

# **Assistance Programme under Community Care Fund Evaluation Report on Subsidy for Tenant Purchase Scheme Flat Owners on Comprehensive Social Security Assistance**

## **Background**

Community Care Fund (CCF) has been established since early 2011 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. In addition, the CCF can take forward measures on a pilot basis to help the Government identify those that can be considered for incorporation into the Government's regular assistance and service programmes.

2. Steering Committee on the CCF endorsed at the meeting on 20 April 2011 to launch this assistance programme in 2011-12 for providing a one-off subsidy of \$2,000 to recipients of Comprehensive Social Security Assistance (CSSA) who are the owners of flats under Tenant Purchase Scheme (TPS) for five years or above and residing in that flat as at 1 July 2011, so as to relieve their financial burden.

3. The programme, with budget of \$2.73 million (including the administrative cost of \$0.13 million), is administered by the Social Welfare Department (SWD) and estimated to benefit 1 300 households.

## **Implementation of Assistance Programme**

4. SWD announced the details of this programme and arranged publicity<sup>1</sup> in September 2011. Based on the information from Computerised Social Security System (CSSS), SWD sent invitation letters to about 1 300 CSSA households who may meet the eligibility criteria<sup>2</sup> in early October for inviting the eligible households to apply for the subsidy on or before 30 November 2011.

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<sup>1</sup> Besides distributing the programme leaflets via District Social Welfare Offices and Home Affairs Department, SWD has uploaded all relevant information onto SWD website.

<sup>2</sup> Refer to all CSSA households residing in flats within public housing estates participating in the TPS who are not given rent allowance under the CSSA Scheme. However, there is no record of owners and length of ownership of the flats concerned in the CSSS.

5. The CCF Team of SWD was responsible for vetting the applications. There were 858 applications received and a one-off subsidy of \$2,000 has been released to all the beneficiaries. Up to now, SWD has released a total of \$1.65 million of subsidy.

## **Result of Analysis**

6. SWD has analysed the collected information and data for the evaluation as follows.

### **(a) Statistical Data on Application**

7. Among 1 379 invitation letters issued, SWD received a total of 858 applications, of which 96.5% (828 cases) met the eligibility criteria and 3.5% were not eligible applications (30 cases). All the ineligible applications were related to the applicants' failure to prove owning the TPS flats for 5 years or above.

8. Among the beneficiaries, 93.6% of them (775 cases) have owned the flats for 8 years or above and 6.4% of them (53 cases) have owned the flats for 5 to 7 years. The relevant statistical data is at Appendix I.

### **(b) Survey on Beneficiaries**

9. SWD has conducted an opinion survey on 48 randomly selected beneficiaries (6% of the total). All the interviewees agreed that this programme could relieve their financial burden and were satisfied with the arrangement of the programme.

10. The interviewees mainly spent the subsidy on daily family expenses (73%) and regular housing-related expenses (40%) including management fee, rates and government rent. Details are at Appendix II(a). In addition, this survey also explored the expenses of interviewees on mortgage repayment, management fee, rates and government rent and the relevant data is listed at Appendix II(b). In general, most of the interviewees have fully repaid their mortgage and their expense on management fee was mostly in the range of \$201 to \$400 per month. For the expenses on rates and government rent, interviewees mostly spent \$0 to \$500 per quarter.

### (c) Survey on Invitees who have not submitted Application

11. As there was a discrepancy between the number of applications (858 cases) and the number of invitees (1 379 CSSA households), SWD also conducted an opinion survey on 36 randomly selected invitees who had not submitted applications (about 7% of the total), to explore their reasons for not submitting application and their comments on this assistance programme.

12. Most of the interviewees did not submit the applications (11 cases, 30.6%) because they could not meet the eligibility criteria (mainly because of being the owner of the TPS flats for less than 5 years). Some of the interviewees claimed that they had not received the invitation letters or they were not sure whether they had received the invitation letters (9 cases, 25.0%)<sup>3</sup>. The relevant data are listed at Appendix III. Among the 36 interviewees, 26 of them offered no comments on the programme while the other interviewees commented that it was time-consuming to make application and suggested that the scope of targeted beneficiaries should be widened.

### (d) Public Enquiries

13. In the course of implementing this programme, SWD has set up an enquiry hotline to provide support and information regarding the programme for the concerned public. From November 2011 till present, SWD received about 300 enquiries on the programme, the majority of which were concerned about application progress, submission of application forms and the supporting documents required for the application. The details are listed at Appendix IV.

## **Conclusion**

14. According to the data of survey, all the interviewees agreed that the effectiveness of the assistance programme was apparent. Most of them need not repay mortgage, but have regular housing related-expenses on management fee, rates and government rent, which basically was sufficiently covered by the subsidy of this assistance programme. Most of the interviewees also indicated

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<sup>3</sup> The invitation letters were sent out in early October of 2011, yet the opinion survey was conducted during April to May of 2012, therefore some of the interviewees could not ascertain whether they had received the invitations. The correspondence addresses of these interviewees were verified correct and non-delivery mail was not found. However, to ensure those in need could receive the assistance, SWD has sent again the application forms together with the programme briefs to the interviewees concerned.

that they had used the subsidy for daily family expenses and housing related expenses, which showed that the objective of this programme has been achieved by effectively relieving the financial burden of the beneficiaries. It has also fulfilled one of the objectives of CCF, which is to provide assistance to those within the safety net but have special circumstances that are not covered.

