Contract RCHEs with Day Care Units for the Elderly (DCUs) will commence service to provide a total of 472 new subsidised residential care places (of which 90% are NH places and 10% are C&A places upon admission) and 241 non-subsidised places. As for subsidised day care places, a total of 98 new places will be provided in a Day Care Centre for the Elderly (DE) and two new DCUs attached to Contract RCHEs. Details are at Enclosure 4. In addition, SWD has earmarked sites in 11 development projects, as set out at Encl. 5 Enclosure 5, for the construction of new Contract RCHEs, Contract RCHEs with DCUs and DEs. One of these sites is the subject site.

13. The costs of construction, fitting-out works and procurement of furniture and equipment of social welfare facilities are funded by LF. Under section 6(4) of the Government Lotteries Ordinance (Cap. 334), the Financial Secretary has the authority to approve payments from LF to finance the development of social welfare services. As an administrative practice, the Financial Secretary has advised that LF proposals involving recurrent cost of over \$10 million per annum would be presented to FC. For the financial year of 2014-15, 435 allocations involving a total cost of \$924 million were approved under LF; four of these involving a total cost of \$242 million had been presented to FC in line with the administrative practice.

Encl. 6 14. At its meeting on 20 January 2015, LFAC endorsed the proposed LF allocation of \$31,353,000 for the construction of the proposed Contract RCHE at the subject site. The membership and terms of reference of LFAC is at Enclosure 6.

Location Plan

**Residential Care Home for the Elderly
in the Public Rental Housing Development
at Fo Tan, Shatin Areas 16&58D**



Facilities of the Proposed Contract Residential Care Home for the Elderly (RCHE) in the Public Rental Housing Development at Fo Tan, Shatin Areas 16&58D

Facilities of the 100-place RCHE

Dormitories
Toilet and shower facilities for dormitories
Multi-purpose rooms/Dining/Common/Activity rooms
Rehabilitation area/Physiotherapy/Exercise/Occupational therapy room
Kitchen and kitchen store
Laundry
Nurse duty rooms
Sick/Isolation/Quiet rooms
Accessible toilet cum shower room attached to each sick/isolation/quiet room
Small group activity room/Activity/Training room
Interview/Meeting room
Conference room
General office
Superintendent's and assistant superintendent's office
Male and female staff changing rooms
Soiled utility rooms
Clean utility rooms
Assisted bath room
Shower trolley room
Store rooms
Panties
Male, female and disabled toilets for communal use
Reception/Waiting area

**Provision of Subsidised Residential Care Places
(as at end-January 2015)**

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)	3 394	6 384
Care-and-attention Places (overall)	22 486	25 269
➤ Subvented/Contract /Conversion Home Places	14 658	
➤ Enhanced Bought Place Scheme Places	7 828	
Self-care Hostel and Home-for-the-aged Places	1 002	N.A.
Total	26 882	31 653^{Note}

Note: Including about 3 250 elderly persons who were using subsidised community care services while waiting for subsidised residential care services, but excluding 7 170 elderly persons with inactive status on the waiting list.

Enclosure 4 to FCR(2015-16)4

**Additional Residential Care Places and Day Care Places Provided
in Contract RCHEs / RCHEs with DCUs / DE
(from 2015-16 to 2017-18)**

From 2015-16 to 2017-18, a total of 713 residential care places and 98 day care places provided by seven Contract RCHEs / RCHEs with DCUs / DE 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.	Sham Shui Po	Ex-Cheung Sha Wan Police Married Quarters <i>(Contract awarded in July 2014)</i>	81	9	60	0
2.	Yau Tsim Mong	Hoi Fai Road <i>(Contract awarded in November 2014)</i>	81	9	60	0
3.	Wan Chai	Cross Street	50 ^{Note 1}	6	37	20
4.	Sham Shui Po	Pratas Street	72 ^{Note 1}	8	20	0
5.	Tsuen Wan	West Rail Tsuen Wan West Station	86 ^{Note 1}	10	24	20
6.	Sha Tin	Shui Chuen O	54 ^{Note 1}	6	40	-
7.	Wan Chai	Kennedy Road	-	-	-	58 ^{Note 2}
Total			424	48	241	98
			713			

Note 1: Including one designated residential respite care place.

Note 2: The 58 day care places will be provided by an existing DE.

Enclosure 5 to FCR(2015-16)4

**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/units for the elderly (DEs/DCUs)^{Note 2}
1	Tung Chung Area 56, Tung Chung	100	0
2	Un Chau Street / Hing Wah Street / Fuk Wing Street, Sham Shui Po	100	0
3	West Rail Long Ping Station (North), Long Ping, Yuen Long ^{Note 3}	125	DE: 60 DCU: 20
4	Ex-Kwong Choi Market, Tuen Mun ^{Note 4}	100	DE: 60
5	Ex-Kwai Chung Police Married Quarters, Kwai Chung ^{Note 5}	100	DCU: 20
6	Anderson Road, Kwun Tong ^{Note 6}	100	DCU: 20
7	Government Joint User Complex at Lei King Wan, Sai Wan Ho, Eastern	100	0
8	Choi Yuen Road, Sheung Shui	100	DE: 40
9	Shek Mun Estate Phase II, Sha Tin ^{Note 7}	150	DCU: 30
10	Fo Tan, Sha Tin Areas 16 & 58D (subject development in this paper)	100	DE: 60
11	Queen's Hill, Fanling	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 was approved by Finance Committee (FC) in January 2013.
- Note 4: Lotteries Fund allocation for meeting the construction cost of the project was approved by FC in December 2013.
- Note 5: Lotteries Fund allocation for meeting the construction cost of the project was approved by FC in July 2014.
- Note 6: Lotteries Fund allocation for meeting the construction cost of the project was approved by FC in January 2015.
- Note 7: The project was supported by Legislative Council Panel on Welfare Services on 8 December 2014 and is submitted to FC for the same meeting as this submission (17 April 2015).

Lotteries Fund Advisory Committee

Terms of Reference

To advise the Director of Social Welfare on applications from welfare organisations for allocations from the Lotteries Fund and on charitable fund-raising issues including the allocation of flag days.

Membership

	<u>Name</u>	<u>Professional Background</u>
Chairperson:	Ms YIP Man-kuen, Carol	Director of Social Welfare
Member:	Mr CHAN Wai-ming, David	Tsuen Wan District Councillor
	Mr CHENG Wai-hung, Nelson	Director, K L Partnership Limited
	Professor LAM Ching-man	Vice Chairperson, Department of Social Work The Chinese University of Hong Kong
	Dr LEUNG Sai-man, Sigmund	President, The Hong Kong Dental Association
	Ms LO Yee-hang, Loretta	Central and Western District Councillor
	Mr MA Kam-wah, Timothy	Committee Member, Senior Citizen Home Safety Association
	Mr MAN Hung-yee, Joseph	Deputy Director, Hong Kong Sheng Kung Hui Welfare Council
	Professor MENG Mei-ling, Helen	Chairperson, Department of Systems Engineering and Engineering Management The Chinese University of Hong Kong

<u>Name</u>	<u>Professional Background</u>
Mr SUEN Lai-sang	Director, Hong Kong Christian Service
Ms WONG Wai-ching, Connie	Managing Director, Wong Sun Hing Limited

Official Representative: Secretary for Labour and Welfare or representative

Secretary: Senior Executive Officer (Lotteries Fund)
Social Welfare Department
