

## **Minutes of the 51<sup>st</sup> Meeting of the Lump Sum Grant Steering Committee**

Date : 23 March 2023 (Thursday)  
Time : 9:30 a.m.  
Place : Room 918, 9/F, Wu Chung House,  
213 Queen's Road East, Wan Chai, Hong Kong

### **Present**

#### Chairperson

Miss Charmaine LEE, JP

Director of Social Welfare

#### Ex-officio Member

Ms Maggie LEUNG Yee-lee

Assistant Director of Social Welfare  
(Subventions)

#### Non-official Members

Miss Vena CHENG Wei-yan  
Mr Armstrong LEE Hon-cheung  
Mr Webster NG Kam-wah, JP  
Mr Roland WONG Ka-yeung  
Mr Addy WONG Wai-hung, MH, JP  
Mr Raymond LAI Kwan-ho  
Ms Alice LAU Oi-sze, MH  
Ms WONG May-kwan  
Ms Rachel LEUNG Wai-ling  
Ms Cynthia LAM Ming-wai  
Miss Irene LEUNG Pui-yiu, JP  
Mr IP Chi-wai  
Ms CHEUNG Kwok-chun  
Miss Yanmi LEUNG Ho-yan  
Mr SY Ching-tam  
Mr TSE Wah-wan

#### Secretary

Ms CHIU Pui-fung

Chief Social Work Officer (Subventions)1,  
Social Welfare Department (SWD)

### **In Attendance**

Ms WONG Yin-yee	Deputy Director of Social Welfare (Administration)
Ms LUI Ka-wing	Chief Social Work Officer (Subventions)2, SWD
Ms Elaine CHOY Yuk-ling	Senior Social Work Officer (Subventions)1, SWD
Ms YUEN Yuet-yan	Senior Social Work Officer (Subventions)2, SWD (designate)
Miss CHOW Mei-yee	Senior Social Work Officer (Subventions)3, SWD
Ms LAU Yee-shan	Social Work Officer (Subventions)4, SWD
Mr Sam LAM Chun-ho	Executive Officer (Subventions), SWD
Mr Anthony WONG Kin-wai	Business Director, The Hong Kong Council of Social Service (HKCSS)
Ms Vicky LI	Chief Officer (Talent Development), HKCSS

### **Absent with Apologies**

Mr Tony YIP Ka-sing  
Dr Pamela LEUNG Pui-yu  
Miss Jasmine CHAN Hoi-yan  
Ms CHUNG Wai-ling  
Mr Kirin LAW Tsz-yeung

### **Opening Remarks**

1. The Chairman greeted members, and extended a welcome to Ms YUEN Yuet-yan, who attended the meeting for the first time. Ms YUEN would take up the post of Senior Social Work Officer (Subventions)2 on 11 April.
2. Five members, including Mr Tony YIP Ka-sing, Miss Jasmine CHAN Hoi-yan, Dr Pamela LEUNG Pui-yu, Mr Kirin LAW Tsz-yeung and Ms CHUNG Wai-ling, were unable to attend the meeting due to other commitments.
3. Mr Anthony WONG Kin-wai and Ms Vicky LI, representatives of HKCSS, would attend the meeting for agenda item 4 to introduce the upcoming “Learning Platform on NGO Governance and Management”. Mr WONG would attend the meeting via video conferencing.

### **Declaration of Interests**

4. The Secretariat reminded members of the need to make a full disclosure of their interests in the event of any potential conflict of interest in matters placed before the Lump Sum Grant Steering Committee (LSGSC). Members could make a declaration before the meeting or when a conflict of interest was involved in a particular item to be discussed. The Secretariat advised that members, despite being board or staff members of relevant non-governmental organisations (NGOs), could still speak on the issues insofar as sector-wide policies were concerned.

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

5. The Secretariat circulated the draft minutes of the 50th meeting to members on 23 December 2022, and received a suggestion from Mr Raymond LAI Kwan-ho on 3 January 2023 to add the following content immediately after the last sentence of paragraph 19 -

Original version:

“The mechanism for conducting annual review of service items would be introduced at the meeting in due course.”

Proposed amendment:

“SWD would continue to monitor the progress of service reviews and report to members at appropriate time.”

6. Members had no comments on the proposed amendment. The minutes of the 50th meeting were confirmed.

[Post meeting note: The minutes of meeting were uploaded to SWD’s website on 24 March 2023.]

