

**For discussion on  
11 December 2017**

**LEGISLATIVE COUNCIL  
PANEL ON WELFARE SERVICES**

**Setting up a New Contract Residential Care Home for the Elderly  
in the Retail and Welfare Block of  
the Public Rental Housing Development  
at Hang Tai Road, Ma On Shan (Yan On Estate Extension)**

**Purpose**

This paper briefs Members on the Government's proposal to construct a contract Residential Care Home for the Elderly (contract RCHE) in the public rental housing (PRH) development of the Housing Authority (HA) at Hang Tai Road, Ma On Shan (Yan On Estate Extension) 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 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

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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 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.

(RCS), as at end-September 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-September 2017, 29 of these contract RCHEs are in operation, providing a total of 2 258 subsidised places (about 90% are nursing home places and 10% are care-and-attention places upon admission) and 1 422 non-subsidised places.

5. As at end-September 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 2 400 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. One of these 27 sites is the subject site at Ma On Shan, which is earmarked for the construction and operation of a new contract RCHE.

### **The Proposed Contract RCHE**

6. The existing Yan On Estate in Ma On Shan, as shown in the location plan at [Annex 3](#), has 2 587 flats with a population of about 6 800. The Housing Department (HD) has planned to erect three new PRH domestic blocks as an extension of Yan On Estate at Hang Tai Road, Ma On Shan Area 86B (i.e Yan On Estate Extension), with the target provision of about 1 900 additional domestic flats. HD has also planned for a subsidised sales flat (SSF) development with five domestic blocks for the provision of 2 100 domestic flats in the vicinity. The planned population arising from the SSF and PRH developments will be about 11 200 with the intake targeted for 2022 and 2024 respectively.

7. SWD has, in collaboration with HD, incorporated a 100-place RCHE and other welfare facilities in Yan On Estate Extension. The proposed RCHE will be provided in the Retail and Welfare Block. 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 facilities<sup>2</sup> providing community care and support services for the elderly, children and youth services as well as rehabilitation services located in the same Retail and Welfare Block.

8. 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. This arrangement will enable the proposed contract RCHE to be provided in a timely and integrated manner as part of the housing development concerned, and will also facilitate better planning and optimal use of the subject site. According to HD's current project schedule, the construction works for the Retail and Welfare Block are scheduled for commencement in the first quarter of 2018 and completion by the fourth quarter of 2021.

9. 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 around the fourth quarter of 2022 to the first quarter of 2023.

## **Funding Arrangement**

### *Capital cost*

10. 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. The Lotteries Fund Advisory Committee endorsed the capital funding of \$80.236 million from LF on 16 October 2017 to meet the construction

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<sup>2</sup> The other welfare facilities to be provided in the Retail and Welfare Block are as follows –

- i. 60-place Day Care Centre for the Elderly
- ii. 30-place Special Child Care Centre
- iii. 90-place Early Education and Training Centre
- iv. 30-place Supported Hostel for Mentally or Physically Handicapped Persons
- v. Sub-base of Integrated Children and Youth Services Centre

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.

cost of the proposed contract RCHE. The breakdown is as follows –

Item	Estimated Cost (\$M)
(a) Foundation and substructure (including advanced works)	19.257
(b) Building envelope and finishes	34.836
(c) Building services	9.048
(d) External works and underground drainage	4.784
(e) Contingencies (5% of items (a) to (d) above)	3.396
	<i>Sub-total:</i> 71.321
(f) 12.5% on-cost charged by HA	8.915
	<b>Total: 80.236</b>

11. According to the established funding arrangements, SWD will, through LF, furnish HA with the actual 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 of the proposed contract RCHE and F&E procurement for the subsidised section thereof in accordance with the established practice.

### ***Recurrent financial implications<sup>3</sup>***

12. The estimated recurrent funding requirement based on notional planning of 60% being subsidised places, i.e. 60 subsidised places, for the operation of the proposed contract RCHE 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, is about \$15.428 million. The necessary recurrent provision will be included in the draft Estimates of the relevant years.

