

政府總部
民政事務局

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**GOVERNMENT SECRETARIAT
HOME AFFAIRS BUREAU**

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130 HENNESSY ROAD,
WAN CHAI,
HONG KONG.

27 December 2017

Legislative Council Secretariat
(Attn: Mr Raymond SZETO)
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr SZETO,

Finance Committee
Follow-up to Meeting on 3 November 2017
FCR(2017-18)30

I refer to your email dated 6 November 2017. Regarding the questions raised by the Chairman of the Finance Committee, Hon LEUNG Yiu-chung and Hon CHAN Chi-chuen on Item FCR(2017-18)30, our reply is set out at Annex.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nick AU YEUNG'.

(Nick AU YEUNG)

for Secretary for Home Affairs

Encl.

cc:

Secretary for Financial Services and the Treasury
(Attn: Asst Treasury Offr (C)22)

FCR(2017-18)30

- (c) A report on the long-term development plan of the Community Care Fund, including the solicitation of donations, financing and budgeting arrangement (Requested by the Chairman, Hon LEUNG Yiu-chung and Hon CHAN Chi-chuen; meeting time: 17:27:49 and 17:38:36)

The main objective of the establishment of the Community Care Fund (CCF) is to provide assistance to people facing economic difficulties, in particular those who fall outside the social safety net or those within the safety net but have special circumstances that are not covered. In addition, the CCF may consider implementing measures on a pilot basis to help the Government identify those that can be considered for incorporation into its regular assistance and service programmes.

Since its establishment, the CCF has implemented 45 assistance programmes under different areas, including medical, education, welfare and home affairs. The total commitment exceeds \$8 billion, with more than 1.55 million beneficiary cases. Assistance is provided to different beneficiary groups including children, the elderly, persons with disabilities, patients, new arrivals and ethnic minorities. 12 assistance programmes that have been proven effective are incorporated into the Government's regular assistance programmes. The CCF has since 2013 been integrated into the work of the reinstated Commission on Poverty (CoP). The CCF Task Force, set up under the CoP, is responsible for advising the CoP on the CCF's various arrangements including investment, finance and administrative operations, as well as the formulation of assistance programmes, the coordination and overseeing of programme implementation and the review of their effectiveness. The CCF Task Force will continue to draw up programmes to provide assistance to the underprivileged. As the CCF does not intend to replace, but rather complement, the assistance provided to the needy groups under the current policies, in order to swiftly and effectively plug the gaps in the current social safety net, the CCF should consider how the programmes being formulated would be able to complement the assistance and services provided by the Government. In the process of devising programmes, it is hard for the CCF to formulate a long-term development plan since it has no control over the overall development of Government assistance and services.

For financial resources, in addition to the Government injection of \$20 billion, the CCF also accepts donations from the community and has received approximately \$1.819 billion so far. The CCF is not a matching fund. Bank accounts have been opened to accept donations from the community. The substantial sums of donations pledged to the CCF at its initial stage of establishment were all received during the financial years 2010/11 to 2014/15 by instalments. The donations received have since then declined as the CCF has not actively appealed for further donations in recent years.

Some Members of the Finance Committee opined that CCF should strengthen its fund raising initiatives from the business sector as there is a serious shortfall in the amount of donation from the sector when compared to the Government injection of \$20 billion. In response, discussion was made in the CCF Task Force meeting in November 2017 on the matter. At present, the fund balance of the CCF exceeds \$19.4 billion, which should be sufficient to support the implementation of new programmes. After discussion, CCF Task Force is of the view that a thank you letter can be sent to past donors, introducing and publicising the work of the CCF and the effectiveness of the CCF programmes, as well as welcoming their further support to the CCF through donations.

On budgeting, in order to promptly plug the gaps in the current social safety net and provide assistance in a more effective manner, it is necessary for the CCF to maintain flexibility in the deployment of resources. Thus the CCF does not set an overall budget ceiling. However, to ensure proper monitoring, the CCF has established a budget control mechanism, including the vetting procedures as conducted by CCF Task Force and CoP on programme proposals and their budget plan, financial records and audit arranged for individual programmes, as well as the requirement of periodic submission of financial and progress reports by Government departments/ other organisations entrusted to implement the programmes. Also, similar to other trust funds established under the Secretary for Home Affairs Incorporated (SHAI), the statement of accounts of the CCF will be audited by the Director of Audit and incorporated into the financial report of SHAI for tabling at the Legislative Council (LegCo) annually. In addition, a mechanism has been set up since June 2013 to report regularly to the LegCo the financial position and the implementation progress of CCF programmes every six months. Besides, relevant Panels of the LegCo will be consulted prior to launching brand-new programmes which are pilot in nature and the funding provision of which is expected to exceed \$100 million.