

立法會
Legislative Council

LC Paper No. CB(2)1904/14-15(02)

Ref : CB2/HS/1/12

Subcommittee on Poverty

**Updated background brief prepared by the Legislative Council Secretariat
for the meeting on 21 July 2015**

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 to 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 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 the programme to provide a one-off allowance of \$6,000 for new arrivals. CCF also accepts donations from the community. As at end-May 2015, the balance of CCF was around \$20.796 billion.

5. Since its establishment in early 2011, CCF has launched 30 assistance programmes, which involved a total commitment of \$5.461 billion. As at end-December 2014, more than 870 000 people have benefited under these programmes. In addition, the CCF programmes which are proven to have effective poverty alleviation impact or meeting the needs of target beneficiaries will be incorporated into the Government's regular assistance programme. So far, 10 CCF programmes have been regularized, involving an annual recurrent expenditure of about \$800 million.

Members' deliberations

Source of funding

6. Given that the operation of CCF were mainly funded by investment returns on the seed capital and the overall investment returns in the market was currently low, some Members worried that the investment returns might not be sufficient for carrying out some of the assistance programmes. They expressed concern about how CCF would ensure reasonable investment returns so that more assistance programmes could be launched. They also enquired about the circumstances, under which the seed capital could be used for running the assistance programmes.

7. According to the Administration, a deposit of \$15 billion in total had been placed with the Hong Kong Monetary Authority to earn a high investment return that was linked to the performance of the Hong Kong Exchange Fund. The remaining amount of the CCF funding had been deposited with banks for Hong Kong dollar and Renminbi time deposit, so as to earn interest income and meet the cash flow requirements for financing the assistance programmes and other liquidity needs. Assuming the rate of investment return in future was 2% to 5% per annum, the CCF funding available from 2013-2014 to 2016-2017 would be around \$1.7 billion to \$2 billion per year. The investment returns so generated should be able to sustain the operations of the assistance

programmes for a considerable period of time and the deployment of the capital should not be required in the near future. Nevertheless, the capital could be used to fund CCF programmes when necessary.

8. Some Members were concerned about whether CCF would receive the pledged donation and asked whether CCF had any plan to appeal for new donations from the business sector. The Administration advised that the amount of donations pledged, i.e. about \$1.8 billion, had been received in full. Given that 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 for CCF through donations.

Operation and monitoring

9. 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. The Administration assured Members that CCF's operation, including its income and expenditure, would be highly transparent. The statement of accounts of CCF would be audited by the Director of Audit and tabled at the Council annually.

10. Some Members considered that as the Council was the gatekeeper for the Government injection into CCF, it was incumbent upon the Administration to report to the Council on its progress of work at regular intervals, say, in every three to six months, and its recommendations on how to improve the policies which impacted on people's livelihood annually. The Administration advised that the Subcommittee on Poverty ("the Subcommittee") or relevant Panels would be consulted prior to launching brand-new programmes, which were pilot in nature and the funding provision of which was expected to exceed \$100 million. In addition, the Administration would report regularly to the Subcommittee on the financial position of CCF and the implementation progress of its programmes every six months. Evaluation reports of the programmes would also be provided for the Subcommittee. The first half-yearly briefing was conducted in December 2013 jointly by the Administration and the CCF Task Force.

11. Some Members considered that CCF should be incorporated into Schedule 1 of the Prevention of Bribery Ordinance (Cap. 201) for better monitoring. The Administration advised that as some government departments were entrusted to implement CCF programmes and the persons, who handled the fund, were public officers, they would abide by regulatory regimes applicable to public officers. As to whether CCF should be incorporated into Schedule 1 of Cap. 201, the advice of the Department of Justice had to be sought.

Existing CCF assistance programmes

12. 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. The Administration advised that an evaluation would be conducted during the pilot period to assess the effectiveness and implications, as well as to review the parameters of the Pilot Scheme. It would deliberate on the way forward in the light of the findings.

13. Regarding the Elderly Dental Assistance Programme ("the EDA Programme") under CCF, 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 EDA Programme would be expanded progressively in the second half of 2015 to cover elderly persons who were recipients of Old Age Living Allowance, starting with those aged 80 and above in the first phase involving about 130 000 elderly persons. The Administration stressed that the implementation of the EDA Programme was mainly constrained by the tight dentist manpower situation instead of financial resources. It 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.

14. Regarding the CCF's proposal of launching a three-year pilot programme on the "Provision of funding for ordinary schools to arrange special educational needs coordinators ("SENCO")" 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 proposed 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.

Suggestions on CCF assistance programmes

15. 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. The CCF Task Force advised that it 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.

16. 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 public rental housing ("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. Given the huge additional injection into CCF, "N have-nots" would continue to receive the required support if the relevant programmes (e.g. the "One-off Living Subsidy for Low-income Households Not Living in Public Housing and Not Receiving CSSA" 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.

17. 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

18. 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.

19. 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.

20. 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.

21. 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.

Relevant papers

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

Council Business Division 2
Legislative Council Secretariat
15 July 2015

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

Council Business Division 2
Legislative Council Secretariat
15 July 2015