

## **ITEM FOR FINANCE COMMITTEE**

### **HEAD 170 – SOCIAL WELFARE DEPARTMENT**

#### **Subhead 700 General non-recurrent**

#### **New Item “Short-term food assistance”**

Members are invited to approve a new commitment of \$100 million for providing short-term food assistance for individuals and families in need.

### **PROBLEM**

There are calls from the community for the Government to provide food assistance for individuals and families who have difficulties in coping with daily food expenditure.

### **PROPOSAL**

2. The Director of Social Welfare, with the support of the Secretary for Labour and Welfare, proposes to create a new commitment of \$100 million to provide short-term food assistance for individuals and families in need through launching five service projects covering the entire territory.

### **JUSTIFICATION**

3. The Government sees the need to put in place short-term food assistance to help those who have difficulties in coping with daily food expenditure. The Chief Executive (CE) announced in July 2008 that \$100 million would be earmarked for the Social Welfare Department (SWD) to work with non-governmental organisations (NGOs) to offer additional food assistance.

4. Following the above announcement, while formulating details of the short-term food assistance initiative through consultation with stakeholders, SWD allocated in August 2008, through redeployment of internal resources, \$1.2 million to strengthen short-term food assistance currently provided by two NGOs. In November 2008, SWD made available another \$1.2 million to the two NGOs to meet the surging demand for food assistance services.

5. Having considered the views collected from stakeholders (including the Hong Kong Council of Social Service (HKCSS) and relevant NGOs with some currently providing short-term food assistance services) on the service coverage, target service users and other operational details of the food assistance initiative, we propose to launch five service projects to provide immediate and direct food assistance for individuals and families in need throughout the territory. We propose to reach out to our target service users through five region-based service projects after due consideration of various factors, including the need to maximise the utilisation of resources for the direct benefits of service users by keeping administrative cost at a minimum yet reasonable level; the need to facilitate effective management and delivery of the services; the possibility for achieving economy of scale in bulk purchase of food and other items; as well as the need to establish efficient partnership and network for identification of those in need and prompt distribution of in-kind assistance. Details of the proposed service projects are set out in the following paragraphs.

### **Details of the service projects**

#### *Service coverage*

6. The five service projects proposed will cover the whole territory with each serving one of the following areas –

- (a) Tsuen Wan, Kwai Tsing, Hong Kong Island and other Islands (including Tung Chung);
- (b) Sham Shui Po, Kowloon City and Yau Tsim Mong;
- (c) Kwun Tong, Wong Tai Sin and Sai Kung;
- (d) Shatin, Tai Po and North; and
- (e) Tuen Mun and Yuen Long.

*/Target .....*

*Target service users*

7. The target service users are those defined in paragraph 2 above, and can be broadly categorised into the following two groups –

- (a) individuals or families who have proven difficulties in coping with daily food expenditure, including those among the unemployed, low-income earners, new arrivals and street sleepers, as well as individuals or families encountering sudden changes and facing immediate financial hardship, etc.; and
- (b) individuals or families who have not benefited from any of the relief measures announced by the Government earlier this year<sup>1</sup>.

*Scope of services*

8. Each service project is expected to benefit at least 10 000 persons. In other words, a minimum of 50 000 persons are expected to benefit from this proposal. Each service user will receive food assistance, mainly in the form of dry rations, for a maximum of six weeks. Service users whose needs cannot be met fully by dry rations may be provided with appropriate fresh/frozen food, hot meals, hot meal coupons, baby food, baby formula, etc. Subject to review of individual case merits, provision of short-term food assistance beyond the six-week period may be considered and allowed on an exceptional basis. In exceptional circumstances where the operating NGOs have difficulties in meeting the special needs of the service users for specific types of food not stocked by the NGOs, food coupons will be issued.

**Administration and monitoring**

9. SWD will select suitable NGOs currently providing welfare services according to established procedures to operate the short-term food assistance service projects. The operating NGOs will be responsible for assessing the eligibility and needs of target service users as well as the level and type of assistance to be provided, so as to ensure that the assistance rendered will be proper and adequate to meet the basic needs of service users. If individual service users have long-term welfare needs and require services other than short-term food assistance, the operating NGOs will refer them to other service units for appropriate welfare services.

