

**For discussion on
10 July 2017**

**LEGISLATIVE COUNCIL
PANEL ON WELFARE SERVICES**

**Setting up Residential Care Homes for the Elderly
in Tai Po and Fanling**

Purpose

This paper briefs Members on the Government's proposal to construct a contract Residential Care Home for the Elderly (contract RCHE) respectively in the public rental housing (PRH) development of the Housing Authority (HA) at Chung Nga Road East and Tai Po Area 9, Tai Po, and in the mixed housing development of the Hong Kong Housing Society (HKHS) at Pak Wo Road, Fanling, with the financial provision of both projects 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". 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 cherish the wish of ageing in place, some frail elderly persons would need institutional care for health or

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. 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. 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-May 2017, 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 been awarding contracts through open tenders to non-governmental organisations (NGOs) or private operators in respect of purpose-built RCHEs. As at end-May 2017, 28 of these contract RCHEs are in operation, providing a total of 2 150 subsidised places (about 90% are nursing home places and 10% are care-and-attention places upon admission) and 1 414 non-subsidised places.

5. As at end-May 2017, SWD has earmarked sites in 27 development projects for the construction of new contract RCHEs, contract RCHEs with DCUs and DEs. Details are at **Annex 2**. It is estimated that about 2 370 residential care places (including subsidised and non-subsidised places) and about 880 day care places for the elderly will be progressively provided starting from 2017-18. Two of these 27 sites are the subject sites at Tai Po and Fanling which are earmarked for the construction and operation of two new contract RCHEs.

The Two Proposed Contract RCHEs

(I) The site at Chung Nga Road East and Tai Po Area 9, Tai Po

6. The site is situated at Chung Nga Road East and Tai Po Area 9 as shown in the location plan at **Annex 3**. It has been identified for PRH development with about 7 070 public housing flats for accommodating a planned population of 17 500. SWD has, in collaboration with the Housing Department (HD), incorporated a 100-place RCHE and other welfare facilities in this PRH development. The proposed RCHE will be provided in the Social Welfare Facilities Block on the Chung Nga Road East site of the PRH development. It will have a net operational floor area of about 1 096 square metres together with an exclusive-use parking space. There will also be some

other welfare facilities² including child care services, community care and support services for the elderly, pre-school rehabilitation services as well as community support service for physically handicapped persons located in the same Social Welfare Facilities Block and in a domestic block of the PRH development.

7. HD will be entrusted with the design and construction of a set of bare-shell premises for the proposed contract RCHE in the subject PRH development. 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. 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 2021.

(II) The site at Pak Wo Road, Fanling

8. The site is situated at Pak Wo Road as shown in the location plan at **Annex 4**. The site is mostly on a piece of government land currently under a Short Term Tenancy for a fee-paying car park. HKHS has planned to develop a mixed housing development on the site and to provide two separate RCHEs with capacities of 150 and 56 respectively. The 150-place RCHE bare-shell premises will be handed over to SWD for provision of a contract RCHE whereas the 56-place RCHE will be owned, funded and operated by HKHS on a self-financing basis.

² The other welfare facilities to be provided within the same PRH development and their respective construction costs are as follows-

Proposed facilities	Estimated Construction Costs (\$M)
<i>Social Welfare Facilities Block</i>	
90-place Early Education and Training Centre	24.17
60-place Day Care Centre for the Elderly	28.39
92-place Child Care Centre	29.93
Office Base for Integrated Support Service for Persons with Severe Physical Disabilities	13.91
<i>Within a Domestic Block</i>	
Neighbourhood Elderly Centre	10.33

These facilities are to be funded by the Block Allocation of Capital Works Reserve Fund Head 708 Subhead 8001SX in accordance with the established funding arrangement.

9. The 150-place RCHE will have a net operational floor area of about 1 575 square metres together with an exclusive-use parking space. HKHS will be required under the land grant conditions for the mixed housing development to design and construct the bare-shell premises for the proposed contract RCHE with the parking space according to the specifications required by SWD. According to HKHS's current project schedule, the mixed housing development, including the bare-shell premises for the proposed contract RCHE, is scheduled for completion in 2023.

10. The arrangements for the two projects at Tai Po and Fanling set out above will enable the proposed contract RCHEs to be provided in a timely and integrated manner as part of the housing developments concerned, and will also facilitate better planning and optimal use of the subject sites. Upon completion of the construction works of the above two projects, SWD will select suitable NGOs/private operators through invitation for tenders in respect of the operation, management and maintenance of the proposed contract RCHEs. Taking into account the lead time required for rectification of defects and selection of the operators, the contracts for the operation of the proposed contract RCHEs at the sites of Tai Po and Fanling are aimed to be awarded in around 2022 and 2024 respectively.

