

## **Funding and Service Agreement (Lump Sum Grant)**

### **Commercial-hired Transport Service for People with Disabilities**

#### **I Service Definition**

##### **Introduction**

Commercial-hired transport service for people with disabilities provides transport service mainly for mentally handicapped persons who are unable to use public transport and have no alternative means of transport to attend day activity centres or sheltered workshops.

##### **Purpose and objectives**

2. Historically, commercial-hired transport service was provided to mentally handicapped clients for their daily journeys to attend training or sheltered work. With the change of time, the service has been evolved from serving mentally handicapped persons to nowadays serving persons with disabilities who are unable to use public transport and have no alternative means of transport. For the history of the service, please refer to Notes and Definitions.

##### **Nature of service**

3. Bus routes are operated by non-governmental organisations on a contract basis with vehicles hired from commercial transport companies. In addition to the hiring of a vehicle and a driver, one Workman II is provided as escort on each route.

##### **Target group**

4. Persons with disabilities, mainly mentally handicapped persons who are unable to use public transport and have no alternative means of transport to attend day activity centres or sheltered workshops.

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**II Performance Standards**

5. The Service Operator shall meet the following performance standards:

**Outputs**

<u>Output Standard</u>	<u>Output Indicator</u>	<u>Agreed Level</u>
1	Average monthly enrollment rate in a year	98%

**Outcomes (*Outcome Standards with effect from 1 October 2021*)**

<u>Outcome Standard</u>	<u>Outcome Indicator</u>	<u>Agreed Level</u>
1	Percentage of service users indicating satisfaction with Commercial-hired Transport Service for People with Disabilities in a year	75%
2	Percentage of service users' family members/guardians/carers indicating satisfaction with Commercial-hired Transport Service for People with Disabilities in a year	75%

**Essential service requirements**

6. Nil

**Quality**

7. Service operators shall meet the requirements of the 16 Service Quality Standards (SQSs).

**III Obligations of Social Welfare Department (SWD) to Service Operators**

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

**IV Basis of subvention**

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

**Funding**

10. An annual subvention will be allocated on a Lump Sum Grant (LSG) mode to the Service Operator. This lump sum has taken into account personal emoluments, including provident fund for employing supporting staff, and other charges (covering all other relevant operation expenses including employees' compensation insurance and public liability insurance) applicable to the operation of the project and recognised fee income, if any.

11. In receiving the LSG, the Service Operator is accorded flexibility in the use of the grant 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 adjustment and other charges in line with the price adjustment factor, currently the Composite Consumer Price Index. The Government will not accept any liabilities or financial implication arising from the project beyond the approved funding.

**Payment Arrangement, Internal Control and Financial Reporting Requirements**

12. Upon the Service Operator's acceptance of the FSA, payment of the LSG subventions will be made on a monthly basis.

13. 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 project and make them available for inspection by the Government representative.

14. The Service Operator shall submit the Annual Financial Report (AFR) as reviewed and the annual financial statements of the non-governmental organisation (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 NGO, 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.

**V. Other References**

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

**Notes and Definitions**

**History** - Prior to March 1992, apart from centre-based transport service, mentally handicapped persons in need of transport facilities other than public transport could make use of Rehabus service provided by the Hong Kong Society for Rehabilitation for daily journeys to attend training or sheltered work. In view of the long waiting list for Rehabus service, the Society later decided that priority should only be given to physically handicapped persons in making use of service in accordance with its admission criteria and the service would be ceased for mentally handicapped passengers starting from August 1992. To address the problem, the Social Welfare Department secured additional resources to provide commercial-hired vehicles for these service users' daily transport for training and sheltered employment since March 1992.

**Average monthly enrollment rate in a year** is the average monthly enrollment of each route in the year divided by subvented seating capacity of the route.