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<sup>1</sup> These include mainly the relief measures announced by CE on 16 July 2008 at the Question and Answer Session at the Legislative Council and by the Financial Secretary on 27 February 2008 in the 2008-09 Budget.

10. In line with the Government's continuing effort in promoting tripartite collaboration among the community, the business sector and the Government, the operating NGOs will be required to promote and develop partnership with local communities and corporations in operating the service projects as far as possible. The operating NGOs should also put in place effective measures to publicise the projects among target service users, and encourage community groups/district networks to proactively identify and refer target service users to them for assistance. The operating NGOs should, in collaboration with the Government and other district organisations, proactively get in touch with individuals or families who have not benefited from the relief measures announced by the Government over the past year and publicise the food assistance initiative among this group, especially tenants of bedspace apartments, cubicle apartments, rooftop structures and squatter areas.

11. As a control and monitoring measure, the operating NGOs will be required to submit monthly statistics on performance indicators and service utilisation as well as annual audited income and expenditure statement. SWD will also conduct regular and surprise visits to individual operating NGOs to ensure that the food assistance services are delivered at a reasonable and satisfactory level in accordance with the service agreement signed with NGOs.

### **Implementation**

12. Subject to Members' funding approval, we plan to launch the short-term food assistance service projects in early 2009.

### **FINANCIAL IMPLICATIONS**

13. We have earmarked non-recurrent funding of \$100 million for launching the five service projects to provide short-term food assistance for individuals and families in need. Out of this \$100 million, if required by individual operating NGOs, a one-off setting-up provision of no more than \$2.5 million for each project will be provided to cover expenses for fitting out premises, purchasing food storage/processing equipment as well as minor furniture and equipment items, etc. We propose that initially, a total of \$60 million will be allocated to meet the operational expenses of the service projects (i.e. \$12 million for each project), including expenses for purchasing, delivering and storing food and supporting the daily administration of the projects. The amount will be allocated to the operating NGOs by instalments. The remaining \$27.5 million will be reserved for meeting service demands in excess of the provisions allocated to NGOs in the first round.

14. The estimated cash flow is as follows –

| <b>Financial Year</b> | <b>\$ million</b> |
|-----------------------|-------------------|
| 2008-09               | 18.5              |
| 2009-10               | 27.0              |
| 2010-11               | 27.0              |
| 2011-12               | 27.5              |
| <b>Total</b>          | <b>100.0</b>      |

The actual cash flow will depend on service demand which cannot be ascertained with precision at the present stage. We will provide supplementary provision required for implementing the service projects in 2008-09 and include sufficient funds in the Estimates of the subsequent financial years for meeting the cash flow required. If there are unspent provisions after 2011-12, we may continue to operate the service projects based on the prevailing circumstances, including the demand for short-term food assistance under the projects.

15. The additional workload arising from the implementation of the short-term food assistance service projects will be met by SWD through internal deployment.

## **PUBLIC CONSULTATION**

16. We consulted relevant stakeholders (including HKCSS and relevant NGOs with some currently providing short-term food assistance) on the proposed implementation details of the short-term food assistance service projects. Their views have been incorporated into the above proposals as appropriate.

17. We briefed the Legislative Council Panel on Welfare Services on the proposal on 10 November 2008. Members in general supported the proposal.

**/BACKGROUND .....**

**BACKGROUND**

18. Apart from launching five service projects as proposed above, the Government will continue to support other NGOs in operating short-term food assistance services. For example, SWD will provide assistance as appropriate when these organisations apply for premises managed by the Housing Department at concessionary rent for operating food assistance services. Relevant organisations may also apply to SWD for rent and rate subsidy on condition that they meet the eligibility criteria and pass the financial and service assessment. In addition, the Partnership Fund for the Disadvantaged<sup>2</sup> may provide funding support for NGOs running such services in partnership with the business sector. SWD will also refer donors of food and other daily necessities to relevant NGOs.

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Labour and Welfare Bureau  
November 2008

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<sup>2</sup> With the funding approval of the Finance Committee (FCR(2004-05)34), we set up a \$200 million Partnership Fund for the Disadvantaged for promoting the development of a tripartite social partnership comprising the Government, the business community and the welfare sector in helping the disadvantaged. The Fund is disbursed in the form of a matching grant to incentivise the welfare sector to seek corporate participation in organising projects for the direct benefit of the disadvantaged.