

立法會

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Panel on Home Affairs

**Background brief prepared by the Legislative Council Secretariat
for the meeting on 14 January 2011**

Community Care Fund

Purpose

This paper provides background information on the Community Care Fund ("CCF") and highlights the views of Legislative Council ("LegCo") Members and the Panel on Home Affairs ("the Panel") on the subject.

Background

Establishment of CCF

2. On 13 October 2010, the Chief Executive ("CE") announced in his Policy Address the establishment of CCF to encourage the business sector's participation in helping the poor. As stated in the Policy Address, the Government and the business sector would each contribute \$5 billion to CCF to support people in need in areas not covered by the Comprehensive Social Security Assistance ("CSSA") Scheme. CE would raise funds from the business sector and the Chief Secretary for Administration ("CS") would chair CCF. The Government would put forward an execution plan after consulting the community.

Steering Committee on CCF

Membership

3. On 11 November 2010, CE appointed the Steering Committee on CCF ("the Steering Committee"), which has 20 non-official members drawn from various sectors of the community including the business,

welfare, education, health, labour, political and district sectors. Their term of office will end on 31 December 2012. The Steering Committee also includes four official members, namely the Secretary for Home Affairs, Secretary for Education, Secretary for Labour and Welfare, and Secretary for Food and Health. The membership list of the Steering Committee is in **Appendix I**.

Terms of reference

4. Chaired by CS, the Steering Committee will:
 - (a) oversee and co-ordinate the work of CCF;
 - (b) formulate strategies and programmes for CCF;
 - (c) formulate investment strategies and financial arrangements for CCF;
 - (d) oversee, co-ordinate and monitor the formulation, implementation and evaluation of programmes under CCF; and
 - (e) evaluate and recommend the programmes under CCF to be considered as government-funded services.

Arrangements for CCF

5. On 1 December 2010, the Steering Committee held its first meeting to discuss matters relating to CCF. The Administration has made available a summary of the discussion on a dedicated website on CCF at www.hab.gov.hk/en/ccf.htm. The key points of the discussion are highlighted below.

Nature

6. CCF is a trust fund under the Secretary for Home Affairs Incorporated as its trustee.

Objective

7. The main objective of CCF is to provide assistance to people facing economic difficulties, in particular those who fall outside the social safety net or those within the safety net but have special circumstances

that are not covered. CCF also takes forward measures on a pilot basis to help the Government identify those that should be incorporated into the regular assistance and service programmes.

Guiding principles

8. The guiding principles for the operation of CCF are as follows:
- (a) to build a caring culture in society by advocating the spirit of mutual-help, gathering the efforts of various sectors of the community and encouraging the better-off to contribute;
 - (b) programmes should be people-oriented with assistance directly provided to beneficiaries; administrative costs or involvement of agents should be minimized, although the need of reaching out to target groups outside the existing service network by non-government organizations will not be precluded; programmes should be multifarious; and the vetting process should be streamlined to ensure cost-effectiveness;
 - (c) programmes should complement the assistance and services provided by the Government or other charitable funds; duplication of efforts should be avoided as far as practicable; and
 - (d) operation of CCF should mainly be funded by investment returns, but the capital may be deployed in accordance with the principle of financial prudence in response to needs.

Target beneficiaries

9. The target beneficiaries of CCF include but are not limited to:
- (a) senior citizens in need of care;
 - (b) children in need of care (including those who are disabled);
 - (c) the disabled in need of support;
 - (d) new arrivals in need of support;

- (e) ethnic minorities in need of support;
- (f) underprivileged students in need of support;
- (g) unemployed youths in need of support; and
- (h) others with special needs and requiring assistance.

Source of funding

10. Donations from the business sector, which may be made by instalments, will be the major source of capital for CCF. Bank accounts will also be opened to accept donations from the community, but large-scale fund-raising campaigns will not be launched. Donations are tax deductible. When appealing to the business sector for donations, it would be emphasized that donations to CCF should be made on top of donors' regular support for charities.

Accountability

11. The annual audited statement of accounts of CCF will be tabled at LegCo.

Committees under the Steering Committee

12. To expedite the drawing up of concrete proposals on the operation of CCF, the Steering Committee has set up five committees, namely the Executive Committee, the Education Subcommittee, the Home Affairs Subcommittee, the Medical Subcommittee and the Welfare Subcommittee. The lists of chairmen of these committees and the membership list of the Executive Committee are in **Appendixes II and III respectively**.

13. The Executive Committee is responsible for making recommendations to the Steering Committee in respect of the target beneficiaries, projects to be funded, amount to be disbursed, handling of donations, other administrative and financial matters as well as the handling of cross-sectoral issues. It will also tender advice to the Steering Committee on whether to accept and how to handle individual applications, and the related policy, procedures and measures, etc.

14. The priority task of the four Subcommittees mentioned in paragraph 12 is to deliberate on the types of projects to be funded and the priorities under their respective portfolio. They will also be tasked to implement the projects endorsed by the Steering Committee and monitor their effectiveness in future.

