

Community Care Fund
Fourth Launch of the “Subsidy for Comprehensive Social Security
Assistance Recipients Living in Rented Private Housing”
Evaluation Report

Background

The Community Care Fund (CCF) launched the “Subsidy for Comprehensive Social Security Assistance recipients living in rented private housing” programme (the Programme) for the fourth time to provide a one-off subsidy to Comprehensive Social Security Assistance (CSSA) households living in rented private housing and paying a monthly rent which exceeded the maximum rent allowance (MRA) under the CSSA Scheme, so as to relieve their financial burden arising from the periodic increase of rent.

Implementation of the Programme

2. Implementing the Programme in September 2015, the Social Welfare Department (SWD) also announced the details of the Programme and started a publicity campaign¹. The CSSA households concerned were not required to submit applications. Based on their previously reported rental information as recorded in the Computerised Social Security System (CSSS), eligible CSSA households were identified, following which eligible one-person households and two-or-more-person households were provided with a one-off subsidy of \$2,000 and \$4,000 respectively. As at 30 April 2016, a total subsidy of about \$44.86 million had been disbursed.

Evaluation

3. With reference to the experience gained from the evaluation of the Programme which had been implemented thrice previously and the methodology used for the evaluation of other CCF programmes, SWD commenced the evaluation on the effectiveness of the Programme in March 2016 and completed it in May 2016. The effectiveness of the Programme was analysed based on the number of households benefited, how the subsidy had been used by the beneficiaries, the beneficiaries’ views on the Programme,

¹ The publicity campaign included issuing press releases, distributing programme leaflets via SWD’s District Social Welfare Offices and the Home Affairs Department’s District Offices, and uploading relevant information onto the SWD and the CCF websites.

enquiries and suggestions made by the public, etc. The data for the evaluation was collected from sources including the CSSS, questionnaire survey of the beneficiaries and enquiries made by the public.

Analysis of the Evaluation Results

(a) Statistical Data on the Beneficiaries

4. Based on the data in the CSSS, SWD verified the eligibility of 14 933 CSSA households which then received subsidy. The beneficiaries mostly comprised 7 438 (50%) one-person households, followed by 3 750 (25%) two-person households, 2 082 (14%) three-person households and 1 663 (11%) four-or-more-person households. As at 30 April 2016, the total disbursement was about \$44.86 million, including about \$14.88 million for one-person CSSA households and about \$29.98 million for two-or-more-person CSSA households.

(b) Beneficiaries Surveyed

5. SWD interviewed by telephone 150 randomly-selected CSSA households² which benefited under the Programme in order to find out how they had used the subsidy and what their views on the Programme were.

(i) Use of Subsidy

6. The majority of the respondents (81%) mainly used the subsidy for rental expenses, while the remaining subsidy was spent on essential daily living expenses, removal, miscellaneous items, medical expenses, savings and reserve.

(ii) Views on the Programme

7. All respondents agreed that the Programme could relieve their burden of paying for housing expenses during the periodic increase of rent and were satisfied with the operational arrangement of the Programme. Most of the respondents (90%) had no other comments on the Programme. Suggestions from a small number of respondents who had other comments mainly included increasing the amount of subsidy (12 respondents) and implementing the Programme on a yearly basis (3 respondents).

² The survey was conducted with prior consent obtained from the 150 respondents.

(c) Public Enquiries and Suggestions

8. During the implementation of the Programme, SWD had set up an enquiry hotline to provide necessary support and information to the individuals concerned. As at 30 April 2016, SWD had received a total of 588 enquiries regarding the Programme, most of which concerning the arrangement for the disbursement of subsidy (41%), followed by acknowledgement of receipt of subsidy (33%) and the eligibility criteria (33%). There were also a small number of other general enquiries (5%)³. At the CCF public consultation held in February 2016, individual comments suggesting increasing the amount of subsidy and having more levels of subsidy amount according to the number of eligible CSSA household members for the Programme were raised.

Conclusion

(a) Programme Publicity

9. Since the CSSA households meeting the eligibility criteria were identified based on the data in CSSS, the beneficiaries were not required to submit applications. Nevertheless, SWD had launched a number of publicity initiatives which included issuing press releases, distributing programme leaflets via SWD's District Social Welfare Offices (including the Social Security Field Units which handle CSSA cases) and the Home Affairs Department's District Offices, and uploading relevant information to the SWD and CCF websites to allow eligible persons to know more about the Programme arrangements. At the same time, those who met the eligibility criteria but had previously failed to duly report to SWD change(s) on housing information could become aware of the Programme and report the change(s) timely so as to receive the subsidy. Furthermore, in line with the above publicity initiatives, SWD had also set up an enquiry hotline under the Programme to provide immediate support and detailed information for the individuals concerned. Therefore, the publicity efforts and the information released for the Programme were considered adequate on the whole.

