

**For discussion on  
14 May 2018**

## **Legislative Council Panel on Welfare Services**

### **Review on Enhancement of Lump Sum Grant Subvention System**

#### **Purpose**

This paper briefs Members on the progress of the review on the enhancement of the Lump Sum Grant Subvention System (LSGSS) and seeks Members' advice on the scope of the review.

#### **Background**

2. The LSGSS was introduced in January 2001 for voluntary opt-in by subvented non-governmental organisations (NGOs) to address criticism against the conventional subvention system, including the comment that it was rigid, inflexible, complex, and providing no incentive for NGOs to use resources more effectively for lowering costs, increasing cost-effectiveness or improving services for users. Under the LSGSS, NGOs have the autonomy and flexibility in the deployment of subvention resources to meet the changing needs in the community in a more timely manner. To facilitate NGOs' transition from the conventional subvention system to the LSGSS, as well as to introduce measures to improve the LSGSS, the Government has over the past 17 years provided additional one-off allocations of over \$4 billion, and provided additional recurrent funding of over \$800 million to support NGOs to enhance their central administration and supervisory support, facilitate the recruitment of paramedical personnel or procurement of related services, as well as increase the provision of "Other Charges"<sup>1</sup> to meet operational needs. Please refer to **Annex 1** for the details.

3. The Government appointed an Independent Review Committee (IRC) in January 2008 to carry out a comprehensive review of the LSGSS. After analysing the views of various stakeholders, the IRC concluded that the principles of the LSGSS were sound and the system was worth retaining. The IRC made 36 recommendations

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<sup>1</sup> "Other Charges" refers to the other miscellaneous operational expenses (e.g. administrative expenses, utilities, stores and equipment, programme expenses and food, etc.) and allowances (e.g. overtime allowance for drivers in day care centres for the elderly, special allowance on holiday for home help service, incentive payments for the spouse of houseparent of small group homes and workers of sheltered workshops, etc.) which are non-salary related.

to enhance the LSGSS in its report published in December 2008. With the launch of the Best Practice Manual (BPM) for NGOs in July 2014, the 36 aforementioned recommendations had all been implemented, which serves to show the Government's sincerity and determination to improve the LSGSS.

4. It has been 10 years since the last comprehensive review of the LSGSS. The Government understands that there are many views on the LSGSS from different stakeholders in the sector, and agrees that this system, which has been implemented for 17 years, needs to keep pace with the times. As proposed in the Policy Agenda of the Chief Executive's 2017 Policy Address last October, the Government would discuss with the social welfare sector on how to optimise the LSGSS. To this end, the Secretary for Labour and Welfare has tasked the Social Welfare Department (SWD) to set up a Task Force to conduct a review on the enhancement of the LSGSS with stakeholders and make recommendations.

### **Task Force for Review on Enhancement of LSGSS**

5. The Task Force for Review on Enhancement of Lump Sum Grant Subvention System (Task Force) was set up in November 2017. Its members include Members of the Legislative Council (LegCo), and representatives from the Hong Kong Council of Social Service (HKCSS), the Hong Kong Social Workers Association (HKSWA), NGOs' management, staff, service users, LSGSS-related committees, independent parties from the community, the Labour and Welfare Bureau (LWB) and the SWD. The Task Force has so far held four meetings and has reached a consensus on the scope of the review. To increase transparency and enable the public to know the work progress of the Task Force, the terms of reference, membership, agenda, discussion papers and minutes of the meetings have been uploaded onto the SWD's website at this URL: – [https://www.swd.gov.hk/en/index/site\\_ngo/page\\_taskforce/](https://www.swd.gov.hk/en/index/site_ngo/page_taskforce/).

### **Stakeholders' Views**

6. The major views expressed by different stakeholders on the LSGSS are set out in the ensuing paragraphs.

#### **Legislative Council Members, Concern Groups and Media**

7. LegCo Members, concern groups of the welfare sector and the media have expressed the following concerns about the LSGSS: –

- (a) NGOs' management is allowed too much flexibility, and there is great disparity in the pay levels between staff at top and bottom tiers;
- (b) There are doubts about NGOs' governance, public accountability and

transparency (e.g. bases of salary adjustment, salary structures, staffing provision, etc.); and

- (c) NGOs keep excessive LSG reserves and Provident Fund (PF) reserves or misuse the LSG reserves.

