

**Community Care Fund**  
**Relocation Allowance for Eligible Residents of Sub-divided Units**  
**in Industrial Buildings who have to move out as a result of the**  
**Buildings Department's Enforcement Action**  
**Evaluation Report**

## **Background**

The former Steering Committee on the Community Care Fund (the former Steering Committee) approved the launching of the “Relocation Allowance for Eligible Residents of Sub-divided Units in Industrial Buildings who have to move out as a result of the Buildings Department’s Enforcement Action” (the Programme) in October 2011, aiming to facilitate the timely relocation of the affected residents from the illegal domestic premises in industrial buildings (IBs) for the Buildings Department (BD) to carry out enforcement action.

## **Implementation of the Programme**

2. The Programme has been introduced since December 2011. In September 2013, the Commission on Poverty endorsed the enhancement recommendations proposed by BD, i.e. increase the Programme allowance and revise the income limit for one-person households. As at September 2017, BD received a total of 187 applications. Among them, 160 were approved, 23 were rejected<sup>1</sup>, two were still under processing and two were withdrawn by the applicants. The total number of beneficiaries of the Programme was 246. Allowance amounting to around \$0.48 million was granted, and the total disbursement was about \$0.47 million.

## **Evaluation of Programme Effectiveness**

3. BD surveyed the successful applicants to evaluate their satisfaction towards the Programme. The survey response rate was 87%. Relevant data is analysed as follows:

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<sup>1</sup> The reasons cover the applicant’s income exceeding the income limits, the applicant not Hong Kong residents, the applicant not residing at the respective premises or the applicant failing to submit relevant documents.

(a) *Effectiveness in Assisting the Applicants*

<b>Able to Cater Applicants' Relocation Needs</b>	<b>Percentage</b>
Extremely helpful	13%
Helpful	38%
Moderately helpful	38%
Not helpful	9%
Extremely not helpful	2%
No comment	0%
Total	100%

(b) *Overall Satisfaction with the Programme*

<b>Overall Satisfaction</b>	<b>Percentage</b>
Extremely satisfactory	12%
Satisfactory	42%
Moderately satisfactory	33%
Unsatisfactory	8%
Extremely unsatisfactory	3%
No comment	2%
Total	100%

4. The survey results revealed that the vast majority of the beneficiaries (89%) agreed that the Programme could cater their relocation needs, while 87% of the beneficiaries were satisfied with the Programme in general. Among the beneficiaries who found the Programme not helpful (11%) or unsatisfactory (11%), two of them provided reasons: one of them was not satisfied with the lack of rehousing arrangement while the other one found the amount of relocation allowance was meagre. Consolidating the collected information and data, the majority of the affected residents had positive feedback on the Programme. This shows that the Programme could meet the objectives of relieving the financial burden of the residents in IBs and helping them move out of the IBs as soon as possible.

## **Programme Enhancement Recommendations**

5. Summarising the experience gained from the implementation of the Programme, BD proposes the following enhancement recommendations:

### Expansion of Target Beneficiaries to Allow Hong Kong Residents Aged Under 18 to Apply for the Programme

6. According to the prevailing eligibility criteria of the Programme, an applicant and his/her family members stated in the application form must all be Hong Kong residents. If the minor child of a family is a Hong Kong resident but the parent(s) is/are not, the family is regarded as ineligible for the Programme. Based on actual experience, occasionally, there are families living in IBs with non-Hong Kong resident father or mother staying in Hong Kong by means of visa or two-way exit permit, etc. to take care of his/her minor child who is a Hong Kong resident. Such families are unable to benefit from the Programme under the current arrangement. In view of this, BD recommends that Hong Kong residents aged under 18 holding Hong Kong Identity Card/Hong Kong Birth Certificate be eligible for the relocation allowance even if their parents are not Hong Kong residents, provided that the adult father/mother/legal guardian residing with the applicant should act on behalf of the applicant in the application. In calculating the family income and the amount of allowance, the adult father/mother/legal guardian who is a non-Hong Kong resident will be excluded from the number of residents.

