

**For discussion on  
11 January 2016**

**LEGISLATIVE COUNCIL**

**PANEL ON WELFARE SERVICES**

**Setting up a New Contract Residential Care Home for the Elderly  
at the Social Welfare Facilities Block of  
Public Rental Housing Development at North West Kowloon  
Reclamation Area Site 6, Sham Shui Po, Kowloon**

**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 North West Kowloon Reclamation Area Site 6, Sham Shui Po (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.

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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 (DSW), acting on the advice of the Lotteries Fund Advisory Committee.

3. While most elderly persons cherish the wish of ageing in place, some frail elderly persons would need institutional care for health or family reasons. The provision of subsidised residential care services (RCS), as at end-November 2015, is at **Annex 1**. In view of the ageing population and the high demand for subsidised RCS places, SWD has been making strenuous effort to increase the provision. The setting up of new contract RCHEs is a major initiative in this regard.

4. Since 2001, SWD has been awarding contracts through open tenders to non-governmental organisations (NGOs) or private sector operators in respect of 28 purpose-built RCHEs. As at end-November 2015, 26 of these contract RCHEs (including two which commenced service in 2015-16) are in operation, providing a total of 1 991 subsidised places (about 90% are nursing home (NH) places and 10% are care-and-attention (C&A) places upon admission) and 1 382 non-subsidised places. From now to 2017-18, four more new contract RCHEs/RCHEs with DCUs are expected to commence service. These four new RCHEs will altogether provide a total of 292 new subsidised places (of which 90% are NH places and 10% are C&A places upon admission) and 121 non-subsidised places. Details are at **Annex 2**.

5. As at end-November 2015, SWD has earmarked sites in 20 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, which is earmarked for the construction and operation of a new contract RCHE (the proposed contract RCHE).

### **The Proposed Contract RCHE**

6. The subject site is situated at Sham Mong Road, near Nam Cheong Mass Transit Railway Station, as shown in the location plan at **Annex 4**. It has been identified for PRH development, providing about 2 800 public housing flats for accommodating a planned population of 8 600. SWD has, in collaboration with the Housing Department (HD), incorporated the proposed contract RCHE and other welfare facilities<sup>2</sup>

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<sup>2</sup> The other welfare facilities to be provided within the same block in the PRH development, including their respective construction costs, are as follows –

in this PRH development. The proposed contract RCHE will have a net operational floor area of about 1 109 square metres and there would also be one parking space for its exclusive use.

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 a 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 a social welfare 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 late 2019.

8. Upon completion of the construction works, SWD will select a suitable NGO/private operator through tendering for 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 will be awarded in around 2020.

<b><u>Proposed facilities</u></b>	<b><u>Estimated Construction Cost (\$M)</u></b>
Special Child Care Centre	10.384
Early Education and Training Centre	5.927
Integrated Vocational Rehabilitation Services Centre	26.246
Hostel for Moderately Mentally Handicapped Persons	27.225
Hostel for Severely Mentally Handicapped Persons	29.522
Day Activity Centre	12.165
Supported Hostel for Mentally Handicapped Persons	17.646
Integrated Children and Youth Services Centre	29.501

Funding approval for the construction costs of these facilities under the Block Allocation of Capital Works Reserve Fund Head 708 Subhead 8001SX will be given by DSW under delegated authority in accordance with the established arrangement.

## 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 thereof, will be funded by LF. On 11 December 2015, the Lotteries Fund Advisory Committee<sup>3</sup> endorsed a capital funding of \$55.087 million to meet the construction cost of the proposed contract RCHE in the subject development<sup>4</sup>. According to the established funding arrangements, SWD will, through LF, furnish HA with 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.

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<sup>3</sup> The Lotteries Fund Advisory Committee advises DSW on applications from welfare organisations for allocations from LF and on charitable fund-raising issues including the allocation of flag days. There are ten non-official members from various sectors of the community, including District Council, social welfare, medical, business, professionals, academia, information technology, etc.

<sup>4</sup> The breakdown of the construction cost is as follows-

Item	Estimated Cost (\$M)
	RCHE
1. Foundation and Substructure, piling	10.756
2. Building Envelope and Finishes, e.g. main structure, external finishes, internal finishes, fitting	24.872
3. Building Services, e.g. electrical installation, fire services, lift installation	6.294
4. External Works & Underground Drainage	4.712
5. Contingencies for Items 1 to 4	2.332
	Sub-total
	48.966
6. 12.5% on-cost charged by HA	6.121
<b>Total :</b>	<b>55.087</b>

### Recurrent financial implications

10. Under section 6(4) of the Government Lotteries Ordinance (Cap. 334), 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 of the Legislative Council. The estimated recurrent funding requirement based on notional planning of 60 subsidised RCS places (54 NH places and six C&A places upon admission)<sup>5</sup> for the operation of the proposed contract RCHE in a full year, including personal emoluments, other charges and rates and government rent, etc., is about \$14 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. The Sham Shui Po District Council (SSPDC) was consulted by HD on the subject PRH development project, including the proposed welfare facilities thereat, on 29 June 2010, 5 March 2013 and 5 November 2013. The District Facilities Committee of SSPDC was subsequently consulted on 12 March 2015. Members of SSPDC and its District Facilities Committee did not make any adverse comment on the PRH development project and the welfare facilities to be provided therein.

