

LEGISLATIVE COUNCIL PANEL ON WELFARE SERVICES

Support after the Tide-Over Grant (TOG) Period to Non-governmental Organisations (NGOs) Currently Receiving TOG - Special One-off Grant (SOG) and Other Support Measures

PURPOSE

This paper updates Members on the latest position regarding the SOG and other support measures.

BACKGROUND

2. There are two schemes under SOG, i.e. Scheme A and Scheme B. Scheme A aims at providing one-off further assistance to NGOs which need assistance in coping with the salary increment of and providing personal emolument (PE) above mid-points for the Snapshot Staff upon the TOG cessation in 2006-07. Scheme B, on the other hand, is an incentive arrangement for those NGOs by providing them with financial resources to enhance their human resources practices with a view to consolidating their service re-engineering and organisation restructuring.

3. A choice between Scheme A and Scheme B is a management decision for individual NGOs after taking into full account of their specific staffing and financial conditions and the views of their staff.

4. Apart from SOG, the following supportive measures will also be implemented to facilitate NGOs, whether applying for Scheme A and Scheme B, to achieve financial viability after the TOG period:

- (a) to withhold the clawback of LSG Reserve above the 25% cap for three years for the financial years from 2004-05 to 2006-07 to be carried out in 2006-07 to 2008-09;
- (b) to allow NGOs to utilise their own resources or LSG Reserve or SOG to implement Voluntary Retirement Scheme for their staff to increase the efficiency of the organisation; and

- (c) for NGOs with their salary portion above the benchmark salary, to postpone the planned annual 2% reduction of the salary portion of the LSG to the Benchmark Salary for two years to 2008-09.

PROGRESS OF THE SOG APPLICATIONS

5. Invitation for SOG applications was made to 125 eligible NGOs on 10 August 2005. The management boards of the NGOs are required to assess in-depth their staffing and financial situations and demonstrate their abilities to achieve financial viability in the long run. With applications endorsed by the Chairpersons, NGOs are also required to declare that they have conducted staff consultation and should ensure views from staff have been taken into account in making the application.

6. Up to 1 November 2005, 120 NGOs out of a total of 125 have already submitted their SOG applications to SWD. SWD is now processing the applications including verifying information provided by NGOs. Further consultation with NGOs' management is required to ascertain the data and the management plans. Vetting is expected to be completed by the end of December 2005.

WAY FORWARD

7. Approval from the Lotteries Fund Advisory Committee will be sought in January 2006 on the allocation of funding and thereafter NGOs will be informed of the application results.

**Health, Welfare and Food Bureau/Social Welfare Department
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