

**For discussion on
8 January 2018**

**LEGISLATIVE COUNCIL
PANEL ON WELFARE SERVICES**

**New Initiatives on Setting Up Funds to Provide Enhanced Care and
Support for the Elderly and Persons with Disabilities**

Purpose

The Chief Executive's 2017 Policy Address, announced in October 2017, proposed setting up two new funds to strengthen the care and support for the elderly and persons with disabilities. The two funds are the Innovation and Technology Fund for Application in Elderly and Rehabilitation Care and the Arts Development Fund for Persons with Disabilities respectively to be established and managed by the Social Welfare Department (SWD). This paper seeks Members' support for the proposals.

**(I) Innovation and Technology Fund for Application in Elderly and
Rehabilitation Care**

Background

2. The elderly population (i.e. aged 65 or above) in Hong Kong is expected to rise continuously in future. It will increase to 1.82 million (or about 25% of total population) in 2026, and further increase to 2.55 million (or about 33% of total population) in 2043. To cope with the challenges of the ageing population, the Elderly Commission (EC) completed and submitted to the Government the Elderly Services Programme Plan (ESPP) in June 2017. The Government accepts in principle the recommendations. One of the ESPP's recommendations is that the Government should continue to provide policy support for pilot projects in promoting the use of assistive technology as well as information and communication technology, etc. among elderly persons and service providers, with a view to enhancing the quality of life of elderly persons, improving health management and alleviating manpower shortage. On the other hand, with the advancement in medical technology and on-going improvement in socio-economic conditions, persons with intellectual disabilities have a longer average life

expectancy. The service needs of persons with disabilities also become different due to changes in their physical well-being. Therefore, the Government is committed to promoting the rehabilitation assistive devices and technologies for persons with disabilities, encouraging the public to better understand and use such devices and technologies, thereby maintaining or enhancing the mobility of persons with disabilities in daily living.

3. As announced in The Chief Executive's 2017 Policy Address, the Government will earmark \$1 billion for setting up a fund to subsidise elderly and rehabilitation service units to try and procure technology products, so as to improve the quality of life of service users as well as reduce the burden and pressure of care staff and carers. The new fund proposed to be established will be named as the Innovation and Technology Fund for Application in Elderly and Rehabilitation Care (the IT Fund for Application) and its operational framework is set out in paragraphs 4 to 12 below.

Objectives of Establishing the IT Fund for Application

4. The Government plans to make use of the earmarked \$1 billion fund to support applicant organisations to procure/rent or trial use technology products. The technology products in the case of procurement/rental include not only devices, equipment and tools that help enhance the effectiveness and quality of care, but also mobile applications and high-end hardware and software (e.g. systems that can effectively and accurately record the activities, health conditions and medical records, etc. of elderly persons and persons with disabilities). Organisations can also apply for subsidy to try newly developed technology products in their elderly and rehabilitation service units. In addition, the fund can be used by applicant organisations for purposes related to promoting the application of technology products.

Operation of the IT Fund for Application

Operational Arrangements and Assessment Criteria

5. SWD will establish the Secretariat to coordinate operational matters of the IT Fund for Application and provide support for an Assessment Panel (AP)¹ to be established. The AP will vet applications

¹ Membership of the AP comprises professionals from the academia, the information technology and social welfare sectors as well as representatives from relevant Government bureaux/departments.

and recommend the amount of grants based on pre-determined criteria. The assessment criteria include the following areas: (i) the feasibility, sustainability and cost-effectiveness of the products; (ii) the benefits brought by the products to service users; and (iii) whether the applicant organisations have the experience, ability and professional knowledge to try the products concerned, etc.

Eligibility of Applicants

6. All non-governmental organisations (NGOs) and private organisations² currently receiving subsidies from SWD and providing subsidised residential care services for the elderly or persons with disabilities, community care and support services for the elderly, or day rehabilitation and community support services can make applications. It is estimated that about 540 RCHEs and RCHDs, as well as over 720 service units providing subsidised community care and support services for the elderly/day rehabilitation and community support services for persons with disabilities, will be eligible for applying for grants. Applicant organisations may apply for grants under the fund by individual service units, or they may make joint applications on the basis of cross service units within the same district for shared procurement/rental or trial use of technology products.