15. As noticed from the survey on invitees who have not submitted application, their major reason for not submitting the application is not meeting the eligibility criteria. A few eligible persons however revealed no need for the subsidy or were reluctant to spend time to make application. The application procedures and the documents required have in fact been made as simple as possible and whether the invitees would apply for the subsidy is a matter of their personal decision.

16. The set up of enquiry hotline had effectively provided immediate support to the applicants in the course of application process. Given a significant number of enquiries are concerned about the progress of application, it may be considered to inform the applicants of the expected processing time for the applications through the programme leaflets and publicity.

17. The public, in particular the beneficiaries, welcomed the launch of this assistance programme. Though the one-off subsidy could temporarily relieve the financial burden of the beneficiaries, regularisation of the programme is worthy of consideration on a long-term basis in response to their genuine needs. While the housing-related expenses of the beneficiaries varied from household to household, SWD may, as other CSSA recipients, consider provide rent allowance to the TPS flats owners receiving CSSA for paying the expenses on management fee, rates and government rent.

18. The regularisation of this assistance programme under the CSSA Scheme will not incur much preparatory work and is expected to have no great impact on the administrative expenses. The existing manpower of SWD should be adequate for the required tasks related to the policy change, except that the information system may need appropriate change and enhancement to accommodate the new policy.

19. As reflected by the survey, most of the beneficiaries had their mortgage fully repaid and their expenses for management fee, rates and government rent was predominantly below \$1,000. As Housing Authority has

shown no intention to re-launch TPS starting from 2005-2006,<sup>4</sup> it is expected that the number of potential beneficiaries will not have significant change. From the experience of this programme, the number of CSSA households meeting the eligibility criteria, i.e. being the owner of TPS flats for 5 years or above and are residing in that flat, is about 830. The regularisation of the programme should not have great financial implication against the total expenditure on CSSA.

20. To conclude, based on the effectiveness of this assistance programme, regularisation of the programme, by relaxing the existing restriction on rent allowance under the CSSA Scheme to benefit also CSSA recipients who have been TPS flat owners for 5 years or above, is worth considering. SWD is seeking legal advice on the arrangement of regularising the programme and will then formulate the details and schedule for implementation.

Social Welfare Department  
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<sup>4</sup> Refer to the Press Releases on the LegCo meeting of 29 February 2012:  
<http://www.info.gov.hk/gia/general/201202/29/P201202290278.htm>.

**Length of TPS Flat Ownership of the Beneficiaries**

<b>Length</b>	<b>Number of Beneficiaries</b>	<b>%</b>
5 Years	23	2.78%
6 Years	27	3.26%
7 Years	3	0.36%
8 Years	95	11.47%
9 Years	119	14.37%
10 Years	136	16.43%
11 Years	183	22.10%
12 Years	145	17.51%
13 Years	97	11.71%

**(a) Use of Subsidy by the Beneficiaries (More than 1 option can be chosen)**

<b>Items</b>	<b>Number of Beneficiaries</b>	<b>%</b>
Family daily expenses	35	72.92%
Management fee, rates and government rent	19	39.58%
Repayment of mortgage	2	4.17%
Other	3	6.25%

**(b)(i) Repayment of mortgage**

<b>Monthly Expenses (\$)</b>	<b>Number of Beneficiaries</b>	<b>%</b>
0 to 1,000	5	10.42%
1,001 to 2,000	7	14.58%
2,001 or above	1	2.08%
Fully repaid	35	72.92%

**(b) (ii) Management fee**

<b>Monthly Expenses (\$)</b>	<b>Number of Beneficiaries</b>	<b>%</b>
0 to 200	5	10.42%
201 to 400	36	75.00%
401 or above	7	14.58%

**(b) (iii) Rates and Government Rent**

<b>Quarterly Expenses (\$)</b>	<b>Number of Beneficiaries</b>	<b>%</b>
0 to 500	34	70.83%
501 to 1,000	8	16.67%
1,001 or above	3	6.25%
Could not provide	3	6.25%



**Invitees' Reasons for not Submitting Applications (More than one option can be chosen)**

<b>Reasons</b>	<b>Number of Invitees</b>	<b>%</b>
Not meet the eligibility criteria	11	30.56%
Not receive the invitation letter or uncertain if received (Note 1)	9	25.00%
No subsidy need	6	16.67%
Not understand the programme details	3	8.33%
Others (e.g. missed the deadline, considered time-consuming to make applications)	7	19.44%

Note 1: For interviewees who claimed that they had not received the invitation letters or could not ascertain whether they had received the invitation letters, their addresses were verified matching with the records and there was no non-delivery mail found. However, to ensure those in need were able to receive the assistance, invitation letters were sent to these invitees again.

**Number and Nature of Enquiries for this Assistance Programme  
(Note)**

<b>Nature of Enquiry</b>	<b>Number</b>
Eligibility Criteria	38
Application Procedure	7
Completion of Application Form	39
Supporting Documents for Application	47
Submission of Application	62
Progress of Application	116
Arrangement for Release of Subsidy	23
Verification for Receipt of Subsidy	11
Other (Update of information and whether another round of the assistance programme will be launched)	2

Note: If an enquiry involved more than one subject nature, each subject would be categorised and summarised in this table.