

Legislative Council Panel on Welfare Services

**Creation of a Supernumerary Directorate Post
in the Labour and Welfare Bureau for
a Pilot Voucher Scheme on
Residential Care Services for the Elderly and
Elderly Services Programme Plan**

Purpose

This paper presents the Government's proposal to create one supernumerary post of Administrative Officer Staff Grade C (AOSGC) (D2) rank in the Labour and Welfare Bureau (LWB) for two years from 1 June 2014 up to 31 May 2016. The proposed post will provide dedicated support to the work related to the exploration of the feasibility of a voucher scheme on residential care services for the elderly (RCS voucher scheme) and the formulation of the Elderly Services Programme Plan (Programme Plan).

Justifications

2. Like many other economies, Hong Kong is facing an ageing population. In 2012, the number of elderly people aged 65 and above stood at about one million, representing 14% of our population. According to the latest projection, the number of elderly people will increase to 2.56 million by 2041, representing 30% of our population. Concurrently, the life expectancy of Hong Kong's population continues to improve. On average, men and women in Hong Kong today are expected to live 81 years and 86 years respectively.

3. We are conscious of the immense challenges posed by our rapidly ageing population. It is announced in the 2014 Policy Address by the Chief Executive that the Government will take forward a number of initiatives on elderly services. Among these initiatives, the Government will task the Elderly Commission (EC)¹ to (a) study the feasibility of introducing the RCS voucher scheme and submit a report within a year's time; and (b) prepare the Programme Plan within two years.

¹ The membership and terms of reference of EC, set up in 1997, are provided at [Annex A](#).

Proposed RCS voucher scheme

4. For elderly persons with long term care (LTC) needs, we strive to provide quality and cost-effective LTC services in line with our policy of promoting “ageing in place as the core, institutional care as back-up”. Since 2000, the Social Welfare Department (SWD) has implemented the Standardised Care Needs Assessment Mechanism for Elderly Services to assess the care needs of elderly persons. Based on the assessment results on their care needs, elderly persons may be matched with appropriate subsidised LTC services, including “residential care services (RCS) only”, “community care services (CCS) only” or a “dual option” (i.e. RCS and/or CCS). Applicants matched with “RCS only” may also apply for CCS, while applicants matched with the “dual option” may apply for either one or both, though the majority of them choose to apply for RCS. Where there is a spectrum of CCS and RCS subsidised by the Government, the private market also has a share in the provision of LTC services. With the combined effect of an ageing population and increasing longevity, there will be a pressing need for the Government to devise a viable financing model for LTC services with due emphasis on not only RCS but also CCS. This includes, among others, a voucher that enables our senior citizens and their families to exercise greater choice and control of their utilisation of LTC services, which would also have the effect of incentivising improvements to both RCS and CCS, as part of a longer-term strategy for providing elderly services in a sustainable manner.

5. In 2010, EC commissioned the Consultancy Study on Community Care Services for the Elderly (Consultancy Study). The Consultancy Study examined how CCS could be strengthened through a more flexible and diverse mode of service delivery to provide better support for the elderly who aged at home. EC recommended, among others, that the Government should introduce a voucher scheme to allow eligible elderly persons to choose such CCS that would suit their needs. Taking on board EC’s recommendations, SWD recently (in September 2013) implemented the four-year Pilot Scheme on CCS Voucher to experiment a new funding mode whereby the Government provided subsidy directly to the service users instead of the service providers so that money followed the users. The features of this Pilot Scheme on CCS Voucher, as set out in the LC Paper No. CB(2)1397/12-13(01), were presented to the Legislative Council (LegCo) Joint Subcommittee on Long-term Care Policy on 24 June 2013.

6. Now that the Pilot Scheme on CCS Voucher is under implementation, it is considered opportune to explore the feasibility of a RCS voucher scheme, leveraging on the experience of designing the Pilot Scheme on CCS Voucher. As announced by the Chief Executive in his 2014 Policy Address, EC will conduct a study on the feasibility of the RCS voucher scheme and report to the Government in a year’s time.

7. We propose to task EC to study the feasibility of introducing a pilot RCS voucher scheme, advise on the design of this scheme and engage the stakeholders and other concerned groups in the process. EC will consider taking the following steps in carrying out its study:

- (a) to commission consultants for conducting a study to help assess the feasibility of a RCS voucher scheme and engage the stakeholders and other concerned groups as appropriate; and
- (b) to design the features of the scheme based on the recommendations of the consultancy study as referred to in (a) above, taking into account the further findings to be obtained from in-depth briefings, consultation sessions and discussions with relevant stakeholders conducted by EC/the consultant/the Government.

