

**Minutes of 46<sup>th</sup> Meeting of  
Lump Sum Grant Steering Committee**

**Date** : 31 December 2020 (Thursday)  
**Time** : 9:30 a.m. – 1:00 p.m.  
**Venue** : Zoom Meeting

**Present**

Chairman

Mr KOK Che-leung

Deputy Director of Social Welfare  
(Administration), Social Welfare  
Department (SWD)

Members

Miss Jasmine CHAN Hoi-yan

Ms Tammy CHAN Yee-ching

Mr Francis CHAU Yin-ming, BBS, MH

Mr Cliff CHOI Kim-wah

Ms CHUNG Wai-ling

Mr Stephen HUNG Wan-shun

Miss Cynthia LAM Ming-wai

Ms Alice LAU Oi-sze, MH

Mr Armstrong LEE Hon-cheung

Dr Jane LEE Ching-yee, JP

Ms Teresa LEE Siu-hong

Miss Irene LEUNG Pui-yiu

Mr LUN Chi-wai

Mr Webster NG Kam-wah

Ms Rebecca NG Pui-ling

Dr Ricky SZETO Wing-fu

Mr SIN Kin-ming

Mr Andrew TSANG

Principal Assistant Secretary (Welfare  
1, , Labour and Welfare Bureau (LWB)

Mr Alex WONG

Assistant Director of Social Welfare  
(Subventions), SWD

### Secretary

Ms LAM Bun-gee

Chief Social Work Officer (Subventions),  
SWD

### **In Attendance**

Mr KAM Kwok-ming

Senior Social Work Officer (Project  
Development Office), SWD  
(only for Agenda Item 3)

Ms Cherry TSUI

Senior Social Work Officer  
(Subventions)1, SWD

Ms LAW Miu-sheung

Senior Social Work Officer  
(Subventions)2, SWD

Miss CHOW Mei-yee

Senior Social Work Officer  
(Subventions)3, SWD

Ms LAU Yee-shan

Social Work Officer (Subventions)4,  
SWD

### **Absent with Apologies**

Mr Gordon LEUNG Chung-tai, JP

Director of Social Welfare

### **Opening Remarks**

The Director of Social Welfare was not able to attend the meeting owing to another urgent commitment and the Deputy Director of Social Welfare (Administration) chaired the meeting. **The Chairman** welcomed the following attendees who joined the meeting for the first time –

- Four new Lump Sum Grant Steering Committee (LSGSC) members, namely Miss Jasmine CHAN Hoi-yan, Mr Webster NG Kam-wah, Mr Cliff CHOI Kim-wah and Ms CHUNG Wai-ling;
- Mr KAM Kwok-ming/ Senior Social Work Officer (Project Development Office) of Information Systems and Technology Branch, who would join the discussion of Agenda Item 3; and
- Ms LAU Yee-shan, who recently took up the post of Social Work Officer (Subventions)4.

2. The tenure of the last term of membership ended on 21 April 2020. **The Chairman** thanked the out-going members, namely Ms Ann AU Chor-kwan, Ms Anna May CHAN Mei-lan, Mr CHUA Hoi-wai and Mr Matthew LEE Siu-chung for their valuable contributions to the work of LSGSC.

### ***Declaration of Interests***

3. **Ms LAM Bun-gee** informed the meeting that LSGSC adopted the One-tier Reporting System. She reminded members to declare any personal interests that would have actual or potential conflicts in any matter under consideration at the meeting. The Chairman considered that some members being board members or staff of relevant non-governmental organisations (NGOs) could join the relevant discussion and speak on the issues insofar as sector-wide policies were concerned.

### **Agenda Item 1 - Confirmation of Minutes of Last Meeting**

4. The draft minutes of the 45<sup>th</sup> meeting held on 18 September 2019 were circulated to members for comment on 12 June 2020. **Mr Francis CHAU** proposed to add in paragraph 20(d) the word “some” before “NGOs might be reluctant to implement the guideline-in-question.....” The minutes were confirmed without further amendments.

### **Agenda Item 2 - Matters Arising**

5. **The Chairman** said that the progress update would be reported under the respective agenda item at this meeting.