#### The Hong Kong Council of Social Service

8. The HKCSS wrote to the then Chief Secretary for Administration in January 2017 to set out their views on the LSGSS, with the main points listed as follows: –

- (a) Flexibility and cross-subsidisation
  - (i) The current approach of handling cross-subsidisation is rigid. It limits the flexibility accorded to NGOs under the LSGSS and stifles their innovation to fill the service gaps (e.g. setting up social enterprises to provide training and employment opportunities for persons with disabilities);
  - (ii) NGOs are delivering various projects funded by different government bureaux/departments to meet their respective policy objectives. Many of these funds do not provide central administrative and/or rental support, or if provided, is often inadequate; and
  - (iii) Cost apportionment should not be required for projects supported by other public funds.
- (b) Review of the manpower of subvented services
  - (i) A comprehensive review of the manpower is requested for all subvented services in the light of the increasing complexity of service needs and rising expectation of the quality of services; and
  - (ii) A review of the standard of central administrative support for NGOs is requested in the light of service expansion and development as well as increased demand for public accountability.
- (c) Benchmark of the Lump Sum Grant (LSG) provision
  - (i) A review of the LSG provision at mid-point salaries and PF at 6.8% of mid-point salaries is requested; and
  - (ii) “Core positions” should not be restricted to posts with recruitment problems (e.g. personal care workers); staff responsible for the management and monitoring of service delivery should also be

regarded as “core positions”.

Nine Consultation Sessions jointly organised by the HKCSS, the HKSWA, the Hong Kong Social Workers’ General Union and Shiu Ka Chun Legislative Councilor’s Office (collectively known as “The Joint Platform (三會一方)”)

9. The Joint Platform held a total of nine consultation sessions in October 2017 to collect views from stakeholders of the welfare sector on the LSGSS. The key concerns covered in its summary report include the following: –

- (a) There is a need for a review of the baseline subventions, notional staffing establishment and qualification requirements to support service development. The social welfare planning mechanism is not effective;
- (b) The existing service allocation system increases the financial risk of NGOs in competing funding for running new services. There is no guarantee that short term projects will be regularised;
- (c) There is no regular review of notional staffing establishment and the ratio of supervisory support;
- (d) The allocation of subvention should not be pegged to the mid-point salaries of government pay scales. As there is no standardised salary structure and experience recognition policy, the promotion prospects of staff is thus affected; and
- (e) There should be a balance between the autonomy and flexibility of NGOs and the monitoring on the part of the Government. The Board of Directors of NGOs should take the initiative to communicate with staff and service users, and involve them in the decision making of major management issues.

The Audit Commission and the Public Accounts Committee of the LegCo

10. The Director of Audit tabled his Report No. 69 (the Audit Report) in the LegCo in November 2017, and recommended that the Director of Social Welfare should, in carrying out the review on the enhancement of the LSGSS, take into account the audit findings and recommendations in the Audit Report. The relevant recommendations are listed below: –

- (a) Financial monitoring
  - (i) To remind NGOs to take further measures to maximise use of reserves, and to facilitate NGOs to share good practices relating to the use of reserves and disclosure of the use of reserves;

- (ii) To ascertain the reasons for some NGOs to have persistent LSG operating deficits, keep in view their operation and ensure smooth provision of services required by Funding and Service Agreements (FSAs);
  - (iii) To follow up on the advice of the Director of Administration on the control and monitoring of remuneration practices in subvented bodies for the implementation of the review of the remuneration of NGOs' top three tiers of senior executives and the disclosure requirement; and
  - (iv) To request NGOs with anomalies in apportioning the expenditures between FSA services and non-FSA services to review and rectify; and to facilitate NGOs to adopt an appropriate basis for apportioning the expenditures between FSA and non-FSA services.
- (b) Governance and management matters
- (i) To remind NGOs to comply with the requirements in the BPM and facilitate NGOs to forge agreement on the four non-consensual items of the BPM;
  - (ii) To encourage NGOs to adopt the good practices outlined in the Guide to Corporate Governance for Subvented Organisations of the Efficiency Office (formerly known as Efficiency Unit); and
  - (iii) To remind NGOs to monitor their staff turnover and take measures to address the problem of high staff turnover.
- (c) Self-assessment of service quality by NGOs and monitoring of service delivery by the SWD
- (i) To improve the accuracy of NGOs' self-assessment on Output/Outcome Standards;
  - (ii) To closely monitor NGOs with persistent underperformance and instigate timely action, where warranted, to tackle cases of persistent underperformance;
  - (iii) To conduct reviews on non-time-defined FSAs and draw up outcome standards for all FSAs; and
  - (iv) To remind NGOs to consult the SWD prior to the conduct of FSA-related activities for ensuring proper use of service resources.

