

**立法會**  
**Legislative Council**

LC Paper No. CB(2)1584/99-00

(These minutes have been  
seen by the Administration)

Ref : CB2/PL/WS

**LegCo Panel on Welfare Services**

**Minutes of meeting**  
**held on Monday, 8 November 1999 at 10:45 am**  
**in Conference Room A of the Legislative Council Building**

- Members Present** : Hon CHAN Yuen-han (Chairman)  
Hon HO Sai-chu, SBS, JP (Deputy Chairman)  
Hon Cyd HO Sau-lan  
Hon LEE Cheuk-yan  
Hon LEE Kai-ming, SBS, JP  
Hon Fred LI Wah-ming, JP  
Dr Hon YEUNG Sum  
Hon YEUNG Yiu-chung  
Hon LAW Chi-kwong, JP
- Members Absent** : Hon David CHU Yu-lin  
Hon Eric LI Ka-cheung, JP
- Public Officers Attending** : Item III - Year 2000 compliance in social welfare organisations  
  
Mr Robin GILL  
Deputy Secretary for Health and Welfare 3  
  
Mrs Marion LAI  
Deputy Director of Social Welfare (Administration)  
  
Mr K. J. BRADLEY  
Assistant Director of Social Welfare (Finance)

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Item IV - Review of the social welfare subvention system

Mr Robin GILL  
Deputy Secretary for Health and Welfare 3

Mr Andrew K P LEUNG  
Director of Social Welfare

Mrs Marion LAI  
Deputy Director of Social Welfare (Administration)

Miss Victoria TANG  
Principal Assistant Secretary for Health and  
Welfare (Welfare) 2

Mrs June SHERRY  
Assistant Director of Social Welfare (Subventions)

Item V - Survey report on street sleepers

Miss Victoria TANG  
Principal Assistant Secretary for Health and  
Welfare (Welfare) 2

Miss Ann LAU  
Assistant Director of Social Welfare (Family and  
Child Welfare)

Mr T S CHOW  
Assistant Commissioner for Labour (Employment Services)

Mrs LAI NG Suet-mui  
Chief Housing Manager/Applications, Housing  
Department

Mr CHENG Chok-man  
Chief Social Security Officer  
Social Welfare Department

**Deputations** : Item III - Year 2000 compliance in social welfare organizations

**by invitation**

The Hong Kong Council of Social Service

Miss Kay KU

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Assistant Director (Development)

Mr John FUNG  
Research and Development Officer

Item V - Survey report on street sleeper

The Society for Community Organization

Mr HO Hei-wah

Mr NG Wai-tung

Mr PANG Hung-cheong

(and four street sleepers)

The Hong Kong Council of Social Service -  
Committee on Social Security

Mr WONG Hung

St James' Settlement

Mr WONG Hung-sang

Christian Concern for the Homeless Association

Ms LAI Shuk-fan

**Clerk in Attendance** : Ms Doris CHAN  
Chief Assistant Secretary (2) 4

**Staff in Attendance** : Ms Joanne MAK  
Senior Assistant Secretary (2) 4

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**I. Confirmation of minutes of meetings held on 8 March and 12 April 1999  
and matters arising**

(LC Papers Nos. CB(2)154/99-00 and CB(2)155/99-00)

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The minutes of meetings held on 8 March and 12 April 1999 were confirmed.

**II. Items for discussion at the next meeting**

(LC Papers Nos. CB(2)286/99-00(01) and (02))

2. Members agreed to discuss the issues arising from the review of the Comprehensive Social Security Allowance (CSSA) Scheme at the next regular meeting to be held on 13 December 1999 at 10:45 am.

