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Panel on Home Affairs

Updated background brief prepared by the Legislative Council Secretariat for the meeting on 22 January 2018

Community Care Fund

Purpose

This paper summarizes the past discussions held by the former Subcommittee on Poverty¹ ("the Subcommittee") of the Fifth Legislative Council ("LegCo") and the Panel on Home Affairs ("the Panel") on Community Care Fund ("CCF").

Background

2. In the 2010-2011 Policy Address, the Chief Executive ("CE") announced the establishment of CCF to which the Government and the business sector would each contribute \$5 billion. CCF has been established since early 2011 as a trust fund under the Secretary for Home Affairs Incorporation Ordinance (Cap. 1044) with the Secretary for Home Affairs Incorporated as its trustee. The funding proposal of \$5 billion for injection into CCF was approved by the Finance Committee ("FC") in May 2011.² CCF aims at providing assistance for people facing financial difficulties, particularly those who fall outside the safety net, i.e. the Comprehensive Social Security Assistance ("CSSA") Scheme, or those within but are not covered by the safety net because of special circumstances. CCF may also implement measures on a pilot basis to help the Administration identify those measures that can be considered for incorporation into the Government's regular assistance and service programmes.

3. In November 2010, CE appointed the Steering Committee on CCF, which was chaired by the Chief Secretary for Administration, to oversee and co-ordinate the work of CCF. Following the re-establishment of the Commission on Poverty ("CoP") by the Government in December 2012, CCF has been integrated into the

¹ The Subcommittee on Poverty was appointed by the House Committee in October 2012 to study relevant policies and measures for easing the disparity between the rich and the poor as well as alleviating poverty, follow up the work of the Commission on Poverty and make timely recommendations. The Subcommittee completed work in May 2016.

² An additional injection of \$1.5 billion was approved by FC in July 2011 to implement a programme to provide a one-off allowance of \$6,000 for new arrivals ("New Arrival Programme").

work of CoP since 2013. The CCF Task Force, set up under CoP, is responsible for advising CoP on the CCF's various arrangements and the formulation of assistance programmes. It also co-ordinates and oversees the implementation of assistance programmes as well as reviews their effectiveness. To strengthen the poverty alleviation efforts of CCF, the Administration's funding proposal of an additional injection of \$15 billion into CCF was approved by FC in June 2013.

4. The Administration has undertaken to consult relevant Panels or the Subcommittee prior to launching any brand-new pilot CCF programmes with an estimated funding provision of over \$100 million. Since May 2013, the Administration/CCF Task Force have reported regularly to the Subcommittee on the financial position of CCF and the implementation progress of its programmes about every six months, and provided regularly evaluation reports of the assistance programmes.

5. After the Subcommittee completed work in May 2016, the Administration reports the work progress of CCF to the Panel. When the Panel was last briefed by the Administration on 26 June 2017, members noted that CCF had launched 44 assistance programmes, which involved a total commitment of more than \$8.3 billion and benefitted about 1.53 million person-times. Furthermore, 11 of these programmes had been regularized, involving an annual recurrent expenditure of about \$700 million. As at the end of May 2017, the balance of CCF stood at about \$19.7 billion.

Members' deliberations

Donations for and operation of CCF

6. Noting that as at December 2014, the pledged donations of about \$1.8 billion from the community had been received in full, some members asked whether CCF had any plan to appeal for new donations from the business sector. The Administration advised that as CCF was not set up on a matching basis, the Administration had no plan to appeal for new donations for CCF from the business sector but always welcomed the support of the community through donations.

7. At the Panel meeting of 26 June 2017, some members raised concerns about the relatively small amount of donation received by CCF in recent years, and urged CCF to step up efforts in appealing for new donations. Some members also expressed concern as to whether the number of assistance programmes launched by CCF would be affected by its balance. The Administration explained that as some of the large amount of pledged donations were made by yearly instalments in the first few years after the establishment of CCF, the amount of donations was considerably larger in those few years. Besides, there was not a direct relationship between the balance of CCF and the

number of new programmes launched each year. With its current balance of around \$20 billion, CCF had focused on identifying new worthy programmes to provide assistance to needy people. Having said that, CCF would seek the views of the members of the CCF Task Force on the necessity to step up its publicity work in appealing for new donations.

8. Some members expressed concern that the application procedures for CCF programmes might be cumbersome and costly, and suggested that a cap be set on CCF's administrative expenses. They also urged the Administration to keep the operation of CCF transparent and accountable. The Administration advised that CCF programmes would provide swift and direct assistance for target beneficiaries through the Government's existing service network where possible to minimize administrative costs. The target was to limit the average administrative expenses of CCF to within 5% of its total disbursements on a long-term basis. To enhance the transparency of CCF, the statement of accounts of CCF audited by the Director of Audit would be incorporated into the financial report of the Secretary for Home Affairs Incorporated for tabling at the Council annually. Besides, the register of interests of CCF members, the financial position of CCF, the summary of discussion of CCF meetings and information about its assistance programmes, etc. were uploaded onto the CCF website.