## **Agenda Item 2 – Matters Arising**

### **Paragraph 7 of Minutes of Last Meeting – Progress of Implementation of the Second Generation Service Performance Management Information System**

7. Highlights of SWD’s report on the implementation progress of the Service Performance Management Information System (SPMIS e-Submission System) were as follows:
  - (a) NGOs began to submit statistical returns on service performance for the first to third quarters of 2022-23, as well as other forms, to SWD through the e-Submission System from 20 September 2022 onwards;
  - (b) Upon the timely submission of the statistical returns on service performance by a service unit for the fourth quarter through the system on or before 20 April 2023, the system would automatically evaluate whether there were any non-compliant items for the concerned service unit to meet the agreed levels of certain output and/or outcome standards for the year. If so, the system would automatically issue a proforma to the concerned service unit so as to facilitate the NGO to follow up on the action plan for improvement; and
  - (c) When all service units of an NGO had submitted their statistical returns on service performance for the fourth quarter, the system would consolidate the annual data and notify the NGO’s Executive Director and Board Chairman to facilitate the NGO’s submission of its annual self-assessment report and the action plan for improvement to SWD through the system. SWD would assess the performance

of the NGO's service units based on the returns and information collected through the system.

Paragraph 10 of Minutes of Last Meeting – Operational Guidelines on Funding and Service Agreement-related Activities and Cost Apportionment for Non-governmental Organisations (Operational Guidelines)

8. SWD reported the latest progress of formulating the Operational Guidelines. After conducting three rounds of focus group discussions, consulting members through meetings and incorporating stakeholders' views on Recommendations 15 to 19 of the Review Report on Enhancement of Lump Sum Grant Subvention System (Review Report), SWD prepared a draft Operational Guidelines, which was circulated to members for review on 27 February.
9. The Operational Guidelines contained two chapters. Chapter 1 aimed to explain:
  - (a) what Funding and Service Agreement (FSA) services, FSA-related activities and non-FSA services were;
  - (b) how to handle the allocation of different percentages of lump sum grant (LSG) subvention on FSA-related activities;
  - (c) the financial reporting arrangements for NGOs receiving other funding support to implement FSA services and/or FSA-related activities;
  - (d) the resource sharing arrangements for SWD's subvented/ subsidised services and across NGOs/ Agreement Service Units; and
  - (e) the financial arrangements of donations (including cash or in-kind contributions) for FSA services and/or FSA-related activities.
10. Chapter 2 of the Operational Guidelines explained the principles and methodology of apportioning the operating costs of NGOs between FSA and non-FSA services in order to avoid cross-subsidisation.
11. SWD presented a written submission from the Concerned Group of Small Welfare Agencies (the Concerned Group) expressing their views on the draft Operational Guidelines, including suggestions such as: (i) SWD and small welfare agencies jointly discuss and identify a simple and convenient method of cost apportionment based on the actual situation of the agencies; (ii) the flexible nature of LSG should be maintained in cost apportionment so as to allow room and flexibility for agencies to address social problems; and (iii) cost apportionment might be exempted when agencies responded to requests from government departments (e.g. Labour and Welfare Bureau or cross-bureau requests) for providing FSA-related or non-FSA services to the general public. SWD had contacted the representative of the Concerned Group to explain the principles

and content of the Operational Guidelines in detail to allay any concerns they might have.

12. To allow flexibility for NGOs in deploying resources, the draft Operational Guidelines stipulated that an NGO might consider including other funds and relevant expenditure in the Annual Financial Report (AFR) without apportioning them, provided that the income was used for FSA services and/or FSA-related activities. To this end, SWD had also reviewed the mechanism for the claw-back of LSG reserves in formulating the Operational Guidelines. Currently, the amount of LSG reserve (including interest, but excluding Provident Fund (PF) reserve and Holding Account reserve) that an NGO might hold was capped at 25% of its operating expenditure (excluding PF expenditure) for that year. If an NGO's operating expenditure increased as a result of receiving funds from other sources from time to time, this could affect the calculation of the cap on its LSG reserve due to the inherent instability of such funds. This could also result in unfairness in the calculation of the cap on the LSG reserves for NGOs that received less of such funds. In addition, LSG subventions was relatively fair and stable, allowing NGOs to make earlier and more accurate financial provisions and risk management plans. In view of the above factors, SWD had proposed, during the drafting of the Operational Guidelines, using the subvention amount instead of operating expenditure in the calculation of the amount of LSG reserves to be returned by NGOs. However, considering that it took time for NGOs to adapt to the new arrangement and review their reserve levels, SWD proposed, at this stage, to keep using operating expenditure as the basis for calculating the amount of LSG reserves to be returned by NGOs. Depending on the actual circumstances, SWD would evaluate the need for revisions after the promulgation of the Operational Guidelines.
13. After collecting members' comments, SWD revised the draft Operational Guidelines for members' consideration as follows:
  - (a) Paragraph 1.5.11 of Chapter 1 (Page 9):