**III. Year 2000 compliance (Y2K) in social welfare organizations**

(LC Paper No. CB(2)286/99-00(03) )

3. Deputy Secretary for Health and Welfare 3 (DS(HW)3) reported that rectification work had been completed in respect of all the mission-critical computer and embedded systems in the Social Welfare Department (SWD). Moreover, the Department had developed a departmental Y2K contingency plan including a checklist of action to be taken which would enable essential services to the public to be maintained in the event of a Y2K problem. In addition, SWD had set up a systematic coordinating mechanism both at the district and the regional level. As regards support for non-governmental organizations (NGOs), DS(HW)3 informed members that the mission-critical systems in all the regulated NGOs and 99% of these systems in the subvented NGOs had been rectified. He explained that there was only some minor rectification work outstanding in relation to the financial systems of some NGOs. It was expected to be completed in December 1999. Assistant Director of Social Welfare (Finance) (AD(F)) supplemented that in connection with publicity, SWD had been working very closely with the Information Technology and Broadcasting Bureau, particularly in disseminating information to the elderly through various channels.

4. Miss Kay KU of the Hong Kong Council of Social Service (HKCSS) said that HKCSS had, in collaboration with SWD, provided assistance to NGOs in the welfare sector to conduct rectification work and devise contingency plans. It had provided guidelines on the handling of Y2K problems for the reference of all NGOs. In addition, it had worked out coordinating plans with NGOs on tackling Y2K problems which might occur in the areas of residential services, home help services, day-time care services and in the office environment of NGOs. HKCSS had also jointly organized five contingency plan workshops last year attended by over 700 participants from NGOs. As regards non-mission critical systems, SWD and HKCSS had jointly organized over 40 workshops on the rectification of commonly used software. Miss KU considered that NGOs had made adequate preparation for the Y2K rollover.

5. The Chairman asked whether the payment system for CSSA was Y2K

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compliant. AD(F) confirmed that no problem was envisaged as they had spent a great deal of time on the social security payment system to ensure that it was in good order.

**IV. Review of the social welfare subvention system**  
(LC Paper No. CB(2)286/99-00(04) )

6. DS(HW)3 briefed members on the salient points of the Administration's paper setting out the Administration's latest proposals for the future delivery and funding of welfare services. He emphasized that the review of the social welfare subvention system was not a cost saving exercise and there would be no reduction in social welfare provisions. Instead, the purpose of the review was to improve the system to achieve greater efficiency, cost-effectiveness and transparency in the delivery of welfare services. The review also sought to ensure that resources were targetted at those members of the community most in need of assistance and that services were reviewed and adjusted regularly to meet changing needs.

7. DS(HW)3 explained that the current proposals comprised the following three main components -

- (a) the lump sum funding system;
- (b) the service performance monitoring system, which was introduced in April 1999 focusing on output and outcome measurements; and
- (c) the competitive bidding system for the allocation of new services.

8. DS(HW)3 pointed out that the Administration had recently introduced competitive bidding to allocate new home care and meal service units and NGOs had responded positively to this pilot exercise. In order to take these proposals forward, the Administration had suggested to set up a working group comprising members from the Government and the welfare sector to discuss and agree on the detailed implementation arrangements. To facilitate communication with frontline staff and NGOs, the proposed working group would have regular dialogue with their representatives. DS(HW)3 said that the Administration appreciated the concerns of frontline staff but it was not envisaged that there would be staff redundancies as a result of the implementation of the new proposals. He emphasized that the Government valued the partnership with the welfare sector to bring about improvements.

9. Referring to paragraph 6 of the Administration's paper, Mr LAW Chi-kwong questioned whether SWD would have sufficient manpower to examine and approve the programme plans submitted by some 2 000 service units each year. He held the view that this new arrangement of requiring service units to submit their programme plans to SWD for approval might undermine the autonomy of the service units in planning their

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services. In response, Director of Social Welfare (DSW) explained that the purpose of the arrangement was to ensure that the programme plans, which set out the services to be provided by each service unit, met the objectives of the medium term plans drawn up by the units. He said that the procedure would not create too much work for SWD or undermine the autonomy of the service units.

