

立法會
Legislative Council

LC Paper No. CB(2)1271/15-16
(These minutes have been
seen by the Administration)

Ref : CB2/PL/WS

Panel on Welfare Services

Minutes of meeting
held on Monday, 11 January 2016, at 10:00 am
in Conference Room 3 of the Legislative Council Complex

Members present : Hon CHEUNG Kwok-che (Chairman)
Hon CHAN Yuen-han, SBS, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Hon LEUNG Yiu-chung
Hon Frederick FUNG Kin-kee, SBS, JP
Dr Hon LEUNG Ka-lau
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Frankie YICK Chi-ming, JP
Hon YIU Si-wing, BBS
Hon Gary FAN Kwok-wai
Hon CHAN Chi-chuen
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu, JP
Hon CHUNG Kwok-pan

Member absent : Hon LEUNG Che-cheung, BBS, MH, JP

Public Officers attending : Item III

Mr Matthew CHEUNG, GBS, JP
Secretary for Labour and Welfare
Labour and Welfare Bureau

Item III and IV

Ms PANG Kit-ling
Assistant Director of Social Welfare (Elderly)
Social Welfare Department

Item IV

Mr Steve TSE
Principal Assistant Secretary for Labour and Welfare
(Welfare) 3 (Acting)
Labour and Welfare Bureau

Mr Kenneth WOO
Chief Executive Officer (Subventions/Planning)
Social Welfare Department

Item III and V

Ms Carol YIP, JP
Director of Social Welfare
Social Welfare Department

Mr LAM Ka-tai, JP
Deputy Director of Social Welfare (Services)
Social Welfare Department

Item V

Mr Kenneth CHENG
Principal Assistant Secretary for Labour and Welfare
(Welfare) 1
Labour and Welfare Bureau

Mr KOK Che-leung
Assistant Director of Social Welfare (Subventions)
Social Welfare Department

Attendance by invitation : Item V

Social Welfare Organizations Employees Union

Miss Suki TSOI Yui-chi
Executive Committee Member

Community Care and Nursing Home Workers General
Union

Miss CHUNG Wai-ling
Chairman

Hong Kong Social Workers' General Union

Mr LAU Ka-yeung
Executive Committee Member

Fighting for Social Welfare Alliance

Mr HO Chun-yu
Member

前線同工權益關注小組

Miss Rida CHEUNG

**Clerk in
attendance** : Mr Colin CHUI
Chief Council Secretary (2) 4

**Staff in
attendance** : Ms Catherina YU
Senior Council Secretary (2) 4

Miss Maggie CHIU
Legislative Assistant (2) 4

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I. Information paper(s) issued since the last meeting

Members noted that no paper had been issued since the last meeting.

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II. Items for discussion at the next meeting

[LC Paper Nos. CB(2)574/15-16(01) to (02)]

2. Members noted that the Administration had proposed to discuss, at the next meeting scheduled for 15 February 2016, the following items:

- (a) Review of Disability Allowance; and
- (b) Pilot Scheme on Living Allowance for Carers of the Elderly Persons from Low Income Families.

3. The Chairman said that as the Subcommittee on Retirement Protection under the Panel ("the Subcommittee") had been placed on the waiting list for reactivation after expiry of the three-month extended period of work, members might consider discussing some issues related to retirement protection at meetings of the Panel. In the light of wide public concern about retirement protection and diverse views between the Administration and the public on the subject, the Deputy Chairman said that the Panel should discuss the subject matter and convey the views raised at the Panel meeting concerned to the Subcommittee upon its reactivation.

III. Pilot Scheme on Community Care Service Voucher for the Elderly (Second Phase)

[LC Paper Nos. CB(2)574/15-16(03) to (04)]

4. The Chairman said that given that a large number of deputations had expressed interest in giving views on the Pilot Scheme on Community Care Service Voucher for the Elderly ("the Pilot Scheme"), a special meeting would be held on 6 February 2016 to receive deputations' views on the Administration's proposal for the implementation of the Second Phase of the Pilot Scheme.

5. At the invitation of the Chairman, Secretary for Labour and Welfare ("SLW") briefed members on the implementation details of the Second Phase of the Pilot Scheme.

Inclusion of private elderly service organizations in the Pilot Scheme

6. Mr TANG Ka-piu commended that enhancements had been made to voucher value, district coverage and service types in the Second Phase of the Pilot Scheme. Expressing concern about the monitoring of the service quality of private organizations, he had reservation about the Administration's proposal to include private organizations in the Second Phase of the Pilot Scheme.

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7. SLW responded that the Social Welfare Department ("SWD") had commissioned the Sau Po Centre on Ageing ("COA") of The University of Hong Kong to conduct an evaluation study on the First Phase of the Pilot Scheme ("the Evaluation Study"). COA had recommended that private organizations, more non-governmental organizations ("NGOs") and social enterprises ("SEs") should be invited to become recognized service providers ("RSPs") in the Second Phase of the Pilot Scheme so as to enhance service quality and diversity. Apart from having 12-month proven experience in providing community care services ("CCS") for the elderly, private organizations were required to satisfy other stringent requirements in order to become RSPs. Private organizations should also have experience in providing home care services for the elderly and be able to provide two out of the three core CCS, namely, rehabilitation services provided by physiotherapist/occupational therapist, special/basic nursing care provided by registered/enrolled nurse and personal care services by health worker/personal care worker. He stressed that SWD would only consider applications by private organizations with proven quality and good track records. Same as the First Phase, a monitoring mechanism would be put in place to monitor the service quality of individual RSPs.

