

立法會
Legislative Council

LC Paper No. CB(2)709/15-16(02)

Ref : CB2/HS/1/12

Subcommittee on Poverty

**Updated background brief prepared by the Legislative Council Secretariat
for the meeting on 26 January 2016**

Community Care Fund

Purpose

This paper summarizes past discussions at meetings of the Council and its committees on Community Care Fund ("CCF").

Background

2. CCF is a trust fund established in early 2011 under the Secretary for Home Affairs Incorporation Ordinance (Cap. 1044) with the Secretary for Home Affairs Incorporated as its trustee. CCF aims at providing assistance for people facing financial difficulties, particularly those who fall outside the safety net, i.e. the Comprehensive Social Security Assistance ("CSSA") Scheme, or those within but are not covered by the safety net because of special circumstances. CCF may also implement measures on a pilot basis to help the Administration identify those measures that can be considered for incorporation into the Government's regular assistance and service programmes.

3. In November 2010, the Chief Executive ("CE") appointed the Steering Committee on CCF, which was chaired by the Chief Secretary for Administration, to oversee and co-ordinate the work of CCF. Following the re-establishment of the Commission on Poverty ("CoP") by the Government in December 2012, CCF has been integrated into the work of CoP since 2013. The CCF Task Force, set up under CoP, is responsible for advising CoP on the CCF's various arrangements and the formulation of assistance programmes. It also co-ordinates and oversees the implementation of assistance programmes as well as reviews their effectiveness.

4. To support the operation of CCF, the Administration has injected \$5 billion and \$15 billion into CCF in 2011 and 2013 respectively. In addition, the Administration has provided an additional injection of \$1.5 billion in 2011 to implement a programme to provide a one-off allowance of \$6,000 for new arrivals ("New Arrival Programme"). CCF also accepts donations from the community. As at end-November 2015, the balance of CCF was around \$19.796 billion¹.

5. Since its establishment in early 2011, CCF has launched 30 assistance programmes, which involved a total commitment of \$6.238 billion. As at end-August 2015, more than 1.13 million people have benefited under these programmes. So far, 11 CCF programmes have been regularized, involving an annual recurrent expenditure of about \$720 million.

6. According to the Administration, the Subcommittee on Poverty ("Subcommittee") or relevant Panels will be consulted prior to launching brand-new CCF programmes, which are pilot in nature and the funding provision of which is expected to exceed \$100 million. In addition, the Administration will continue reporting regularly to the Subcommittee on the financial position of CCF and the implementation progress of its programmes every six months, and providing evaluation reports of the programmes for the Subcommittee. The first half-yearly briefing was conducted in December 2013 jointly by the Administration and the CCF Task Force.

Members' deliberations

Donations for and operation of CCF

7. Noting that the pledged donations of about \$1.8 billion from the community had been received in full, some Members asked whether CCF had any plan to appeal for new donations from the business sector. The Administration advised that as CCF was not set up on a matching basis, the Administration had no plan to appeal for new donations for CCF from the business sector but always welcomed the support of the community through donations.

¹ According to the Administration, the CCF balance of \$19.796 billion mainly includes the placement of \$16.512 billion at the Hong Kong Monetary Authority (including investment returns of around \$1.512 billion) and around \$3.28 billion of bank deposits, but excludes the balance under the New Arrival Programme which will be returned to the Administration after the completion of Programme.

8. Some Members expressed concern that the application procedures for CCF programmes might be cumbersome and costly, and suggested that a cap be set on CCF's administrative expenses. They also urged the Administration to keep the operation of CCF transparent and accountable. The Administration advised that CCF programmes would provide swift and direct assistance for target beneficiaries through the Government's existing service network where possible to minimize administrative costs. The target was to limit the average administrative expenses of CCF to within 5% of its total disbursements on a long-term basis. To enhance the transparency of CCF, the statement of accounts of CCF audited by the Director of Audit would be incorporated into the financial report of the Secretary for Home Affairs Incorporated for tabling at the Council annually. Besides, the register of interests of CCF members, the financial position of CCF, the summary of discussion of CCF meetings and information about its assistance programmes, etc. were uploaded onto the CCF website.

Existing CCF assistance programmes

9. Noting that CCF launched the Pilot Scheme on Living Allowance for Carers of the Elderly Persons from Low Income Families ("the Pilot Scheme") in June 2014, some Members asked if the Administration would examine the possibility of incorporating the disabled, the chronically ill and dementia patients aged below 65 into the Pilot Scheme. According to the Administration, CE announced in his 2016 Policy Address that CCF would be invited to introduce a pilot scheme to provide a living allowance for low-income carers of persons with disabilities.