10. Referring to paragraph 11 of the Administration's paper, Mr LAW Chi-kwong asked for details of the consultancy study which would be commissioned in early 2000 and questioned whether its scope of study would overlap with that of another consultancy study commissioned by SWD a few months ago. Mr LAW also requested the Administration to explain its onward plan in implementing the competitive bidding system.

11. In response, DSW said that the proposed consultancy study was to prepare a programme to manage the changes in SWD and NGOs consequent to the implementation of the new subvention system. He said that the previous consultancy study in mid 1999 focused on the tendering of meal service. As regards the competitive bidding system, DSW said that the Administration would seek improvements in the light of experience. Mr LAW Chi-kwong considered that the last exercise held to allocate new home care and meal service units through this system lacked transparency and suggested that the whole process should be reviewed by a working group comprising representatives from all parties concerned. DS(HW)3 responded that the proposed working group he had mentioned earlier would go through the allocation procedures that had been adopted initially. He said that as this was the first time that the Administration had applied such a system in the welfare sector, it was learning how to improve this in the light of experience. In any event, NGOs would be invited to comment on the system.

12. Addressing members' concerns about the effect of the competitive bidding system on service quality, DSW clarified that the Administration was not proposing that a service contract must be given to the bidder who offered the lowest price. He stressed that the Administration would consider the service quality as well which was given the first priority. He explained that in considering the tender bids, the Administration would first see whether the bidder was able to meet the requirements in terms of service quality before considering the price offered. He said that in the last allocation exercise, details of the tender including the criteria to be used had been announced before the invitation for tender was made.

13. Mr LEE Cheuk-yan considered that the current proposals would have profound effect on the welfare sector and they should be further discussed by the Panel. He took the view that the primary purpose of the proposals was to lower the cost of welfare services, which would lead to deterioration in service quality and as a result, both service recipients and staff would suffer. He further asked the Administration if it was true that, with the implementation of the new subvention system, NGOs would no longer need to follow the grade structure of similar Government posts and the

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remuneration of all staff in the NGO welfare sector (about 27 000 now) would cease to be linked with the Master Pay Scale (MPS).

14. DS(HW)3 reassured members that under the new proposals, there would be no cut in services nor decline in service quality provided. DSW pointed out that the new system sought to provide more flexibility to NGOs in their staffing arrangements and in their use of resources. NGOs were still required to observe the fixed staffing ratios in the provision of certain kinds of welfare services. In addition, they could not lower the entry requirements in terms of professional training and qualifications in respect of the professional grades. DSW further pointed out that about one-third of the NGOs were now operating on the basis of "standard cost". These NGOs did not need to follow to the Government grade structure and no problem had come up so far. Deputy Director of Social Welfare (Administration) (DDSW(A)) said that whether or not staff remuneration of NGOs would continue to be linked to MPS would depend on the NGOs concerned as they were responsible for managing their own resources. She invited members to note that details of the implementation of lump sum funding system would be further discussed and worked out by the proposed working group.

15. Mr LEE Cheuk-yan pointed out that under the proposed lump sum funding system, NGOs were allowed to retain any savings achieved for re-deployment. He considered that therefore if the Administration no longer required the salary structure of NGO staff to be linked to MPS, it was highly likely for NGOs to discontinue the linkage in order to cut cost. Mr LEE warned that if this really happened, staff morale and stability of services would be seriously affected.

16. Mr LEE Cheuk-yan asked the Administration whether staff representatives had been consulted about the proposals. DSW replied that the Administration was now collecting views from the parties concerned (including the staff and NGOs) on the proposals and their concerns would be followed up by the proposed working group. He pointed out that those NGOs operating on the basis of "standard cost" were still paying their staff in accordance with MPS and no changes had been made to their salary structure. He stressed that NGOs had full autonomy in managing their resources and in deciding the terms of their staff remuneration. As regards the proposed working group, DSW said that the Administration had not decided on its composition yet. However, he assured members that the sector would be consulted regarding the proposals.