“having regard to the requirement under the LSGSS that the cumulative reserve (including interest, but excluding Provident Fund (PF) Reserve and Holding Account balance) exceeding 25% of the LSG allocation (excluding PF expenditure) to the NGO for operating the subvented services for that year shall be returned to the Government”

Proposed amendment:  
“having regard to the requirement under the LSGSS that the cumulative reserve (including interest, but excluding Provident Fund (PF) Reserve and Holding Account balance) exceeding 25% of the **NGO's operating expenditure (excluding PF expenditure) for operating the subvented services** for that year shall be returned to the Government”
  - (b) Paragraph 1.6.1 of Chapter 1 (Page 9):

“As far as they are subsidised by SWD, there is no need to apportion the costs of these services regardless of whether LSG resources are deployed”

Proposed amendment:

“As far as they are subsidised by SWD (**including programmes initiated or co-ordinated by SWD**), there is no need to apportion the costs of these services regardless of whether LSG resources are deployed”

- (c) Title of Part (B) and the first column of the table in Annex 2 (Page 15):

“For FSA-related Activities recommended to be incorporated into FSA Services”

Proposed amendment:

“For FSA-related Activities recommended **by the NGO** to be incorporated into FSA Services”

- (d) “Name of FSA-related Activities to be recommended to incorporate into FSA services”

Proposed amendment:

“Name of FSA-related Activities to be recommended **by the NGO** to incorporate into FSA services”

- (e) Paragraph 2.4.4(d) of Chapter 2 (Page 30):

“The apportionment of central administrative costs is best represented by how the ‘costs incurred for service’ are shared between FSA services or non-FSA services”

Proposed amendment:

“**One of the methods** for the apportionment of central administrative costs is represented by how the costs incurred for services’ are shared between FSA services or non-FSA services”

14. SWD stated that if LSGSC approved the proposed amendments, it would issue the Operational Guidelines to NGOs in April 2023. NGOs should then review and/or revise their relevant service and financial arrangements in accordance with the Operational Guidelines. Starting from the next financial year (i.e. 2024-25), NGOs were required to submit to SWD an Annual Statement regarding FSA-related activities (if any) in compliance with the requirements set out in the Operational Guidelines. When scrutinising the AFRs, SWD would also examine whether NGOs had made cost apportionment for non-FSA services as per requirements. In addition, the Operational Guidelines would be incorporated into the Lump Sum Grant Manual (LSG Manual). Upon the issuance of the Operational Guidelines, SWD would conduct a briefing session for NGOs to understand the relevant principles and methodology.

[Post meeting note: SWD issued the Operational Guidelines to NGOs on 17 April 2023, and conducted a briefing session on 2 May 2023.]

15. SWD emphasised that FSA-related activities and cost apportionment were not new concepts or requirements. The Operational Guidelines were developed to clarify and specify the related arrangements so that NGOs could flexibly utilise their LSG subventions while adhering to the principles of proper use of public money for prescribed purposes and avoiding cross-subsidisation. In addition, the Operational

Guidelines specified the arrangements for sharing resources among LSG-subvented services and with other services subsidised by SWD. It also improved the respective arrangements regarding the receipt of donated items by NGOs.