8. EC will mainly take forward its study through its existing Working Group on Long-term Care Model² and will submit a report to the Government on the feasibility of implementing a RCS voucher scheme in Hong Kong in a year's time. If it is considered feasible to run such a scheme on a pilot basis, we will provide the necessary resources. In this connection, the Government has earmarked about \$800 million to meet the expenses incurred in issuing a total of 3 000 RCS vouchers in three phases from 2015-16 to 2017-18.

Programme Plan

9. As announced in his 2014 Policy Address, the Chief Executive has separately tasked EC to prepare the Programme Plan within two years. EC will set up a dedicated working group to take forward this task, and has proposed that the Government should engage consultants to assist it in the process including, inter-alia, its engagement with different stakeholders and concerned groups. EC will be working on the RCS voucher scheme while drawing up the Programme Plan. As such, the Programme Plan will provide a wider context for the RCS voucher scheme, while the RCS voucher scheme will provide an input to the Programme Plan. In this connection, the Government is separately implementing the Special Scheme on Privately Owned Sites for Welfare Users (Special Scheme) whereby non-governmental organisations owning land are encouraged to provide more diversified services, particularly for the elderly and person with disabilities, through redevelopment or expansion on their sites. This Special Scheme will also provide a basis for longer-term planning for premises and manpower for elderly services. Details of the Special Scheme are provided to the Panel vide

² At present, EC has three Working Groups: on Long Term Care Model; on active Ageing; and on Elder Academy Development Foundation.

The Proposed New Post

10. The two tasks as referred to in paragraphs 6 to 9 above will involve a lot of additional work on the part of LWB against a tight time frame. LWB will need to provide policy input and secretariat support to EC in taking these tasks forward. Specifically, this will involve literature review; data collection and analysis; drawing up proposals; organising focus groups, briefings, engagement sessions; preparing papers for and taking minutes of EC meetings; and participation in other related activities. LWB will also be responsible for commissioning consultancy studies and monitoring the work of the consultants. Further, LWB will need to assist EC in drafting the reports for submission to the Government.

11. We consider it necessary and appropriate to create within LWB, from 1 June 2014 to 31 May 2016, a Principal Assistant Secretary (Special Duty) (PAS(SD)) post at AOSGC (D2) rank to provide the necessary dedicated support to EC in exploring the RCS voucher scheme and in formulating the Programme Plan. The proposed job description of PAS(SD) is at **Annex B**. PAS(SD) will be supported by two non-directorate staff (one Senior Administrative Officer and one Personal Secretary I) and will report to the Deputy Secretary(Welfare)² of LWB who assumes overall policy responsibilities over, among others, elderly services as a whole. The proposed organisation chart of the PAS(SD)'s team (i.e. the Special Duty Team) is at **Annex C**. An organisation chart of LWB showing the creation of the proposed PAS(SD) post is at **Annex D**.

Alternatives Considered

12. Under the current establishment of LWB, the responsibilities of two of the PAS posts, namely PAS(Welfare)³ and PAS(Welfare)⁴, are wholly or partially related to elderly services. However, both of them are fully engaged in their existing duties. Apart from overseeing the provision of elderly care services under the conventional modes, PAS(Welfare)³ is following up on a number of major new initiatives, including the Pilot Scheme on CCS Voucher for the Elderly, the Pilot Scheme on RCS in Guangdong and the pilot scheme on the provision of living allowance to carers for the elderly from low income families. On the other hand, PAS(Welfare)⁴ is responsible for active ageing while his major responsibilities also cover Comprehensive Social Security Assistance (CSSA) and Social Security Assistance. He is responsible for overseeing some major initiatives including the implementation of a pilot incentive scheme to encourage CSSA recipients to secure employment, the

implementation of the Guangdong Scheme, the review of the Disability Allowance and the review of the Old Age Living Allowance. There is no scope for these two PAS(s) to share out the duties of the proposed PAS(SD).

13. We have also critically examined the possibility of redeploying the other PASs in LWB to share out the responsibilities of the proposed PAS(SD) post but find this not feasible. As all those directorate staff are fully engaged in their own schedules of duties, it is operationally not possible for them to take up the tasks without adversely affecting the discharge of their current duties. The main responsibilities of the existing PASs are set out in **Annex E**.

Financial Implications

14. The additional notional annual salary cost of the proposed time-limited AOSGC (D2) post at mid-point is \$1,739,400, and the full annual average staff cost, including salaries and staff on-cost, is \$2,503,000. As for the two non-directorate posts, the additional notional annual salary cost at mid-point is \$1,510,440 and the full annual average staff cost of these two posts is \$2,337,000. We have included the necessary provision in the Draft Estimates of 2014-15 and will include the necessary provision in the Estimates of the relevant years to meet the cost of this proposal.