Abolition of One-off Living Subsidy for Low-income Households not Living in Public Housing and not Receiving CSSA Programme

9. A number of members expressed dissatisfaction with the decision of CCF not to re-launch the One-off Living Subsidy for Low-income Households not Living in Public Housing and not Receiving CSSA Programme ("the One-off Living Subsidy") for the fourth time in 2017. They expressed grave concern that in the face of high rental and hiking commodity prices, the "N have-nots" households encountered great hardship in livelihood. They urged the Administration to continue to disburse the One-off Living Subsidy or launch alternative assistance measures to relieve the financial burden of the "N have-nots", given that the rents of sub-divided units were rising incessantly and the waiting time for allocation of public rental housing ("PRH") still remained long. At the meeting on 21 December 2016, the Panel passed three motions urging the Administration to re-launch the One-off Living Subsidy. The Administration's response to the motions was issued vide LC Paper No. CB(2)1189/16-17(01).

10. The CCF Task Force explained that CCF was established to serve the functions of plugging gaps in the existing system and implementing pilot schemes. CCF launched the One-off Living Subsidy Programme in December 2013, January 2015 and January 2016 to provide a one-off cash subsidy for the "N have-nots" who could not benefit from the short-term relief measures introduced by the Budget released in the respective financial years. As fewer short-term

relief measures were announced in the 2016-2017 Budget (e.g. no longer paying rent for PRH tenants), there was insufficient justification for CCF to re-launch the One-off Living Subsidy Programme. Nevertheless, CCF undertook that it would continue to explore ways to provide appropriate assistance to the "N have-nots". Some members, however, remained dissatisfied with the CCF Task Force's explanation and took the view that CCF should only consider whether the "N have-nots" had a genuine need for financial subsidies in deciding whether or not the One-off Living Subsidy should continue to be disbursed to them.

Existing CCF assistance programmes

11. Some members considered that CCF should study ways to subsidize the drug costs borne by needy patients with rare diseases (e.g. paroxysmal nocturnal hemoglobinuria), such as by broadening the coverage of the "Subsidy for patients of Hospital Authority ("HA") for specified self-financed cancer drugs which have not yet been brought into the Samaritan Fund safety net but have been rapidly accumulating medical scientific evidence and with relatively higher efficacy" Programme ("the Subsidy for Drugs"). There was a view that the prevailing assessment requirements under the Samaritan Fund were too harsh and CCF should set up its own financial assessment mechanism.

12. The CCF Task Force advised that CCF would from time to time consider inclusion of new drugs which had been rapidly accumulating medical scientific evidence but had yet to be covered by the Samaritan Fund under the Subsidy for Drugs Programme. At the meeting of 26 June 2017, the Administration informed the Panel that CCF would launch the 20-month "Subsidy for eligible patients to purchase ultra-expensive drugs" Programme ("the Ultra-expensive Drugs Programme") in August 2017 for needy patients of HA. Furthermore, CCF had requested HA to review the prevailing financial assessment requirements and co-payment arrangement applicable to the Ultra-expensive Drugs Programme. The review was expected to be completed within 12 months. The Administration would take into account the review outcome in considering the way forward.

13. Noting that starting from July 2017, the target beneficiaries of the expanded Elderly Dental Assistance Programme would be further extended to elders who were Old Age Living Allowance recipients aged 70 or above, some members enquired whether CCF would further lower the age limit so that more needy elders could benefit. The CCF Task Force explained that it had to consider expanding the target beneficiaries to other age groups progressively, having regard to the progress of implementation, the manpower situation in the local dental profession and the number of participating dentists and dental clinics.

14. Regarding the three-year pilot programme on the "Provision of funding for ordinary schools to arrange special educational needs coordinators ("SENCO")"

which was launched in the 2015-2016 school year, some members were concerned about the qualification and training requirements as well as responsibilities of SENCO. They also called on the Administration to consider shortening the three-year pilot period and regularizing the programme as soon as possible. The Administration advised that time was required to allow the participating schools to familiarize with the operation with the new SENCO post, and identify requirements and duties of SENCO before the Administration's consideration of whether the programme should be regularized. Evaluation would be started from the second year of the pilot period, and a clear direction on the qualification and training requirements as well as responsibilities of SENCO was expected to be given after the three-year pilot period.

15. Some members held the view that the publicity of CCF assistance programmes to ethnic minorities ("EMs") was inadequate, resulting in only a small number of EMs applying for the programmes. In respect of the "Pilot scheme on subsidized cervical cancer screening and preventive education for eligible low-income women", there was a view that the Administration should design a publicity campaign targeting at low-income women including EM women and new arrivals living in sub-divided units. According to the Administration, CCF and the Department of Health had collaborated with NGOs to help promote assistance programmes, and would continue to do so. EMs were welcome to provide suggestions on how to step up the publicity of the assistance programmes.

Suggestions on CCF assistance programmes

16. Some members were concerned about the long waiting time for child assessment service in public medical institutions. They called on the CCF Task Force to provide a one-off subsidy for children with autism or attention deficit hyperactivity disorder ("ADHD") to procure such service in the private medical sector. Some other members called on the CCF Task Force to consider providing medical vouchers for low-income persons and their children. The CCF Task Force advised that the Food and Health Bureau would consider the suggestion of providing medical vouchers for the needy. Separately, the CCF Task Force would explore the feasibility of providing a one-off subsidy to facilitate the children, who were at the age of zero to six with autism and ADHD, to procure child assessment service in the private medical sector.