16. The following was a summary of members' views on the draft Operational Guidelines:

- (a) Many members appreciated that SWD had taken into consideration opinions of the sector and had adopted suggestions from both members and the sector when drafting the Operational Guidelines. Some members expressed concerns about the possible differences in the interpretation of the Operational Guidelines among various service branches, the Finance Branch and Subventions Branch of SWD, NGOs and other stakeholders, and suggested strengthening communication between service branches and NGOs. SWD responded by stating that the Subventions Branch had conducted internal discussions with related service branches and the Finance Branch to ensure that service branches established standards for FSA-related activities based on the criteria set out in the Operational Guidelines. NGOs could also consult the Liaison Officers of the Subventions Branch on the Operational Guidelines and relevant arrangements for utilising subventions.
- (b) Regarding the apportionment of central administrative costs of NGOs, many members commended the Operational Guidelines for providing clear explanations on the calculation process. Some members were of the view that the amount of LSG subventions received by an NGO for the year should be used as the basis for calculating the amount of LSG reserve that it might hold, with a view to facilitating more stable and predictable financial planning. Regarding the calculation method for the cap on the amount of LSG reserve that an NGO might hold, SWD concurred that NGOs should be given time to adapt and review their reserve levels. Therefore, depending on the actual circumstances, SWD would evaluate the need for revisions after the promulgation of the Operational Guidelines.
- (c) Regarding the implementation of the Operational Guidelines, some members suggested that SWD offer examples of approved cases for NGOs' reference, and provide the sector with support and training (e.g. establishing an online information platform or holding briefing sessions) to facilitate a better understanding of the Operational Guidelines and related content. Some members also expected SWD to keep under regular review the need for revisions after the promulgation of the Operational Guidelines. In response, SWD indicated that it planned to conduct a briefing session for NGOs in May 2023. Frequently asked questions and the content of the briefing session would be uploaded to SWD's website afterwards. SWD would also hold relevant sharing sessions as needed and in a timely manner to help NGOs better understand the content of the Operational Guidelines.

**Agenda Item 3 – Implementation Plans for Recommendations 21,23, 24 and 27 to 30 in the Review Report on Enhancement of Lump Sum Grant Subvention System (LSGSC Paper No. 1/2023)**

17. SWD presented LSGSC Paper No. 1/2023 regarding Recommendations 21, 23, 24 and 27 to 30 of the Review Report on Enhancement of Lump Sum Grant Subvention System (Review Report). These recommendations sought to further improve the corporate governance of NGOs in terms of the: (1) structure of their governing boards and management; (2) transparency of LSG/PF reserves; (3) transparency of their staff remuneration policies; and (4) their accountability to and communication with staff and service users. The aforementioned recommendations were based on the relevant requirements for establishing good corporate governance as set out in the LSG Manual and Best Practice Manual (BPM). Highlights were as follows:

**Structure of governing boards and management**

**Recommendation 21 – NGOs should enhance the transparency of their governing boards and senior management by disclosing to the public the membership list and structure of governing boards, as well as the list of senior management/executives, and update such information in a timely manner**

- (a) The Review Report recommended that NGOs provide proper channels (such as annual reports and websites) for the public (including their staff and service users) to access the membership list and structure of governing boards, as well as the list of senior management/executives and their roles and responsibilities, and update such information in a timely manner.

**Transparency of LSG/PF reserves**

**Recommendation 23 – NGOs should disseminate information about the use of LSG reserve and PF reserve to the public**

- (b) The Review Report recommended that NGOs disclose information about the use of LSG reserve and PF reserve to the public (including service users) and staff by making available the information by various channels (such as posting information on a unit's notice boards), with a view to enhancing transparency. Currently, all NGOs had implemented the relevant measures. Following the recommendation of the Review Report, SWD would stipulate that NGOs should comply with the relevant requirement.



## **Transparency of staff remuneration policies**

**Recommendation 24 – NGOs should enhance the transparency of their staff remuneration policies, including disclosing the pay structure and/or starting salary points of their regular posts under LSG**

- (c) The Review Report recommended that all NGOs disclose their pay structure/starting salary points of their regular posts, i.e. non-temporary or non-short-term posts, under LSG for reference of the staff of respective grades/ranks/posts, so as to enhance transparency. Having regard to the lead time required for individual NGOs to prepare the information to be disclosed or to discuss and adjust their pay structures, the Review Report recommended that a transition period of 5 years be given to NGOs. Meanwhile, NGOs were encouraged to disclose such information during the transition period as far as practicable.