Advice Sought

15. We see a strong need to create the proposed PAS(SD) post urgently so that EC could commence work on the proposed RCS voucher scheme and the Programme Plan quickly. We plan to submit the proposal to LegCo's Establishment Subcommittee at its meeting on 30 April 2014 and then to the Finance Committee on 16 May 2014 for approval. Members are invited to note and comment on this proposal.

**Labour and Welfare Bureau
March 2014**

Elderly Commission

Terms of Reference

1. To advise Government on the formulation of a comprehensive policy for the elderly including matters relating to the care, housing, financial security, health and medical, psychological, employment and recreational needs of the elderly;
2. To co-ordinate the planning and development of various programmes and services for the elderly, and to recommend priorities for implementation having regard to manpower, financial and other resources available; and
3. To monitor implementation of policies and programmes affecting the elderly, and to make recommendations to Government to ensure that agreed objectives are met.

Membership

	<u>Name</u>	<u>Background</u>
Chairman:	Prof CHAN Cheung-ming, Alfred	Academic
Vice-chairman:	Dr LAM Ching-choi	Medical and Social Service
Member:	Prof FUNG Yuk-kuen, Sylvia	Academic
	Dr CHAN Hon-wai, Felix	Medical
	Dr CHENG Kam-chung	Commercial
	Dr CHEUNG Moon-wah	Housing
	Dr CHONG Ming-lin, Alice	Academic
	Mr MA Ching-hang, Patrick	Commercial
	Mr MA Kam-wah, Timothy	Social Service
	Mr YAU How-boa, Stephen	Social Service
	Ms CHAN Man-ki, Maggie	Legal
	Mrs CHAN LUI Ling-yee, Lilian	Education and Social Service

Mr SHIE Wai-hung, Henry	Commercial and Social Service
Dr TUNG Sau-ying	Medical
Mr WONG Fan-foung, Jackson	Commercial
Mrs WONG WONG Yu-sum, Doris	Social Service
Miss CHAN Man-yee, Grace	Social Service

Official

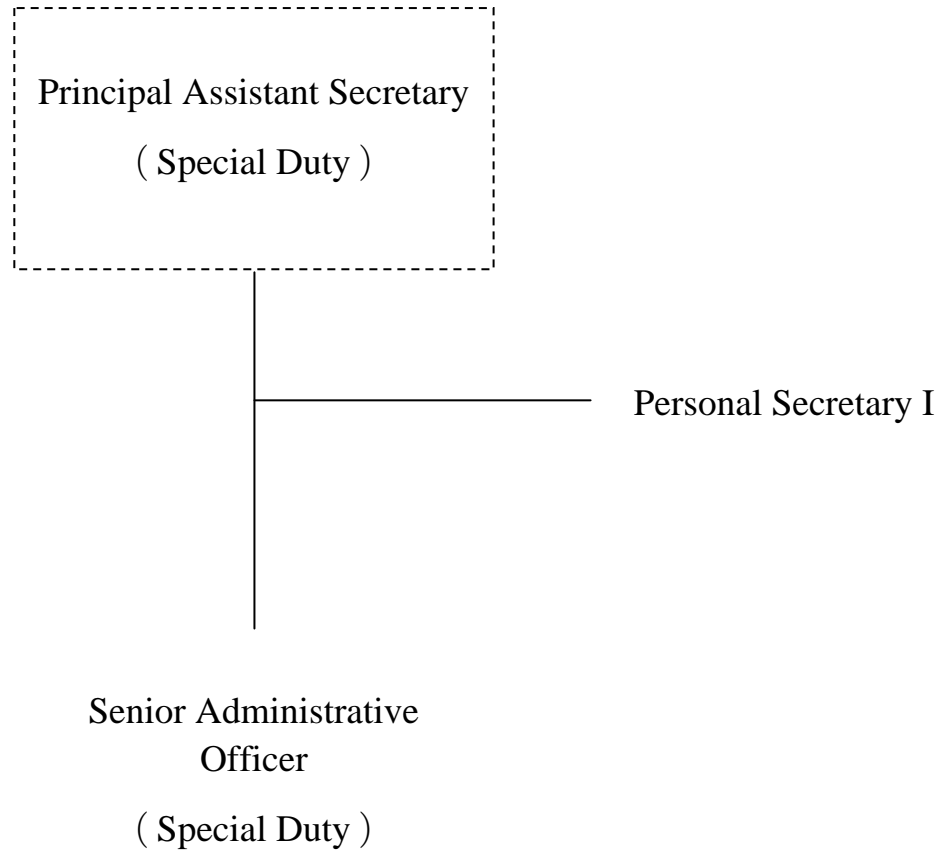
Representative: Secretary for Food and Health or representative
Secretary for Labour and Welfare or representative
Secretary for Transport and Housing / Director of Housing or representative
Director of Health or representative
Director of Social Welfare or representative
Chief Executive, Hospital Authority or representative

