

For discussion
on 9 December 2011

Legislative Council Panel on Home Affairs

Community Care Fund

Purpose

This paper briefs Members on the work progress of the Community Care Fund (CCF) and seeks Members' views on assistance programmes under the CCF.

Background

2. The Chief Executive announced in his 2010-11 Policy Address the establishment of the CCF 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. The CCF can also take forward measures on a pilot basis to help the Government identify those that can be considered for incorporation into the regular assistance and service programmes.

3. The CCF is a trust fund established under the Secretary for Home Affairs Incorporation Ordinance (Cap. 1044) with the Secretary for Home Affairs Incorporated (SHAI) as its trustee. The Chief Executive has appointed the Steering Committee on the CCF (the Steering Committee) to oversee and co-ordinate the work of the CCF. The Steering Committee comprises 20 non-official members drawn from various sectors of the community including the business, welfare, education, health, labour, political and the district sectors, as well as four official members. An Executive Committee and four Sub-committees (Education, Home Affairs, Medical and Welfare) have been set up under the Steering Committee to support the operation of the CCF. The Home Affairs Bureau set up a secretariat to coordinate cross-bureaux efforts to support the Steering Committee in mapping out and implementing assistance programmes.

4. The Finance Committee (FC) of the Legislative Council (LegCo) approved the injection of \$5 billion into the CCF in May this year.

Financial Position of the CCF

5. Apart from the Government's injection of \$5 billion into the CCF, bank accounts have been opened to accept donations from the community. The amount of donations pledged is about \$1.8 billion, some of which will be made by yearly instalments over three years. The actual amount of donations received so far is around \$680 million. The current priority of the CCF is to implement various assistance programmes to benefit more people. As the programmes are launched in phases, we will demonstrate its concrete accomplishments to the community, seek recognition for its work, enlist support for its development and continue to accept donations from various sectors.

6. The Executive Committee is responsible for formulating the investment strategy of the CCF and will review from time to time the investment portfolio of the CCF having regard to the cashflow requirements and consult the Steering Committee as appropriate. At the inception of the CCF, the Steering Committee has decided that the implementation of the assistance programmes and other cashflow requirements will be mainly funded by investment return and interest income, but the seed capital can also be used in a financially prudent manner in response to needs.

7. A deposit of \$5 billion has been placed with the Hong Kong Monetary Authority (HKMA) to earn an investment return that is linked to the performance of the Hong Kong Exchange Fund (HKEF). The rate of return on the investments for the placement with the HKMA is calculated on the basis of the average annual investment return of the HKEF's investment portfolio for the past six years, which is 6% for 2011. The remaining amount of the CCF has been deposited with banks to earn interest income.

8. The Steering Committee will continue to review the financial position of the CCF in the light of practical experience. With a view to

launching various assistance programmes as soon as possible to help more needy people, the CCF has disbursed around \$110 million to implementing agencies as at end November 2011.

Use of the CCF

Assistance Programmes Launched

9. Since the establishment of the CCF, the Steering Committee has launched 12 assistance programmes covering the education, home affairs, medical and welfare areas for target beneficiary groups including children, the elderly, the disabled, patients, new arrivals and ethnic minorities. These programmes are expected to benefit more than 300 000 people/households at an estimated full-year expenditure of around \$760 million. As at end November 2011, eight of them have been rolled out by the CCF. Implementation progress of various assistance programmes are set out at the Annex.

10. Moreover, the FC of LegCo approved in July this year an additional injection of \$1.5 billion into the CCF for implementing the programme to provide a one-off allowance of \$6,000 to new arrivals from low-income families who have entered Hong Kong for settlement to facilitate their integration and adaptation into the community. The application period for the programme commenced on 3 October this year. As at end November 2011, around 120 000 applications have been received and allowance has been disbursed to over 29 700 eligible applicants.

Programmes under Deliberation

11. Apart from the above assistance programmes which have already been launched, the relevant Sub-committees are deliberating on the following proposed programmes:

- (1) Enhancing after-school child care service to support low-income families with both parents employed**

The Steering Committee has reserved \$40 million for

implementing this programme. In September and November this year, the Education Sub-committee invited representatives of schools, non-government organisations (NGOs), education councils and teachers' associations to attend focus group meetings for gauging their views and exploring the feasibility of the programme. The programme will be run on a pilot basis, which aims to forge a partnership between schools and NGOs on the provision of after-school child care service for primary one to secondary three students from low-income families. The proposed service should build on, and integrate with the existing after-school learning and support programmes funded by Government and other sources. It should also enable the students in need to continue to join the existing extra-curricular activities held by schools or other organisations, while using their time constructively for study before they return home for dinner, so that the pressure of their working parents can be relieved.

(2) Providing financial assistance on dental services (including dentures) for the elderly

The Steering Committee has reserved \$100 million for implementing this programme. The Medical Sub-committee has set up a task force to deliberate on the programme and invited relevant NGOs to attend a focus group meeting in October 2011 for gauging their views. The Medical Sub-committee initially proposed that needy elderly aged 60 or above who are receiving "Integrated Home Care Services" or "Enhanced Home and Community Care Services" as subvented by the Social Welfare Department (SWD) but are not recipients of Comprehensive Social Security Assistance (CSSA), will be referred by NGOs to participating dentists for denture service. The Hong Kong Dental Association will provide clear and specific guidelines on dentures to facilitate preliminary assessment on the elderly by frontline staff of NGOs for making referral.