## **Accountability to and communication with staff and service users**

**Recommendation 27 – NGOs should consult potentially affected staff on important matters to enhance accountability to staff; and**

**Recommendation 28 – NGOs should consult potentially affected service users on important matters to enhance accountability to service users**

- (d) The Review Report recommended that NGOs consult potentially affected stakeholders on important matters that may have direct bearings on staff, service users and/or their family members, such as changes in the existing staffing establishment, significant changes in the staffing ratio, remuneration packages or working conditions, service review/service re-engineering or changes in the mode of service delivery, service development/implementation of FSA-related activities, changes in service performance standards, and adjustments to service fees and charges.

**Recommendation 29 – NGOs should establish regular communication channels between the governing boards/senior management and staff/service users, so as to collect and respond to feedback on LSG-related matters from staff and service users; and**

**Recommendation 30 – NGOs should establish channels for potentially affected staff and service users to participate in the decision-making process of important matters, so as to enhance stakeholders' participation**

- (e) The Review Report recommended that NGOs establish communication channels between the governing boards/senior management and staff/service users to enhance stakeholder engagement. NGOs could collect and respond to feedback on important matters from staff and service users through all the communication channels currently in use, including annual reports, newsletters, notice boards, questionnaires, emails, suggestion boxes, visits to service units, staff meetings,

staff general meetings, consultation sessions with service users, customer liaison groups, inviting staff/service users to attend meetings of governing boards and service management committees, etc.

### **Follow-up actions**

- (f) According to the relevant requirements of the LSG Manual and BPM, NGOs had generally implemented or were currently implementing the aforementioned seven recommendations of the Review Report. To ensure full implementation of these recommendations, SWD would issue a letter at a later date to remind NGOs to fully implement the relevant requirements starting from 2023-24.

[Post meeting note: SWD issued a letter to NGOs on 30 March 2023.]

18. Members' views on the above recommendations were summarised as follows:

- (a) Some members thanked SWD for conducting focus groups to discuss the implementation plans of Recommendations 21, 23, 24, 27 to 30 of the Review Report, and arranging for them to visit NGOs to meet with management and staff and gauge the sector's views on the implementation of measures to enhance NGOs' governance. Members unanimously agreed to implement the relevant recommendations in 2023-24.
- (b) Some members opined that NGOs should safeguard the privacy of service users, especially their online privacy and security, when providing or referring services. Some members pointed out that Service Quality Standard 14 already included relevant clauses that required the protection of service users' privacy. SWD added that there were currently related IT security guidelines available for NGOs' reference.
- (c) Some members suggested supporting smaller NGOs in implementing various recommendations. SWD informed members that it had maintained communication with NGOs of different sizes, and had arranged for Liaison Officers to give advice based on the specific circumstances of individual NGOs in order to help them understand the requirements for implementing various recommendations.
- (d) Some members asked whether the new recommendations would replace the Level Two guidelines in BPM, and whether it was unnecessary to offer NGOs a transitional period of five years with regard to Recommendation 24, which required NGOs to enhance the transparency of their staff remuneration policies. SWD responded that NGOs had been implementing the BPM since 2014, and they had generally implemented Level One and Level Two guidelines by now. To further assist NGOs in fully implementing good governance initiatives, SWD was planning to consolidate existing guidelines by incorporating the principles of BPM into the LSG Manual. Both the focus groups and the sector expressed support

for the consolidation of these guidelines. As for the transitional period mentioned in Recommendation 24, more than five years had passed since the review of Lump Sum Grant Subvention System (LSGSS) was launched in 2017. Currently, NGOs had kept relevant staff informed of the salary structures and/or minimum salary points of various permanent posts under LSGSS, in accordance with the requirements stipulated in the Disclosure of Remuneration Policy in BPM. NGOs were also reviewing their staff remuneration and benefits policies in a timely manner. Therefore, members agreed that there was no need to set an additional transitional period.

- (e) Regarding the establishment of communication channels, some members considered that NGOs had already established different platforms to solicit feedback from staff and service users, and had involved them in the decision-making process of important matters, with a view to ensuring their right to information. Some members concurred that NGOs should provide channels for the public to access the membership list and structure of governing boards, list of senior management/executives, as well as their duties and responsibilities, and update such information in a timely manner. In addition, some members considered that SWD should request NGOs to provide more detailed information on their governing board members as necessary. SWD responded by stating that each NGO had designated a Liaison Officer to enhance communication and improve understanding of the NGO's governance situation. NGOs would also update information on their board members from time to time.