17. DDSW(A) pointed out that the current proposals were developed to address the long-existing problems with the present subvention system, which emphasized too much on input control and lacked flexibility in the deployment of resources. She added that the NGO sector had been advocating a more flexible funding system. She explained that under the proposed lump sum funding scheme, NGOs were required to meet service quality standards and therefore they could not lower their requirements on the staff quality. She explained that the proposed scheme actually sought to strike a balance between the need to maintain stability of the sector and the need to ensure



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public accountability and cost-effectiveness in the delivery of welfare services.

18. Dr YEUNG Sum criticized that under the competitive bidding system, a service unit providing a welfare service would be unsure whether it could bid for the contract for providing this welfare service again in the next allocation exercise. He felt that this new system would render it difficult for the service units to draw up long-term service plans. Moreover, the NGO staff would lack job security and would be deterred from pursuing further studies for career development. He considered that the rationale of the competitive bidding system was mere commercialization of welfare services.

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19. DSW agreed to relay Dr YEUNG's concerns to the relevant working group for further discussion. He pointed out that the current proposal was only targetted at new services which had not yet been allocated to NGOs. He explained that under the proposed system, if a service unit was found performing well in providing a welfare service, there would be no problem to renew the contract for providing this welfare service with the NGO without going through tendering. DSW said that for the existing services which had already been allocated to NGOs, the Administration did not propose to put these services out for tendering again if the NGOs were performing well. As regards whether commercial organizations would be allowed to bid, DSW said that this would be considered based on the merits of individual cases.

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20. At the request of Mr LEE Kai-ming, DSW agreed to provide information on the costs involved in conducting the two previous consultancy studies to review the subvention system. He said that the Service Performance Monitoring System had been introduced consequent to the studies but most of the recommendations made in the two studies had not been adopted due to objections of the sector.

21. In response to Mr YEUNG Yiu-chung's question, DSW said he estimated that with implementation of the lump sum funding scheme, less manpower would be required to perform the procedures of input control which was very cumbersome. He said that the manpower thus saved would be re-deployed within SWD. Details would be further worked out by the consultancy study to be commissioned in early 2000.

22. Miss Cyd HO Sau-lan pointed out that staff remuneration was the main cost item in the recurrent expenditures of NGOs. Therefore, NGOs would inevitably try to cut cost on this item when they were subject to budgetary constraints. In response, DSW reiterated that NGOs would be required to meet service standards and maintain quality, they could not neglect staff quality and recruit unqualified staff to provide services. He considered that savings could be achieved by NGOs by reviewing service modes and streamlining of procedures. Referring to paragraph 11, Miss HO asked what the Administration's plan was in pursuit of its goal that "workers in the welfare field would need to be multi-skilled". DSW said that the service providers would have to adapt to different requirements under the new proposals such as changes in service modes. He said that this would be further discussed by the Administration

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in consultation with the sector.

23. Mr LAW Chi-kwong expressed reservations about the proposal of competitive bidding system. He took the view that it should be considered only after a review of the home care and meal services recently allocated under the new system had been completed. He also considered that the proposals should be refined to avoid any adverse effect on the welfare of the staff. He suggested that the Administration should demonstrate that under the proposals, NGOs would not have to enhance cost-effectiveness by pay cuts or layoff. He also suggested that NGOs should be required to set up liaison groups for the NGO board/management to discuss employment terms with their employees. He stressed that if the current proposals created unrest among the staff, they would not be successful in bringing about any improvement in the provision of welfare services. DS(HW)3 noted members' views and said that the Administration would ensure that the views of the NGO sector were taken into account.

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24. Dr YEUNG Sum pointed out that the sector was very concerned about the proposals and suggested that a special meeting be held to discuss the subject with its representatives. Members agreed. The Chairman directed that deputations be invited and requested the Clerk to follow up the matter.