### **Advice Sought**

12. Members are invited to note and comment on the proposal to construct the proposed contract RCHE at the subject site.

**Labour and Welfare Bureau  
Social Welfare Department  
January 2016**

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<sup>5</sup> The provision of 60 subsidised RCS places including one designated residential respite care place is a preliminary estimate based on notional planning.

**Provision of Subsidised Residential Care Places  
(as at end-November 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)	3 610	6 179
Care-and-attention Places (overall)	22 760	26 793
➤ Subvented/Contract /Conversion Home Places	14 759	
➤ Enhanced Bought Place Scheme Places	8 001	
Self-care Hostel and Home-for-the-aged Places	846	N.A.
<b>Total</b>	<b>27 216</b>	<b>32 972</b> (Note)

Note: Including about 3 216 elderly persons who were using subsidised community care services as at end-November 2015 while waiting for subsidised residential care services, but excluding 9 079 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, in addition to two contract RCHEs which have recently commenced service in 2015-16, four more new contract RCHEs / RCHEs with DCUs and a sub-base of an existing DE are expected to commence service. These four new RCHEs and new sub-base of an existing DE will altogether provide a total of 413 residential care places and 98 day care places. 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	Pratas Street (Contract awarded in May 2015)	72 [Note 1]	8	20	0
2.	Wan Chai	Cross Street (Contract awarded in October 2015)	50 [Note 1]	6	37	20
3.	Tsuen Wan	West Rail Tsuen Wan West Station	86 [Note 1]	10	24	20
4.	Sha Tin	Shui Chuen O	54 [Note 1]	6	40	-
5	Wan Chai	Kennedy Road	-	-	-	58 [Note 2]
<b>Total</b>			<b>262</b>	<b>30</b>	<b>121</b>	<b>98</b>
			<b>413</b>			

Note 1: Including one designated residential respite care place.

Note 2: The 58 day care places are to be provided by an existing DE in two phases. The 30 places in Phase 1 commenced service in October 2015, and the remaining 28 places in Phase 2 will commence service in the first quarter of 2016.

### Annex 3

#### 20 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) <sup>Note 1</sup>	Estimated number of places of day care centres/units for the elderly (DEs/DCUs) <sup>Note 2</sup>
1	Tuen Mun Area 54	-	DE: 38
2	Ex-Tai Wo Hau Factory site	-	DE: 80
3	Tung Chung Area 56, Tung Chung	100	-
4	Un Chau Street / Hing Wah Street / Fuk Wing Street, Sham Shui Po	100	-
5	Anderson Road, Kwun Tong <sup>Note 3</sup>	100	DCU: 20
6	Ex-Kwai Chung Police Married Quarters, Kwai Chung <sup>Note 4</sup>	100	DCU: 20
7	Tuen Mun Area 44	-	DE: 60
8	Shek Mun Estate Phase II, Sha Tin <sup>Note 5</sup>	150	DCU: 30
9	Fo Tan, Sha Tin Areas 16 & 58D <sup>Note 6</sup>	100	DE: 60
10	West Rail Long Ping Station (North), Long Ping, Yuen Long <sup>Note 7</sup>	125	DE: 60 DCU: 20
11	North West Kowloon Reclamation Area Site 6, Sham Shui Po (subject development in this paper)	100	-
12	Choi Yuen Road, Sheung Shui <sup>Note 8</sup>	100	DE: 40
13	Ex-Kwong Choi Market, Tuen Mun <sup>Note 9</sup>	100	DE: 60
14	Government Joint User Complex at Lei King Wan, Sai Wan Ho, Eastern	100	-



	<b>Location and District</b>	<b>Estimated number of residential care places (including both subsidised and non-subsidised places)</b> <sup>Note 1</sup>	<b>Estimated number of places of day care centres/units for the elderly (DEs/DCUs)</b> <sup>Note 2</sup>
15	Queen's Hill, Fanling	100	DE: 60
16	Tuen Mun Area 29 West	100	-
17	Ex-CCC Kei Leung Primary School site, Leung King Estate, Tuen Mun	100	-
18	Ex-CCC Kei Ching Primary School site, Fu Shin Estate, Tai Po	130	DE: 60
19	Ex-Sai Kung Central Primary School site, Sai Kung	100	DCU: 30
20	Treasury Building in Sham Shui Po	-	DE: 40

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 2015.

Note 4: Lotteries Fund allocation for meeting the construction cost of the project was approved by FC in July 2014.

Note 5: Lotteries Fund allocation for meeting the construction cost of the project was approved by FC in April 2015.

Note 6: Lotteries Fund allocation for meeting the construction cost of the project was approved by FC in April 2015.

Note 7: Lotteries Fund allocation for meeting the construction cost of the project was approved by FC in January 2013.

Note 8: Lotteries Fund allocation for meeting the construction cost of the project was approved by FC in July 2015.

Note 9: Lotteries Fund allocation for meeting the construction cost of the project was approved by FC in December 2013.

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