8. SLW further said that unannounced visits and random checks would be conducted to audit the relevant records and files of RSPs. The Administration would also visit service users to collect their feedback on RSPs' services. SWD would closely monitor the performance of private organizations participating in the Pilot Scheme and could suspend or terminate their RSP status if they failed to meet the service standards. In the light of the pilot nature of the voucher scheme, quality private organizations should be allowed to try it out. At the Chairman's request, SLW undertook to provide information on whether the Administration would, in addition to the requirement of the 12-month proven experience in providing CCS for the elderly, impose other requirements on private organizations for becoming RSPs.

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9. Dr Fernando CHEUNG expressed concern about inviting profit-making organizations to provide services under the Pilot Scheme. He said that the Administration engaged private organizations in providing meal delivery services under a home-care service programme many years ago. The Administration subsequently put a halt to such an arrangement because it did not work out well. He further said that many elderly abuse cases had occurred in private residential care homes for the elderly ("RCHEs") and the quality problems of private RCHEs had all along been a concern. He wondered why the Administration would accept COA's recommendation of including private organizations in the Second Phase of the Pilot Scheme.

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10. SLW responded that as voucher services were not available in some districts under the First Phase of the Pilot Scheme, some elderly persons found it inconvenient to access the services. According to the recommendation of COA, the inclusion of private organizations in the Pilot Scheme would enhance accessibility of services and provide more choices of quality service providers for elderly persons. He reiterated that only private organizations with quality would be considered for providing voucher services. SWD would closely monitor their performance and consider suspending or terminating their RSP status if they failed to meet the service standards.

11. Dr Fernando CHEUNG opined that enhancing accessibility of services was not a sound reason to include private organizations in the pool of RSPs under the Pilot Scheme. In his view, the accessibility problem could be addressed through the provision of transportation for voucher users by RSPs. Given that private organizations aimed at making profit and their business needs would override public interests, voucher services should not be provided by private organizations. He said that public views should be sought on allowing private organizations to provide voucher services.

12. SLW responded that voucher services would mainly be provided by subvented organizations and it was expected that only a small number of private organizations could meet the eligibility requirements for becoming RSPs under the Pilot Scheme. Market force would drive private organizations which did not provide quality service out of the market.

13. Mr LEUNG Yiu-chung said that elderly persons generally had no confidence in private organizations because of their substandard service. Some private organizations might reduce the number of service sessions to control costs. Service users would in effect receive less service even though these private organizations were able to maintain their service quality. He was concerned that elderly persons would have to pay more in order to receive better services. Director of Social Welfare ("DSW") responded that the prices of service items under the Pilot Scheme were subject to SWD's approval and should be set within the permitted ceiling prices recognized by SWD.

14. The Deputy Chairman said that she had reservations about including private organizations in the Pilot Scheme. She worried that private organizations might compromise service quality in order to reduce costs. Before expanding the pool of service providers, the Administration should address the manpower shortage problems in the care sector. The Administration should assist NGOs in training and developing care workers

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and professionals. The Administration should engage more NGOs and SEs in the Second Phase of the Pilot Scheme and might consider including private organizations gradually at a later stage.

15. SLW responded that two SEs had participated in the First Phase of the Pilot Scheme and the Administration hoped that more SEs would join the Second Phase. In considering private organizations for the Pilot Scheme, the Administration would ensure that they would have adequate manpower for providing the services.

16. Mr TANG Ka-piu said that the Administration had not stepped up monitoring of private organizations since the occurrence of the elderly abuse case in the Tai Po Cambridge Nursing Home in May 2015. Given that there were only a very small number of quality private organizations in the market and elderly persons with severe impairment might not be able to reflect the problems of service providers, he considered it inappropriate to engage private organizations in providing voucher services. He, however, took the view that provision of respite services by private organizations which had participated in the Enhanced Bought Place Scheme could be considered.

17. Mr Frankie YICK and Mr YIU Si-wing expressed support in principle for the inclusion of private organizations under the Second Phase of the Pilot Scheme. Mr YICK said that to ensure that elderly persons would receive quality services and be provided with more choices of service providers, the Administration should consider requesting the welfare sector to recommend quality private organizations to become RSPs. Mr YIU took the view that private organizations could serve the districts which were not covered by subvented NGOs, thereby providing more choices and enhancing accessibility of services for elderly persons. The Administration should establish a marking scheme and seek inputs from Responsible Workers ("RWs") for the selection of subvented NGOs and private organizations for the Pilot Scheme.

18. SLW responded that private organizations were required to meet stringent requirements for becoming RSPs. According to SWD's research, there were not more than 10 qualified private organizations. He said that the Administration attached great importance to the well-being of the elderly persons and would step up monitoring of private organizations participating in the Pilot Scheme.

Monitoring of recognized service providers

19. Mr CHAN Chi-chuen doubted whether the Pilot Scheme's objective of

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developing a vibrant CCS sector could be achieved, given that there were not many quality service providers in the market. He shared the view that in the absence of a monitoring mechanism, private organizations should not be included in the pool of RSPs under the Pilot Scheme. He enquired whether inspections on service quality of RSPs had been conducted in the First Phase of the Pilot Scheme and whether any RSPs were terminated because of substandard performance. Given that the pool of service providers would be expanded in the Second Phase of the Pilot Scheme, he asked whether the number of unannounced visits/random checks would be increased and whether more manpower would be deployed for conducting these visits/checks.

