

## **ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE**

### **Head 170 – SOCIAL WELFARE DEPARTMENT Subhead 000 Operational expenses**

Members are invited to recommend to Finance Committee the creation of the following permanent post in the Social Welfare Department with immediate effect –

1 Assistant Director of Social Welfare  
(D2) (\$115,450 - \$122,600)

to be offset by the deletion of the following permanent post –

1 Principal Social Work Officer  
(D1) (\$97,250 - \$103,200)

### **PROBLEM**

We need dedicated support at the Assistant Director level to head the Social Security (SS) Branch of the Social Welfare Department (SWD) and to take charge of the social security portfolio so as to plan, implement, supervise and co-ordinate the provision of effective and efficient social security services to the needy.

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## PROPOSAL

2. The Director of Social Welfare, with the support of the Secretary for Labour and Welfare, proposes to create, with immediate effect, one permanent post of Assistant Director of Social Welfare (ADSW) (D2) in the SWD, to be offset by the deletion of one permanent post of Principal Social Work Officer (PSWO) (D1).

## JUSTIFICATION

### The SS Branch

3. The social security programme, delivered through the SS Branch, is SWD's largest programme area in terms of staffing and provision involved. As at 1 April 2008, the SS Branch is staffed by some 1 770 civil servants, representing about 35% of SWD's establishment. In 2008-09, the estimated recurrent expenditure of the SS Branch is about \$24.1 billion, accounting for some 70% of SWD's recurrent budget. The major functions of the SS Branch are –

- (a) to administer non-contributory social security schemes, namely the Comprehensive Social Security Assistance (CSSA) Scheme, the Social Security Allowance (SSA) Scheme, the Criminal and Law Enforcement Injuries Compensation Scheme, the Traffic Accident Victims Assistance Scheme and the Emergency Relief Fund, to assist members of the community who are in need of financial assistance to meet their basic and special needs;
- (b) to keep the social security schemes under regular review to ensure that the schemes are operating effectively and are financially sustainable;
- (c) to formulate and implement strategic plans to prevent and combat fraud and abuse of the social security schemes; and
- (d) to formulate strategic plans for achieving the goal of “from Welfare to Work” and to implement the Support for Self-reliance (SFS) Scheme to help able-bodied employable CSSA recipients rejoin the workforce and become self-reliant.

4. The SS Branch Headquarters comprises six functional sections, namely –

/(a) .....

- (a) Operations Section;
- (b) Policy Review Section;
- (c) Computerised Social Security System (CSSS) Management Section;
- (d) SFS Section;
- (e) Risk Management Section; and
- (f) Special Investigation Section.

5. The four functional sections in paragraphs 4(a) to (d) above are each headed by a Chief Social Security Officer (CSSO) (MPS Point 45 - 49) and the two sections in paragraphs 4(e) and (f) are headed by one CSSO. The day-to-day management and administration of the social security schemes and the employment assistance measures are operated through 37 Social Security Field Units and 38 employment assistance teams.

### **Inadequacies of the Existing Structure**

6. At present, the five CSSOs of the SS Branch mentioned in paragraph 5 above report directly to the Deputy Director (Administration) (DD(A)) at Administrative Officer Staff Grade B<sup>Note</sup> (D3) level. In the absence of a dedicated directorate officer at ADSW level, a lot of day-to-day operational and management issues which are beyond the responsibility of the CSSOs but which can otherwise be dealt with by an ADSW independently have now been escalated to DD(A) for decision. However, given his or her span of control, DD(A) cannot afford to give as much attention to the SS Branch as he or she should, without affecting the time devoted to other areas also under his or her charge. With the growing business of the SS Branch in the past few years, the organisational structure has become increasingly not sustainable. Following an organisation review in 2007, we consider it operationally essential to provide a full-time officer at ADSW level to take charge of the social security portfolio. This will strengthen directorate support and leadership of the SS Branch and is conducive to its smooth operation. It can also provide better policy support on social security matters for the Department as a whole, and relieve DD(A) of operational decisions so that he or she can devote more time to SWD's core and strategic business.

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<sup>Note</sup> Supernumerary post holding against a post of Deputy Director of Social Welfare (D3).