Proposed Subsidised Items

7. Having regard to the objectives of establishing the IT Fund for Application set out in paragraph 4 above, the fund will accept applications for the following two categories of technology products –

(i) First Category of Products

The Secretariat will work with the Hong Kong Council of Social Service (HKCSS)³ to consult various stakeholders in

² Private organisations include (1) residential care homes for the elderly (RCHEs) participating in the Enhanced Bought Place Scheme; (2) residential care homes for persons with disabilities (RCHDs) participating in the Bought Place Scheme; (3) self-financing nursing homes participating in the Nursing Home Place Purchase Scheme; (4) recognised service providers (RSPs) under the Pilot Scheme on Community Care Service Voucher for the Elderly; and (5) RSPs under the Pilot Scheme on Residential Care Service Voucher for the Elderly.

³ HKCSS has been coordinating NGOs and working in partnership with the Government and different sectors of society to facilitate the development of social welfare in Hong Kong.

drawing up a reference list of “Recognised Technology Application Products”. Applicants may apply for procurement/rental of items on the reference list.⁴ If the technology product items applied for procurement/rental are not on the reference list, the AP will decide whether to approve the application having regard to the circumstances of individual cases.

(ii) Second Category of Products

Applicants may identify suitable technology research and development companies as working partners to try their newly developed technology products designed specifically for the nursing and rehabilitation needs of elderly persons or persons with disabilities.

Working Partners

8. The IT Fund for Application will invite relevant organisations and institutions as working partners to promote advanced technology products among the sector. SWD will also commission HKCSS to promote to the sector the application of innovative technology in long-term care services, with HKCSS serving a co-ordinating role to facilitate partnership among various stakeholders.⁵

Principles of Subsidy

9. Approved applications have to satisfy the following principles –

- (i) the technology products sought for procurement/rental or trial use should be able to benefit elderly persons or persons with disabilities;
- (ii) the use of relevant technology products must not impose extra financial burden on service users;
- (iii) where an application involves trial use of technology

⁴ The items can be in the form of devices, equipment, tools, mobile applications, hardware and software, as well as technical support services or related staff training accompanying these items, etc.

⁵ SWD will provide additional resources for HKCSS to employ additional staff to promote the use of technology products among social welfare organisations and carers.

product(s), the applicant is required to explain how the product(s) will benefit users, complete testing of the product(s) within a specific timeframe after the item is approved and continue to use the product(s) for at least two years; and

- (iv) upon request of the AP, an applicant is required to open its service unit for members of the sector to visit the technology products procured/rented or for trial use subsidised by the fund.

Amount of Subsidy

10. If the subsidy under application is for the purpose of procuring/renting technology products, SWD will set a ceiling for the amount of grant according to the type of service units of the applicant organisations and their service capacity. The maximum grants by type of service units are at **Annex**. The same service unit may submit multiple applications, provided that the total amount of grants in all the approved applications does not exceed the ceiling applicable to the service unit. The grant may cover the cost of staff training on how to use the relevant technology products and the cost of warranty/maintenance of the products for a maximum of five years. The amount of grant under the fund will cover the relevant expenditure of the applicant organisations for both the subsidised and non-subsidised portions of the same service unit. If the required amount exceeds the grant ceiling, the applicant organisations shall undertake to bear the excess amount before the application will be considered.

11. If the grant under application is for the purpose of trial use of technology products, there will be no ceiling for the grant. Nevertheless, the Secretariat will arrange technical assessments of the relevant applications as necessary for the AP to determine an appropriate amount of the grant.

Monitoring and Management of the IT Fund for Application

12. The Secretariat will sign funding agreements with the approved applicant organisations to monitor the implementation progress of the applied projects and disburse grants under the relevant provisions. The approved applicant organisations are required to submit the books and records and progress reports (if applicable) of the projects to the Secretariat. Where the progress of projects is unsatisfactory, or the organisations have

breached the funding agreement or suspended service, the Secretariat has the right to suspend the disbursement of grants, cease the project or require the organisations to return the procured equipment and/or the disbursed grants. The Secretariat will regularly review the usage of the fund and conduct user satisfaction surveys to assess the effectiveness of the fund, and to refine or adjust its mode of operation as appropriate.

Implementation Schedule

13. The Labour and Welfare Bureau and SWD consulted EC on the operational framework of the IT Fund for Application on 1 December 2017. EC supported the proposal. SWD is now working on the operational and implementation details of the fund, and will set up the Secretariat and the AP. The Government plans to launch the IT Fund for Application in the fourth quarter of 2018 and invite funding applications from eligible organisations. It is estimated that the bulk of the \$1 billion funding will be progressively disbursed within five years starting from 2019-20.

