

**Funding and Service Agreement¹
(Lump Sum Grant)****After School Care Programme for Pre-primary Children****I. Service Definition****Introduction**

As at 2018, there are a total of 19 Mutual Help Child Care Centres (MHCCCs) run by non-governmental organisations (NGO) on a fee-charging and self-financing basis throughout the territory, providing a flexible form of child care service for children under 3 (children under 6 may also use the service if needed). In response to the low utilisation rate of MHCCCs, it was announced in the Chief Executive's 2018 Policy Address and the 2019-20 Budget that all MHCCCs will be re-engineered in phases by 2023-24 to provide After School Care Programme for Pre-primary Children [ASCP(PC)] through increase social workers and supporting staff so as to better meet the child care needs in the community and optimise the use of resources.

Purpose and Objectives

2. ASCP(PC) aims at providing child care and support services for pre-primary children whose parents or carers are either working long, unstable and/or unconventional working hours, having financial and/or social hardship in securing care by their own means before/after school hours.

Service Nature and Content

3. The Service Operator shall provide, including but not limited to, the following services –

- (a) personal care, guidance in homework, skill learning and other social activities; and
- (b) parents' guidance and education.

4. The Service Operator should observe relevant provisions under the Education Ordinance (Cap 279) should the programme/activities involve education elements. In addition, the Service Operator should ensure that the service is primarily provided to the service users using the service on a regular basis.

¹ This Funding and Service Agreement is a sample document for reference only.

Target Service Users

5. The target service users of the ASCP(PC) include –
- (a) children aged three to below six; or
 - (b) children attending Kindergarten 1-3 education.

II. Service Performance Standards

6. The Service Operator is required to achieve the service performance standards including the service output and outcome standards as shown in the **Annex**.

Essential Service Requirements

7. The Service Operator has to operate the ASCP(PC) service team according to the following essential service requirements –
- (a) the service team of ASCP(PC) should comprise at least one Assistant Social Work Officer (ASWO)² (as team leader) and two supporting staff (at the rank equivalent to Child Care Aide/Clerical Assistant or above);
 - (b) the centre should be opened to meet the needs of service users within its opening hours, that is, operating a total of three sessions³ (i.e., the morning session, afternoon session and evening session) on every weekday (except public holidays) till at least 8:00 p.m. with each session lasted for at least three hours (for morning and afternoon sessions) or at least two hours (for evening session). Altogether, the total opening hours of the centre for each weekday should be at least 10 hours (excluding the meal hour when the centre is closed, if any)⁴;
 - (c) a minimum of 14 places at any one time should be provided during the opening hours of the centre; and

² The ASWO should be Registered Social Worker with recognised degree in social work.

³ The opening hours of respective session should be during –

- (a) Morning Session : before 12:30 p.m. (at least 3 hours per session)
- (b) Afternoon Session : from 12:30 p.m. to 4:30 p.m. (at least 3 hours per session)
- (c) Evening Session : after 4:30 p.m. (should till at least 8:00 p.m.) (at least 2 hours per session)

Flexibility is given to service operators to extend the covering hours by altering the respective starting/ending time of each session in order to address the local service need, subject to vetting by SWD.

⁴ The sessions may or may not be consecutive. The service operator may propose additional opening sessions during Saturday, Sunday or public holidays to meet the service demand of its serving district adopting the same principle.

- (d) the Service Operator should take reasonable steps to ensure that carers habitually providing care to service users are not prohibited persons as stipulated in the Child Care Services Ordinance (Cap 243).

Quality

8. The Service Operator shall meet the requirements of the 16 Service Quality Standards (SQSs).

III. Obligation of SWD to the Service Operator

9. SWD will undertake the duties set out in the General Obligations of SWD to the Service Operator as specified in the Funding and Service Agreement (FSA) Generic Sections.

