

ITEM FOR FINANCE COMMITTEE

LOTTERIES FUND

HEAD 341 – NON-RECURRENT GRANTS

Members are invited to approve an allocation of \$49,019,000 from the Lotteries Fund for meeting the construction costs of a new Contract Residential Care Home for the Elderly with a Day Care Unit for the Elderly in the public rental housing development of the Housing Authority at the site of ex-Kwai Chung Police Married Quarters at Kwai Yi Road, Kwai Chung.

PROBLEM

There is a need to provide more subsidised residential and day care places for the elderly to meet the substantial and growing demand.

PROPOSAL

2. The Director of Social Welfare, with the support of the Secretary for Labour and Welfare and the Lotteries Fund Advisory Committee (LFAC), proposes to allocate \$49,019,000 from the Lotteries Fund (LF) to meet the construction costs of a new Contract Residential Care Home for the Elderly (RCHE) with a Day Care Unit for the Elderly (DCU) in the public rental housing (PRH) development of the Housing Authority (HA) at the site of ex-Kwai Chung Police Married Quarters at Kwai Yi Road, Kwai Chung (the subject site).

JUSTIFICATION

3. The Social Welfare Department (SWD) proposes to construct a 100-place Contract RCHE (out of which 60 are subsidised residential care places, including 54 nursing home (NH) places and 6 care and attention (C&A) places

/upon

Encl. 1

upon admission; and 40 are non-subsidised residential care places) with 20 subsidised DCU places at the subject site. The subject site has been identified for PRH development to provide about 866 domestic flats for accommodating a planned population of 2 400. Its location plan is at Enclosure 1. The proposed Contract RCHE with DCU will have a net operational floor area of about 1 166 square metres. One shared-use lay-by and one exclusive-use parking space^{Note} will be provided for the proposed welfare facilities. The Housing Department (HD), as the executive arm of HA and the works agent of the subject PRH development, will be entrusted with the design and construction of a set of bare-shell premises for the proposed Contract RCHE with DCU in the subject PRH development according to the specifications of SWD. Such entrustment arrangement would enable the proposed welfare facilities to be provided in a timely and integrated manner as part of the PRH development, and would also facilitate better planning and an optimal use of the subject site.

Encl. 2

4. Upon completion of the construction works, SWD will take over the facilities and select a suitable operator through invitation of tenders for the operation, management and maintenance of the proposed Contract RCHE with DCU. Taking into account the construction lead time required for the entire development, it is estimated that the contract of the proposed Contract RCHE with DCU will be awarded in 2019. The facilities to be provided in the proposed Contract RCHE with DCU upon fitting out are detailed at Enclosure 2.

FINANCIAL IMPLICATIONS

Capital cost estimates

5. The funding sought under this submission (\$49,019,000) relates to the estimated construction cost of the proposed Contract RCHE with DCU. It is worked out on the basis of the construction floor area and technical requirements of the proposed welfare facilities as assessed by HD. The breakdown of the cost estimate is as follows –

	Item	Estimated Cost (\$million)		
		RCHE	DCU	Total
(a)	Site investigation and studies, material testing	0.999	0.064	1.063
(b)	Foundation & substructure	5.569	0.356	5.925
(c)	Building envelope and finishes, e.g. main structure, external and internal finishes	24.062	1.537	25.599

/(d)

^{Note} One shared-use lay-by and one exclusive parking space for the Contract RCHE with DCU will be constructed for the proposed welfare facilities. Parking space is standard provision for RCHE with DCU to facilitate the transport and escort of frail elderly persons.

(d)	Building services, e.g. electrical installation, fire services	4.676	0.299	4.975
(e)	External works & underground drainage	3.747	0.239	3.986
(f)	Contingency	1.902	0.122	2.024
	<u>Sub-Total</u>	<u>40.955</u>	<u>2.617</u>	<u>43.572</u>
(g)	HA on-cost	5.120	0.327	5.447
	Total:	46.075	2.944	49.019

According to the works schedule, HA will be reimbursed the actual cost of construction by phases.