(3) Subsidy for low-income elderly tenants in private housing

Having regard to the recent rising trend of inflation and private housing rentals, and that various one-off or short-term relief measures introduced by the Government in the past few years might not benefit non-CSSA low-income elderly tenants in private housing, the Welfare Sub-committee has proposed to provide these elderly tenants a one-off allowance to relieve their pressure in view of the rising inflation and cyclical rental increase.

12. Apart from views collected at focus group meetings held on specific issues and those received from time to time from various sectors, the CCF started a new round of public consultation from end November this year to gauge public views on the work of the CCF (including target beneficiaries and assistance programmes). Taking into account actual experience gained and views collected from the public and stakeholders, the Steering Committee and its sub-committees will consider other programme proposals to provide assistance to the underprivileged and low-income families.

Audit and Evaluation

13. 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 LegCo annually. In addition, the registers of interests of members of the committees under the CCF, the summary of discussion of meetings and information about the CCF and its programmes have been uploaded to the CCF website.

14. The formulation of long-term social security measures requires detailed and prudent deliberation. Through taking forward measures on a pilot basis by the CCF, the Government could make reference to the practical experience gained in drawing up policies and measures.

15. As the CCF programmes are rolled out in phases, the Steering Committee will, on the advice of the Executive Committee and the Sub-committees, continue to monitor the implementation of the assistance programmes. Government departments and other organisations entrusted to implement the programmes will be required to submit periodic progress and financial reports to the relevant Sub-committee under the CCF for review of the programmes on a continual basis. The Government will, taking into account the effectiveness of the programmes and the advice of the Steering Committee, consider whether and how a relevant programme should be incorporated into the Government's regular assistance and service, and will conduct a more systematic evaluation of the long-term effectiveness of the CCF in due course. The CCF will also commission an independent consultant (e.g. an academic institution) to advise on the evaluation of assistance programmes, which will help the Government consider which programmes should be regularised in future.

Advice Sought

16. Members are invited to note the progress of the CCF and provide views.

Home Affairs Bureau
December 2011

**Implementation Progress of Assistance Programmes
(as at end November 2011)**

Assistance Programme	Estimated Full-year Expenditure (including administrative cost) [estimated number of beneficiaries]	Progress
(1) Setting up the School-based Fund (Cross-boundary Learning Activities) to subsidise primary and secondary school students from low-income families to participate in learning activities outside Hong Kong (a three-year programme)	<ul style="list-style-type: none"> • \$165.9 million [around 240 000 students] 	<ul style="list-style-type: none"> • Rolled out in June 2011. • As at end November 2011, 811 government, aided (including special schools), caput and direct subsidy scheme schools have applied for the programme in its first year of implementation, including 408 secondary schools (89%), 363 primary schools (75%) and 40 special schools (67%). Together, they account for over 80% of such schools in Hong Kong.
(2) Subsidy for patients of Hospital Authority (HA) for specified self-financed cancer drugs which have not yet been brought into the Samaritan Fund (SF) safety net but have been rapidly accumulating medical scientific evidence and with relatively higher efficacy	<ul style="list-style-type: none"> • Around \$68.4 million for the first year¹ [around 1 000 patients] 	<ul style="list-style-type: none"> • Rolled out in August 2011. • HA patients who are in need can apply for subsidy to use six specified self-financed cancer drugs that have not yet been brought into the SF safety net for seven specific cancer diseases. As at end November, HA has approved more than 110 applications with subsidy amounting to around \$10 million. The average subsidy of each application is around \$90,000.

¹ Moreover, together with those of Item (11) below, the administrative expenses are \$3.75 million in total.

Assistance Programme	Estimated Full-year Expenditure (including administrative cost) [estimated number of beneficiaries]	Progress
(3) Subsidy to meet lunch expenses at schools for students from low-income families (for one school year)	<ul style="list-style-type: none"> ● \$192.78 million [around 54 000 students as at end October 2011] 	<ul style="list-style-type: none"> ● Rolled out in September 2011. ● As at end November, a total of 500 full-time government, aided and direct subsidy scheme primary schools (96%) have participated in the programme.
(4) Financial assistance for ethnic minorities and new arrivals from the Mainland for taking language-related international public examinations (a two-year programme)	<ul style="list-style-type: none"> ● \$1.26 million [around 3 000 applications] 	<ul style="list-style-type: none"> ● Rolled out in September 2011. ● A briefing session was held in end September to introduce the programme to more than 30 related organisations (including examination authorities, Support Service Centres for Ethnic Minorities and related NGOs). The past two months were non-peak examination season, and thus the Home Affairs Department and the implementation agency have mainly focused on promotion work. The programme has been publicised at the radio programmes targeting ethnic minorities and new arrivals, and through the relevant government departments, NGOs and district offices, etc.