Funding Arrangements

Capital cost

11. The construction and fitting-out (F/O) works of the two proposed contract RCHEs, as well as the procurement of furniture and equipment (F&E) for the subsidised section thereof, will be funded by LF. The Lotteries Fund Advisory Committee endorsed a capital funding of \$84.45 million and \$88.25 million on 18 May 2017 and 28 June 2017 respectively to meet the construction costs of the contract RCHEs in the developments at Tai Po and Fanling.³

³ The breakdown of the construction costs is as follows-

12. According to the established funding arrangements, SWD will, through LF, furnish HA with the actual construction cost of the proposed contract RCHE in the PRH development at Tai Po. For the proposed contract RCHE in the mixed housing development at Fanling, upon satisfactory completion of works by HKHS, the Government will, through LF, reimburse HKHS the actual cost of construction or the above estimated cost of \$88.25 million, whichever is the lesser. Nearer the completion of the construction works, SWD will seek funding from LF in respect of the F/O works of the two proposed contract RCHEs and F&E procurement for the subsidised section thereof in accordance with the established practice.

Recurrent financial implications

13. The estimated recurrent funding requirements based on notional planning of 60% being subsidised places, i.e. 60 subsidised places for the Tai Po project and 90 subsidised places for the Fanling project, for the operation of the two proposed contract RCHEs in a full year, including personal emoluments, other charges, rates and government rent, management and maintenance fees, after netting off the income of service users' fee, are \$15.39 million and \$22.77 million respectively. The necessary recurrent provisions will be included in the draft Estimates of the relevant years.

<u>Pak Wo Road, Fanling</u>		<u>Chung Nga Road East and Tai Po Area 9</u>	
Item	Amount (\$ million)	Item	Amount (\$ million)
i Estimated construction cost	53.67	i Foundation and substructure	11.61
ii Professional/supervision fees	6.71	ii Building envelop and finishes	47.94
	<u>60.38</u>	iii Building services	7.30
		iv External works and underground drainage	4.64
iii Provision for price adjustment	<u>27.87</u>	v Contingencies (5% of i to iv)	3.58
			<u>75.07</u>
		vi 12.5% on-cost charged by HA	9.38
Estimated construction cost:	88.25	Estimated construction cost:	84.45

Public Consultation

14. HD consulted the Environment, Housing and Works Committee of the Tai Po District Council on the PRH development at Chung Nga Road East and Tai Po Area 9, including the proposed contract RCHE as well as the other proposed welfare facilities, in July 2014 and March 2016. Members raised no adverse comments on the welfare facilities to be included in the PRH development.

15. As regards the mixed housing development at Pak Wo Road, Fanling, the Rural and New Town Planning Committee of the Town Planning Board approved the planning application concerned on 3 February 2017. The Social Services, Labour and Economic Affairs Committee of the North District Council was consulted on the proposed contract RCHE in the development on 4 July 2017 and Members raised no adverse comments.

Advice Sought

16. Members are invited to note and comment on the proposal to construct a contract RCHE respectively at the subject sites at Tai Po and Fanling.

**Labour and Welfare Bureau
Social Welfare Department
July 2017**

**Provision of Subsidised Residential Care Places
(as at end-May 2017)**

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)	3 806	6 325
Care-and-attention Places (overall)	23 072	
➤ Subvented/Contract /Conversion Home Places	14 996	30 101
➤ Enhanced Bought Place Scheme Places	8 076	
Self-care Hostel and Home-for-the-aged Places	461	N.A.
Total	27 339	36 426 (Note)

Note Including about 3 250 elderly persons who were using subsidised community care services while waiting for subsidised residential care services, but excluding 11 154 elderly persons with inactive status on the waiting list.