20. DSW responded that the Evaluation Study revealed that the Pilot Scheme promoted greater choice and enabled service users to select their preferred RSPs and services that best fitted their needs. The Pilot Scheme was effective in elevating frail elderly persons' self-perceived health and quality of life as well as significantly reducing their caregivers' stress and burden. She said that the monitoring mechanism set out in paragraph 12(g) of the Administration paper (LC Paper No. CB(2)574/15-16(03)) applied to both subvented and private RSPs. In conducting random checks, SWD staff would audit the relevant records and files of RSPs. They would also check the receipts issued by RSPs to users for the service items and the expenditure with reference to the RSPs' proposed price list. In the Second Phase of the Pilot Scheme, a Centralized Team would be set up under SWD to step up service monitoring of RSPs. The Centralized Team would provide in collaboration with RWs dedicated support and assistance for voucher users including the provision of information on RSPs and assistance for elderly persons for decision-making in respect of their application for vouchers, selection of RSPs and service packages, switch to another RSP where necessary, etc. At Mr CHAN Chi-chuen's request, DSW undertook to provide the number of unannounced visits and random checks conducted by SWD in the First Phase of the Pilot Scheme, the number of RSPs concerned and the findings of these visits and checks.

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21. The Chairman enquired about the composition, staff establishment (including the number of professional staff) and functions of the Centralized Team which was set up under SWD, the future development of and the Centralized Team's involvement in case management. DSW said that the Centralized Team would serve as the first point of contact for potential voucher users and their carers. The Centralized Team would explain to voucher users and their carers the objective, arrangements and service mix of the Pilot Scheme to enhance their understanding of voucher services. She said that the Administration was reviewing the resource deployment for the

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Centralized Team. She undertook to provide the information under request in due course.

22. The Chairman said that given that private organizations aimed at making profits, social responsibility would not be their first and foremost consideration. Private organizations would withdraw from the Pilot Scheme if their provision of voucher services did not have the expected financial returns. As such, he had reservations about including private organizations in the Pilot Scheme. He, however, agreed that SEs could be considered for the Pilot Scheme.

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23. Expressing concern about monitoring of services provided under the Pilot Scheme, Dr Helena WONG asked whether the Administration had prepared service checklists and codes of practice for RSPs. DSW responded that service quality standards ("SQSs") and criteria had been included in the service specifications on the Pilot Scheme and uploaded onto the SWD's website. All RSPs, be they NGOs, non-profit making organizations or private organizations, were required to meet the same set of SQSs and criteria. The Administration would evaluate the performance of RSPs according to the prescribed SQSs and criteria to ensure that RSPs met the required standards. At Dr Helena WONG's request, DSW undertook to provide information on the monitoring mechanism and codes of practice for RSPs.

Scope of voucher services, voucher value and voucher capacity

24. Mr POON Siu-ping sought information on the number of RSPs which would be serving elderly persons who were assessed as severely impaired, the locations of these RSPs, the basis for and restrictions on allocating service vouchers. DSW responded that all existing RSPs would be required to provide services for elderly persons who were assessed as severely impaired and according to the sector, these RSPs were capable of providing such services. Elderly persons were free to choose the service packages from RSPs to suit their needs and RWs would provide assistance for elderly persons in this regard. She said that the coverage under the Second Phase of the Pilot Scheme would be extended from eight districts to all the 18 districts over the territory to ensure that eligible elderly persons would receive the required services. Mr POON Siu-ping enquired about the co-payment position in the First Phase of the Pilot Scheme. In response, SLW provided the summary figures on the co-payment position of the First Phase set out in Annex 2 to the Administration's paper.

25. The Deputy Chairman said that services for elderly persons with special needs, e.g. services for elderly persons with dementia, should be

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enhanced. DSW responded that eight RSPs had provided services for elderly persons suffering from dementia in the First Phase of the Pilot Scheme. RSPs would be encouraged to provide such services in the Second Phase with a view that such services could be extended to more districts in the Second Phase.

26. In response to the Chairman's enquiry about the difference in voucher value for elderly persons with moderate impairment and for those with severe impairment, SLW responded that all these persons could opt for the highest voucher value if the service packages suited their needs. Deputy Director of Social Welfare (Services) supplemented that in recommending service packages to elderly persons, RSPs would look into their needs for care and/or support services instead of their impairment level. Currently, elderly persons, irrespective of whether they were severely or moderately impaired, were target users of Day Care Centres for the Elderly ("DEs") and Enhanced Home and Community Care Services. The maximum voucher value of \$8,300 at 2015-2016 price level proposed under the Second Phase of the Pilot Scheme was about the same as the unit cost of DEs. The Chairman requested the Administration to provide information on additional services provided under the Second Phase of the Pilot Scheme vis-a-vis the First Phase.

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27. Noting that the current number of voucher holders had exceeded the voucher capacity in the First Phase of the Pilot Scheme, Mr YIU Si-wing asked whether a cap would be imposed on the number of vouchers to be issued in the Second Phase. SLW responded that due to natural turnover of voucher holders and for fuller utilization of resources, the number of vouchers issued might be slightly more than the voucher capacity.