## The Challenges

7. Social security is a major welfare expenditure item. The CSSA and SSA expenditure constituted about 12% of total government recurrent expenditure in 2007-08 (revised estimate). The CSSA expenditure increased by almost two-fold from \$9.4 billion in 1997-98 to about \$17.9 billion in 2007-08, while the SSA expenditure rose by about 38% from \$4.4 billion to some \$6.1 billion in the same period. In view of the substantial increase in social security payment, and growth in the scope, volume and complexity of the social security system, the challenge nowadays is how to maintain the long-term financial sustainability of our non-contributory social security system particularly in the light of the ageing population. Another challenge is how to provide adequate assistance to those genuinely in need while not dampening the incentive for those who have the ability to work to engage in gainful employment and achieve self-reliance.

8. To cope with these challenges, we need a dedicated officer at ADSW level to oversee the operation of the SS Branch, to strengthen policy support to DD(A) in the strategic planning and review of social security matters to take account of changing circumstances, and to implement new social security policies. The key areas of work of the proposed ADSW include –

**(a) Administration of social security schemes**

The social security schemes cover a significant portion of the Hong Kong population. There are currently about 1.1 million CSSA and SSA recipients. The Legislative Council (LegCo), political parties, social organisations as well as members of the public and the media take a keen interest in the administration and development of social security schemes. We need a dedicated ADSW who has the ability and sensitivity to effectively administer and monitor the social security schemes in accordance with the policy objectives; to keep under close scrutiny the arrangements relating to the administration of social security schemes, including the processing and handling procedures as well as internal work flow; to lead the SS Branch to serve those in need in a more effective, efficient and customer-friendly manner; to co-ordinate the operation and interface of the social security system with other systems in the Government's social policy; to keep abreast of changing circumstances and community expectations of the social security services; and to provide policy inputs so as to facilitate the strategic planning and review of the social security schemes.

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**(b) Implementation of self-reliant initiatives**

Since 2006, we have launched a series of self-reliant initiatives to assist different types and groups of CSSA recipients to rejoin the labour market and become self-reliant. These include the Special Training and Enhancement Programme targeting at unemployed CSSA youth aged between 15 and 29; the New Dawn Project aiming to help CSSA single parent recipients and child carers with the youngest child aged between 12 and 14 move towards self-reliance through engagement in work; and the District Employment Assistance Trial Projects to help long-term and hard-to-assist unemployed employable CSSA recipients re-enter the labour force and secure sustainable employment.

The proposed ADSW will lead the SS Branch to closely monitor the implementation of these schemes and review the outcome to explore room for improvement and identify the best means to help employable able-bodied CSSA recipients return to work. The ADSW will also work closely with other parties concerned to develop a 'one-stop shop' model on employment and training/retraining services, with a view to providing more effective employment support to the employable CSSA recipients.

**(c) Preventing and combating fraud**

To ensure proper use of public money, we have over the years conducted a number of reviews on the prevention of social security fraud and abuse with parties such as the Hong Kong Police Force, Independent Commission Against Corruption and Efficiency Unit. Many of the recommendations require cross-branch collaboration within the SWD. A committee under the chairmanship of DD(A), with representatives from various branches in the Department, has been set up to follow up on the progress of implementation. The proposed ADSW will assist DD(A) to map out a thorough and co-ordinated strategic plan to take forward the recommendations and monitor progress. He or she will also be responsible for steering the SS Branch and co-ordinating with other branches to improve efficiency and reinforce prevention of fraud and abuse on an on-going basis.

**(d) Enhancement of technical infrastructure**

The existing mission-critical CSSS was launched in October 2000 to process social security payments. As the normal life cycle of computer systems such as the CSSS is some five to ten years, we

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conducted a study to assess the feasibility of upgrading or replacing the CSSS. The study, completed in February 2008, recommended replacing the existing CSSS. The proposed ADSW will oversee the proposed replacement exercise which is expected to take 36 months to complete. He or she will formulate an implementation plan to take forward the replacement exercise, including securing funding approval, organising manpower support and arranging tendering. He or she will also be responsible for steering the development of the replacement system to meet new business needs and to provide management information to facilitate decision making, in addition to ensuring a smooth switch from the existing CSSS to the replacement system.

### **Need for one ADSW Post**

9. Considering the growing complexity and sensitivity involved in the delivery of social security services, the interface between the social security system and other welfare services and the immense challenges ahead, the SS Branch needs to be led by a full-time dedicated ADSW with extensive experience in the development and administration of social welfare services, thorough understanding of social problems, and the ability to handle complex issues. The proposed ADSW will steer the SS Branch to take forward the strategic development and operation of the social security system, to better co-ordinate and optimise the deployment and management of resources available for social security services, and to ensure that the policy commitments and priorities are met in a timely manner.