10. Some Members noted with concern that the implementation of the Elderly Dental Assistance ("EDA") Programme was mainly constrained by the tight dentist manpower situation. They called on the Administration to allow overseas qualified dentists to provide service under the EDA Programme or allocate more resources to encourage more dentists/dental clinics to join the Programme in order to expedite the expansion of the Programme. Some other Members urged the Administration to allocate more financial and manpower resources for expanding the EDA Programme to cover elderly persons aged 65 or above. According to the Administration, the expanded EDA Programme was launched on 1 September 2015 to extend the service to Old Age Living Allowance recipients in phases, starting with those aged 80 or above in the first phase involving about 130 000 elderly persons. The CCF Task Force would continue to closely co-operate with the Hong Kong Dental Association which was the implementing agent for the

EDA Programme, and encourage more dentists to join the Programme. Further expansion of the EDA Programme to other age groups would be considered having regard to the number of participating dentists/dental clinics and the progress of implementation.

11. Regarding the three-year pilot programme on the "Provision of funding for ordinary schools to arrange special educational needs coordinators ("SENCO")" which was launched in the 2015-2016 school year, some Members were concerned about the qualification and training requirements as well as responsibilities of SENCO. They also called on the Administration to consider shortening the three-year pilot period and regularizing the programme as soon as possible. The Administration advised that time was required to allow the participating schools to familiarize with the operation with the new SENCO post, and identify requirements and duties of SENCO before the Administration's consideration of whether the programme should be regularized. Evaluation would be started from the second year of the pilot period, and a clear direction on the qualification and training requirements as well as responsibilities of SENCO was expected to be given after the three-year pilot period.

12. Members were informed that in response to the relief measures put forward by the Budget, CCF would launch the "One-off Living Subsidy for Low-income Households not Living in Public Housing and not Receiving CSSA" ("One-off Living Subsidy") Programme for the third time in early 2016. Some Members held the view that the CCF Task Force should provide the needy who were not living in public rental housing ("PRH") and receiving CSSA with subsidies to help relieve their financial burden irrespective of whether any relief measures had been put forward in the Budget. Some other Members urged the CCF Task Force to at least double the amount of the One-off Living Subsidy given the stable financial position of CCF.

13. The CCF Task Force advised that the current level of the One-off Living Subsidy for a single household was set at \$4,000, approximately equal to two-month CSSA payments at standard rate. To further relieve the financial burden of larger households, an additional tier of subsidy of \$14,000 for five-or-more-person households would be put in place under the third-launched Programme. The One-off Living Subsidy Programme was launched for the third time on 4 January 2016.

14. Some Members held the view that the publicity of CCF assistance programmes to ethnic minorities ("EMs") was inadequate, resulting in only a small number of EMs applying for the programmes. According

to the Administration, CCF mainly promoted its assistance programmes to EMs through non-governmental organizations ("NGOs") and schools. EMs were welcomed to provide suggestions on how to step up the publicity of the assistance programmes.

Suggestions on CCF assistance programmes

15. Some Members expressed concern about what measures would be taken by the Administration to help needy kindergarten students. The CCF Task Force advised that if the Administration decided to implement 15-year free education in 2017-2018, the CCF Task Force would seriously consider whether and how to launch an interim programme to address the needs of kindergarten students from low-income families before the implementation of the measure. According to the Administration, CE announced in his 2016 Policy Address that the Administration had decided to implement a free quality kindergarten education policy from the 2017-2018 school year to improve the quality of kindergarten education. Before the policy was implemented, CCF would be invited to consider providing a one-off grant for kindergarten students from needy families in the 2016-2017 school year to cover their school-related expenses.

16. Some Members were concerned about the long waiting time for child assessment service in public medical institutions. They called on the CCF Task Force to provide a one-off subsidy for children with autism or attention deficit hyperactivity disorder ("ADHD") to procure such service in the private medical sector. Some other Members called on the CCF Task Force to consider providing medical vouchers for low-income persons and their children. The CCF Task Force advised that the Food and Health Bureau would consider the suggestion of providing medical vouchers for the needy. Separately, the CCF Task Force would explore the feasibility of providing a one-off subsidy to facilitate the children, who were at the age of zero to six with autism and ADHD, to procure child assessment service in the private medical sector.

17. Some Members noted with concern that some landlords requested tenants of sub-divided units to pay electricity fees at a rate which was higher than those charged by power companies. These Members called on the CCF Task Force to provide a subsidy on electricity/water charges to relieve the financial burden of those tenants. These Members also suggested that levels of subsidy on electricity charges for different household sizes could be determined by making reference to the amount of electricity fees paid by the tenants concerned in the past year. According to the CCF Task Force, the proposed subsidy should be

examined carefully by giving consideration to the existing government policies, the coverage of the proposed subsidy, definition of sub-divided units, the actual amount of electricity payments and ways to identify target beneficiaries, etc. If the proposal was examined, NGOs assisting in implementing the existing assistance programmes would be consulted to sort out implementation details.