### **Agenda Item 3 – Redevelopment of the Service Performance Management Information System (SPMIS) of Social Welfare Development (LSGSC 1/2020)**

6. **Miss CHOW Mei-ye**e informed the meeting that SPMIS, launched in 2005, was used to collate and consolidate service performance management information of service units of subvented NGOs and SWD. As at November 2020, SWD and subvented NGOs operated 215 and 3 110 agreement service units (ASUs) respectively. SWD conducted a feasibility study on the redevelopment of SPMIS in 2017 with a view to automating and streamlining the monitoring processes. The study concluded that the existing system should be redeveloped to achieve efficiency. Funding approval was given by the Finance Committee of the Legislative Council (LegCo) in February 2019 for the redevelopment of SPMIS.

7. SPMIS-II would be developed by two phases, namely, Phase I for subvented services with e-submission of performance statistics, and Phase II for selected subsidised services. Subvented NGOs could use SPMIS-II for handling performance returns starting from 2022-23. Between November 2019 and July 2020, 11 focus group meetings were held to collect subvented NGOs' feedback and concerns on the system design. A total of 65 subvented NGOs joined the focus group meetings.

8. Members' views and suggestions were summarised as follows –

- (a) **Dr Jane LEE** welcomed the development of SPMIS-II and suggested that a trial be arranged for NGOs before launch. She opined that the system should facilitate information sharing among NGOs and data analysis on service performance. Also, the electronic form should allow entries remarks and revisions.
- (b) **Mr Cliff CHOI** and **Mr SIN Kin-ming** shared the view that the new system would enhance efficiency and save manpower cost;
- (c) **Mr Stephen HUNG** and **Mr Webster NG** suggested that there should be regular review of the system, say every three to five years;
- (d) **Ms Teresa LEE** enquired if there were pre-set functions for use in case revision to performance criteria and indicators was required. She also asked if there would be training for NGOs to ensure smooth operation when the system was launched;
- (e) **Ms Alice LAU** enquired about emergency support when bugs were identified during the submission of the electronic forms;
- (f) **Mr LUN Chi-wai** and **Ms Irene LEUNG** expressed concern about whether the new system could be suitably adapted to accommodate the changes resulting from the service review as deliberated in the Review on Enhancement of LSGSS;
- (g) **Mr Armstrong LEE** considered that the data collected by the system could be used for further analysis to facilitate early identification of service types and NGOs which were prone to underachievement; and

- (h) **Mr Francis CHOW** enquired if senior management of NGOs were allowed to check and confirm accuracy of the input to the electronic forms before submission.

9. **Mr Alex WONG** responded that the new system focused on processing service performance data with reference to output/ outcome standards and essential service requirements. The service management reports would facilitate the service branches of SWD to assess service performance of the service units under time-defined Funding and Service Agreements (FSAs). The NGO management could also enhance self-evaluation by making reference to the report and consider ways to improve service quality. Apart from service monitoring, the new system could also facilitate SWD to collate service performance returns from NGOs and facilitate NGOs' service planning to meet the targets of output and outcome standards.

10. **Mr KAM Kwok-ming** responded to members' concern about the system design. He clarified that the core system for service performance monitoring would remain as an internal system used by SWD and there would be no direct interface between SPMIS-II and the computer systems of NGOs. Specific management reports generated by the system would be provided to individual NGOs to support their internal review of service performance. For the electronic submission platform to be used by NGOs, appropriate validation and notification functions would be included to ensure data consistency and timely submission. In case of changes or revision of service performance requirements, the electronic form would be updated accordingly. Appropriate training materials and user support such as helpdesk service would also be provided.

11. **The Chairman** noted the concerns of members and pointed out that the main purpose of the new system was to collate information for assessment of service output, review of performance indicators as set out in FSAs, and identify areas for service improvement. SWD would collect feedback from NGOs to adjust and adapt the user experience over time.

**Agenda Item 4 – Progress of Implementation of the Updated Government Guidelines for the Control and Monitoring of Remuneration Practices in respect of Senior Staff in Subvented Organisations (LSGSC 2/2020)**

12. Ms Cherry TSUI informed the meeting that under the updated guidelines for the control and monitoring of remuneration practices in respect of senior staff in subvented organisations promulgated on 27 August 2018, the number of NGOs being required to submit Review Reports has increased from 67 (41% of 165 NGOs subvented on LSG mode) in 2016-17 to 75 (46% of 165 NGOs subvented on LSG mode) in 2018-19.