10. Subject to the approval of the staffing proposal, the proposed post will be designated as Assistant Director (Social Security) (AD(SS)). The job description of the proposed AD(SS) post is at Enclosure 1. The proposed organisation charts of the SWD and the SS Branch are at Enclosures 2 and 3 respectively.

Encl. 1  
Encls.  
2 & 3

### **Deletion of one PSWO post**

11. The provision, planning and implementation of social welfare services at the district level are delivered through District Social Welfare Offices (DSWOs) of the SWD, each headed by a PSWO. We have over the past few years implemented a number of efficiency savings measures, including the closure and hiving-off of non-core departmental service units, and rationalisation and integration of service units. In the light of these changes, we conducted a review on our district service delivery model with reference to the social and demographic characteristics as well as demands for social welfare services of each district, etc.

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The review recommended, among others, that the Central and Western / Islands DSWO be merged with the Southern DSWO to form a new Central Western, Southern and Islands DSWO, and this proposal was implemented in September 2007. Upon the merger, the number of DSWOs was reduced from 12 to 11, resulting in the release of one PSWO post which has been temporarily redeployed to the SS Branch as a stop-gap measure to help relieve DD(A) in certain social security matters. We propose that this PSWO post be deleted upon creation of the proposed AD(SS) post to rationalise the directorate structure of the Department. In other words, the staffing proposal in this paper will not result in additional headcount at the directorate level of the SWD.

### Alternatives Considered

12. We have critically examined the feasibility of identifying an existing ADSW within the Department to absorb the duties of the proposed AD(SS), but considered that this is not feasible. Given the rapid expansion in different service areas of social welfare, all existing ADSWs are already fully committed to their responsibilities relating to elderly services, family and child welfare services, rehabilitation and medical social services, youth and correctional services as well as subvention matters. We have also considered redeploying the PSWO post mentioned in paragraph 11 above to head the SS Branch permanently and concluded that an officer at ADSW level is required to deal with the range and complexity of the social security portfolio, otherwise the smooth functioning and development of the overall social security system and the effective and efficient delivery of social security services may be hampered in the long run.

### FINANCIAL IMPLICATIONS

13. The staffing proposal will require an additional notional annual salary cost at mid-point of \$226,800, as follows –

<b>Rank</b>	<b>Notional Annual Salary Cost at Mid-point \$</b>	<b>No. of Post</b>
ADSW (D2)	1,428,000	1
<i>Less</i> PSWO (D1)	1,201,200	1
<b>Additional cost</b>	<b>226,800</b>	<b>0</b>

The additional full annual average staff cost of the proposal, including salaries and staff on-cost, is \$204,000. We have included the necessary provision in the 2008-09 Estimates to meet the cost of this proposal.

**PUBLIC CONSULTATION**

14. We consulted the LegCo Panel on Welfare Services on 17 March 2008. Whilst expressing general support of the staffing proposal, Members requested the Administration to be more proactive in reviewing the policies related to social security.

**ESTABLISHMENT CHANGES**

15. The establishment changes in the SWD for the last two years are as follows –

Establishment (Note)	Number of posts		
	Existing (as at 1 April 2008)	As at 1 April 2007	As at 1 April 2006
A	25#	25	25
B	602	574	572
C	4 407	4 313	4 301
<b>Total</b>	<b>5 034</b>	<b>4 912</b>	<b>4 898</b>

Note:

A – ranks in the directorate pay scale or equivalent

B – non-directorate ranks the maximum pay point of which is above MPS Point 33 or equivalent

C – non-directorate ranks the maximum pay point of which is at or below MPS Point 33 or equivalent

# As at 1 April 2008, there was no unfilled directorate post in the SWD.

**CIVIL SERVICE BUREAU COMMENTS**

16. The Civil Service Bureau supports the proposed creation of one permanent ADSW post to oversee the social security matters and the deletion of one PSWO post in SWD. The grading and ranking of the proposed post are considered appropriate having regard to the level and scope of responsibilities and the professional input required.

**ADVICE OF THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE**

17. The Standing Committee on Directorate Salaries and Conditions of Service has advised that the grading proposed for the post would be appropriate if the proposal were to be implemented.



