

LCQ10: Enhancement of the Lump Sum Grant Subvention System

Following is a question by the Hon Tang Ka-piu and a written reply by the Secretary for Labour and Welfare, Mr Chris Sun, in the Legislative Council today (November 8):

Question:

There are views that the Lump Sum Grant Subvention System (LSGSS) implemented since 2001, while boosting the motivation and creativity of social service organisations, has at the same time given rise to various problems, and needs to be comprehensively reviewed and improved in a timely manner. In this connection, will the Government inform this Council:

(1) as the assessment criteria for the District Services and Community Care Teams include (i) being patriotic and loving Hong Kong and being able to support and follow the Government's leadership, (ii) having a certain level of district network and service experience, (iii) possessing cross-district mobilisation capability, and (iv) being able to consolidate and seek community resources, whether the Government will consider adopting the same assessment criteria for non-governmental organisations (NGOs) receiving lump sum grant subvention (particularly those receiving recurrent subvention); if so, of the details; if not, the reasons for that;

(2) given that in reply to a question raised by a Member of this Council on the Estimates of Expenditure 2023-2024, the Government indicated that 127 of the Funding and Service Agreements (FSAs) signed between the Social Welfare Department (SWD) and NGOs are non-time-defined, whether the Government will review the relevant mechanism (including formulating guidelines and performance indicators) to enhance the autonomy of such organisations, and convert such non-time-defined FSAs into time-defined ones; if so, of the details; if not, the reasons for that;

(3) as there are views pointing out that currently some NGOs are unable to seize the opportunity of the system reform by redeploying their resources so as to keep abreast of the times (e.g. increasing support for young people), whether the authorities will formulate long-term plans and relevant guidelines to help such organisations redeploy their resources; if so, of the details; if not, the reasons for that; and

(4) as the Government indicated in reply to a question raised by a Member of this Council on July 5 this year that the funding and sponsorship programmes under Government bureaux and departments would require the recipient organisations to properly acknowledge the source of government funding through relevant funding conditions, whether the SWD has currently formulated relevant guidelines to require compliance by organisations receiving funding under the LSGSS; if so, of the details; if not, the reasons for that?

Reply:

President,

The Social Welfare Department (SWD), by adopting a "services-based" approach, provides subvention to non-governmental organisations (NGOs) operating welfare services for serving those in need. To cater for the ever-changing service demands of the society, the Government reviews publicly-funded services and projects from time to time, and provides different types of subsidy to NGOs. This facilitates NGOs to not only enhance and improve existing services, but also to develop innovative modes of welfare service provision, with a view to meeting the latest social development needs of the community and keeping abreast of the times. The SWD implemented the Lump Sum Grant Subvention System (LSGSS) to allocate subventions to NGOs to operate welfare services as stipulated in the Funding and Service Agreements (FSAs). The LSGSS seeks to focus on the effectiveness of service delivery and replace the previous subvention mode where allocations were approved on an item-by-item basis, with a view to allowing NGOs greater flexibility and higher efficiency in utilising subventions and providing appropriate welfare services.

My reply to the Hon Tang's question is as follows:

(1) The SWD requires all NGOs operating subvented welfare services to take all necessary measures to safeguard national security and comply with the Hong Kong National Security Law when operating and providing services. If NGOs engage in acts or activities that are likely to cause or constitute the occurrence of offences endangering national security or which would otherwise be contrary to the interest of national security, the SWD may immediately terminate the FSAs signed with them. When appointing NGOs to operate welfare services, the SWD will, depending on factors such as the service nature and the specific needs of service users, take into account the NGOs' relevant service experience as one of the assessment criteria. The applicants shall also specify in their proposals how they plan to implement the services specified by the SWD and effectively carry out related work through their district networks.

(2) At present, there are time-defined or non-time-defined FSAs. Prior to the implementation of the LSGSS, the SWD signed non-time-defined FSAs with NGOs based on the previous subvention system. To ensure that subvented services align with the Government's policy objectives, the SWD will specify the objectives, nature, content and target groups of the services in the FSAs, and all subvented service units must comply with the relevant requirements and standards prescribed by the SWD, including essential service requirements, output/outcome standards and the service quality standards. The SWD will conduct reviews for different services as necessary, and convert non-time-defined FSAs into time-defined FSAs following the reviews, so as to meet the ever-changing service needs and relevant requirements.

(3) The Government published the Review Report on Enhancement of Lump Sum Grant Subvention System in July 2021 and put forward a number of recommendations of enhancement of the LSGSS, including conducting systematic

service reviews to keep pace with the changing needs of users of various types of welfare services, improving utilisation of reserves, human resource management, financial planning, and enhancing accountability and corporate governance of NGOs. Among all, the scope of service reviews included reviewing the service targets, service nature and notional staffing establishment, etc., so as to timely respond to the service needs of users. The SWD, in accordance with the relevant recommendations, is gradually reviewing different services, including residential child care services, sheltered workshops and integrated vocational rehabilitation services centres, integrated home care services (ordinary cases), district elderly community centres/neighbourhood elderly centres, etc.

(4) To fully demonstrate the Government's commitment to welfare services and facilitate the public in identifying subvented welfare services, the SWD will require all subvented welfare service units to clearly indicate on their premises and promotional materials that the relevant welfare services are subvented by the SWD. The SWD will inform the sector of the detailed arrangements in due course.