(II) Arts Development Fund for Persons with Disabilities

Background

14. The Government has endeavoured to promote the participation of persons with disabilities in recreational, sports and cultural arts activities and provide them with appropriate activities and facilities, with a view to giving them the opportunities to develop their potential and enhance their quality of life, as well as encouraging their active participation in community activities and full integration into the community.

15. We consider that persons with disabilities should enjoy the same opportunities and rights to learn, appreciate and participate in arts as ordinary people do. On the other hand, we recognise that persons with disabilities can express their feelings and ideas, and better develop their self-confidence and competence through arts creation or performance. Arts activities not only benefit persons with disabilities and their carers, but also facilitate social inclusion. At present, with the funding support from different charitable funds which are not dedicated for arts development, some NGOs serving persons with disabilities organise various kinds of time-limited arts programmes or activities for them, and the results are impressive. The scope of these programmes or activities is mainly to promote general participation of persons with disabilities in

arts, thereby fostering their interests and exploring their potential in this area. However, since these funds are not dedicated for arts development for persons with disabilities and given the limited amount of funding available, it is often difficult for these activities or training to sustain or develop in order to foster and explore participants' potential in arts after the programmes or the funding support ends. Also, these short-term programmes or projects are unable to support persons with disabilities who have great artistic potential in developing their arts talents or pursuing a career in arts. The Chief Executive announced in her 2017 Policy Address that the Government would set up a new fund to foster arts development for persons with disabilities. The Government proposes to set up the Arts Development Fund for Persons with Disabilities (the Arts Fund) under the Director of Social Welfare Incorporation Ordinance (Cap. 1096).

Objectives of Setting up the Arts Fund

16. The objectives of setting up the Arts Fund are as follows –
- (i) to enhance arts knowledge of persons with disabilities, foster their interests in arts and explore their potential through the provision of general and advanced arts programmes; and
 - (ii) to help persons with disabilities who have great artistic potential strive for excellence and develop their career in performing, visual or creative arts.

We expect that applicant organisations can, through organising the above activities or training programmes, establish a sustainable mechanism for providing structured and ongoing training for persons with disabilities to develop their arts talents. For instance, they may implement train-the-trainer programmes to equip persons with disabilities or relevant persons with basic arts knowledge to become tutors who may in turn help promote arts development for other persons with disabilities.

Operation of the Arts Fund

Operational and Vetting Arrangement

17. The Arts Fund will be administered by SWD and overseen by a management committee (MC). The terms of reference of the MC include overseeing the use of grants disbursed under the Arts Fund, advising on the investment strategies of the Arts Fund, allocating grants

for the two categories of programmes as proposed below, regularly reviewing the assessment criteria for grants, etc. A grants sub-committee (GSC) will also be set up under the MC to assist the latter in vetting applications and allocating grants according to the pre-determined criteria. The MC and GSC, both mainly comprising non-officials from the related sectors, will periodically accept applications for grants in respect of the two categories submitted by eligible NGOs. SWD will set up the Secretariat to facilitate the operation of the Arts Fund and support the work of the MC and GSC.

18. The Government proposes to earmark \$250 million as the capital of the Arts Fund for investment purpose. The annual allocation ceiling will be set at no more than the projected investment return from the capital. To ensure proper use of public resources, we will assess the demand for funding in order to consider whether the ceiling should be adjusted. Nevertheless, we expect that there may be occasions on which the investment income generated may not be able to fully meet the demand for allocation. In such circumstances, the Director of Social Welfare may, taking into account the advice of the MC, authorise the use of part of the principal to meet the funding demand.

Eligibility Criteria

19. To ensure prudent use of public funds and the provision of sustainable support for beneficiaries with disabilities, it is proposed that applicant organisations shall be non-profit making NGOs granted tax exemption status under section 88 of the Inland Revenue Ordinance, with at least two years of experience in organising structured arts activities or training programmes for persons with disabilities.