17. Some members noted with concern that some landlords requested tenants of sub-divided units to pay electricity fees at a rate which was higher than those charged by power companies. These members called on the CCF Task Force to provide a subsidy on electricity charges to relieve the financial burden of those tenants. The CCF Task Force advised that providing subsidies on electricity charges might trigger an increase in the rate of electricity fees charged by

landlords of sub-divided units, and in the end, recipients of these subsidies might not benefit from the assistance.

18. Some members were of the view that CCF should consider providing rent allowance under a new programme to assist the "N have-nots", who were on the waiting list for PRH but did not receive CSSA. The CCF Task Force, however, advised that CCF programmes should not be in conflict with the Administration's policies. According to the Administration, providing rent allowance to those on the waiting list for PRH might trigger an increase in the rental level in private housing. In the end, recipients of this rent allowance might not benefit from the assistance. Furthermore, the eligibility of those on the waiting list for PRH would only be subject to assessment later. The Administration took the view that the housing needs of the "N have-nots" who were inadequately housed should ultimately be addressed through the provision of PRH.

19. Some members suggested that CCF should consider launching an assistance programme for newly arrived single parents, who were ineligible for CSSA and had to rely on their children's CSSA payments for a living. The Administration, however, advised that designing a financial assistance programme targeting specifically at ineligible persons for CSSA under CCF was in conflict with the existing government policies.

20. As advised by the CCF Task Force, in deciding whether a new assistance programme should be rolled out, consideration would be given to (a) whether the proposed assistance programme would be in conflict with and have any read-across implications on the existing government policies; (b) implementation details, including ways to identify the target beneficiaries and means to help them; and (c) whether the proposed assistance programme was a one-off measure in response to special circumstances or should be regularized to provide assistance in the long run. In addition, members of the public or stakeholders might provide suggestions on new assistance programmes to CCF by post, email or telephone. The suggestions received would be provided to the CCF Task Force for reference, and those that were worth examination and deemed feasible would be followed up. The CCF Task Force advised that there was not an upper limit on the number of programmes launched each year.

Evaluation and regularization of CCF assistance programmes

21. Some deputations attending the meeting of the Subcommittee in June 2014 expressed concern that the operation of CCF had not been reviewed since its establishment in early 2011. The CCF Task Force advised that there was no plan to conduct a review on CCF given that evaluations of individual assistance programmes would be conducted. Having said that, the CCF Task Force would consider the suggestion of conducting a review on CCF.

22. Noting that the consultancy study on enhancing the evaluation of assistance programmes under CCF was conducted by the Deloitte Consulting (Hong Kong) Limited in 2013, some Members took the view that CCF should consider preparing the evaluation plan at the commencement of implementing assistance programmes and adopting the social return on investment ("SROI") framework for assessing the impact of assistance programmes on the beneficiaries and society as recommended by the consultancy study. The CCF Task Force advised that evaluation plans for some new programmes had already been prepared at the design stage and sometimes universities were invited to participate in the evaluation. While SROI framework might not be suitable for impact assessment of all assistance programmes, CCF would explore adopting SROI where suitable.

23. Some Members considered that the CCF assistance programmes, which had been run for three years or more, should be incorporated into the Government's regular assistance and service programmes. Some other Members took the view that instead of launching assistance programmes under CCF, the Administration should implement policies, such as policies on dental care for the elderly and pre-school rehabilitation services, to address the needs of the underprivileged in the long run.

24. The CCF Task Force advised that the time required for implementing assistance programmes could be reduced if they were launched by CCF. CCF pilot schemes, if proven effective, would facilitate smooth implementation of future policies or system changes. Considerations on regularization would vary for different CCF programmes. Programmes that were proven effective would be regularized and the schedule for regularizing these programmes would be determined after thorough and careful policy deliberations. The Administration would also consider whether the programmes could be articulated with the existing policy and operated smoothly.

Latest development

25. The Administration will brief the Panel on the work progress of CCF at the next meeting on 22 January 2018.

Relevant papers

26. A list of the relevant papers on the LegCo website is in the **Appendix**.

Appendix

Relevant papers on Community Care Fund

Committee	Date of meeting	Paper
House Committee	20 May 2016	Report of the Subcommittee on Poverty
Legislative Council	23 November 2016	Official Record of Proceedings Pages 95 to 97
Panel on Home Affairs ("HA Panel")	21 December 2016 (Items III and IV)	Agenda Minutes
Legislative Council	11 January 2017	Official Record of Proceedings Pages 104 to 111
	15 February 2017	Official Record of Proceedings Pages 83 to 85
	10 May 2017	Official Record of Proceedings Pages 67 to 72
	24 May 2017	Official Record of Proceedings Pages 25 to 33
HA Panel	26 June 2017 (Item III)	Agenda Minutes

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