Assisting elderly persons in applying for voucher services

28. Mr YIU Si-wing said that the Administration should provide information on the eligibility criteria for participation in the Pilot Scheme. The Administration should consider simplifying the application procedures so that more elderly persons could benefit from the Pilot Scheme. The Administration should, however, strike a balance between facilitating applications and guarding against abuse of the Pilot Scheme. SLW responded that elderly persons who were interested in the Pilot Scheme were required to undergo assessments of their impairment levels under the Standardized Care Need Assessment Mechanism for Elderly Services. As such, the elderly persons and their carers were aware of such an eligibility criterion. As service users would not be provided with cash and could not cash in service vouchers, the problem of abuse was not serious.

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29. Dr Helena WONG enquired about the findings of the Evaluation Study and the enhancements for the Second Phase of the Pilot Scheme in the light of the findings. SLW explained the key findings of the Evaluation Study and the proposed enhancements for the Second Phase of the Pilot Scheme which were set out in paragraphs 8 and 12 of the Administration's paper respectively.

Removal of the means-test requirement from the Pilot Scheme

30. Mr LEUNG Yiu-chung said that elderly persons who did not have good relationship with their family members might not be able to provide household income of their family members for the purpose of the means test under the Pilot Scheme. He called on the Administration to remove the means-test requirement from the Pilot Scheme. SLW responded that the Administration had reviewed the means-test requirement in the First Phase of the Pilot Scheme. The fundamental principle underpinned the Pilot Scheme was that those who could afford should pay more so that public resources could be deployed to assist elderly persons who were most in need. The co-payment amount for voucher holders in Category I (e.g. those on comprehensive social security assistance) was capped at \$500 under the First Phase.

Motion

31. Mr TANG Ka-piu moved the following motion –

"在未能建立對私營長者服務機構的監管制度下，本委員會反對將第二階段長者社區照顧服務券試驗計劃延伸至私營機構。"

(Translation)

"That, in the absence of a monitoring system for private elderly service organizations, this Panel objects to the extension of the Second Phase of the Pilot Scheme on Community Care Service Voucher for the Elderly to private organizations."

32. The Chairman put the motion to vote. He said that while two members voted against the motion, the other nine members present were in favour of the motion. He declared that the motion was carried.

(Post meeting note: The Administration had provided the required information mentioned in paragraphs 8, 20, 21, 23 and 26 vide LC Paper No CB(2)781/15-16(01) on 3 February 2016.)

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IV. Setting up a new contract residential care home for the elderly at the Social Welfare Facilities Block of the public rental housing development at North West Kowloon Reclamation Area Site 6, Sham Shui Po, Kowloon

[LC Paper Nos. CB(2)1390/14-15(04) and CB(2)574/15-16(05)]

33. The Chairman drew members' attention to Rule 83A of the Rules of Procedures regarding personal pecuniary interest to be disclosed. He reminded members to declare interests in the matter under discussion, if any.

34. At the invitation of the Chairman, Assistant Director of Social Welfare (Elderly) ("ADSW(Elderly)") briefed members on the Administration's proposal to construct a 100-place contract RCHE ("the proposed RCHE") in the public rental housing ("PRH") development of the Housing Authority at North West Kowloon Reclamation Area Site 6, Sham Shui Po ("the Project"), with the financial provision to be met from the Lotteries Fund.

Proposed welfare facilities under the Project

35. Dr Helena WONG said that given the large elderly population in Sham Shui Po District, there was a great demand for RCHEs in the district. She enquired about the basis for determining the number of places and the services to be provided in the proposed RCHE as well as the welfare facilities to be incorporated in the Project. Chief Executive Officer (Subventions/Planning) ("CEO(S/P)") responded that according to the planning brief of the Project, the total non-domestic gross floor area ("GFA") of the Project was about 48 300 square meters and 10 097 square meters (i.e. around 21%) of which had been reserved for welfare facilities. SWD had proposed the provision of nine types of welfare facilities, including the proposed RCHE, in the social welfare facilities block ("the Facilities Block") under the Project. The remaining non-domestic GFA of the Project had been earmarked for other non-welfare facilities such as a public market, a public library, a stadium, a kindergarten, offices of the Housing Department ("HD"), etc. The Administration had optimized the non-residential GFA allocated to welfare facilities.

36. Dr Fernando CHEUNG said that SWD should take the initiative and propose the provision of additional welfare facilities in development projects in the light of new or additional service needs in the community. CEO(S/P) responded that the facilities under the Project were proposed having taken account of the planning parameters and service needs. SWD had liaised with the Planning Department ("PlanD") and HD on the welfare facilities to be included in the Project.

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37. In response to the Chairman's enquiry about whether changes could be made to the proposed welfare facilities under the Project, CEO(S/P) said that the Sham Shui Po District Council ("SSPDC") had been consulted on the proposed welfare facilities for the Project and members of SSPDC did not make any adverse comment on the relevant proposal. Subject to the approval of the funding proposal by the Finance Committee ("FC"), the construction works of the Facilities Block would commence in mid-2016 and changes to the proposed welfare facilities could not be made. Noting that an Integrated Children and Youth Services Centre ("ICYSC") was reprovisioned to the Project site, the Chairman expressed concern whether the site where the reprovisioned ICYSC was originally located would be reserved for welfare facilities. At the Chairman's request, ADSW(Elderly) undertook to provide information on the usage of the site concerned.