IV. Basis of Subvention

10. The basis of subvention is set out in the offer and notification letters issued by SWD to the Service Operator.

Funding

11. An annual subvention will be allocated on a Lump Sum Grant (LSG) mode to the Service Operator for a time-defined period. This lump sum has taken into account the personal emoluments, including provident fund for employing registered social workers and supporting staff, and other charges (covering all other relevant operating expenses including employees' compensation insurance and public liability insurance) applicable to the operation of the programme and recognised fee income, if any. Rent and rates in respect of premises recognised by SWD for delivery of the subvented activities will be reimbursed separately on an actual cost basis.

12. On top of the annual subvention, a subsidy designated for providing fee reduction/waiving to service users, will be disbursed separately and be accounted for under **Central Item**. **The unspent balance of the subsidy designated for fee reduction/waiving should be separately ascertained and is not allowed to offset by any deficit**, and will be subject to claw back upon the termination of contract.

13. In receiving the LSG, the Service Operator is accorded flexibility in the use of the subvention but required to observe the guidelines set out in the latest LSG Manual, LSG Circulars, management letters and correspondence in force as issued by SWD on

subvention policies and procedures. The LSG will be subject to adjustments including salary adjustment in line with civil service pay adjustments and other charges in line with the price adjustment factor, currently the Composite Consumer Price Index. The actual subvention allocation will also be adjusted in accordance with the date of commencement of the services, if applicable. The Government will not accept any liabilities or financial implication arising from the service beyond the approved funding. The Government is entitled to withhold or refuse the payment of any part of the annual subvention in the event that any part of the Service is not provided to the satisfaction of the Government or that the Government has any reasonable grounds to withhold or refuse such payment.

Payment Arrangement, Internal Control and Financial Reporting Requirements

14. Upon the Service Operator's acceptance of the FSA and confirmation of commencement of service, payment of the LSG subventions will be made on a monthly basis.

15. The Service Operator is responsible for maintaining an effective and sound financial management system, including budget planning, projection, accounting, internal control and auditing. It should maintain proper books and records and supporting documents on income and expenditure relating to the programme for at least seven years according to LSG Manual and make them available for inspection by the Government representative.

16. The Service Operator shall meet all the requirements stipulated in the latest LSG Manual including but not limited to those about submission of the financial reporting. The Service Operator shall submit to SWD the Annual Financial Report (AFR) as reviewed and the annual financial statements of the NGO as a whole as audited by a Certified Public Accountant holding a practising certificate as defined in the Professional Accountants Ordinance (Chapter 50) and signed by two authorised representatives of the service operator, i.e. Chairperson/NGO Head/Head of Social Welfare Services in accordance with the requirements as stipulated in the latest LSG Manual. The AFR should be prepared on a cash basis and non-cash items such as depreciation, staff leave accrual, etc. should not be included in the AFR.

17. For the subsidy for fee reduction/waiving to service users under Central Item, service providers should use the subsidy for its designated purpose and account for income and expenditure separately under Central Item in the AFR.

18. When a family is confirmed to be eligible for the 25% fee waving under this Scheme, 25% of the user fee will be drawn from the allocation of subsidy to the operator and the family should pay to the operator 75% of the user fee in a manner same as the other families making the full fee payment. While for family eligible for 50% fee waving, 50% of the user fee will be drawn from the allocation of subsidy to the

operator and the family should pay to the operator 50% of the user fee in a manner same as the other families making the full fee payment. While for family eligible for full fee waiving, 100% of the user fee will be drawn from the allocation of subsidy to the operator and the family do not need to pay to the operator. In terms of accounting, apart from the user fee paid by the family, the operator shall also put the amount of user fee being settled from the allocation of subsidy (i.e. 100% for a full fee waiving case, 50% for a half fee waiving case and 25% for a 25% fee waiving case) under the item of “Other Income” in the AFR.