(b) Operational Arrangements

³ An individual person making enquiries might express more than one view/enquiry, and each view/enquiry would be categorised and counted. As the percentage for various enquiry items was calculated based on the overall number of persons making enquiries (i.e. 588), total percentages may not add up to 100%.

10. Apart from those views which had no direct relationship with the operational arrangements (such as increasing the amount of subsidy and implementing the Programme yearly), all the surveyed beneficiaries were satisfied with the operational arrangements of the Programme. Regarding the enquiry hotline specially set up for the Programme, the number of enquiries received (588) accounted for only a very small proportion of the total of nearly 15 000 CSSA households benefited. This showed that the operational arrangements of the Programme were smooth.

(c) Amount of Subsidy

11. In considering the amount of subsidy for the Programme, while the actual need of the beneficiaries should be taken care of, regard should also be given on the possible implication of pushing up the rent for private housing. To ensure the proper use of public money, a balance between these two aspects should therefore be prudently and properly struck when deciding the level of subsidy. Hence, a one-off subsidy in two levels, i.e. \$2,000 for one-person households and \$4,000 for two-or-more-person households leading to an average monthly subsidy of nearly \$200 or less than \$350, had brought about relatively low pressure in pushing up the rent for private housing while relieving the financial burden of the CSSA households concerned at the same time. As can be seen from the survey data, the vast majority of the beneficiaries surveyed agreed that the Programme could relieve their burden on housing expenses. This showed that both the amount of subsidy and the arrangement of two levels of subsidy were appropriate.

(d) Overall Effectiveness

12. As can be seen from the survey data, the surveyed beneficiaries used the subsidy mainly to cover essential expenses such as rent and daily necessities. The vast majority of them were satisfied with the operational arrangements of the Programme and agreed that the Programme could relieve their burden on housing expense. This reflected that the Programme has achieved its objective of relieving the financial burden on the beneficiaries arising from the periodic increase of rent.

13. The MRA under the CSSA Scheme is adjusted annually in accordance with the established mechanism having regard to the movement of

rent index for private housing⁴ under the Consumer Price Index (A) for CSSA households to meet the necessary rental expenses. Under the mechanism, the MRA from 2012 to 2016 was adjusted upwards yearly by 5.7%, 7.8%, 6.5%, 6.7% and 5.8% respectively (with a cumulative increase of up to 37%). Along with this, the number of CSSA households benefited from the Programme due to their rents exceeding the MRA dropped from about 22 610 during the first launch of the Programme in 2011 to about 17 770 during its re-launch in 2013, and dipped further to about 14 990 and 14 933 during its third launch in 2014 and fourth launch in 2015 respectively. It could be seen that adjusting the MRA in accordance with the existing mechanism had effectively reflected the relevant rental changes, and the launch of the Programme could relieve the financial burden on CSSA households living in rented private housing at a time when there was a periodic increase of rent. Being a one-off subsidy in an appropriate amount, the Programme had thus avoided triggering the increase of rent for private housing at the same time. Nevertheless, if the rent allowance is adjusted according to the actual rent paid by CSSA households living in rented private housing, it may induce an increase in rent for private housing when the housing supply is tight, thus increasing the burden on low income non-CSSA households.

14. The rent levels of private housing are closely linked to housing supply. In the long term, the Government will continue to increase the supply of public housing to fulfill the housing needs of those who cannot afford rented private housing. For individuals who have pressing housing needs, the social workers from the Integrated Family Service Centres of SWD or subvented non-governmental organisations would provide them with appropriate assistance on a case-by-case basis, which could include short-term financial assistance to meet rental and removal expenses, arrangement for admission to urban hostels for single persons, and/or recommendation for allocation of public rental housing flats under the “Compassionate Rehousing Scheme”.

15. The above measures have been taken having regard to the housing needs of the CSSA households in various aspects. SWD will continue to adjust the MRA in accordance with the existing mechanism so as to reflect relevant rental changes. At a time when there is a periodic increase of rent, implementing the Programme can serve as a buffer, while triggering the

⁴ The index, compiled by the Census and Statistics Department on a monthly basis, measures the rental movements of private housing among non-CSSA households with relatively low expenditure and serves as the basis for adjusting the MRA.

increase of rent for private housing would be avoided as far as possible. Therefore, it is not necessary to implement the Programme on a long-term basis or incorporate the Programme into the Government's regular assistance programmes. As some recent figures⁵ have indicated, the movement of rent for private housing has been relatively steady and there are signs that the range of periodic rental increases have decreased gradually. Nevertheless, CSSA households living in rented private housing are still facing the burden of periodic increase of rent and therefore still in need of assistance at present. It is therefore recommended that the Programme be extended in order to relieve their financial burden.

Social Welfare Department
June 2016

⁵ According to the Monthly Report on the Consumer Price Index published by the Census and Statistics Department, the range of month-to-month increase of private housing rent index under the Consumer Price Index (A) dropped from 0.4% to 0.2% during the period from January to March 2016.