Public consultation

15. According to the Administration, the Steering Committee will arrange consultation sessions to gauge the views of the public and different sectors of the community in the light of work progress.

Implementation

16. According to the Administration, the Steering Committee aims at rolling out the programmes under CCF within the second quarter of 2011.

Members' views

17. Members expressed diverse views on the establishment of CCF at the Council meeting of 27 October 2010 at which the debate on Motion of Thanks for the Policy Address was held. Some Members supported CCF and considered that it could provide support to people in need in areas not covered by the existing CSSA scheme. However, some other Members criticized the Government for failing to formulate a long-term policy to alleviate poverty. They believed that CCF was set up to raise the reputation of the business sector and could not address the poverty problem in Hong Kong.

Funding for CCF

18. Some Members opined that when taking forward CCF, the Government should ensure that it would not divest donations made to other charitable organizations, hence affecting their services. They also considered that the Government needed not impose an upper limit of \$10 billion for CCF, and should actively encourage donations from the business community to ensure the sustainable operation of CCF.

Operation of CCF

19. A Member considered that some key performance indicators should be worked out as points of reference regarding CCF's operation

and as objective criteria in examining its effectiveness.

Target beneficiaries

20. Some Members suggested that CCF might consider granting a "living allowance for carers" to subsidize the living expenses of people taking care of elderly persons, patients with chronic diseases or persons with disabilities, or a "living allowance for new entrants" to provide assistance to new arrivals who were not covered by the social security safety net. Members generally urged the Administration to conduct a full public consultation on CCF and to work out expeditiously the details of its implementation.

Panel's discussion

21. At the Panel meeting on 12 November 2010, members noted that some organizations had expressed their wish to give views on CCF. As CCF fell under the purview of the Home Affairs Bureau, members agreed that the Panel should conduct a public hearing to solicit views on CCF before the detailed arrangements had been finalized. Members also urged the Administration to provide more information on CCF to facilitate discussion by the Panel and the public.

Latest development

22. On 30 December 2010, the Executive Committee on CCF held its first meeting to discuss the administrative arrangements and investment matters relating to CCF and the operational issues of the four subcommittees mentioned in Paragraph 12. The meeting decided to:

- (a) recommend to the Steering Committee to appoint the Hong Kong Monetary Authority to manage CCF, as this would save management fees charged by private fund managers and would secure returns to benefit more people;
- (b) subject to funding approval by LegCo's Finance Committee, allocate \$500 million in the first year for groups to apply on a project basis starting in the second quarter of 2011, with the amount for each groups being varied according to the scale of projects; and
- (c) exclude individual applications in the initial phase to minimize administrative costs.

23. The Panel will discuss with the Administration on CCF at the meeting on 14 January 2011.

Council Business Division 2
Legislative Council Secretariat
13 January 2011

Appendix I

Membership of the Steering Committee on the Community Care Fund

Chairman

Mr Henry TANG Ying-yen, Chief Secretary for Administration

Non-official members

Prof Alfred CHAN Cheung-ming

Mr Bunny CHAN Chung-bun

Prof CHAN Yuk-shee

Ms CHANG Siu-wah

Hon CHEUNG Kwok-che

Prof Nelson CHOW Wing-sun

Ms Christine FANG Meng-seng

Mr HO Hei-wah

Mr Frederick LAI Wing-hoi

Hon Jeffrey LAM Kin-fung

Ms LAM Shuk-yee

Mr LAU Ming-wai

Dr LAW Chi-kwong

Hon LI Fung-ying

Dr Donald LI Kwok-tung

Hon TAM Yiu-chung

Ms Nancy TSANG Lan-see

Mr Anthony WU Ting-yuk

Ms YU Sau-chu

Dr YUEN Pong-yiu

Official members

Secretary for Home Affairs

Secretary for Education

Secretary for Labour and Welfare

Secretary for Food and Health

Appendix II

List of chairmen of the committees under the Steering Committee on the Community Care Fund

Executive Committee

Dr LAW Chi-kwong

Education Subcommittee

Prof CHAN Yuk-shee

Home Affairs Subcommittee

Mr Bunny CHAN Chung-bun

Medical Subcommittee

Mr Anthony WU Ting-yuk

Welfare Subcommittee

Prof Nelson CHOW Wing-sun

Appendix III

Membership of the Executive Committee on the Community Care Fund

Chairman

Dr LAW Chi-kwong

Non-official members

Mr Bunny CHAN Chung-bun (Chairman of the Home Affairs Subcommittee)

Prof CHAN Yuk-shee (Chairman of the Education Subcommittee)

Hon CHEUNG Kwok-che

Prof Nelson CHOW Wing-sun (Chairman of the Welfare Subcommittee)

Hon Jeffrey LAM Kin-fung

Hon LI Fung-ying

Hon TAM Yiu-chung

Mr Anthony WU Ting-yuk (Chairman of the Medical Subcommittee)

Official members

Secretary for Home Affairs (or his representative)

Secretary for Education (or his representative)

Secretary for Labour and Welfare (or his representative)

Secretary for Food and Health (or his representative)