

## **ITEM FOR FINANCE COMMITTEE**

### **LOTTERIES FUND HEAD 341 – NON-RECURRENT GRANTS**

Members are invited to approve an allocation of \$109,217,000 from the Lotteries Fund for meeting the construction costs of a new Contract Residential Care Home for the Elderly with a Day Care Unit for the Elderly at the welfare block in the public rental housing development of the Housing Authority at the site of Shek Mun Estate Phase II, Sha Tin.

### **PROBLEM**

There is a need to provide more subsidised residential and day 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 \$109,217,000 from the Lotteries Fund (LF) to meet the construction costs of a new Contract Residential Care Home for the Elderly (RCHE) with a Day Care Unit for the Elderly (DCU) at the welfare block in the public rental housing (PRH) development of the Housing Authority (HA) at the site of Shek Mun Estate Phase II, Sha Tin (the subject site).

**/JUSTIFICATION .....**

## JUSTIFICATION

Encl. 1

3. The Social Welfare Department (SWD) proposes to construct a 150-place Contract RCHE with a DCU with 30 subsidised day care places at the subject site. Out of the 150 places in the Contract RCHE, 90 are subsidised residential care places, including 81 nursing home (NH) places and nine care and attention (C&A) places upon admission; and 60 are non-subsidised residential care places. The subject site has been identified for PRH development to provide about 3 000 domestic flats for accommodating a planned population of 8 600. Its location plan is at Enclosure 1. The proposed Contract RCHE with DCU will have a net operational floor area of about 1 725 square metres. One shared-use lay-by and two exclusive-use parking spaces<sup>Note</sup> will be provided for the proposed welfare facilities. 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 with DCU at the purpose-built welfare facilities block in 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.

Encl. 2

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 with DCU. Taking into account the construction lead time required for the entire development, it is estimated that the contract of the proposed Contract RCHE with DCU will be awarded in 2019. The facilities to be provided in the proposed Contract RCHE with DCU upon fitting out are detailed at Enclosure 2.

## FINANCIAL IMPLICATIONS

### *Capital cost estimates*

5. The estimated construction cost of the proposed Contract RCHE with DCU is \$109,217,000. 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 .....

---

<sup>Note</sup> One shared-use lay-by and two exclusive parking spaces for the 150-place Contract RCHE with 30-place DCU will be constructed for the proposed welfare facilities. Parking space is standard provision for RCHE with DCU to facilitate the transport and escort of frail elderly persons.

	Item	Estimated Cost (\$'000)		
		RCHE	DCU	Total
(a)	Foundation and substructure, piling	18,611	1,123	19,734
(b)	Building envelope and finishes, e.g. main structure, external finishes, internal finishes, fitting	42,417	2,498	44,915
(c)	Building services, e.g. electrical installation, fire services, lift installation	19,138	1,016	20,154
(d)	External works and underground drainage	7,220	436	7,656
(e)	Contingencies	4,369	254	4,623
	Sub-total	91,755	5,327	97,082
(f)	HA on-cost	11,469	666	12,135
	<b>Total</b>	103,224	5,993	109,217

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) with DCU, as well as the procurement of the furniture and equipment for the subsidised section of the proposed Contract RCHE with DCU, 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) with DCU in a full year, including personal emoluments, other charges, rates and government rent and after netting off income from service users' fees, is \$21,980,000. The recurrent funding estimate is derived with reference to the standard notional staffing of the relevant existing welfare facilities. The necessary recurrent provision will be included in the draft Estimates of the relevant years.

#### **PUBLIC CONSULTATION**

8. HD consulted the Sha Tin District Council (STDC) on the subject PRH development in September 2013 and further presented the detailed proposal of

/the .....

the development (including the proposed welfare facilities) to the Development and Housing Committee of STDC at its meetings on 5 September 2013 and 31 October 2013. The Committee did not make any adverse comments on the proposed welfare facilities. We consulted the Legislative Council Panel on Welfare Services on 8 December 2014. 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.

12. Day care services for frail elderly persons are provided in DCUs and Day Care Centres for the Elderly (DEs). The services provided by DCUs and DEs are largely the same, except that the former is usually attached to an RCHE while the latter is usually a stand-alone service unit. As at end-January 2015, there were 70 DEs and DCUs, providing a total of 2 861 subsidised day care places.

Encl. 4  
Encl. 5 13. On top of the existing places set out in paragraphs 11 and 12 above, six Contract RCHEs/Contract RCHEs with DCUs will commence service from 2015-16 to 2017-18 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 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 Enclosure 5, for the construction of new Contract RCHEs, Contract RCHEs with DCUs and DEs. One of these sites is the subject site.

/14. ....

14. 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.

15. At its meeting on 26 November 2014, LFAC endorsed the proposed LF allocation of \$109,217,000 for the construction of the proposed Contract RCHE with DCU at the subject site. The membership and terms of reference of LFAC is at Enclosure 6.