Corruption Prevention and Probity Requirements

19. It is the responsibility of the Service Operator to ensure that its management, board members and staff comply with the Prevention of Bribery Ordinance (Cap. 201) and the relevant requirements. The Service Operator shall prohibit the members, staff, agents, and contractors from offering, soliciting or accepting advantages when discharging their duties under the FSA. With regard to the provision of the subvented services, the Service Operator shall avoid and declare any conflict of interest.

20. The Service Operator should also make reference to the relevant guidelines on corruption prevention and probity requirements to uphold integrity in every aspect, including but not limited to the governance structure, internal control, financial/fund management, procurement, staff administration, delivery of services/activities, management of maintenance works as set out in the “Corruption Prevention Guide on Governance and Internal Control for Non-Governmental Organisations” and the “Integrity and Corruption Prevention Guide on Managing Relationship with Public Servants” issued by the Independent Commission Against Corruption.

V. Validity Period

21. This FSA is valid for a time-defined period. Should the Service Operator be in breach of any terms of condition of this FSA and fail to remedy the same in such manner and within such time as shall be specified in a written notice from SWD, SWD may, after expiry of such notice, terminate this FSA by giving 30 days’ notice in writing to the Service Operator.

22. Where there is any change to the performance standards within the agreement period, SWD will seek mutual agreement with the Service Operator and the Service Operator will be required to achieve new requirements in accordance with the specified implementation schedule.

23. Continuation of service for the next term will be subject to the relevant considerations such as the prevailing policy directive, service needs and the performance of the Service Operator. SWD reserves the right to reallocate the service.

24. The SWD may immediately terminate the FSA upon the occurrence of any of the following events –

- (a) the Service Operator has engaged or is engaging in acts or activities that are likely to constitute or cause the occurrence of offences endangering national security or which would otherwise be contrary to the interest of national security;
- (b) the continued engagement of the Service Operator or the continued performance of the FSA is contrary to the interest of national security; or
- (c) the SWD reasonably believes that any of the events mentioned above is about to occur.

VI. Other References

25. Apart from this FSA, the Service Operator should also comply with the requirements/commitments set out in the respective Service Specifications, and the Service Operator’s proposals and supplementary information, if any. Where these documents are in conflict, this FSA shall prevail. The Service Operator’s compliance with all these documents will be closely monitored by SWD.

After School Care Programme for Pre-primary Children**Service Performance Standards**

The Service Operator should meet the performance standards below and provide the statistics as required by SWD.

Service Outputs

<u>Output Standard</u>	<u>Output Indicator</u>	<u>Agreed Level</u>
1	Total number of opening sessions ¹ (at least three full hours per morning and afternoon session; and at least two full hours, till at least 8:00 p.m., per evening session) in a year	720
2	Total number of attendance ² (service user having joined at least two consecutive full hours in any session may be counted as having one attendance) in a year	7 560
3	Total number of programmes/activities/group sessions (lasting for at least one hour with a minimum of six participants) on parenting/family relationship/mutual support conducted for parents in a year	4

¹ Each ASCP(PC) centre will normally open at least 240 days in a year, excluding Saturdays/Sundays/public holidays and other special circumstances [365 days (in a year) - 104 days (Saturdays/Sundays) - 17 days (public holidays) - 4 days closed centre under special circumstances (e.g. typhoon, etc)]. As there are 3 sessions per day during all weekdays, the minimum number of opening sessions is set for 720 (240 days × 3 sessions).

² Assuming that the minimum level of service utilisation for each session is 75%, and a minimum of 14 places at any one time should be provided during the opening hours of the centre, there will be 10.5 children for each session (14 × 75%). The total number of attendance in a year is therefore set for 7 560 (720 session × 10.5 attendance per session).

Service Outcomes

<u>Outcome Standard</u>	<u>Outcome Indicator</u>	<u>Agreed Level</u>
1	Satisfaction rate of service users (only for service users who can respond to interview/questionnaire having regard to their age and mental capacity) in a year	80%
2	Satisfaction rate of parents in a year	80%

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