Assistance Programme	Estimated Full-year Expenditure (including administrative cost) [estimated number of beneficiaries]	Progress
(5) Subsidy for persons with severe disabilities aged below 60 from low-income families who are non-CSSA recipients, and require constant attendance and live in the community(a one-year programme)	<ul style="list-style-type: none"> ● \$94.38 million [not more than 3 800 people] 	<ul style="list-style-type: none"> ● Rolled out in September 2011, with the application period ended on 30 November. SWD received a total of around 1 380 applications. ● Eligible applicants may receive a monthly subsidy of \$2,000, starting from December the earliest.
(6) Subsidy for CSSA recipients who are owners of Tenant Purchase Scheme flats for five years or above and not eligible for rent allowance under CSSA (a one-off subsidy programme)	<ul style="list-style-type: none"> ● \$2.73 million [about 1 300 households] 	<ul style="list-style-type: none"> ● Rolled out in September 2011, with the application period ended on 30 November. SWD received a total of around 830 applications. ● The first batch of eligible CSSA recipients received a one-off \$2,000 subsidy via their specified bank accounts in end November.

Assistance Programme	Estimated Full-year Expenditure (including administrative cost) [estimated number of beneficiaries]	Progress
(7) Subsidy for elders aged 65 or above from low-income families who are on the waiting list for Integrated Home Care Services (Ordinary Cases) to hire household cleaning service and escorting services for medical consultation (a one-year programme)	<ul style="list-style-type: none"> ● \$24.19 million [not more than 4000 persons] 	<ul style="list-style-type: none"> ● Rolled out in October 2011. ● As at end November, SWD received a total of around 410 applications. The first batch of eligible elders were arranged in end November to receive subsidised household cleaning service and escorting service for medical consultation provided by service providers as approved by SWD. Each elder may receive the subsidised services for not less than 12 months at a maximum monthly subsidy of \$480.
(8) Subsidy for CSSA recipients living in private housing paying rents that exceed the maximum rent allowance under CSSA (a one-off subsidy programme)	<ul style="list-style-type: none"> ● \$36.12 million [around 23 009 households] 	<ul style="list-style-type: none"> ● Rolled out in October 2011. ● No application is required under this programme as SWD identifies eligible CSSA households from the Computerised Social Security System. Upon verification of information by SWD, each eligible one-person and two-or-more-person households will be provided with a one-off subsidy of \$1,000 and \$2,000 respectively. Eligible households could receive the subsidy via their CSSA bank accounts in December the earliest.

Assistance Programme	Estimated Full-year Expenditure (including administrative cost) [estimated number of beneficiaries]	Progress
(9) Subsidy for children with special needs from low-income families who are on the waiting list for subvented pre-school rehabilitation services (a one-year programme)	<ul style="list-style-type: none"> ● \$128.82 million [not more than 4 200 people] 	<ul style="list-style-type: none"> ● To be rolled out in December 2011. ● SWD held a briefing for agencies interested in providing the services in October and invited the agencies to apply to be the approved service providers. ● In December, SWD will send letters to the parents or guardians of the children concerned, inviting them to apply for the subsidised services. Eligible children may receive the subsidised services for not more than 12 months at a maximum monthly subsidy of \$2,500 starting from January 2012 the earliest.

Assistance Programme	Estimated Full-year Expenditure (including administrative cost) [estimated number of beneficiaries]	Progress
(10) Relocation allowance for eligible residents of sub-divided units in industrial buildings who would have to move out as a result of the Buildings Department (BD)'s enforcement action	<ul style="list-style-type: none"> ● Around \$4.4 million [about 900 households] 	<ul style="list-style-type: none"> ● To be rolled out before the end of 2011. ● The allowance for single-person households, two-and-three-person households, and households with four or more members is \$2,100, \$4,600 and \$6,100 respectively. BD is drawing up the details of the programme in consultation with relevant departments, with a view to finalising the arrangements as soon as possible.
(11) Subsidy for needy patients who marginally fall outside the SF safety net for the use of SF subsidised drugs	<ul style="list-style-type: none"> ● Around \$9 million² for the first year [around a few hundred patients every year] 	<ul style="list-style-type: none"> ● To be launched in January 2012. ● HA submitted details of the programme to the CCF Medical Sub-committee on 29 November 2011 and the proposal was approved.

² Moreover, together with those of Item (2) above, the administrative expenses are \$3.75 million in total.

Assistance Programme	Estimated Full-year Expenditure (including administrative cost) [estimated number of beneficiaries]	Progress
(12) Subsidy for non-school-attending ethnic minorities and new arrivals from the Mainland to enroll in language courses	<ul style="list-style-type: none"> ● \$30 million [around 60 000 persons] 	<ul style="list-style-type: none"> ● To be rolled out in the first quarter of 2012. ● An allowance will be provided for non-school-attending ethnic minorities and new arrivals from the Mainland to enroll in language courses provided by Employees Retraining Board (ERB). The Home Affairs Department is working out the detailed arrangements of the programme in consultation with the ERB, and will conduct a tender exercise for commissioning implementation agencies.