**Agenda Item 4 – Implementation of the Recommendations in the Review Report on Enhancement of Lump Sum Grant Subvention System and the Related Work Progress**

(LSGSC Paper No. 2/2023)

19. SWD briefed members on the implementation of the recommendations in the Review Report as set out in LSGSC Paper No. 2/2023 and the related work progress. Highlights were as follows:

- (a) The Review Report set out 30 recommendations under five domains, namely (1) quality of welfare services; (2) staffing establishment, subvention benchmark and human resource management matters; (3) financial planning matters; (4) relevance of utilising LSG subvention; and (5) accountability and corporate governance of NGOs. SWD had been progressively implementing the recommendations in the Review Report since 2022-23.
- (b) SWD implemented the following 14 recommendations in 2022-23:
- Recommendation 3: Provide additional supervisory support for paramedical grades;
  - Recommendation 5: Standardise the cycle of reviewing a time-defined FSA at 5 years since April 2022;

- Recommendation 6: Conduct reviews on notional staffing establishments, service targets, service nature and service performance standards;
- Recommendation 7: Specify the frequency and means of internal service inspections conducted by NGOs;
- Recommendation 8: Maintain the subvention benchmark at mid-point salaries;
- Recommendation 10: NGOs should improve human resource management continuously;
- Recommendation 11: NGOs should improve the management of Holding Account, and formulate utilisation plans and financial projections to optimise the use of the reserve;
- Recommendation 12: NGOs should optimise the use of Provident Fund reserve to enhance staff morale and their sense of belonging to NGOs;
- Recommendation 13: NGOs should conduct annual financial projections;
- Recommendation 14: Regularise the scheme to subsidise NGOs to use actuarial service for financial projections;
- Recommendation 20: NGOs should disclose their Annual Financial Reports;
- Recommendation 22: NGOs should disclose the remuneration of their senior executives in the top three tiers;
- Recommendation 25: NGOs should enhance the transparency of the establishment of their regular posts under LSG subvention; and
- Recommendation 26: NGOs should enhance the transparency on special incidents and significant incidents which occurred in the NGOs concerned or their service units.

(c) SWD planned to implement the following 13 recommendations in the first quarter of 2023-24:

- Recommendation 1: Provide a learning platform on governance and management;
- Recommendation 15: Draw up criteria for delineating FSA-related activities and the maximum proportion of LSG used for FSA-related activities;
- Recommendation 16: Formulate operational guidelines for FSA-related activities;
- Recommendation 17: Formulate guidelines on cost apportionment for the use of LSG subvention;
- Recommendation 18: NGOs should submit to SWD annual statement on FSA-related activities held;
- Recommendation 19: NGOs should consider the criteria for consulting/ advising staff and service users on implementing FSA-related activities to enhance transparency;
- Recommendation 21: NGOs should enhance the transparency of their governing boards and senior management;
- Recommendation 23: NGOs should disseminate information about the use of LSG reserve and PF reserve to the public;
- Recommendation 24: NGOs should enhance the transparency of their staff remuneration policies;

- Recommendation 27: NGOs should consult potentially affected staff on important matters;
- Recommendation 28: NGOs should consult potentially affected service users on important matters;
- Recommendation 29: NGOs should establish regular communication channels between the governing boards/senior management and staff/service users; and
- Recommendation 30: NGOs should establish channels for potentially affected staff and service users to participate in the decision-making process of important matters.

(d) SWD had provided additional resources for implementing Recommendations 1 and 14. Subject to the Government's financial position, SWD would continue to seek additional resources as appropriate, in accordance with established procedures, to implement the remaining three recommendations, namely:

- Recommendation 2: Provide subsidy for staff training, business system upgrading and service studies;
- Recommendation 4: Increase the Block Grant; and
- Recommendation 9: Formulate different base levels of subvention for central administration according to the scales of NGOs.

20. Members' views on the implementation progress of the above recommendations were summarised as follows:

- (a) Some members remarked that the Social Welfare Development Fund (SWDF) was crucial to NGOs' staff training, business development and IT development, and hoped that a new round of SWDF application could be launched as soon as possible. SWD responded that the Government had subsidised 161 NGOs with the \$1 billion SWDF in the past decade. All projects were expected to be completed by the end of March 2023, and NGOs were required to submit reports by the end of October 2023. SWD would review the implementation of SWDF, and formulate more effective ways to subsidise NGOs in conducting staff training and enhancing their business systems.
- (b) In addition, some members hoped that SWD would increase the subvention for central administration for NGOs to cope with the increasingly heavy administrative workload. To implement the recommendations for enhancing LSGSS as soon as possible, SWD indicated that it had made every effort to utilise its limited resources to advance the implementation of Recommendations 1 and 14 ahead of schedule, in order to provide NGOs with additional funding support to launch a learning platform and actuarial service. As to the subvention for central administration, SWD would continue to seek allocations to implement the relevant recommendation in accordance with established procedures if the Government's financial position permits.