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38. Taking the view that elderly persons might be able to defer institutionalization if they were provided with day care services, Dr Fernando CHEUNG sought the reasons for not providing a DE under the Project. ADSW(Elderly) responded that eight DEs/Day Care Units for the Elderly and integrated home care services/home care services were available in Sham Shui Po District. In addition, nine RSPs were providing 115 CCS voucher service places in the district. To balance the provision of welfare facilities, a DE was not proposed under the Project.

39. Dr Helena WONG said that there was a serious shortfall of subvented child care services in Sham Shui Po District and the waiting time for such services was very long. She wondered why child care service facilities were not provided under the Project. ADSW(Elderly) responded that a kindergarten-cum-child-care-centre would be provided in the development project at Nam Cheong Station in West Kowloon Development Area and there would be a 100-place child care centre in the Joint-user Government Office Building in Cheung Sha Wan.

Provision of parking facilities for visitors of the proposed residential care homes for the elderly

40. In response to Mr YIU Si-wing's enquiry about the target users of the parking space for the proposed RCHE, ADSW(Elderly) said that the Administration would provide a vehicle for the operator of the proposed RCHE for transporting its residents. The parking space was for the exclusive use of the vehicle concerned. As family members of residents of the proposed RCHE and emergency vehicles might also require parking facilities, Mr YIU Si-wing and Dr Helena WONG were concerned that one parking space might not be adequate. Mr YIU asked whether the

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Administration would consider providing more vehicles or parking spaces for the proposed RCHE. ADSW(Elderly) responded that the standard provision for transportation for a 100-place contract RCHE was one vehicle. It would be up to the operator concerned to decide whether an additional vehicle should be arranged at his or her own costs. The Administration would not provide parking facilities for visitors of the proposed RCHE. Visitors could use parking spaces in the Facilities Block or in the vicinity or commute to the proposed RCHE by public transport. Mr YIU Si-wing said that the Administration should consider providing more parking facilities for the convenience of residents of the proposed RCHE. CEO(S/P) supplemented that there would be a lay-by near the Facilities Block for the use of emergency vehicles. Dr Helena WONG said that the Administration should have provided members with the layout plan of the Project before the meeting. At Dr WONG's request, ADSW(Elderly) undertook to provide the layout plan for members' reference.

Planning for the provision of residential care homes for the elderly

41. Mr Frederick FUNG enquired whether the planning of the proposed RCHE was based on the demand for residential care services ("RCS") in the territory or the district. ADSW(Elderly) responded that in formulating plans for the provision of RCHEs, the Administration would take into account the demand for RCHEs in the territory and make reference to the waitlisting situation of individual districts.

42. In response to Mr Frederick FUNG's enquiry about the duration of the service contract of the proposed RCHE and the arrangements for the recurrent provision of \$14 million, ADSW(Elderly) said that the estimation of the funding requirement was based on notional planning of 60 subsidized RCS places for the operation of the proposed RCHE in a full year and the necessary recurrent provision would be included in the draft Estimates of the relevant years. Under the existing mechanism, the duration of the first service contract for RCHEs was five years. Depending on the performance of the operators, the Administration would consider renewing the service contracts or inviting other operators to tender for the operation of contract RCHEs.

43. The Deputy Chairman said that a motion urging the Administration to earmark areas for the provision of elderly service facilities in all new development projects was passed at an FC meeting some two or three years ago. She asked whether the Administration had followed up on the motion. ADSW(Elderly) responded that PlanD would request SWD to propose welfare facilities to be provided in development projects. As a large area

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was required to construct an RCHE, the provision of an RCHE might not be feasible in development projects of small scale. In response to the Deputy Chairman's enquiry about the basis for proposing the provision of elderly services in development projects, ADSW(Elderly) said that in considering the provision of welfare facilities, the Administration would make reference to the waitlisting situation and availability of elderly services in and the demography of the district concerned.

Ratio of subvented to non-subvented places in residential care homes for the elderly

44. Mr LEUNG Kwok-hung expressed concern about whether improvement had been made to the ratio of subvented to non-subvented places ("the ratio") in RCHEs. ADSW(Elderly) responded that the ratio for the proposed RCHE was 6:4 which was only a reference for planning purpose. The Administration would keep in view the provision and occupancy of RCS places in the vicinity and adjust the ratio nearer the time of award of the contract for the proposed RCHE in 2020, if necessary. Citing the RCHE in Paratas Street as an example, she said that the ratio was 8:2. The Chairman welcomed the improvements to the ratio for the RCHE in Paratas Street and called on the Administration to use the same ratio for the proposed RCHE.

45. Mr LEUNG Kwok-hung said that in the light of the high poverty rate, subvented places should be the core of RCS. The Administration should project the demand for subvented and non-subvented RCS places in the next few years and plan ahead for the provision of subvented RCS. Principal Assistant Secretary for Labour and Welfare (Welfare)3 (Acting) responded that the Administration considered that there should be balanced development of subvented and non-subvented RCS. Mr LEUNG Kwok-hung said that as elderly persons who were better off could afford non-subvented RCS, the Administration should aim to provide subvented RCS for the most needy elderly persons. Sharing a similar view, Dr Helena WONG said that the Democratic Party hoped that all RCS places would be provided on a subvented basis. She took the view that the ratio of 6:4 or lower was unacceptable.