<sup>3</sup> The recurrent financial implications of similar LF projects in recent years are also set out below for Members' information -

Project	Recurrent consequence (\$M)
(I) Ancillary Facilities Block at Tseung Kwan O Area 65C2 <sup>Note</sup>	18.74
(II) Elderly and rehabilitation service facilities in –	
(a) Ex-Sai Kung Central Primary School site at Ho Chung, Sai Kung	21.01
(b) MTR Wong Chuk Hang Depot property development project site	13.28
(c) Shui Chuen O Estate, Sha Tin	42.28
(d) Lei Yue Mun Estate, Kwun Tong	13.86
(III) Community Hall cum Social Welfare Facilities at Queen's Hill, Fanling <sup>Note</sup>	28.29
(IV) Contract RCHEs at -	
(a) Pak Wo Road, Fanling	22.77
(b) Chung Nga Road East and Tai Po Area 9	15.39

<sup>Note</sup> These are Government joint-user development projects in the public housing developments concerned, providing both welfare facilities and other community facilities. The welfare facilities were fully deliberated and endorsed by the Panel on Housing of the Legislative Council (LegCo) at the meetings on 5 December 2016 and 5 June 2017 respectively where all other Members of LegCo were invited to join the discussion.

## **Public Consultation**

13. HD consulted the Development and Housing Committee (DHC) of Sha Tin District Council (STDC) in September and October 2013 on the preliminary SSF and PRH development scheme at Hang Tai Road, Ma On Shan. In March 2017, HD reported the latest position of the detailed development plan including the proposed contract RCHE and other proposed welfare facilities to DHC of STDC. Members raised no adverse comments on the proposed contract RCHE.

## **Advice Sought**

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

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

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

<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)	3 904	6 525
Care-and-attention Places (overall)	23 149	31 330
➤ Subvented/Contract /Conversion Home Places	15 088	
➤ Enhanced Bought Place Scheme Places	8 061	
Self-care Hostel and Home-for-the-aged Places	372	N.A.
<b>Total</b>	<b>27 425</b>	<b>37 855</b> (Note)

Note Including about 3 223 elderly persons who were using subsidised community care services while waiting for subsidised residential care services, but excluding 11 704 elderly persons with inactive status on the waiting list.

**Annex 2**

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

	<b>District</b>	<b>Location</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.	Eastern	Joint-user building at Lei King Road, Sai Wan Ho	200	-
2.	Islands	Tung Chung Area 56	100	-
3.	Kwun Tong	Anderson Road	100	DCU: 20
4.		Wang Chiu Road	100	DCU : 20
5.	Wong Tai Sin	Fung Shing Street	-	DE: 60
6.	Sai Kung	Ex-Sai Kung Central Primary School site, Sai Kung	100	DCU: 30
7.	Sham Shui Po	Fuk Wing Street	100	-
8.		North West Kowloon Reclamation Area Site 6	100	-
9.		Hai Tan Street	-	DE: 4
10.		Joint-user Government Offices Building, Cheung Sha Wan	-	DE: 40
11.	Shatin	Shui Chuen O	100	-
12.		Shek Mun Estate Phase II	150	DCU: 30
13.		Sha Tin Areas 16 & 58D, Fo Tan,	100	DE: 60
14.		Hang Tai Road, Ma On Shan (subject development in this paper)	100	DE: 60
15.	Tai Po	Ex-CCC Kei Ching Primary School site, Fu Shin Estate	130	DE: 60
16.		Chung Nga Road East and Tai Po Area 9	100	DE: 60
17.	North	Choi Yuen Road, Sheung Shui	100	DE: 40
18.		Queen's Hill, Fanling	150	DE: 60
19.		Pak Wo Road, Fanling	150	-

	<b>District</b>	<b>Location</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>
20.	Yuen Long	West Rail Long Ping Station (North)	125	DE: 60 DCU: 20
21.	Tuen Mun	Ex-CCC Kei Leung Primary School site, Leung King Estate	100	-
22.		Ex-Kwong Choi Market	100	DE: 60
23.		Tuen Mun Area 29 West	100	-
24.		Tuen Mun Area 54 Site 2	-	DE: 38
25.		Tuen Mun Area 44	-	DE: 60
26.	Tsuen Wan	Ex-Tai Wo Hau Factory Site	-	DE: 80
27.	Kwai Tsing	Ex-Kwai Chung Police Married Quarters	100	DCU: 20
<b>Total:</b>			<b>2 405</b>	<b>882</b>

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.



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