18. Some Members were of the view that CCF should consider providing rent allowance under a new programme to assist the "N have-nots", who were on the waiting list for PRH but did not receive CSSA. The CCF Task Force, however, advised that CCF programmes should not be in conflict with the Administration's policies. According to the Administration, providing rent allowance to those on the waiting list for PRH might trigger an increase in the rental level in private housing. In the end, recipients of this rent allowance might not benefit from the assistance. Furthermore, the eligibility of those on the waiting list for PRH would only be subject to assessment later. That said, "N have-nots" would continue to receive the required support if the relevant programmes (e.g. the One-off Living Subsidy Programme) were proven effective even though they were not incorporated into the Government's regular assistance programmes. The Administration took the view that the housing needs of the "N have-nots" who were inadequately housed should ultimately be addressed through the provision of PRH.

19. Some Members suggested that CCF should consider launching an assistance programme for newly arrived single parents, who were ineligible for CSSA and had to rely on their children's CSSA payments for a living. The Administration, however, advised that designing a financial assistance programme targeting specifically at ineligible persons for CSSA under CCF was in conflict with the existing government policies.

Evaluation and regularization of CCF assistance programmes

20. Some deputations attending the meeting of the Subcommittee expressed concern that the operation of CCF had not been reviewed since its establishment in early 2011. The CCF Task Force advised that there was no plan at this stage to conduct a review on CCF given that evaluations of individual assistance programmes would be conducted. Having said that, the CCF Task Force would consider the suggestion of conducting a review on CCF.

21. Noting that the consultancy study on enhancing the evaluation of assistance programmes under CCF was conducted by the Deloitte Consulting (Hong Kong) Limited in 2013, some Members took the view that CCF should consider preparing the evaluation plan at the commencement of implementing assistance programmes and adopting the social return on investment ("SROI") framework for assessing the impact of assistance programmes on the beneficiaries and society as recommended by the consultancy study. The CCF Task Force advised that evaluation plans for some new programmes had already been prepared at the design stage and sometimes universities were invited to participate in the evaluation. While SROI framework might not be suitable for impact assessment of all assistance programmes, CCF would explore adopting SROI where suitable.

22. Some Members considered that the CCF assistance programmes, which had been run for three years or more, should be incorporated into the Government's regular assistance and service programmes. Some other Members took the view that instead of launching assistance programmes under CCF, the Administration should implement policies, such as policies on dental care for the elderly and pre-school rehabilitation services, to address the needs of the underprivileged in the long run.

23. The CCF Task Force advised that the time required for implementing assistance programmes could be reduced if they were launched by CCF. CCF pilot schemes, if proven effective, would facilitate smooth implementation of future policies or system changes. Considerations on regularization would vary for different CCF programmes. Programmes that were proven effective would be regularized and the schedule for regularizing these programmes would be determined after thorough and careful policy deliberations. The Administration would also consider whether the programmes could be articulated with the existing policy and operated smoothly.

24. The CCF Task Force further advised that the implementation of the Low-income Working Family Allowance Scheme and 15-year free education in the coming years might reduce the capacity of the Administration to regularize CCF assistance programmes, thereby delaying the incorporation of effective assistance programmes which had been run for three or more years into the Administration's regular assistance and service programmes. In that case, CCF would continue implementing those affected programmes for the benefit of the needy.

Relevant papers

25. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

Council Business Division 2
Legislative Council Secretariat
20 January 2016

Appendix**Relevant papers on Community Care Fund**

Committee	Date of meeting	Paper
Legislative Council	13 October 2010 (Item II)	Agenda Minutes
Panel on Home Affairs	14 January 2011 (Item IV)	Agenda Minutes
Finance Committee	6 May 2011	Minutes FCR(2011-12)8
Finance Committee	13 May 2011 (Item II)	Minutes FCR(2011-12)8
Panel on Home Affairs	8 July 2011 (Item II)	Agenda Minutes
Finance Committee	18 July 2011 (Item II)	Minutes FCR(2011-12)41
Legislative Council	2 November 2011	Official Record of Proceedings Pages 122 to 124
Panel on Home Affairs	9 December 2011 (Item III)	Agenda Minutes
House Committee	22 March 2013	Agenda Verbatim Record of Proceedings
Finance Committee	21 June 2013 (Item III)	Minutes FCR(2013-14)20
Subcommittee on Poverty	24 May 2013 (Item II)	Agenda Minutes
Subcommittee on Poverty	17 December 2013 (Item I)	Agenda Minutes

Committee	Date of meeting	Paper
Finance Committee	2 April 2014	Administration's replies to members' written questions in examining the Estimates of Expenditure 2014-2015 Pages 655-659
Finance Committee	3 April 2014	Administration's replies to members' written questions in examining the Estimates of Expenditure 2014-2015 Pages 48-49
Subcommittee on Poverty	23 June 2014 (Item I)	Agenda Minutes
Subcommittee on Poverty	16 December 2014 (Item I)	Agenda Minutes
Subcommittee on Poverty	29 January 2015 (Item I)	Agenda Minutes
Subcommittee on Poverty	23 March 2015 (Item II)	Agenda Minutes
Subcommittee on Poverty	21 July 2015 (Item I)	Agenda Minutes
Subcommittee on Poverty	20 October 2015 (Item II)	Agenda Minutes
Panel on Welfare Services	25 January 2016 (Item I)	Agenda

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