Completion time of the proposed residential care homes for the elderly

46. In response to Dr Helena WONG's enquiry about the monitoring of the completion time of the proposed RCHE, CEO(S/P) responded that the construction of the Facilities Block, a government facilities block and a PRH block would be included under the same phase and was scheduled for completion in late 2019. SWD would follow up with HD on the

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construction schedule with a view to monitoring that the construction works would be completed on schedule or ahead of schedule.

Follow-up actions

Admin 47. In response to the Chairman's invitation of views, members present supported in principle the submission of the funding proposal to FC for consideration. The Administration was requested to include, in its funding proposal to be submitted to FC, the ratio of subsidized to non-subsidized RCS places in the proposed RCHE. The Administration was also requested to submit the funding proposal to FC as a single item.

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V. Salary adjustment arrangement for staff in non-governmental organizations receiving Lump Sum Grant subvention and the progress of the implementation of the Best Practice Manual
[LC Paper Nos. CB(2)574/15-16(06) to (07), CB(2)617/15-16(01) to (02) and CB(2)670/15-16(01)]

48. At the invitation of the Chairman, DSW briefed members on the 2015-2016 salary adjustment arrangement for staff in NGOs receiving Lump Sum Grant ("LSG") subvention and the progress of the implementation of the Best Practice Manual ("BPM").

Presentation of views by deputations

49. The Chairman invited deputations to present their views. A total of five deputations expressed their views which were summarized in the **Appendix**.

The Administration's response to deputations' views

50. In response to the view that the BPM items should be enforced in a mandatory manner, DSW said that these could only be done when members of the Lump Sum Grant Steering Committee ("LSGSC") who represented the four different groups representing the NGO management, staff side, service users and independent members had reached consensus. In respect of including the item pertaining to time-defined employment contracts in BPM, she said that the Administration hoped that consensus could be reached on inclusion of the item on contract management which was one of the outstanding items in BPM.

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51. Regarding the view that the items to be included in BPM were dominated by management of NGOs, DSW stressed that the contents of BPM were discussed and agreed by the representatives of NGO management, staff side, service users and independent members of LSGSC. The Administration attached great importance to the views of staff which were, very often, determinants of the contents of BPM.

52. DSW further said that the findings of the independent review of the LSG subvention system ("LSGSS") conducted in 2008 had indicated that many service users were satisfied with the services after the implementation of LSGSS as they had brought about improvements to diversity and standards of services. BPM sought to encourage NGOs to enhance their governance for the well-being of their staff. The returns of NGOs' self-assessment checklists had reflected that NGOs attached importance to the implementation of BPM. While NGOs were given three years to implement BPM, all NGOs had started the implementation of some BPM items and some NGOs had discussed with their staff the formulation of BPM. Although some items under Level Two could not be placed under Level One for the time being, NGOs had made efforts in implementing the Level Two items and some of them had uploaded the implementation progress onto their websites.

53. As regards the concern about salary adjustment arrangements under BPM, DSW said that NGOs should choose either to offer the same salary adjustment percentage(s) under the Civil Service Pay Adjustment ("CSPA") mechanism, or to spend the full amount of the additional subvention arising from CSPA ("additional subvention") for the designated purpose. The Administration had closely monitored NGOs' implementation of the requirement on salary adjustment. As at 29 December 2015, all NGOs had implemented the item. Regarding utilization of LSG reserve, she said that the level of LSG reserve kept by an NGO was capped at 25% of NGO's operating expenditure. Any unused subventions above the 25% cap should be clawed back by the Administration in the following financial year. There were cases in which NGOs had returned the unused subventions above the allowable level of LSG reserve to the Administration. She added that guidelines on utilization of LSG reserve and on setting an appropriate level of LSG reserve were set out in LSG Manual. The governing boards of NGOs were required to discuss the utilization of the reserve at least once a year under BPM. Information about the utilization of the reserve in the past year and how the reserve would be used in the future should be made public.

54. In reply to the view that there was inadequate monitoring of NGOs, DSW said that the Administration had been monitoring the financial

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management, service quality and operation of NGOs in accordance with the established service performance and financial monitoring mechanism. NGOs were required to submit various reports for the Administration's scrutiny.

Discussion

Implementation of the requirement on salary adjustment

55. Dr Helena WONG said that under LSGSS, salary structures of NGO staff had been delinked from the civil service. It was not necessary for NGOs to model on the civil service in devising the employment terms and provide annual pay increase for their staff. She urged the Administration to consider putting in place a pay increase and promotion mechanism for NGO staff. DSW responded that under the spirit of LSGSS, NGOs were allowed the flexibility to determine their own staffing structures and remuneration levels according to their staffing requirements and market situations. NGOs were encouraged to enhance transparency of their management and systems.

56. Dr Helena WONG asked whether an NGO would be regarded as meeting the salary adjustment requirement if it did not provide any pay adjustment for its staff. DSW responded that to satisfy the salary adjustment requirement under BPM, NGOs must either adjust the staff salary by the same percentage of CSPA or spend the full amount of the additional provision on salary adjustment for staff.

(To allow sufficient time for discussion, the Chairman extended the meeting for 15 minutes beyond the appointed ending time.)