6. The funding for fitting-out works of the proposed Contract RCHE (including the non-subsidised section) with DCU, as well as the procurement of furniture and equipment for the subsidised section of the proposed Contract RCHE with DCU, will be separately sought under LF in accordance with the established mechanism when the construction is near completion.

Recurrent financial implications

7. The estimated recurrent funding requirements for the operation of the proposed Contract RCHE (subsidised section) with DCU in a full year, including personal emoluments, other charges, rates and government rent and after netting off income from service users' fees, is \$15.033 million. The recurrent funding estimate is derived with reference to the standard notional staffing of the relevant current welfare facilities. The necessary recurrent provision will be included in the draft Estimates of the relevant years.

PUBLIC CONSULTATION

8. The Housing Affairs Committee of the Kwai Tsing District Council was consulted on the proposed PRH development (including the proposed Contract RCHE with DCU) in June 2011 and June 2012. The Committee did not raise any adverse comments on the provision of the proposed Contract RCHE with DCU on the subject site. We consulted the Legislative Council Panel on Welfare Services on 14 April 2014. The Panel supported the proposal.

/BACKGROUND

BACKGROUND

9. While most elderly persons prefer ageing in the community, some frail elderly persons need institutional care for health or family reasons. It is the Government's policy to promote "ageing in place as the core, institutional care as back-up". In line with this policy, SWD strives to increase the supply of both subsidised residential care and community care services.

Encl. 3 10. The provision of subsidised residential care places and the number of elderly persons on the waiting list, as at end-January 2014, are set out at Enclosure 3. In the face of strong demand for residential care places for the elderly amid the ageing population, SWD has been making strenuous efforts to increase the provision through various measures. Development of new Contract RCHEs is a major initiative in this regard.

11. Since 2001, SWD has awarded contracts through open tenders to non-governmental organisations or private operators to operate 24 purpose-built RCHEs. Among these 24 Contract RCHEs, 22 Contract RCHEs are in operation, providing a total of 1 676 subsidised places (about 87% are NH places and 13% are C&A places upon admission) and 1 197 non-subsidised places as at end-January 2014. The remaining two are under renovation.

12. Day care services for frail elderly persons are provided in DCUs and Day Care Centres for the Elderly (DEs). The services provided by DCUs and DEs are largely the same, except that the former is usually attached to an RCHE while the latter is usually a stand-alone service unit. As at end-January 2014, there were 67 DEs and DCUs, providing a total of 2 752 subsidised day care places.

Encl. 4
Encl. 5 13. From 2014-15 to 2016-17, seven Contract RCHEs/Contract RCHEs with DCUs will commence service to provide a total of 532 new subsidised residential care places (of which 90% are NH places and 10% are C&A places upon admission) and 281 non-subsidised places. As for subsidised day care places, a total of 102 new places will be provided in DCUs attached to Contract RCHEs while another 167 new places will be provided through three DEs during the same period. Details are at Enclosure 4. In addition, SWD has earmarked sites in 11 development projects, as set out at Enclosure 5, for the construction of new Contract RCHEs, Contract RCHEs with DCUs and DEs. One of these sites is the subject site.

14. The costs of construction, fitting-out works and procurement of furniture and equipment of social welfare facilities are funded by LF. 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. In line with the established practice, the approval of the FC is sought for this proposal, as the recurrent cost is estimated to exceed \$10 million per annum (see paragraph 7 above).

