

**For discussion on  
11 May 2015**

**LEGISLATIVE COUNCIL  
PANEL ON WELFARE SERVICES**

**Setting up a New Contract Residential Care Home for the Elderly  
at the Ancillary Facilities Block of Choi Yuen Road Public Rental  
Housing Development, Sheung Shui**

**Purpose**

This paper briefs Members on the Government's proposal to construct a 100-place Contract Residential Care Home for the Elderly (Contract RCHE) in the public rental housing (PRH) development of the Housing Authority (HA) at the site of Choi Yuen Road, Sheung Shui (the subject site), with the financial provision to be met from the Lotteries Fund (LF)<sup>1</sup>.

**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". The Social Welfare Department (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 Day Care Units for the Elderly (DCUs), which cover personal and nursing care, rehabilitation exercise, meal, escort service, etc.

3. While most elderly persons prefer ageing in the community, some frail elderly persons would need institutional care for health or

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<sup>1</sup> 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. Under section 6(4) of the Government Lotteries Ordinance (Cap. 334), the Financial Secretary (FS) has the authority to approve payments from LF to finance the development of social welfare services. 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.

family reasons. The provision of subsidised residential care services (RCS), as at end-February 2015, 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-February 2015, 24 of these Contract RCHEs are in operation, providing a total of 1 811 subsidised places (about 90% are nursing home (NH) places and 10% are care-and-attention (C&A) places upon admission) and 1 262 non-subsidised places. The remaining two Contract RCHEs, together with another four new contract RCHEs / RCHEs with DCUs, will commence service from 2015-16 to 2017-18, providing a total of 472 new subsidised RCS places (of which 90% are NH places and 10% are C&A places upon admission) and 241 non-subsidised places. Details are at **Annex 2**.

5. SWD has 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 Choi Yuen Road, Sheung Shui, which is earmarked for the construction and operation of a new Contract RCHE, as described in paragraphs 6 to 8 below.

### **The Proposed Contract RCHE**

6. The subject site is situated at the junction of Choi Yuen Road and Po Shek Wu Road as shown in the location plan at **Annex 4**, and has been identified for PRH development with about 1 100 domestic flats for accommodating a planned population of 3 400. SWD has, in collaboration with the Housing Department (HD), incorporated a 100-place RCHE in this PRH development. The proposed Contract RCHE will have a net operational floor area of about 1 158 square metres with one exclusive-use parking space for the proposed RCHE.

7. The construction of a set of bare-shell premises for the proposed Contract RCHE in the subject PRH development will be entrusted with HD. Under the proposed arrangement, HD will be

responsible for the design and construction of the bare-shell premises for the proposed Contract RCHE with the parking space according to the specifications required by SWD. This proposed arrangement would enable the proposed welfare facilities to be provided in a timely and integrated manner in an ancillary facilities block as part of the PRH development, and would also facilitate better planning and optimal use of the subject site. According to HD's current project schedule, the PRH development, including the bare-shell premises for the proposed Contract RCHE, is scheduled for completion in around 2020.

8. Upon completion of the construction works, SWD will select a suitable NGO/private operator through invitation for tenders in respect of the operation, management and maintenance of the proposed Contract RCHE. Taking into account the lead time required for rectification of defects and selection of the operator, the contract for the operation of the proposed Contract RCHE is aimed to be awarded in 2021. There would be 60 subsidised RCS places (54 NH places and six C&A places upon admission)<sup>2</sup> and 40 non-subsidised RCS places in the proposed Contract RCHE.

## **Funding Arrangement**

### *Capital cost*

9. The construction and fitting-out (F/O) works of the proposed Contract RCHE, as well as the procurement of furniture and equipment (F&E) for the subsidised section of the proposed Contract RCHE, will be funded by LF. In April 2015, the Lotteries Fund Advisory Committee endorsed a capital funding of \$55.122 million to meet the construction cost of the proposed Contract RCHE in the subject development<sup>3</sup>. According to the established funding arrangements,

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<sup>2</sup> The 60 subsidised RCS places include one designated residential respite care place.

<sup>3</sup> The breakdown of the construction cost is as follows-

SWD will, through LF, reimburse HA the construction cost of the proposed Contract RCHE. 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. Under section 6(4) of the Government Lotteries Ordinance (Cap. 334), the Financial Secretary (FS) has the authority to approve payments from LF to finance the development of social welfare services. As an administrative practice, FS has advised that LF proposals involving recurrent cost of over \$10 million per annum will be presented to the Finance Committee. The estimated recurrent funding requirement for the operation of the proposed Contract RCHE in a full year, including personal emoluments, other charges and rates and government rent, etc.,

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<b>Item</b>	<b>Estimated Cost (\$M)</b>
	RCHE
1. Foundation and Substructure, piling	19.334
2. Building Envelope and Finishes, e.g. main structure, external finishes, internal finishes, fitting	21.083
3. Building Services, e.g. electrical installation, fire services, lift installation	3.873
4. External Works & Underground Drainage	2.374
5. Contingencies for Items 1 to 4	2.333
Sub-total	48.997
6. HA on-cost	6.125
<b>Total :</b>	<b>55.122</b>

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is \$14.148 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 North District Council (NDC) on the subject PRH development at its meetings in July 2010 and April 2011, and further updated NDC's Working Group on Housing and Town Planning at its meeting in January 2014. No adverse comments on the proposed welfare facilities (including the Contract RCHE) in the subject PRH development have been received.

### **Advice Sought**

12. Members are invited to note and comment on the proposal to construct the Contract RCHE at the subject site of Choi Yuen Road, Sheung Shui.

**Labour and Welfare Bureau  
Social Welfare Department  
May 2015**

**Provision of Subsidised Residential Care Places  
(as at end-February 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	6 251
Care-and-attention Places (overall)	22 493	25 310
➤ Subvented/Contract /Conversion Home Places	<i>14 663</i>	
➤ Enhanced Bought Place Scheme Places	<i>7 830</i>	
Self-care Hostel and Home-for-the-aged Places	992	N.A.
<b>Total</b>	<b>26 879</b>	<b>31 561</b> (Note)

Note: Including about 3 250 elderly persons who were using subsidised community care services while waiting for subsidised residential care services, but excluding 7 175 elderly persons with inactive status on the waiting list.

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

From 2015-16 to 2017-18, six new Contract RCHEs / RCHEs with DCUs and a new DE providing a total of 713 residential care places and 98 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.	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 [Note]	6	37	20
4.	Sham Shui Po	Pratas Street	72 [Note]	8	20	0
5.	Tsuen Wan	West Rail Tsuen Wan West Station	86 [Note]	10	24	20
6.	Sha Tin	Shui Chuen O	54 [Note]	6	40	-
7.	Wan Chai	Kennedy Road	-	-	-	58
<b>Total</b>			<b>424</b>	<b>48</b>	<b>241</b>	<b>98</b>
			<b>713</b>			

Note: Including one designated residential respite care place.

**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 (subject development in this paper)	100	DE: 40
9	Shek Mun Estate Phase II, Sha Tin <sup>Note 7</sup>	150	DCU: 30
10	Fo Tan, Sha Tin Areas 16 & 58D <sup>Note 8</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: Lotteries Fund allocation for meeting the construction cost of the project was approved by FC in April 2015.
- Note 8: Lotteries Fund allocation for meeting the construction cost of the project was approved by FC in April 2015.

## Annex 4

### Residential Care Home for the Elderly in the Public Rental Housing Development at Choi Yuen Road, Sheung Shui

