

ITEM FOR FINANCE COMMITTEE

HEAD 170 – SOCIAL WELFARE DEPARTMENT

Subhead 700 General non-recurrent

New Item “Home Environment Improvement Scheme for the Elderly”

Members are invited to approve a new commitment of \$200 million for implementing a Home Environment Improvement Scheme for the Elderly.

PROBLEM

Owing to lack of family support and financial means to maintain the home conditions, some elders are living in dilapidated homes with poor fittings. The situation will not only affect the quality of elders' life, but may also pose safety risks to them.

PROPOSAL

2. The Director of Social Welfare, with the support of the Secretary for Labour and Welfare, proposes to create a new commitment of \$200 million to implement the Home Environment Improvement Scheme for the Elderly (the Scheme) for five years to assist needy elders to improve their home environment.

JUSTIFICATION

3. In our community, family members play a major role in taking care of the elders. However, elders without family support and having little or no income at all often fail to maintain their home environment in a timely manner due to lack of financial means, rendering their homes dilapidated. Elders living in dilapidated homes can hardly have quality of life and may even face domestic safety problems. To this end, we recognise the need for the Government to provide some form of assistance to needy elders and propose to implement a new Scheme with a view to improving their living environment.

4. From a wider perspective, we hope that the implementation of the proposed Scheme will encourage Hong Kong people to care more about the elders in need, enabling the culture of caring for the elders to take firm root in the community.

Details of the Scheme

General Considerations

5. In designing the Scheme, we have taken into account the following factors –

- (a) the application procedures should be as user-friendly as possible to facilitate applications by needy elders; and
- (b) while safeguards will be put in place to ensure prudent use of public funds, there is a need to keep the administration of the Scheme simple so as to ensure efficient delivery of services and contain the administration cost of the Scheme at a low level.

Target Beneficiaries

6. The Scheme targets at elders without family support, who live in dilapidated homes with poor fittings and lack financial means to improve their home conditions. Eligible elders (aged 60 or above) need to fulfil the following criteria –

- (a) living alone/living with other elder(s);
- (b) living in an unfavourable environment which is posing safety risks/lacking essential fittings that are necessary to facilitate the elders' daily activities; and
- (c) having a household monthly income¹ at \$5,910 or below for an elder living alone, or \$9,740 or below for an elderly couple².

/Amount

¹ The income limits are also applicable to those eligible for Normal Old Age Allowance (NOAA). When there are adjustments to the income limits for NOAA in the future, the Scheme will follow such adjustments.

² For an elderly applicant living with elder(s) other than his or her spouse, the monthly income limit will be \$5,910 times the total number of elder(s) in that household.

Amount and Form of Subsidy

7. Under the Scheme, we propose that eligible elderly applicants be provided with minor home maintenance and improvement services as well as essential fittings. The amount of subsidy for each eligible elderly household (including administration cost involved) will be subject to a ceiling of \$5,000. We expect that not all eligible elderly households will fully utilise the subsidy and about 40 000 elderly households will benefit from the Scheme.

Scope of Home Maintenance Works and Fittings Covered

8. The delivery agencies (please see paragraph 9 below) will provide the necessary services to eligible elders based on a home environment assessment. The assessment will recommend the necessary home maintenance and improvement services, as well as essential fittings that best suit the elders' needs. Examples are applying non-slippery materials on the floor, installing grab bars in bathrooms, improving the lighting in bedrooms, and purchasing essential household items such as electric fans and heaters.

Administration and Monitoring

9. The Social Welfare Department (SWD) will engage all the 41 District Elderly Community Centres (DECCs) as the delivery agencies of the proposed Scheme. With their established networks in the respective catchment areas and their extensive experience in serving the elders, DECCs are well placed to identify needy elders in the community. DECCs are also well known to elders, thus facilitating easy access to the Scheme by potential elderly applicants.