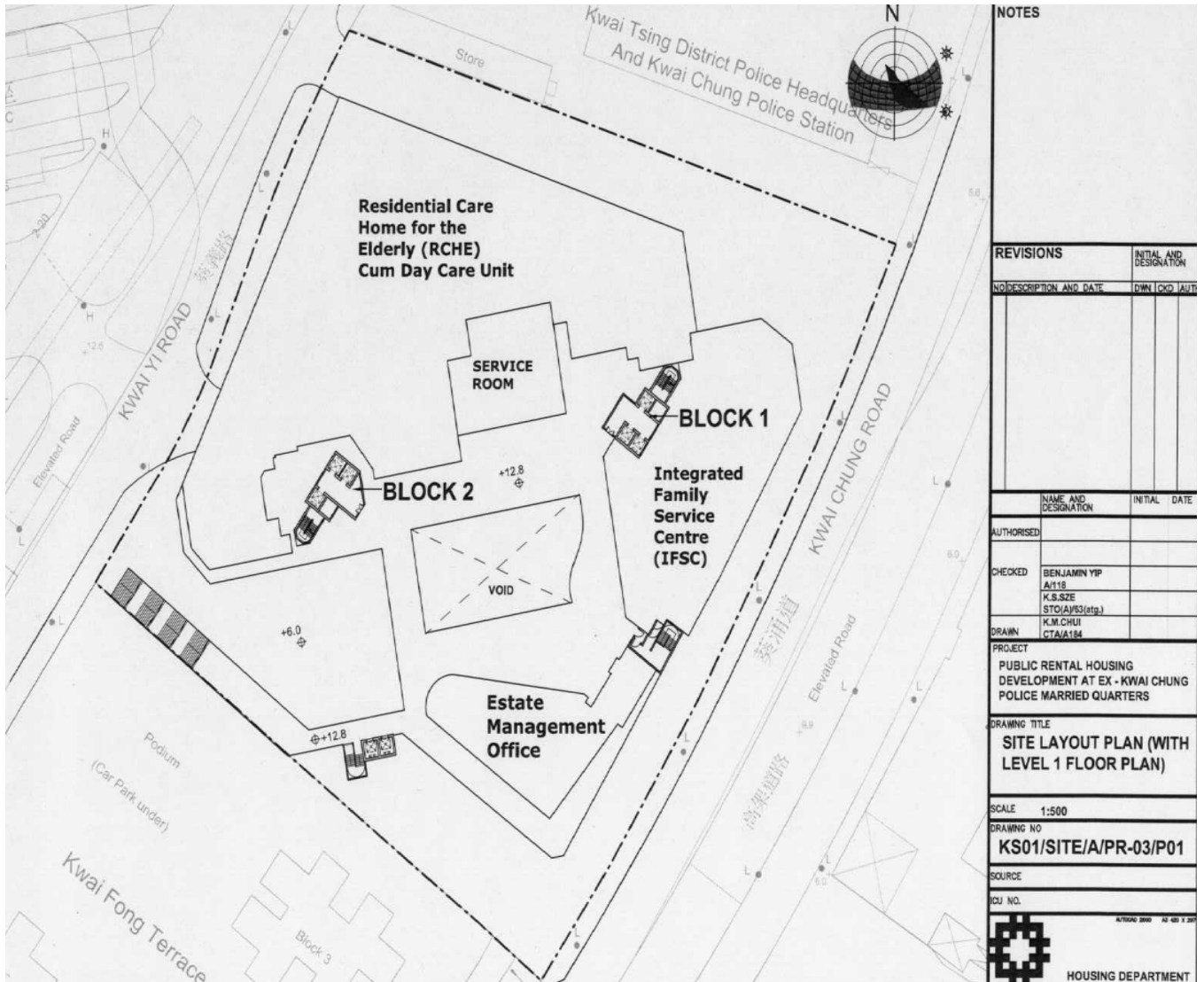
15. The LFAC endorsed the proposed LF allocation of \$49,019,000 for the construction of the proposed Contract RCHE with DCU at the subject site at its meeting on 20 November 2013. The membership and terms of reference of LFAC is at Enclosure 6.

Encl. 6

Labour and Welfare Bureau
May 2014

Location Plan

Residential Care Home for the Elderly with Day Care Unit in a Public Rental Housing Development at ex-Kwai Chung Police Married Quarters Site, Kwai Chung



**Facilities of the Proposed Contract Residential Care Home for the Elderly
(RCHE) with Day Care Unit for the Elderly (DCU)
in a Public Rental Housing Development
at ex-Kwai Chung Police Married Quarters Site, Kwai Chung**