Secretary: Principal Assistant Secretary for Labour and Welfare (Welfare) 4

**Proposed Job Description for
Principal Assistant Secretary (Special Duty)**

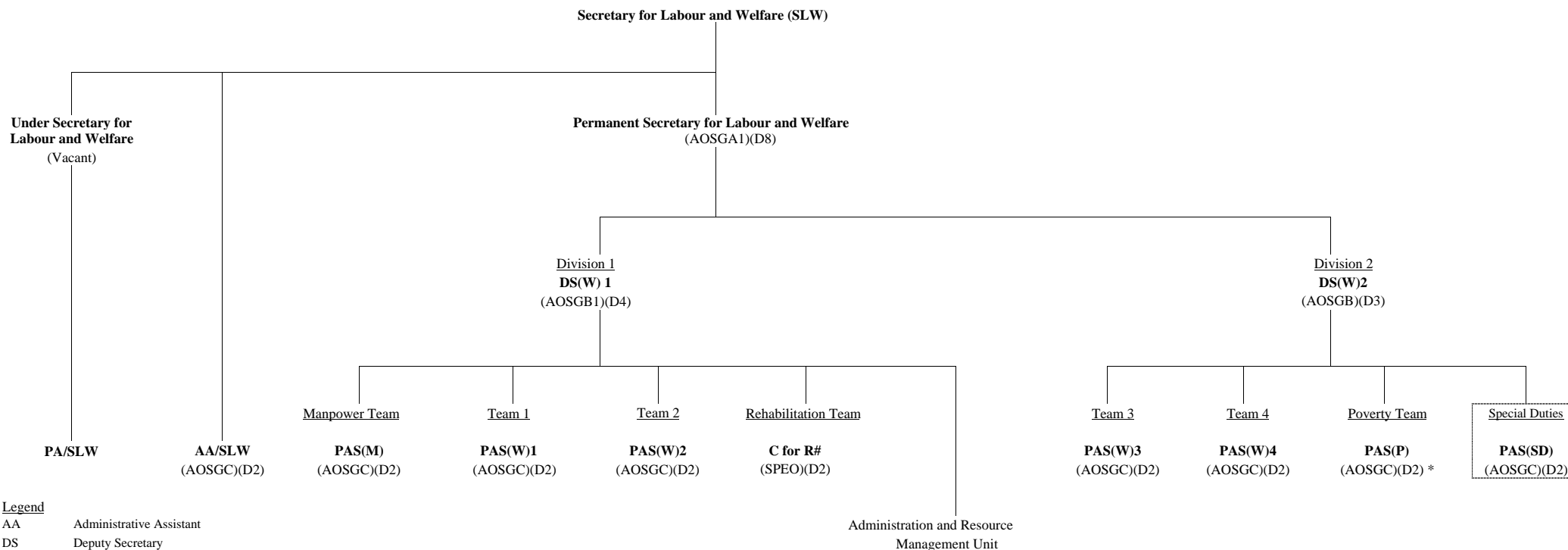
Rank:	Administrative Officer Staff Grade C (D2)
Responsible to:	Deputy Secretary for Labour and Welfare (Welfare) 2
Main Duties and Responsibilities-	
1.	To assist in taking forward work related to the exploration of the feasibility of introducing residential care services (RCS) voucher scheme and the relevant consultation with stakeholders and interested groups.
2.	To provide policy input to the formulation of the Elderly Services Programme Plan (Programme Plan) and to coordinate contributions from parties concerned to facilitate the Elderly Commission's deliberation and discussion of the issue.
3.	To assist in drawing up engagement plans and arranging engagement sessions with the stakeholders and interested groups on the Programme Plan.
4.	To commission and oversee consultancy studies related to the RCS voucher scheme and the Programme Plan
5.	To help respond to public/media enquiries on matters related to the two tasks.