13. At the last LSGSC meeting, it was agreed that contract services awarded to subvented NGOs, such as contract homes, Enhanced Home and Community Care Service (EHCCS), etc., should be included under “recurrent subvention from SWD” in order to reflect the overall funding amount from SWD that an NGO had received. Having consulted the relevant government bureaux and the Hong Kong Council of Social Service (HKCSS), SWD had refined the definition of “recurrent subvention from SWD” by including contract sums from Contract Homes, EHCCS and Nursing Home Place Purchase Scheme, which had been adopted from 2019-20. The submission deadline for Self-Assessment Report (SAR) and Review Report (RR) for 2019-20 had been extended to 11 December 2020 to allow sufficient time for NGOs to prepare the necessary financial data.

14. As at 30 December 2020, 156 NGOs submitted SARs for 2019-20. SWD would continue to follow up with the remaining 8 NGOs (i.e. 164 – 156 NGOs) which had not submitted their SARs/ RRs, conduct checking on the SARs/ RRs received, and upload the RRs to SWD’s website or provide hyperlink to NGOs’ websites for the RRs. Members noted the progress and the follow up actions of SWD.

**Agenda Item 5 – Progress of Implementation of Enhancement Measures for Monitoring NGOs with Late submission of Annual Financial Reports/ Accompanying Financial Statements (LSGSC 3/2020)**

15. Ms LAW Miu-sheung reported that with the endorsement of LSGSC at its meeting on 18 September 2019, SWD had implemented the following measures to monitor the progress of the 13 NGOs (including 12 NGOs subvented under LSG mode and one under conventional mode) with late submission of Annual Financial Reports (AFRs)/ Accompanying Financial Statements (AccFS) for 2017-18 and 2018-19 –

- (a) issued reminders to the Board Chairmen and Heads of the NGOs concerned on 31 March 2020 and 31 August 2020;
- (b) reminded the NGOs concerned to take necessary actions to adhere to the submission deadline for the reporting year of 2019-20 (i.e. 31 October 2020); and
- (c) alerted the NGOs concerned that SWD would upload their records of late submission on SWD's website should they fail to meet the deadline.

16. SWD had contacted the NGOs concerned to understand their difficulties in submitting AFRs/ AccFSs on time. According to the NGOs, they had missed the submission deadline due to service disruption during the period of social incidents in 2019 and change of auditors and/ or staff in financial management. Subsequently, nine out of the 13 NGOs submitted their AFRs/ AccFSs for 2019-20 on time. SWD would issue a letter to the Board Chairmen and Heads of the NGOs with outstanding returns in early 2021, requiring them to submit a rectification plan to ensure strict adherence to the submission of AFRs/ AccFSs. SWD would closely monitor the progress.

17. For the reporting year of 2019-20 (i.e. 31 October 2020), another two NGOs were found to have late submission of AFRs/ AccFSs for the last two consecutive reporting years. SWD would follow up with the NGOs concerned per established practice.

18. Members' views and suggestions were summarised as follows –
- (a) **Mr LUN Chi-wai** asked about the scale of those NGOs having records of late submission of AFRs/ AccFS for three consecutive years and doubted if the problem was caused by inadequate manpower support of small-scale NGOs receiving less subvention. **Mr Webster NG** shared the view that the problem might be due to the thin manpower of NGO;
  - (b) **Dr Jane LEE** said that some NGOs might not be able to communicate well with auditors to set a clear timeline for submission of financial reports/ statements;
  - (c) **Ms Rebecca NG** asked how long it would take SWD to upload NGO's record onto SWD's website and when the record would be deleted;
  - (d) **Dr Ricky SZETO** enquired if there was any adverse impact on the subsequent allocation of subventions to those NGOs with record of late submission. He suggested that SWD should lay down rules to delete relevant records of late submission with the reference to the practice of the commercial sector. SWD should also assess whether such record would be taken into account for NGOs' other funding application; and
  - (e) **Mr Francis CHAU** appreciated that SWD had allowed time for NGOs to prepare and submit their late submission. He opined that HKCSS might help match auditor for NGOs with recruitment difficulty. **Mr Cliff CHOI** said that HKCSS was ready to provide assistance and support for NGOs if necessary.

