

## “Enhanced Productivity Programme : 2000-01” Booklet

### Report on EPP Savings -- Social Welfare Department

Total value of EPP Savings: **\$79.696m**, equivalent to **1%** of total Recurrent Baseline Expenditure in 2000-01 which is subject to EPP.

Category	\$m	EPP Measures	Safeguards for Quality Service
<b>DE/OC</b>	7.527	<ul style="list-style-type: none"> <li>• Improve utilisation of departmental expenses by re-assessing the actual requirements of each cost centres and rebuild the cost centre budgets. Optimise the use of information technology in communication and data input to reduce expenditure for despatch service and hire of temporary staff. Economise on the use of equipment and stationery.</li> </ul>	
	4.712	<ul style="list-style-type: none"> <li>• Economise on the use of resources in organising programmes/activities through improved planning, management and choice of venue etc.. Achieve savings by prioritisation of programmes in accordance with projected needs.</li> </ul>	
	4.950	<ul style="list-style-type: none"> <li>• Contract out IT maintenance (both hardware and software) and economise on the maintenance of general equipment, vehicles and workshop services by replacing annual maintenance service by ad hoc on-call service which will be more cost-effective.</li> </ul>	

Category	\$m	EPP Measures	Safeguards for Quality Service
	<p>1.561</p> <p>0.988</p> <hr/> <p>19.738</p>	<ul style="list-style-type: none"> <li>• Achieve savings in administrative overhead, such as electricity, gas, cleaning etc., by merging under-utilised boys homes.</li> <li>• Achieve full year savings in foster care allowances as a result of rationalisation of foster care service through a net reduction of 20 foster care places in 1999-2000.</li> </ul>	<p>The reduction in under-utilised services will not affect the quality of service to be delivered.</p> <p>The reduction in under-utilised services will not affect the quality of service to be delivered.</p>
<b>Subventions</b>	59.958	<ul style="list-style-type: none"> <li>• All 186 subvented Non-Government Organisations (NGOs) will deliver a 1% EPP savings in 2000-01. The measures taken by NGOs to reduce operating expenditure to deliver the savings include - <ul style="list-style-type: none"> <li>— simplify procedures and remove duplication in work processes;</li> <li>— contract out work where it is more cost-effective to do so;</li> <li>— apply better use of information technology and office automation; and</li> <li>— reduce consumption of energy and paper etc..</li> </ul> </li> </ul>	<p>With the implementation of lump sum subvention in respect of OC from April 2000, NGOs will have flexibility in managing their resources and hence be able to live within their EPP adjusted budgets while maintaining service quality.</p> <p>The Social Welfare Department will closely monitor the delivery of services to ensure quality through the existing visiting officer system and the Service Performance Monitoring Section set up in April 1999 (to operate in full scale by October 2000).</p> <p>A proactive EPP programme involves agreeing with NGOs by March 2000 service areas for rationalisation, integration and re-engineering in order to produce further savings with any shortfall to be achieved by further across the board cuts.</p>

<b>Category</b>	<b>\$m</b>	<b>EPP Measures</b>	<b>Safeguards for Quality Service</b>
			The full implementation of Lump Sum Funding, i.e. the inclusion of Personal Emoluments, will further increase the flexibility of NGOs in meeting the EPP targets.
<b><i>Total</i></b>	<b>79.696</b>		

Note

- PE : Personal Emoluments i.e. Staff salaries and allowances  
PRE : Personnel Related Expenses i.e. Costs related to the employment of staff other than pay and allowances e.g. pensions, staff housing  
DE: Departmental Expenses i.e. The day to day operating expenses of departments e.g. fuel, travelling expenses and furniture  
OC: Other Charges i.e. Significant expenditure peculiar to a particular department's operation  
Subventions i.e. Recurrent payment to non-government bodies in support of their on-going expenses