**Proposed Organisation of the Special Duty Team
in the Labour and Welfare Bureau**



Supernumerary directorate post proposed to be created

Existing Organisation Chart of the Labour and Welfare Bureau



- Legend**
- AA Administrative Assistant
 - DS Deputy Secretary
 - PAS Principal Assistant Secretary
 - C for R Commissioner for Rehabilitation
 - AOSGA1 Administrative Officer Staff Grade A1
 - AOSGB1 Administrative Officer Staff Grade B1
 - AOSGB Administrative Officer Staff Grade B
 - AOSGC Administrative Officer Staff Grade C
 - SPEO Senior Principal Executive Officer
 - PA Political Assistant to Secretary for Labour and Welfare
 - M Manpower
 - P Poverty
 - W Welfare
 - R Rehabilitation
 - * Supernumerary AOSGC post up to 30.6.2017

Proposed time-limited AOSGC(D2) post

Legislative Council (LegCo) Panel on Welfare Services will consider the Government’s proposal to upgrade the ranking of the permanent post of the Commissioner for Rehabilitation and strengthen the establishment of his team. If the proposal is eventually supported by LegCo Establishment Subcommittee and approved by the Finance Committee, the organisation chart as set out in this Annex will be revised. Please refer to LC Paper No. CB(2)988/13-14(03) for details.

**Major Responsibilities of Other Principal Assistant Secretaries
in the Labour and Welfare Bureau**

Post / Rank	Major Responsibilities
Principal Assistant Secretary (Welfare) 1 / AOSGC (D2)	<ul style="list-style-type: none">• Social welfare subvention system• Long-term Social Welfare Planning• Welfare services for families, children and youth• Rehabilitation services for young offenders• Social work training and manpower planning• Legal Representation Scheme for Children/Juveniles involved in Care or Protection Proceedings• Social Welfare Advisory Committee• Welfare exchange with the Mainland• Community Investment and Inclusion Fund and social capital development• Chief Executive's Community Project List• Lotteries Fund and other welfare-related funds• Financial Assistance Scheme for Family Members of Those Who Sacrifice their lives to Save Others• Regulation of charitable fund-raising activities under Social Welfare Department's purview
Principal Assistant Secretary (Welfare) 2 / AOSGC (D2)	<ul style="list-style-type: none">• Policy on combating domestic violence• Policy on support for victims of sexual violence• Secretarial support to the Women's Commission and its working groups• Policy and strategies to promote the well-being and interests of women in Hong Kong• Gender mainstreaming within the Administration• Promotional and educational activities to enhance the awareness of public and civil service on women issues• Research, studies and surveys on women issues• Liaison and meetings with local women's groups and relevant international bodies• United Nations Convention on the Elimination of All Forms of Discrimination against Women• Beijing Platform for Action• UN Commission on the Status of Women• Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities

Post / Rank	Major Responsibilities
Principal Assistant Secretary (Welfare) 3 / AOSGC (D2)	<ul style="list-style-type: none"> • Policy matters relating to elderly with long-term care needs • Allocation mechanism for subsidised long-term care services • Home and community care services for elderly ageing in the community • Residential care services for frail elderly and continuum of care, including the licensing regime • Carers' support and training • Manpower supply and training of care staff in elderly care services
Principal Assistant Secretary (Welfare) 4 / AOSGC (D2)	<ul style="list-style-type: none"> • The Comprehensive Social Security Assistance Scheme • The Social Security Allowance Scheme - <ul style="list-style-type: none"> - Old Age Allowance - Old Age Living Allowance - Disability Allowance • Promotion of active ageing, including lifelong learning and senior volunteerism • Support for vulnerable elderly people, including matters related to elder abuse and elderly suicide • Secretariat of the Elderly Commission
Principal Assistant Secretary (Poverty) / AOSGC (D2)	<ul style="list-style-type: none"> • Co-ordinate the poverty alleviation work of the Labour and Welfare Bureau • Service the Social Security and Retirement Protection Task Force; Education, Employment and Training Task Force; and Special Needs Groups Task Force under Commission on Poverty • Child Development Fund • Short-term food assistance service projects • Employment in One-stop • Employment assistance programmes under the Comprehensive Social Security Assistance Scheme • Provide policy input and co-ordinate contribution in relation to social welfare initiatives of the Community Care Fund

Post / Rank	Major Responsibilities
Principal Assistant Secretary (Manpower) / AOSGC (D2)	<ul style="list-style-type: none"> • Manpower statistics and projections • Vocational training and retraining • Housekeeping of the Employees Retraining Board and the Clothing Industry Training Authority • Continuing Education Fund • Manpower Development Committee • Apprenticeship Scheme and Adult Education Subvention Scheme • APEC Human Resources Development Working Group