*(Post-meeting note : the subject was further discussed at a special meeting held on 6 December 1999.)*

**V. Survey report on street sleepers**

(LC Papers Nos. CB(2)158/99-00(01) ad CB(2)286/99-00(05) )

25. At the chairman's invitation, Mr HO Hei-wah of the Society for Community Organization (SOCO) briefed members on the main findings of a recent survey on street sleepers conducted by SOCO. It was found that the number of street sleepers had increased and the number of young people, aged 20 to 39, found street sleeping was also on the increase. Mr HO criticized the Government for failing to make any improvement to the services provided to help street sleepers and pointed out that these services had not been adjusted at all to meet changing needs over the past 30 to 40 years. He also criticized the poor standard of temporary shelters provided for street sleepers.

26. Mr PANG Hung-cheong of SOCO pointed out that based on the survey, 20% or 19 out of the 94 street sleepers interviewed were of the age from 20 to 39. About 35% of the street sleepers interviewed had completed secondary education and some were even found having completed tertiary education. In contrast, a similar survey done in 1991 had found that only 15% of the street sleepers interviewed had reached such education level. Mr PANG said it was found that 60% of these young, able-bodied street sleepers decided to sleep on the streets because of unemployment and

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financial problems. He pointed out the cancellation of rent deposits under the CSSA scheme was one of the factors contributing to this situation. He urged the Administration to address the problem.

27. Mr PANG referred to a survey carried out by SWD in 1996 which had found that only 40% of the street sleepers were forced to stay homeless because of economic reasons. This had shown that the economic transition and economic downturn over the past few years had led to serious unemployment and a surge of street sleepers as well. He urged the Administration to address the unemployment problem and to help the unskilled workers with low educational level to adapt to the economic transition.

28. Mr NG Wai-tung of SOCO said the survey found that most of the street sleepers had no family support to rely on to re-integrate into the society. As the existing services provided to street sleepers were much in need of improvements, he made the following suggestions -

- (a) the manpower of the outreach services for street sleepers should be strengthened;
- (b) additional drop-in centres were required as there were only two subvented drop-in centres which failed to provide adequate supportive services for street sleepers;
- (c) the Administration should review the policy of imposing age limits in admitting street sleepers to the temporary hostels operated by SWD. Moreover, the Administration should provide at least 400 additional hostel places run by SWD;
- (d) the conditions of the subvented temporary shelters were poor with no provision of telephones, kitchen facilities, lockers and so on. Drug problems were also found in the shelters. Moreover, the residents in these shelters were not followed up by social workers and no supportive services were provided to them;
- (e) the Administration should consider contracting out its outreach services for street sleepers to NGOs; and
- (f) the existing mode of services provided to street sleepers should be reviewed and improved so that more effective and tailored assistance could be made available to them.

Mr NG also pointed out that the existing policy on street sleepers, the housing policy and CSSA policy were not coordinated to meet the specific needs of street sleepers and help them to regain their self-reliance.

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29. At the Chairman's invitation, four street sleepers gave a brief account of their circumstances and expressed dissatisfaction with the poor conditions inside the subvented temporary shelters/hostels. They also complained that the discontinuation of the special grant under CSSA for rental deposit had made it impossible for them to move to accommodation in private housing. As they could not provide a correspondence address or contact telephone number in the course of finding employment, they had great difficulty in finding jobs and were forced to stay homeless.

30. Mr WONG Hung of the Committee on Social Security of the Hong Kong Council of Social Service (HKCSS) said that HKCSS had conducted another survey on the street sleepers a few days ago. The report of the findings tabled at the meeting (LC Paper No. CB(2) 350/99-00(01)) confirmed that the number of street sleepers had been rapidly on the rise since the introduction of new measures under the CSSA scheme in June 1999. In fact, many of the street sleepers interviewed had also said that the abolition of the special grant for rental deposit had forced them to stay homeless. He considered it unacceptable that applicants could only be granted the special grant for rental deposit at the discretion of SWD officers and he urged SWD to reinstate the special grants for rental deposit, removal allowance and emergency grant under the CSSA scheme. He also criticized the Administration for failing to collect up-to-date statistical data on street sleepers. He urged the Administration to review its methodology in data collection and to conduct the official survey more frequently instead of at two-year intervals. Mr WONG Hung-sang of the St James' Settlement and Ms LAI Shuk-fan of the Christian Concern for the Homeless Association expressed similar views and urged the Administration to reinstate the special grant for rental deposit under the CSSA scheme.