**Job Description  
Assistant Director (Social Security)**

**Rank** : Assistant Director of Social Welfare (D2)

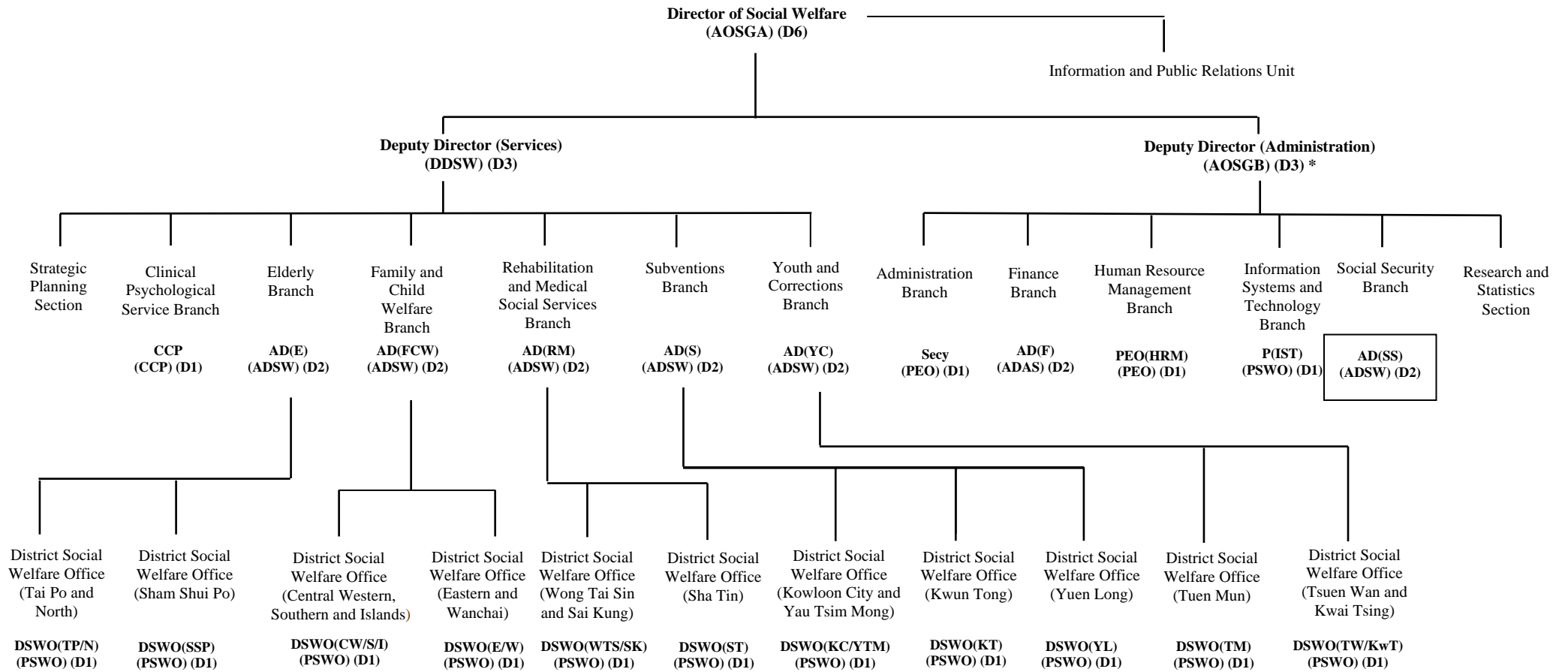
**Responsible to** : Deputy Director of Social Welfare (Administration) (D3)

**Main Duties and Responsibilities –**

1. To assist in the formulation of strategies and policy objectives on social security services.
2. To plan, develop and manage the overall social security system.
3. To design and review the operational policies, instructions and procedures covering various social security schemes.
4. To ensure uniformity of practice among all social security field units in respect of the operation of various social security schemes.
5. To deal with policy matters and oversee the operation of the Traffic Accident Victims Assistance Section, the Criminal and Law Enforcement Injuries Compensation Section, and the Social Security Appeal Board.
6. To oversee and review the emergency relief policy and operational procedures, and co-ordinate these services in the event of natural disasters.
7. To oversee the collection and analysis of statistical data required for policy reviews.
8. To administer and direct the personnel and other resources allocated, and oversee the manpower planning and training of social security staff to meet changing operational requirements.

