

**For discussion on
8 December 2014**

**LEGISLATIVE COUNCIL
PANEL ON WELFARE SERVICES**

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

Purpose

This paper briefs Members on the Government's proposal to construct a 150-place Contract Residential Care Home for the Elderly (Contract RCHE) with a 30-place 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 (the subject site), with the financial provision to be met from the Lotteries Fund (LF)¹.

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-September 2014, there were altogether 68 DEs and DCUs offering 2 799 day care service places. The total number of elderly persons being served is about 3 900.

3. While most elderly persons prefer ageing in the community,

¹ LF is established for the purpose of financing social welfare services. It is primarily used to finance the capital expenditure of welfare projects and provide one-off grants to experimental projects with limited duration. Subject to certain conditions, authority to approve grants from LF has been delegated to the Director of Social Welfare, acting on the advice of the Lotteries Fund Advisory Committee.

some frail elderly persons would need institutional care for health or family reasons. The provision of subsidised residential care services (RCS), as at end-September 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. The setting up 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 26 purpose-built RCHEs. As at end-September 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 four Contract RCHEs, together with another three 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 places. 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 at Shek Mun Estate, Sha Tin. 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 with about 3 000 domestic flats for accommodating a planned population of 8 600. To meet the demand for subsidised RCS for the elderly, SWD has worked in collaboration with the Housing Department (HD) to incorporate a 150-place RCHE with 30-place DCU in this PRH development. The proposed Contract RCHE with DCU will have a net operational floor area of about 1 725 square metres. One shared lay-by and two exclusive-use parking

spaces will be provided for the proposed welfare facilities.

7. The construction of a set of bare-shell premises for the proposed Contract RCHE with DCU in the subject PRH development will be entrusted with HD. This proposed arrangement would enable the proposed welfare facilities to be provided in a timely and integrated manner at the purpose-built welfare block as part of the PRH development, and would also facilitate better planning and 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 spaces according to the specifications required by 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 around 2018.

8. We plan to provide 90 subsidised RCS places (81 NH places and nine C&A places upon admission) which include one designated residential respite care place, 60 non-subsidised RCS places and 30 subsidised DCU places in the proposed Contract RCHE with DCU. Taking into account the lead time required for rectification of defects and selection of the operator, we aim to award the contract for the operator of the proposed Contract RCHE with DCU in 2019.

Funding Arrangement

Capital cost

9. 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. 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 2014, the Lotteries Fund Advisory Committee endorsed a capital funding of

\$109.22 million to meet the construction cost of the proposed Contract RCHE with DCU in the subject development². According to the established funding arrangements, SWD will, through LF, reimburse HA the construction cost of the proposed Contract RCHE with DCU. Nearer the completion of the construction works, SWD will seek funding from LF in respect of the F/O works and F&E procurement in accordance with the established practice.

Recurrent financial implications

10. As an administrative practice, we will seek the approval of the Finance Committee for the LF project which will give rise to additional 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, etc., is

² The breakdown of the construction cost is as follows-

Item	Estimated Cost (\$M)		
	RCHE	DCU	Total
1.Foundation and Substructure, piling	18.611	1.123	19.734
2.Building Envelope and Finishes, e.g. main structure, external finishes, internal finishes, fitting	42.417	2.498	44.915
3.Building Services, e.g. electrical installation, fire services, lift installation	19.138	1.016	20.154
4.External Works & Underground Drainage	7.220	0.436	7.656
5.Contingencies for Items 1 to 4	4.369	0.254	4.623
Sub-total	91.755	5.327	97.082
6.HA on-cost	11.469	0.666	12.135
Total :	103.224	5.993	109.217

\$21.98 million after netting off the income of service users' fee. The necessary recurrent provision will be included in the draft Estimates of the relevant years.

Public Consultation

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

Advice Sought

12. Members' views are welcome on the proposal to construct the Contract RCHE with DCU at the subject site of Shek Mun Estate Phase II.

**Labour and Welfare Bureau
Social Welfare Department
December 2014**

**Provision of Subsidised Residential Care Places
(as at end-September 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)	3 242	6 455
Care-and-attention Places (overall)	22 384	24 476
➤ Subvented/Contract /Conversion Home Places	14 648	
➤ Enhanced Bought Place Scheme Places	7 736	
Self-care Hostel and Home-for-the-aged Places	1 052	N.A.
Total	26 678	30 931 (Note)

Note: Including about 3 400 elderly persons who were using subsidised community care services while waiting for subsidised residential care services, but excluding 6 883 elderly persons with inactive status on the waiting list.

**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 <i>(contract awarded in Dec 2013)</i>	54	6	40	30
2.	Sham Shui Po	Shek Kip Mei Estate Phase 2 <i>(contract awarded in Dec 2013)</i>	54	6	40	32
3.	Sham Shui Po	Ex-Cheung Sha Wan Police Married Quarters <i>(Contract awarded in July 2014)</i>	81	9	60	0
4.	Yau Tsim Mong	Hoi Fai Road <i>(Contract awarded in November 2014)</i>	81	9	60	0
5.	Wan Chai	Cross Street	50 [Note]	6	37	20
6.	Sham Shui Po	Pratas Street	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: Including 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, Sha Tin	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	Ex-Kwai Chung Police Married Quarters, Kwai Chung ^{Note 5}	100	DCU: 20
7	Anderson Road, Kwun Tong ^{Note 6}	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 Estate Phase II, Sha Tin (subject development in this paper)	150	DCU: 30
11	Fo Tan, Sha Tin Areas 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 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: The project was supported by LegCo Panel on Welfare Services on 9 June 2014 and is pending discussion at FC.

**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**