31. Mr LAW Chi-kwong supported the recommendations made by the deputations and agreed that the Administration should review the existing services provided to street sleepers. Furthermore, he suggested that psychiatric nurses should be included in the existing outreach teams to help street sleepers who were mentally-ill and the operating hours of these teams should be reviewed to meet the needs of street sleepers.

32. Principal Assistant Secretary for Health and Welfare (Welfare) 2 (PASHW(W)2) pointed out that SWD in collaboration with NGOs were providing a wide range of welfare services for street sleepers, which included counselling service, accommodation assistance, referrals for financial assistance, employment assistance and so on. She said that services tailored to meet the needs of street sleepers were currently provided by NGOs in an integrated manner. For example, she pointed out that in the West Kowloon and Hong Kong Island regions, two NGOs operated urban hostels to complement the work of their day relief centres where the staff also outreached to street sleepers to provide assistance. She said that for those non-CSSA street sleepers, social workers could help them to apply for cash grants from charitable funds to meet their emergency needs. In addition, the Administration was providing 635 shelter/hostel places as temporary accommodation for street sleepers. To further improve the service, she said that the Administration would provide 120 additional hostel places in Sheung Wan, Hunghom and Shamshuipo.

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33. The Chairman pointed out that in many cases, applicants for cash grants to meet their emergency needs had been rejected by SWD staff. She requested the Administration to review its operation of the mechanism and stressed that it must be avoided that people in need became street sleepers due to failure to obtain emergency relief funds from SWD. Mr Fred LI Wah-ming criticized that the Administration's paper failed to respond to the points raised in the submission of SOCO and the SWD survey lacked substance. He requested the Administration to provide the following information

- (a) the number of approved applications for the special grant for rental deposit and the number of rejected cases since June 1999; and
- (b) the number of cases that the Administration had succeeded in helping the street sleepers to find work.

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34. Chief Social Security Officer (CSSO) of SWD explained that instructions had already been given to front-line staff to exercise flexibility in considering applications for the special grant for rental deposit. He undertook to provide the number of such cases. Assistant Commissioner for Labour (Employment Services) said that the Labour Department (LD) did not have information on the number of street sleepers who had been assisted by LD to find employment. He agreed to start compiling data on such cases and to provide the information to members about three months later. He informed members that a task group comprising representative from HKCSS and LD would be set up soon to explore ways to assist street sleepers to find employment. PASHW(W)3 added that SWD would advance its next survey on street sleepers, originally scheduled for November 2000, to this winter. In this connection, Mr Fred LI Wah-ming requested SWD to refer to the SOCO report in planning its survey and to improve the survey method in order to better understand and meet the specific needs of street sleepers.

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35. In response to members' concerns about the provision of the special grant for rental deposit under the CSSA scheme, CSSO said SWD had agreed that initially those who had participated in the "Support for Self-reliance" scheme to seek employment and had genuine need would be granted the allowance. However, members were dissatisfied with the reply and considered that the Administration should resume the provision of this allowance in order to help the street sleepers to find jobs and stop street sleeping. They disagreed that it should be granted only at the discretion of SWD officers. PASHW(W)3 agreed to consider members' request and revert later.

36. Members unanimously supported that rental deposit should be provided to able-bodied CSSA recipients who had difficulties in paying such deposit when moving to new accommodation and urged the Administration to reinstate the allowance. The Chairman requested the Administration to consider the views of members. She suggested that the Panel should further discuss this subject on receipt of the report of the next survey done by SWD.

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37. Members agreed to conduct a visit to temporary shelters/hostels for street sleepers and to invite the Secretary for Health and Welfare to join the visit.
38. The meeting ended at 1:10 pm.

Legislative Council Secretariat  
5 April 2000