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

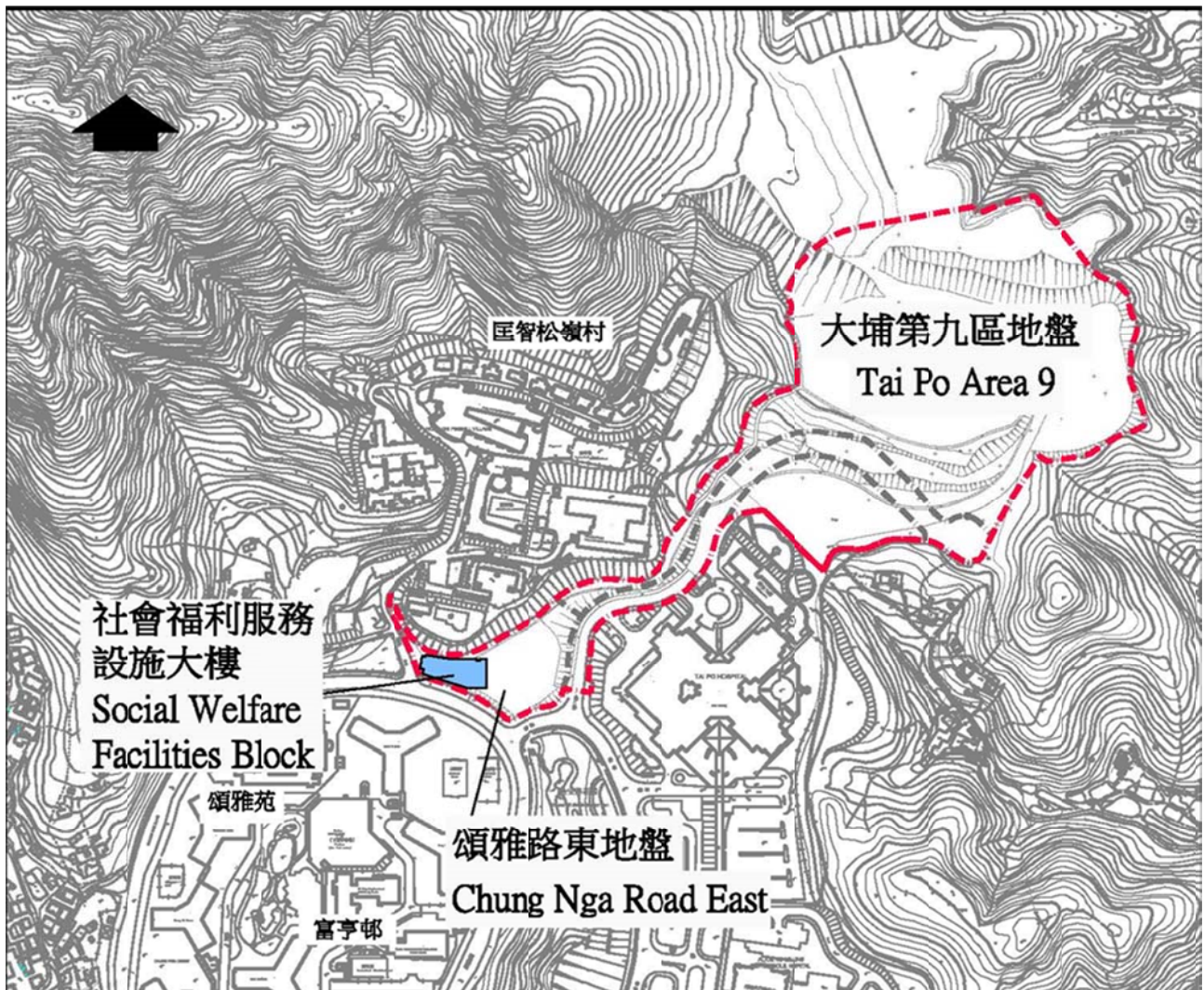
	District	Location	Estimated number of residential care places (including both subsidised and non-subsidised places) ^{Note 1}	Estimated number of places of DEs/DCUs ^{Note 2}
1.	Eastern	Sai Wan Ho Joint-user Complex, Eastern District	150	-
2.	Islands	Tung Chung Area 56	100	-
3.	Kwun Tong	Anderson Road	100	DCU: 20
4.	Wong Tai Sin	Fung Shing Street, Wong Tai Sin	-	DE: 60
5.	Sai Kung	Ex-Sai Kung Central Primary School site, Sai Kung	100	DCU: 30
6.	Sham Shui Po	Fuk Wing Street	100	-
7.		North West Kowloon Reclamation Area Site 6	100	-
8.		Hai Tan Street	-	DE: 4
9.		Joint-user Government Office Building, Cheung Sha Wan	-	DE: 40
10.	Sha Tin	Shui Chuen O	100	-
11.		Shek Mun Estate Phase II	150	DCU: 30
12.		Fo Tan, Sha Tin Areas 16 & 58D	100	DE: 60
13.		Hang Tai Road, Ma On Shan	100	DE: 60
14.	Tai Po	Ex-CCC Kei Ching Primary School site, Fu Shin Estate	130	DE: 60
15.		Chung Nga Road East and Tai Po Area 9 (subject development in this paper)	100	DE: 60
16.	North	Choi Yuen Road, Sheung Shui	100	DE: 40
17.		Queen's Hill, Fanling	150	DE: 60
18.		Pak Wo Road, Fanling (subject development in this paper)	150	-
19.	Yuen Long	West Rail Long Ping Station (North), Long Ping	125	DE: 60 DCU: 20

	District	Location	Estimated number of residential care places (including both subsidised and non-subsidised places) ^{Note 1}	Estimated number of places of DEs/DCUs ^{Note 2}
20.	Tuen Mun	Ex-CCC Kei Leung Primary School site, Leung King Estate	100	-
21.		Ex-Kwong Choi Market	100	DE: 60
22.		Tuen Mun Area 29 West	100	-
23.		Tuen Mun Area 54 Site 2	-	DE: 38
24.		Tuen Mun Area 44	-	DE: 60
25.	Tsuen Wan	Ex-Tai Wo Hau Factory Site	-	DE: 80
26.		Wing Shun Street	116	DCU: 20
27.	Kwai Tsing	Ex-Kwai Chung Police Married Quarters	100	DCU: 20
Total:			2 371	882

Note 1: The number of places to be provided is a preliminary estimate 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 subject to change as we continue to work out the details of the projects.

**Residential Care Home for the Elderly
at the Social Welfare Facilities Block of
Public Rental Housing Development at Chung Nga Road East and
Tai Po Area 9, Tai Po, New Territories**



**Residential Care Home for the Elderly
at the Mixed Housing Development at Pak Wo Road,
Fanling, New Territories**