19. **Mr Alex WONG** said that SWD had alerted the Board Chairmen and Heads of NGOs about the importance of timely submission of financial reports and the consequences of last submission. He advised that amongst the NGOs with late submission, there was one large-scale NGO (with annual subvention of above \$100 million) while the other three belonged to small-scale. He added that the name of NGO would be shown with a note specifying its late submission of financial reports for past three consecutive years on SWD's webpage. The record would be deleted at the next submission deadline if the NGO had submitted its AFR/ AccFS timely. He pointed out that the timeline for submission of financial reports was clearly stated in LSG Manual.



20. **The Chairman** reiterated that the situation had actually been improved in the past years. It was not a common phenomenon among NGOs. Under the ongoing review on enhancement of LSGSS, the Task Force would look into ways to facilitate NGOs to enhance their financial planning and compliance with financial requirements stipulated in LSG Manual or related circulars/ letters. Another direction would be to strengthen the transparency of financial information.

#### **Agenda Item 6 – Progress of Implementation of Social Welfare Development Fund (SWDF) (LSGSC 4/2020)**

21. **Ms LAM Bun-ngee** reported that SWD invited applications for Phase 3 (Third Round) in July 2020 and received applications from a total of 134 NGOs for carrying out 460 training and development (T&D) programmes. LFAC endorsed allocating a total amount of \$46.289 million to 128 NGOs for organising 433 T&D Programmes at its meeting on 26 November 2020. Applications from six other NGOs for organising 27 T&D Programmes would be submitted to the coming Lotteries Fund Advisory Committee meeting in January 2021 for approval.

22. For the latest position of SWDF of all three phases, 161 NGOs were approved funding for a total of 4 163 projects, including 705 IT projects under Scope B and 3 458 non-IT projects under Scopes A, B and/ or C. By the end of 2019-20, 13 NGOs (8%) had completed all their IT and non-IT projects. Of the remaining 148 NGOs, the latest schedules reported by NGOs were as follows –

- (a) by the end of 2020-21, 11 NGOs (7% of 161 NGOs) would have completed all their IT and non-IT projects;
- (b) by the end of 2021-22, 9 NGOs (6% of 161 NGOs) would have completed all their IT and non-IT projects; and
- (c) by the end of 2022-23, 128 NGOs (79% of 161 NGOs) would have completed all their IT and non-IT projects.

23. Members generally considered that SWDF had greatly facilitated the professional development of staff and business upgrading of subvented services, thereby enhancing the quality of subvented services. Some specific views were summarised below –

- (a) **Mr Armstrong LEE** enquired if there was any mechanism to check the level of improvement on staff's work performance after receiving the trainings funded under SWDF. For upgrading IT projects and other non-IT business systems, he asked if evaluation on work efficiency and cost-effectiveness was conducted. **Mr LUN Chi-wai** shared the same view;
- (b) **Dr Jane LEE** asked if SWD would require NGOs of different scales and having different IT systems to achieve specific parameters such as paperless operation and use of iCloud services/ platforms; and
- (c) **Mr Cliff CHOI** recognised that SWDF was valuable for NGOs' development and was concerned about the progress of using the funding as a recurrent resource to NGOs. **Mr Francis CHAU** and **Mr SIN Kin-ming** shared the same view.

24. **Mr Alex WONG** said that the IT projects under SWDF served to achieve greater efficiency and effectiveness in the management and service delivery of NGOs that suit their operating environment. **Ms LAM Bun-gee** supplemented that NGOs were required to provide self-evaluation reports to assess the usefulness of trainings and IT projects. Since Phase 2, SWD had conducted central evaluation to evaluate the overall effectiveness of SWDF on the basis of NGOs' self-evaluation.

25. **The Chairman** said that SWDF was welcome by the sector, bringing significant benefits to NGOs. Depending on the availability of resources, a central item with recurrent funding would be set up to support similar functions of SWDF. As regards the funding for NGOs' ongoing IT expenditure, such as system maintenance expenses and subscription fees of software, it could be further discussed in the context of the implementation of the latest IT Strategy for the Social Welfare Sector. NGOs had the flexibility to use LSG to cover expenditure items on IT as long as they were FSA-related.