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**Proposed Organisation Chart of Social Welfare Department**

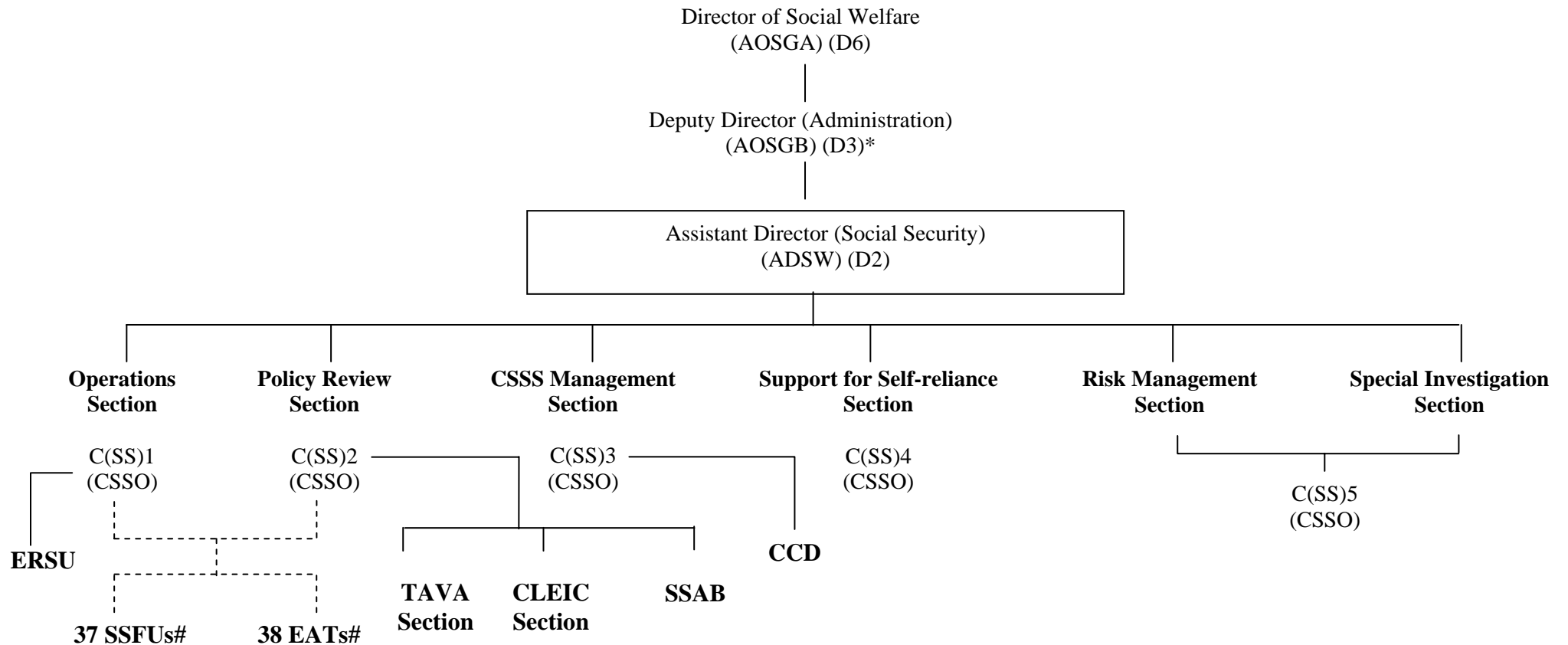


Legends :

- AOSGA : Administrative Officer Staff Grade A
- AOSGB : Administrative Officer Staff Grade B
- DDSW : Deputy Director of Social Welfare
- CCP : Chief Clinical Psychologist
- ADSW : Assistant Director of Social Welfare
- PSWO : Principal Social Work Officer

- ADAS : Assistant Director of Accounting Services
- PEO : Principal Executive Officer
- DSWO : District Social Welfare Officer
- \* : Supernumerary post holding against a DDSW (D3) post
- : Post proposed to be created

**Proposed Organisation Chart of Social Security Branch under Social Welfare Department**



Legends :

- AOSGA : Administrative Officer Staff Grade A
- AOSGB : Administrative Officer Staff Grade B
- ADSW : Assistant Director of Social Welfare
- CSSS : Computerised Social Security System
- CSSO : Chief Social Security Officer
- ERSU : Emergency Relief Support Unit
- SSFUs : Social Security Field Units
- EATs : Employment Assistance Teams

- TAVA : Traffic Accident Victims Assistance
- CLEIC : Criminal and Law Enforcement Injuries Compensation
- SSAB : Social Security Appeal Board
- CCD : Central Casefile Depository
- \* : Supernumerary post holding against a Deputy Director of Social Welfare (D3) post
- : Post proposed to be created
- # : Supervised by District Social Welfare Officers on day-to-day operations