57. Dr Fernando CHEUNG further said that according to some deputations, about half of the NGOs receiving LSG had not provided their staff with any backpay or full amount of backpay and some NGO staff had been offered time-limited contracts for a long time. He urged the Administration to step up the monitoring of NGOs and take steps to protect the interests of NGO staff. The Administration should impose a requirement in BPM for NGOs to provide backpay at least for their retired staff.

58. DSW responded that more than half of the NGOs had provided backpay for their staff and NGOs were making progress in this regard. Dr Fernando CHEUNG requested the Administration to provide a list of NGOs which had not provided backpay for their staff.

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59. Mr LEUNG Kwok-hung said that some NGOs had exploited the interests of staff by withholding the backpay and using the additional subvention on paying bonus of a large amount to their senior management

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staff. He criticized that the Administration did not take any steps to prohibit the malpractices of these NGOs.

60. DSW responded that the Working Group on Implementation Details of BPM had discussed the provision of backpay for NGO staff. As there was no consensus among NGOs that they should provide backpay for staff, the backpay arrangement had not been included in BPM. However, NGOs were required to either adjust the staff salary by the same percentages as CSPA or spend the full amount of the additional provision on salary adjustment for staff which was a step forward in BPM. All NGOs had implemented such a requirement.

61. DSW further said that as explained by the Administration to members at previous meetings, NGOs should make salary adjustment arrangements according to their own human resource policies as well as the terms and conditions set out in the employment contracts/agreements. According to the Administration's understanding, some NGOs had taken the initiative to increase the starting salary of their staff or had restructured their pay scales. Some NGOs had decided to make salary adjustment according to CSPA. The Administration had impressed upon NGOs to strengthen communication with their staff with respect to their human resource policies and salary adjustment arrangements.

62. The Chairman said that members of Hong Kong Social Workers' General Union had expressed strong objection to LSGSS from 2000 to 2007. Notwithstanding the huge amount of LSG reserve, many NGOs had refused to adopt a fair and reasonable salary adjustment mechanism for their staff. These NGOs had used their administrative power to withhold backpay for their staff and spend the additional subvention on bonus payment. He opined that such an improper utilization of the additional subvention was an administrative malpractice and should be forbidden. In his view, unused subventions should be spent on service provision.

63. The Chairman further said that the rate of pay increase offered by some NGOs comprised two components, i.e. salary adjustment arising from CSPA of the previous year and recognition of staff performance of current year. However, these NGOs did not specify the percentage attributable to each of these components in salary adjustment. The Administration should require NGOs to explain clearly to their staff the rate of increase attributable to each component in order not to mislead their staff.

64. In response to the Chairman's enquiry about whether the Administration agreed that NGOs could use the additional subvention for paying bonus, DSW said that the Administration concurred that all

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arrangements made by NGOs for their staff should be fair and reasonable. Under BPM, NGOs were required to establish sound systems and use the LSG reserve properly. The utilization of the additional subvention for incentive payment was generally accepted by the sector if such utilization was reasonable. The Administration hoped that NGOs should take account of their situation and provide incentive payment in a fair and equitable manner. The Chairman expressed objection to NGOs using the additional subvention for incentive payment or bonus as NGOs might cut cost so as to save up money for incentive payment or bonus.

65. Regarding the view of Miss CHUNG Wai-lin of Community Care and Nursing Home Workers General Union that some NGOs had replaced living cost adjustment by special service allowance, the Chairman said that as special service allowance would not be counted towards basic salary, there would be no increase in the base for future salary adjustments. As a result, the amount of salary increase in the years to follow would diminish, rendering a substantial reduction in the sum of money the staff concerned could receive upon retirement. To protect the interests of NGO staff, the Administration should monitor the mode of salary adjustment adopted by NGOs.

66. Assistant Director of Social Welfare (Subventions) ("ADSW(Subvention)") responded that the Administration had visited all NGOs receiving LSG subvention and organized seminars for NGOs with a view to assisting them in the implementation of BPM. NGOs were reminded that their staff should be duly informed of the components of pay increase and salary adjustment should have regard to changes in cost of living. In implementing BPM, NGOs would review and make changes to existing policies progressively and communicate with their staff in the process. According to NGOs, BPM had provided them with a framework to enhance their governance. While NGOs might encounter difficulties in complying with some requirements in the initial implementation stage, the Administration expected that NGOs would do better in implementing BPM after they had gained more experience.

Reviewing the Best Practice Manual items under Level Two

67. Dr Helena WONG opined that while items such as "roles and duties of NGOs in complaints handling", which was a level-two item in her view, was a Level One item (i.e. an item which NGOs were expected to follow), some governance-related items were Level Two items (i.e. items which NGOs were encouraged to adopt). She considered that both the Level One and Level Two items should be merged into one set of Level One items which were binding on NGOs. Sharing a similar view,

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Dr Fernando CHEUNG said that the items under Level One and Level Two should be merged and NGOs should be required to implement all items.

68. DSW responded that Level One items not only included items such as complaint handling but also items on management of the LSG reserve, use of Provident Fund reserve, salary adjustment, management strategies, etc. The Administration hoped to move towards the direction of placing the Level Two items under Level One should there be consensus among all concerned parties and LSGSC would keep in view the development. However, it was not feasible to enforce all BPM items in a mandatory manner when NGOs still had practical difficulties in implementing some of the items.