#### **Agenda Item 7 – Extension of Monitoring Cycle of 2018-21 and Special Visitation Programme (SVP) of 2016-21 (LSGSC 5/2020)**

26. **Miss CHOW Mei-ye**e reported that under the Service Performance Monitoring System (SPMS), Review Visits (RVs), Surprise Visits (SVs) and On-site assessment Visits (OSVs) were conducted under a three-year monitoring

cycle. While SPMS had been fully implemented for 15 years by the end of the monitoring cycle of 2015-18, there were still 614 ASUs remaining unvisited under the random selection mechanism. To expedite action, SWD had been implementing the one-off SVP from 2016 to 2021 to cover all these unvisited ASUs. The SVP went in parallel with two three-year monitoring cycles of 2015-18 and 2018-21. The number of ASUs selected for RVs in the monitoring cycle of 2018-21 were reduced to 5% while SVs would not be conducted in this cycle.

27. Owing to the outbreak of COVID-19, RVs and SVP visits had been suspended for a few months in 2020. Considering that the epidemic situation had not been subsided, RVs and SVP visits would be conducted via electronic means, whereas OSVs and risk-based visits would be continued in order to complete complaint investigation and rectify non-compliance in a timely manner. In light of the practical difficulties to complete the original targets for the Monitoring Cycle of 2018-21 and SVP of 2016-21 by 31 March 2021, an extension of 12 months for completion by 31 March 2022 was suggested.

28. Members' views and suggestions were summarised as follows –

- (a) **Dr Jane LEE** shared with the meeting the pros and cons of using online audit inspection in her organisation. To ensure a steady online network, use of fixed internet line was preferable than iPhone and iPad. However, more time might be needed for staff to prepare the required documents for online checking; and
- (b) **Dr Ricky SZETO** reminded SWD assessors to take precaution regarding the issue of data privacy when conducting such online inspection.

29. **Mr Alex WONG** thanked members for the views and suggestions on the use of electronic means to conduct service monitoring inspection. He remarked that all sensitive and personal data would be carefully handled during the on-line inspection.

30. **The Chairman** concluded that the monitoring cycle of 2018-21 and SVP of 2016-21 would be tentatively extended to the end of March 2022. He ensured that SWD would try to have all the visits completed as early as possible and the next monitoring cycle would start upon completion of the on-going one.

## **Agenda Item 8 – Any Other Business**

### **(i) Flexible approach adopted by SWD in implementing SPMS in 2019-20 and 2020-21**

31. **Miss CHOW Mei-yee** briefed Members that SWD had put in place special arrangements for welfare services subsidised by SWD to prevent and control the spread of COVID-19 in January 2020. Apart from residential service units and hotline services, most subvented service units provided services on a limited scale.

32. **Miss CHOW** advised that the flexible arrangements adopted by SWD in implementing SPMS in 2019-20 and 2020-21 as follows –

#### 2019-20

- (a) extending the submission schedule of the 4<sup>th</sup> quarterly statistical forms and the yearly Self-assessment Reports (SARs) for 2019-20 from 20 April 2020 to 30 June 2020; and
- (b) reporting circumstances leading to under-achievements of Essential Service Requirements, Service Quality Standards and/ or Output Standards/ Outcome Standards (OSs/ OCs) by giving a succinct account in the modified yearly SARs for 2019-20 if the reasons were in relation to the special service arrangements under COVID-19 as announced by SWD and/ or social incidents in 2019;

#### 2020-21

- (a) extending the submission schedule of the 2<sup>nd</sup> quarterly statistical forms and the Half-yearly Report on Variance on OS/ OCs in 2020-21 from 20 October 2020 to 30 November 2020; and
- (b) reporting circumstances leading to variance of OS/ OCs by giving a succinct account in the modified Half-yearly Report on Variance on OS/ OCs in 2020-21 if the reasons were in relation to the special service arrangements under COVID-19 as announced by SWD.

33. **Miss CHOW** supplemented that SWD would keep in view the situation of COVID-19 and make flexible arrangements as appropriate in the second half year of the SPMS cycle of 2020-21.