Facilities of the 100-place RCHE with the 20-place DCU

Dormitories
Toilet and shower facilities for dormitories
Multi-purpose rooms/Dining/Common/Activity rooms
Rehabilitation area/Physiotherapist/Exercise/Occupational therapy room
Kitchen and kitchen store
Laundry
Nurse duty rooms
Sick/Isolation/Quiet rooms
Accessible toilet cum shower room attached to each sick/isolation/quiet room
Small group activity room/Activity/Training room
Interview/Meeting room
Conference room
General office
Superintendent's and assistant superintendent's office
Male and female staff changing rooms
Soiled utility rooms
Clean utility rooms
Assisted bath room
Shower trolley room
Store rooms
Panties
Male, female and disabled toilets for communal use
Reception/Waiting area

**Provision of Subsidised Residential Care Places
(as at end-January 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)	3 198	6 335
Care-and-attention Places (overall)	22 184	23 558
➤ Subvented/Contract/Conversion Home Places	14 569	
➤ Enhanced Bought Place Scheme Places	7 615	
Self-care Hostel and Home-for-the-aged Places	1 151	N.A.
Total	26 533	29 893 (Note)

Note: Including about 3 400 elderly persons who were using subsidised community care services while waiting for subsidised residential care services.

Enclosure 4 to FCR(2014-15)13

**Additional Residential Care Places and Day Care Places Provided
in 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.	Yau Tsim Mong	Hoi Fai Road	81	9	60	0
4.	Sham Shui Po	Ex-Cheung Sha Wan Police Married Quarters	81	9	60	0
5.	Wan Chai	Lee Tung Street/Mcgregor Street	50 [Note]	6	37	20
6.	Sham Shui Po	Po On Road/Wai Wai Road	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: Include one designated residential respite care place.

From 2014-15 to 2016-17, three new DEs providing a total of 167 day care places are expected to commence service. Details are as follows –

	District	Location	Number of subsidised Day Care Places
1.	Shatin	Pok Hong Estate	47
2.	Sai Kung	Public Housing Development at Tseung Kwan O Area 65 B	60
3.	Kwai Tsing	Kwai Shing West Estate	60
Total			167

Enclosure 5 to FCR(2014-15)13

**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/units for the elderly (DEs/DCUs)^{Note 2}
1	Shui Chuen O, Shatin	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	Anderson Road, Kwun Tong	100	DCU: 20
7	Ex-Kwai Chung Police Married Quarters, Kwai Chung (subject development in this submission)	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, Sha Tin	150	DCU: 30
11	Ex-Fo Tan Cottage Area, Sha Tin Area 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 has been approved by Finance Committee in January 2013.

Note 4: Lotteries Fund allocation for meeting the construction cost of the project has been approved by Finance Committee in December 2013.

Lotteries Fund Advisory Committee

Terms of Reference

To advise the Director of Social Welfare on applications from welfare organisations for allocations from the Lotteries Fund and on charitable fund-raising issues including the allocation of flag days.

Membership

	<u>Name</u>	<u>Professional Background</u>
Chairperson:	Ms YIP Man-kuen, Carol	Director of Social Welfare
Member:	Mr CHAN Wai-ming, David	Tsuen Wan District Councillor
	Mr CHENG Wai-hung, Nelson	Director K L Partnership Limited
	Professor LAM Ching-man	Vice Chairperson Department of Social Work The Chinese University of Hong Kong
	Dr LEUNG Sai-man, Sigmund	President The Hong Kong Dental Association
	Ms LO Yee-hang, Loretta	Central and Western District Councillor
	Mr MA Kam-wah, Timothy	Committee Member, Senior Citizen Home Safety Association
	Mr MAN Hung-yee, Joseph	Deputy Director Hong Kong Sheng Kung Hui Welfare Council
	Professor MENG Mei-ling, Helen	Chairperson Department of Systems Engineering and Engineering Management The Chinese University of Hong Kong

<u>Name</u>	<u>Professional Background</u>
Mr SUEN Lai-sang	Director Hong Kong Christian Service
Ms WONG Wai-ching, Connie	Managing Director Wong Sun Hing Limited

Official Representative: Secretary for Labour and Welfare or representative

Secretary: Senior Executive Officer (Lotteries Fund)
Social Welfare Department