69. Dr Fernando CHEUNG said that LSGSS had a huge negative impact on the social welfare sector. Notwithstanding the call of the social welfare sector for abolishing LSGSS, the Administration had decided to continue with LSGSS after conducting the review of LSGSS in 2008. In his view, NGOs were given too much autonomy under LSGSS and BPM had caused the problem of unequal pay for equal work in the social welfare sector. NGOs should be required to follow all governance-related items in BPM (e.g. establishing a succession mechanism for their governing board members, establishing effective channels of communication, etc.), and these items should not be grouped under Level Two. He took the view that BPM was ineffective and service users' interests had been neglected as many NGOs had not implemented the fundamental and important governance-related items. He also expressed grave concern that many NGOs had not yet implemented the requirement on "optimal level of LSG reserve" and some NGOs had used the reserve for paying bonus of a large amount to their senior management staff.

70. The Deputy Chairman said that she did not support LSGSS as it had caused many problems to the social welfare sector. Since the implementation of LSGSS, the Administration had little involvement in service enhancement of NGOs. NGOs with insufficient funds were unable to maintain their service standards. She was of the view that the Administration should cease LSGSS and provide sufficient funds for NGOs so that service users could receive quality services.

71. Mr YIU Si-wing said that the roles of governing boards of NGOs were very important and the Administration should have a say in the composition of the governing boards. The governing boards should comprise professionals and representatives from both within and outside the social welfare sector. A proportion of representatives from different sectors should be set for the governing boards and the Administration should draw

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up a set of basic roles for all governing boards. In his view, if NGOs had the liberty to decide whether or not to implement the items in BPM, it would give rise to many problems. He called on the Administration to place the requirements on the roles and composition of governing boards of NGOs under Level One and set a timeframe for NGOs to implement the requirements.

72. DSW responded that in order to implement BPM successfully, consensus had to be reached by members of LSGSC regarding which level an item should be placed. The implementation of BPM had facilitated NGOs to review their existing policies and procedures. According to the returns of self-assessment checklists, all NGOs were reviewing the roles and terms of office of governing boards and the communication channels amongst governing boards, management, staff and service users. Given the diversities of the governing boards in term of their structure, terms of office and functions, it would not be feasible at the moment to formulate a set of common roles for governing boards of NGOs. The Administration would monitor the implementation of BPM and report the implementation progress to LSGSC.

73. ADSW(Subvention) supplemented that while some NGOs might not be able to change the composition of their governing boards because of the restrictions imposed by relevant legislation or constitutions, some NGOs had considered establishing a succession mechanism for their governing board members. NGOs were making improvements gradually and LSGSC would keep in view the development.

74. Mr Frankie YICK opined that as NGOs were funded with public money, the Administration should strictly monitor NGOs' compliance with the requirements in BPM. NGOs should not be allowed to continue to operate without addressing their problems in governance and a timeframe should be set for them to implement BPM. The Administration should consider ceasing the provision of subvention for NGOs which failed to meet the implementation deadline.

VI. Any other business

75. There being no other business, the meeting ended at 1:17 pm.

Panel on Welfare Services

Meeting on Monday, 11 January 2016 at 10:00 am

Salary adjustment arrangement for staff in non-governmental organizations receiving Lump Sum Grant subvention and the progress of the implementation of the Best Practice Manual

Summary of views and concerns expressed by deputations/individuals

No.	Deputation/individual	Views
1.	Social Welfare Organizations Employees Union	<ul style="list-style-type: none"> • The Social Welfare Department ("SWD") should improve monitoring of implementation of Best Practice Manual by non-governmental organizations ("NGOs") receiving Lump Sum Grant ("LSG") subvention to prevent NGOs from withholding backpay for staff (including staff who had departed the organizations) who were eligible for back payment arising from Civil Service Pay Adjustment ("CSPA"). • SWD should provide information on the number of NGOs receiving LSG subvention which had used the additional subvention arising from CSPA ("additional subvention") for paying bonus and had not provided backpay for staff. SWD should take steps to prohibit such practice. • SWD should closely monitor the utilization of the LSG reserve by NGOs.
2.	Community Care and Nursing Home Workers General Union	<ul style="list-style-type: none"> • SWD should monitor the use of the additional subvention by NGOs receiving LSG subvention so as to ensure the quality of employees and services of these NGOs. • SWD should ensure that the additional subvention would be used on salary adjustment for serving staff. • SWD should make public the information on the number of NGOs which had replaced living cost adjustment with special service allowance in salary adjustment.
3.	Hong Kong Social Workers' General Union	<p>[LC Paper No. CB(2)617/15-16(01)]</p> <ul style="list-style-type: none"> • SWD should address the problem of non-provision of backpay for NGO staff who had left the organizations before the payment date of salary adjustment.
4.	Fighting for Social Welfare Alliance	<p>[LC Paper No. CB(2)617/15-16(02)]</p> <ul style="list-style-type: none"> • SWD should address the problems arising from the LSG subvention system and monitor the operation of NGOs.

No.	Deputation/individual	Views
5.	前線同工權益關注小組	<p data-bbox="608 230 1082 264">[LC Paper No. CB(2)670/15-16(01)]</p> <ul data-bbox="608 304 1503 376" style="list-style-type: none"> <li data-bbox="608 304 1503 376">• SWD should monitor service quality of NGOs for the well-being of service users.

Council Business Division 2
Legislative Council Secretariat
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