### Allowance Adjustment Mechanism

7. When the Programme was approved by the former Steering Committee in October 2011, the allowance levels were set at around 60% of the allowances of the four reference schemes<sup>2</sup>. On a par with the residents affected by clearance operations of the Housing Department, the Lands Department and the Urban Renewal Authority, those who are required to move out due to enforcement actions by BD need to pay the expenses arising from relocation. However, to prevent the provision of the allowance from being tantamount in encouraging the public to move in

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<sup>2</sup> Reference schemes of the Programme include:

- (a) Special grants provided by the Social Welfare Department for the Comprehensive Social Security Assistance Scheme beneficiaries who are old, disabled or in ill-health to meet the expenses of relocation and rent deposits;
- (b) One-off relocation allowance provided by the Lands Department for occupants affected by land resumptions;
- (c) One-off relocation ex-gratia allowance provided by the Housing Department for households affected by clearance operations of public rental housing estates for redevelopment; and
- (d) Relocation allowance provided by the Urban Renewal Authority to domestic tenants living in buildings affected by the urban renewal programme.

IBs for domestic purpose, the allowance levels of the Programme were set at around 60% of those of the reference schemes, so as to assist the affected residents of IB premises in paying basic relocation expenses.

8. The Government's Ex-gratia Domestic Removal Allowance (DRA) rates are to be reviewed annually by an inter-departmental Compensation Review Committee in accordance with the basis approved by the Finance Committee of the Legislative Council and the Secretary for Financial Services and the Treasury (SFST) under delegated authority, so that regular revision to the allowance of the reference schemes will be made according to the Ex-gratia DRA rates.

9. Over the past three years, adjustment to the allowances of the reference schemes has been made. However, the current allowance levels of the Programme had not been revised according to the adjustment of the reference schemes and are remained at the allowance levels of the reference schemes in 2013. Therefore, BD recommends adjusting the allowance levels of the Programme, maintained at around 60% of the latest allowances of the reference schemes, and thereafter the rates will automatically be revised on a yearly basis to about 60% of the Ex-gratia DRA rates approved by the SFST.

### **The Mode of Operation of the Programme**

10. The Programme has been in operation for more than 5 years since December 2011. Although the Programme can relieve the financial burden of the affected residents and help them move out of IBs as soon as possible, if the Programme is regularised, a misleading message may be disseminated to the public that the Government is obliged to provide assistance to people illegally residing in IBs, and may even undermine BD's stringent enforcement actions against the illegal domestic use in IBs. As such, BD considers it not appropriate to regularise the Programme and recommends maintaining the current mode of operation. BD will continue to monitor the effectiveness of the Programme and evaluate it again in 2020-21.

11. Since sub-dividing the domestic units in domestic buildings and composite buildings does not involve the change of use of the buildings, the Government's policy is to ensure that the sub-divided units (SDUs) do not cause building safety concerns instead of eradicating all of them. Thus, the existing enforcement actions taken by BD aim to rectify the irregularities of building works associated with SDUs, including obstructing the means of escape, affecting the building structures, etc. Upon rectification of the irregularities, the SDUs can still be used for domestic purpose. According to the principle of the Programme, it is not

appropriate to extend the Programme to SDUs in domestic buildings and composite buildings.

12. In addition, having considered the practical experience of BD's enforcement actions, for the time being, BD would exercise discretion to provide relocation allowances to residents affected by enforcement actions in the IB premises, unauthorised structures on rooftops or unauthorised flat roofs of IBs in order to achieve the objectives of the Programme. As such, BD recommends the beneficiaries of the Programme be clearly defined to cover all residents of illegal domestic premises in IBs affected by BD's enforcement actions; and those resided in the IB premises should not have granted any allowance under the Programme before.

### **Summary of Discussion of the Commission on Poverty**

13. The Commission on Poverty took note of the evaluation report of the Programme at the meeting on 17 November 2017, and endorsed the enhancement recommendations proposed by BD, namely to expand the coverage of the programme to allow Hong Kong residents aged under 18, who are holders of a Hong Kong identity card or birth certificate, to apply for and receive the relocation allowance; and to introduce a mechanism to automatically adjust the allowance on an annual basis. Implementation of the enhancement measures will not increase the total provision for the Programme. The Programme had also be renamed as the "Relocation Allowance for Residents of Illegal Domestic Premises in Industrial Buildings who have to move out as a result of the Buildings Department's Enforcement Action" to better reflect the target beneficiaries of the programme.

**Buildings Department**  
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