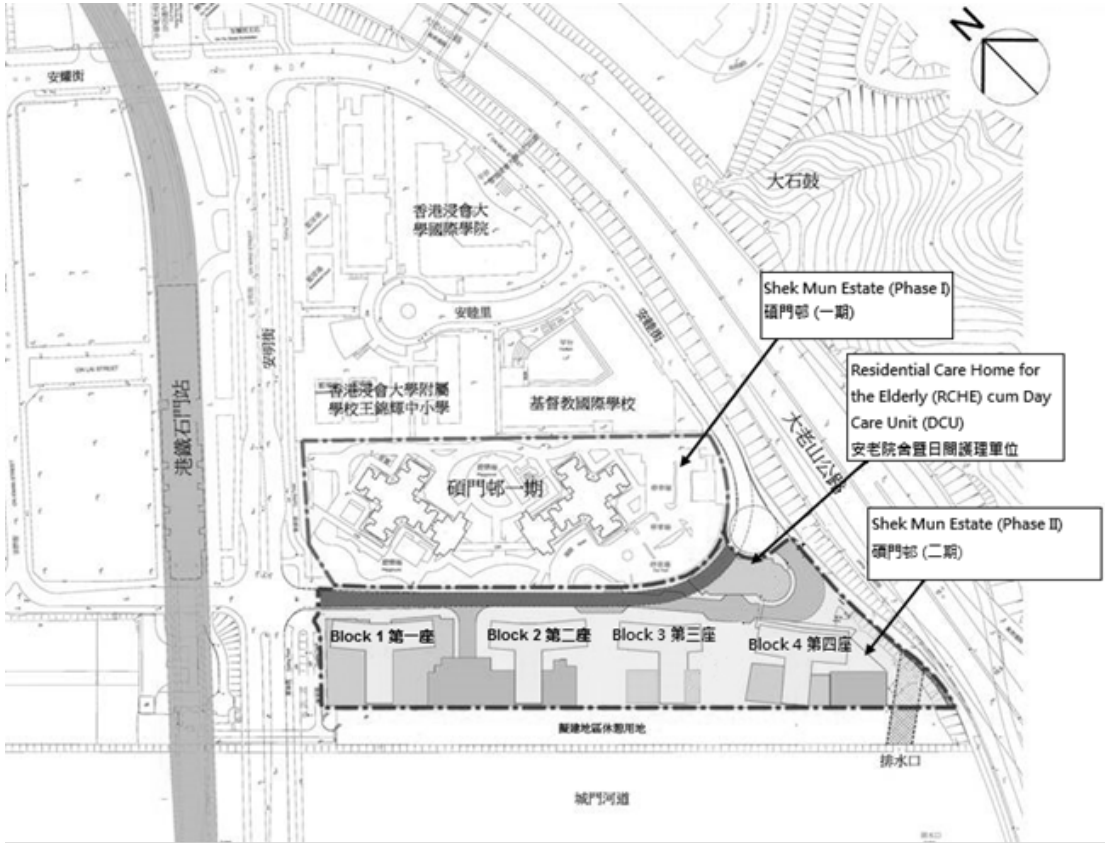
Encl. 6

-----

Labour and Welfare Bureau  
April 2015

Location Plan

Residential Care Home for the Elderly with Day Care Unit  
at the Welfare Block of Shek Mun Estate Phase II  
Public Rental Housing Development, Sha Tin



-----

**Facilities of the Proposed Contract Residential Care Home for the Elderly  
(RCHE) with Day Care Unit for the Elderly (DCU)  
at the Welfare Block of Shek Mun Estate Phase II  
Public Rental Housing Development, Sha Tin**

*Facilities of the 150-place RCHE with 30-place DCU*

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  
Pantries  
Male, female and disabled toilets for communal use  
Reception/Waiting area

-----

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

<b>Type of Residential Care Places</b>	<b>Number of Subsidised Places</b>	<b>Number of Elderly Persons on the Waiting List</b>
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.
<b>Total</b>	<b>26 882</b>	<b>31 653<sup>Note</sup></b>

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)5**

**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 (Contract awarded in July 2014)	81	9	60	0
2.	Yau Tsim Mong	Hoi Fai Road (Contract awarded in November 2014)	81	9	60	0
3.	Wan Chai	Cross Street	50 <sup>Note 1</sup>	6	37	20
4.	Sham Shui Po	Pratas Street	72 <sup>Note 1</sup>	8	20	0
5.	Tsuen Wan	West Rail Tsuen Wan West Station	86 <sup>Note 1</sup>	10	24	20
6.	Sha Tin	Shui Chuen O	54 <sup>Note 1</sup>	6	40	-
7.	Wan Chai	Kennedy Road	-	-	-	58 <sup>Note 2</sup>
<b>Total</b>			<b>424</b>	<b>48</b>	<b>241</b>	<b>98</b>
			<b>713</b>			

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)5**

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

	<b>Location and District</b>	<b>Estimated number of residential care places (including both subsidised and non-subsidised places)<sup>Note 1</sup></b>	<b>Estimated number of places of day care centres/units for the elderly (DEs/DCUs)<sup>Note 2</sup></b>
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 <sup>Note 3</sup>	125	DE: 60 DCU: 20
4	Ex-Kwong Choi Market, Tuen Mun <sup>Note 4</sup>	100	DE: 60
5	Ex-Kwai Chung Police Married Quarters, Kwai Chung <sup>Note 5</sup>	100	DCU: 20
6	Anderson Road, Kwun Tong <sup>Note 6</sup>	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 (subject development in this paper)	150	DCU: 30
10	Fo Tan, Sha Tin Areas 16 & 58D <sup>Note 7</sup>	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 9 February 2015 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**

	<b><u>Name</u></b>	<b><u>Professional Background</u></b>
<b>Chairperson:</b>	Ms YIP Man-kuen, Carol	Director of Social Welfare
<b>Member:</b>	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>
<b>Member(Cont'd):</b>	Mr SUEN Lai-sang	Director, Hong Kong Christian Service
	Ms WONG Wai-ching, Connie	Managing Director, Wong Sun Hing Limited
<b>Official Representative:</b>	Secretary for Labour and Welfare or representative	
<b>Secretary:</b>	Senior Executive Officer (Lotteries Fund), Social Welfare Department	

-----