Proposed Categories of Programmes Eligible for Grants

20. Having consulted those NGOs with experience in organising arts activities or programmes for persons with disabilities and HKCSS, we propose that the Arts Fund should be made available to the following categories of programmes:

(i) Promotion of General and Advanced Arts Programmes

21. We propose that the Arts Fund should provide funding support for NGOs to organise general arts programmes for persons with disabilities, such as different basic training classes or courses, so as to give persons with disabilities the opportunities to participate in arts and

develop their interests in this area. We also propose that the Arts Fund should give funding support to experienced NGOs to develop advanced arts programmes, hire professional arts tutors, and enhance logistic and technical support so as to provide structured and ongoing training for persons with disabilities who have potential and nurture their arts talents.

(ii) Development of Talents and Careers in the Arts

22. Individual persons with disabilities may possess great artistic potential and have outstanding achievements in performing, visual or creative arts. Some may even regard arts as their life-long career. However, some of them may not have the chance for continuous learning or adequate practices due to their limited financial resources. Therefore, we consider it appropriate to provide financial support for them through NGOs so that they can receive professional guidance or training to further enhance their knowledge and skills in this area, and develop their career in performing, visual and creative arts. We also expect that the public will have a better understanding and acceptance of persons with disabilities through recognising the talents of these persons with disabilities.

Monitoring and Management of the Arts Fund

23. The Secretariat will monitor the implementation progress of each programme, and disburse grants according to the relevant provisions. The approved applicant organisations are required to submit to the Secretariat all reports related to the applied programmes, including financial statements, progress reports, etc. In case of unsatisfactory progress or project termination, the Secretariat has the right to suspend the disbursement of grants, cease the programme or require the organisations to return the disbursed grants. The Secretariat will regularly review the use of the Arts Fund, and refine or adjust its mode of operation as appropriate.

Implementation Schedule

24. SWD is now working on the operational and implementation details of the Arts Fund, and will set up the Secretariat, MC and GSC. We plan to invite funding applications from eligible organisations in the fourth quarter of 2018.

Advice Sought

25. Members are invited to note and comment on the Government's proposal of setting up two new funds as mentioned above. Subject to Members' views, the Government will seek the necessary funding approval from the Legislative Council as appropriate according to the established procedures.

**Labour and Welfare Bureau
Social Welfare Department
January 2018**

**Innovation and Technology Fund for Application in
Elderly and Rehabilitation Care**

Maximum Grant by Type of Service Units

Table 1: Elderly Services

Type of Service Units	Maximum Grant (\$ million)
Residential Care Service (per home)	
1. Care and Attention Home for the Elderly/Nursing Home	
- with a capacity of 50 or below	0.3
- with a capacity of 51 to 150	0.6
- with a capacity of above 150	0.9
Community Care and Support Service (per centre/unit)	
2. District Elderly Community Centre	0.5
3. Neighbourhood Elderly Centre	
4. Day Care Centre for the Elderly	
5. Enhanced Home and Community Care Services	
6. Integrated Home Care Services	0.3
7. Home Help Service	
8. Recognised Service Provider under the Pilot Scheme on Community Care Service Voucher for the Elderly	
9. Social Centre for the Elderly	0.2

Table 2: Rehabilitation Services

Type of Service Units	Maximum Grant (\$ million)
Residential Care Service (per home)	
1. Residential Care Home for Persons with Disabilities/Residential /Transitional Care and Support Centre for Tetraplegic Patients	
- with a capacity of 50 or below	0.3
- with a capacity of 51 to 150	0.6
- with a capacity of above 150	0.9
Day Rehabilitation and Community Support Service (per centre/unit)	
2. Day Activity Centre (with 80 places or above)	
3. Integrated Vocational Rehabilitation Services Centre (with 80 places or above)	
4. Sheltered Workshop	0.5
5. Integrated Vocational Training Centre – Day Service	
6. District Support Centre for Persons with Disabilities	
7. Integrated Community Centre for Mental Wellness	
8. Day Activity Centre (with below 80 places)	
9. Integrated Vocational Rehabilitation Services Centre (with below 80 places)	
10. Special Child Care Centre	
11. Early Education and Training Centre	
12. Home Care Service for Persons with Severe Disabilities	
13. Integrated Support Service for Persons with Severe Disabilities	0.3
14. Transitional Care and Support Centre for Tetraplegic Patients	
15. Community Rehabilitation Day Centre	
16. Parents/Relatives Resource Centre	
17. Social and Recreational Centre for the Disabled	
18. Community Rehabilitation Network	
19. Rehabilitation and Training Centre for Visually Impaired Persons	0.2
20. Multi-service Centre for the Hearing Impaired Persons	
21. Communication and Information Service for Visually Impaired Persons	