34. In response to the enquiry of **Mr LUN Chi-wai**, **Mr Alex WONG** advised that NGOs had been duly informed of the arrangements by emails.

**(ii) Progress of Review on Enhancement of LSGSS**

35. **Ms LAM Bun-gee** reported that the Task Force had held 13 meetings, three rounds of sector consultation sessions and three focus group meetings so far. Deliberations on six review areas [i.e. areas (a), (c), (e) to (h)] were completed and a number of initial recommendations were made. The Task Force was currently examining the remaining two review areas (i.e. “Review of staffing establishment and subvention benchmarks” [area (b)] and “Pay structures, staff turnover rate and vacancies” [area (d)]). Members of the Task Force would continue to study carefully the views of various stakeholders so as to recommend enhancement measures for LSGSS. The Review was expected to be completed by the first quarter of 2021 the earliest.

36. **The Chairman** reiterated that the Task Force had reached consensus on the initial recommendations for six review areas. Further discussion on areas (b) and (d) would be made.

37. Members’ views and suggestions were summarised as follows –

- (a) **Mr LUN Chi-wai** was concerned about the progress of the Review under the influence of the epidemic. He noted that the Task Force was concerned about the sample size and response rate of the staff survey which might affect the assessment on the adequacy of the mid-point salary provision;
- (b) **Mr Cliff CHOI** asked if there was any possibility to have early implementation of some recommendations which had already reached consensus upon discussion in the Task Force. He also pointed out that in assessing the adequacy of the mid-point salary provision, staff’s work experience in the welfare sector before joining the existing NGO should be duly recognised; and.
- (c) **Mr Armstrong LEE** hoped that the response rate of the staff survey could be raised so that the adequacy of the mid-point salary provision could be more accurately assessed.

38. **The Chairman** pointed out that the consultant and the research team from the Chinese University of Hong Kong considered the initial response rate of staff survey at 39% adequate for data analysis. Having considered the views of some Task Force members, it was decided that a follow-on survey should be conducted for bringing up the response rate to 60%.

39. **The Chairman** added that with due efforts of the consultant, the response rate of the staff survey was successfully increased to 60%. Regarding the recommendations of the Review, SWD would formulate detailed implementation plan after reporting to the LegCo Panel on Welfare Services.

### **(iii) Progress of Implementation of the Best Practice Manual**

40. **Ms Cherry TSUI** reported that for the outstanding guideline in respect of staff remuneration (薪酬福利), it was deliberated at the Working Group on Implementation Details of BPM (the Working Group) on 7 August 2020. Consensus had not been reached on the level of guideline. The Working Group would further deliberate on this item upon completion of the Review in the first quarter of 2021 the earliest.

41. At its meeting on 7 August 2020, the Working Group considered that the implementation of two Level Two guidelines, i.e. “Communication” and “Delineation of Roles and Responsibilities of Governing Board” were satisfactory (i.e. over 80% of NGO had implemented the guidelines concerned in 2018-19) and proposed the following –

- (a) to upgrade the above Level Two guidelines to Level One; and
- (b) to seek HKCSS’s assistance in collecting views from NGOs on the upgrading of Level Two guidelines.

42. **Mr Alex WONG** said that NGOs have expressed no difficulty in implementing the Level Two guidelines during the on-site assessment visits. For some NGOs who had not yet implemented the Level Two guidelines, HKCSS would provide assistance to the NGOs as appropriate. After collection of information from HKCSS, the Working Group would further deliberate if it was possible to upgrade the two guidelines from Level Two to Level One.

**(iv) Adjustment of Recognised Fee**

43. Ms Cherry TSUI reported that on 21 September 2020, FSTB issued a circular memorandum announcing that the Financial Secretary had agreed that the Government fee review moratorium would be extended until 31 December 2021 so as to sustain support for the businesses and relieve individuals' financial burden. To be in line with the policy direction of the Government fee review moratorium, the recognised fees paid by service users for subvented welfare services would be frozen at the current level until 31 December 2021.

**Agenda Item 9 – Date of Next Meeting**

44. There being no other business, the meeting was adjourned at 1:00 p.m. The date of next meeting would be fixed in due course.

Social Welfare Department  
August 2021