21. The Review Report recommended the provision of a learning platform on governance and management to consolidate and enhance NGOs' knowledge and capacity in governance and management across different areas (Recommendation 1). SWD had commissioned HKCSS to launch a "Learning Platform on NGO Governance and Management" (Learning Platform) in the first quarter of 2023-24 for a period of two years. Representatives of HKCSS briefed members on the upcoming Learning Platform. Highlights were as follows:

- The Learning Platform primarily targeted NGOs receiving subventions, with at least 70% of its users being board members and managerial staff of NGOs operating subvented welfare services of different scales;
- Clear learning objectives, content and modes, as well as appropriate support mechanisms to meet the governance and management needs of NGOs of varying characteristics would be developed. Consultation services and specific training programmes would also be provided to address the specific needs of individual NGOs;
- HKCSS would collaborate with different professional bodies and stakeholders to provide targeted and relevant courses on the theme of governance on the Learning Platform;
- The content and modes of the Learning Platform included orientation workshops for board members and committee members of NGOs, training workshops, seminars and webinars, networking and sharing sessions, consultancy services and a knowledge database, etc. HKCSS would also establish service indicators for the Learning Platform;
- The learning topics covered corporate governance, human resource management, financial management, communication between board members and management, as well as communication with staff and service users, etc. In addition, SWD would, based on the service content and themes of the Learning Platform, provide HKCSS with relevant information and guidelines applicable to the welfare sector, including information relating to LSGSS and service performance monitoring measures, etc.; and
- HKCSS was required to submit quarterly statistical reports and periodic assessment reports, etc. to SWD for monitoring the service performance of the Learning Platform.

22. Members' views on the Learning Platform were summarised as follows:

- (a) Some members commended the courses for their extensive coverage, and enquired whether certificates of attendance would be issued to NGOs. Some members remarked that the courses should focus on strengthening the foundation of governance of NGOs, which would help the sector sustain professional development. HKCSS responded by stating that certificates of attendance were generally issued to participants of its training courses, and it would consider establishing a mechanism to encourage NGOs' participation in training activities in a more systematic manner. It also agreed that relevant courses should move towards professionalisation, and would review the courses in a timely manner.

- (b) Some members agreed that the courses should cover topics on enhancing the governance capabilities of NGOs. They also pointed out that as NGOs had diverse backgrounds, cultures and management concepts, relevant courses should provide good governance principles and concepts for NGOs' reference, so as to improve the standard of governance among NGOs. HKCSS responded by stating that courses on the Learning Platform would establish good governance standards for the information of NGOs' management.
- (c) Some members suggested that the courses should also cater for smaller NGOs, in order to help them improve their governance capabilities. In response, HKCSS stated that the courses on the Learning Platform were designed for NGOs receiving subventions or not receiving subventions, as well as NGOs that were not members of HKCSS. Tailored training courses would be provided to meet the different needs of relevant NGOs.
- (d) Some members pointed out that given the frequent turnover of managerial staff in the welfare sector in recent years, the Learning Platform should pay attention to the training needs of management, and equip them with professional management knowledge and skills. In response, HKCSS stated that the courses on the Learning Platform would cover relevant content, including organising orientation workshops for newly-appointed managerial staff, board members and committee members of NGOs.
- (e) Some members suggested that HKCSS collaborate with professional organisations (e.g. the Office of the Privacy Commissioner for Personal Data, Hong Kong and Mandatory Provident Fund Schemes Authority, etc.) to enhance the welfare sector's management knowledge across different areas. In response, HKCSS stated that it would actively consider collaborating with other professional organisations to provide targeted and relevant governance-related courses.

#### **Agenda Item 5 - Any Other Business**

23. There was no other business.

#### **Date of Next Meeting**

24. The meeting was adjourned at 12:00 p.m. Members would be notified of the date of the next meeting in due course.

Social Welfare Department  
May 2023