10. The participating DECCs will be tasked to identify needy elders in the respective catchment areas, and receive self-made applications and referrals for the Scheme. They will also assess the eligibility of the elders, and arrange for home environment assessments to be conducted in the homes of eligible elders to ascertain their specific needs under the scope of the Scheme. Based on the home assessment results, DECCs will purchase the essential fittings and arrange for the provision of the required home maintenance and improvement works.

11. The SWD will allocate the subsidy to DECCs on an annual basis. In the first year of implementation, the allocation will be made on the basis of the elderly population in the catchment areas of respective DECCs. The subsidy allocation will be reviewed in subsequent years according to the actual spending of respective DECCs under the Scheme. Noting that there are community organisations and social enterprises in the community which are providing home modification, renovation and repair works for elders, we will encourage DECCs to engage them in delivering the services under the Scheme.

12. The performance of the participating DECCs will be bound by their service agreements with the SWD. Amongst other monitoring measures, they would be required to submit regular financial reports to the SWD, and keep all financial records for audit checking. In addition, the SWD will conduct regular and ad hoc checking of such records to ensure that DECCs will follow the established procurement procedures for subvented organisations in the selection of service suppliers and purchase of goods and services, and that all the approved applications under the Scheme can meet the eligibility criteria as set out in paragraph 6 above.

Implementation

13. Subject to Members' approval of the funding proposal, we plan to launch the Scheme in June 2008.

FINANCIAL IMPLICATIONS

14. We propose to earmark non-recurrent funding of \$200 million for implementing the Scheme in the coming five years. As foreshadowed in paragraph 10, DECCs, as the delivery agencies of the Scheme, will be responsible for processing the applications under the Scheme, conducting home assessments, arranging for improvement works and/or purchasing essential items. Since this is a new initiative, the additional workload arising from the Scheme cannot be absorbed by the existing manpower of the participating DECCs. After considering the additional workload to be taken up by DECCs and the need to ensure that the majority of the funding will be used to benefit the elders in need, we will set aside 10% of the approved funding as the administration cost for DECCs to implement the Scheme. The cost breakdown of the proposed Scheme is as follows –

| Item | \$ million |
|--|-------------------|
| (a) Subsidy for eligible applicants | 180 |
| (b) Administration costs for participating DECCs | 20 |
| | Total |
| | 200 |

15. The estimated cash flow is as follows –

| Financial Year | \$ million |
|-----------------------|-------------------|
| 2008-09 | 40 |
| 2009-10 | 40 |
| 2010-11 | 40 |
| 2011-12 | 40 |
| 2012-13 | 40 |
| Total | 200 |

If Members approve the proposal, we will offset the supplementary provision required for implementing the Scheme in 2008-09 by deleting an equivalent amount under Head 106 Miscellaneous Services Subhead 789 Additional commitments. We will include sufficient funds in the Estimates of the subsequent financial years for meeting the cash flow required. We are planning on the basis that the Scheme will be run for five years until mid-2013. If there are unspent provisions after the five-year period, we may continue to operate the Scheme beyond mid-2013 based on the prevailing circumstances (including the demand for the services under the Scheme).

16. The additional workload arising from the implementation of the Scheme will be met by the SWD through internal redeployment.

PUBLIC CONSULTATION

17. We have shared with representatives from all DECCs on the proposed features of the Scheme. All of them indicated interest in participating in the Scheme as delivery agencies. A working group with representatives from DECCs and the SWD has been formed to work out the implementation details.

18. We consulted the Elderly Commission and Legislative Council Panel on Welfare Services on 6 and 17 March 2008 respectively. Members in general welcomed the Scheme.

BACKGROUND

19. As one of the measures to facilitate elders to age in the community, the Chief Executive announced in his 2007-08 Policy Address that one-off funding of \$200 million would be earmarked to help the elders without family support improve their homes in the next five years. The Financial Secretary further announced in the 2008-09 Budget Speech that with the \$200 million earmarked, eligible elders will be provided with minor home maintenance and improvement services as well as necessary fittings according to their home environment, subject to a ceiling of \$5,000 for each household.

Labour and Welfare Bureau
May 2008