- (d) Review of the LSGSS
  - (i) To facilitate the conduct of actuarial studies in respect of NGOs by obtaining feedback from those NGOs that have conducted the studies, and promulgating the feedback to all NGOs; and
  - (ii) In carrying out the review on the enhancement of the LSGSS, take into account the audit findings and recommendations in the Audit Report.

11. The LegCo Public Accounts Committee (PAC) held a total of three public hearings between December 2017 and March 2018 in respect of the audit results and observations covered in the Audit Report, and tabled to the LegCo its Report No. 69A on 2 May 2018. In paragraph 95 of its report, the PAC has recommended that the Task Force should take into considerations the following when undertaking the review of the LSGSS: –

- (a) To engage different stakeholders including frontline staff and service users and gauge their views on how to enhance the subvention system;
- (b) To collate not only quantitative findings but also qualitative feedback and comments on how to improve service quality;
- (c) To review the use of reserves by NGOs and to maintain an optimal balance between maximising the use of subvention resources and maintaining NGOs' autonomy and flexibility in resources deployment to suit the present-day needs of the community;
- (d) To formulate a set of fair, effective and practical criteria for cost apportionment between FSA and non-FSA services;
- (e) To devise improvement measures on the monitoring of service delivery and enhancing transparency and accountability for supervision by the SWD and the public at large, and promoting the implementation of BPM guidelines and other useful guides on corporate governance;
- (f) To formulate staff remuneration policy with a clear salary structure, review pay scale of different ranks and establish communication channels with staff on pay-related issues;
- (g) To monitor closely staff turnover problem in the welfare sector and devise long-term manpower planning to ensure sustainable development of the sector; and
- (h) To take into account findings and recommendations made by the PAC and the Audit Commission in taking forward the review.

## Scope of the Review

12. Based on the views outlined in paragraphs 6 to 10 above, the Task Force had thorough deliberation on the scope of the review at its four meetings held on 27 November 2017, 19 December 2017, 23 January 2018 and 27 February 2018 respectively. The scope of the review proposed by the Task Force is categorised as follows: –

(a) Operating environment of NGOs under the LSGSS

Under the LSGSS, NGOs are given flexibility to deploy resources and re-engineer their services to meet the changing social needs in a timely manner. The scope of review on the enhancement of the LSGSS will include an examination of the challenges and difficulties faced by NGOs currently receiving LSG subventions in their sustainable development in an ever-changing social environment, so as to facilitate NGOs in continuous quality maintenance and service development.

(b) Review of staffing establishment and subvention benchmarks

There are views that the notional staffing establishment and subvention benchmarks should be reviewed to keep pace with service development. In this regard, the SWD will collect<sup>2</sup> relevant information and data from the sector so as to comprehensively review the following items as service demand becomes more complex and expectation of service users rises, including: –

- (i) Notional staffing establishment for service provision, central administrative support and supervisory support to maintain a stable and high-quality workforce;
- (ii) Benchmark at mid-point salaries; and
- (iii) Benchmark at 6.8% PF.

(c) Use of LSG/PF reserve and financial planning

There are views that some NGOs have kept huge amounts of reserve without a specific purpose of usage while some NGOs are facing deficits. There is a need for NGOs to review the use of LSG reserve and their financial planning as follows: –

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<sup>2</sup> Including engaging a consultant to conduct data collection and research study.

- (i) To examine the current situation of how NGOs utilise the LSG reserve and the PF reserve and how the use of the reserves is planned; and
  - (ii) To examine the mechanism for early identification of financial risks (e.g. continuous deficits in the LSG reserve) and the mechanism for financial planning.
- (d) Pay structures, staff turnover rate and vacancies

The staff side has expressed grave concern on the pay policies and salary structures of NGOs. In this regard, the review should cover the following areas: –

- (i) To review the pay policies and pay scales of the welfare sector (including policies on recognition of experience, minimum point of pay, adjustment of salaries, contractual arrangements, etc.); and
  - (ii) To examine the staff turnover rate and vacancies and look into the improvement measures required.
- (e) FSA-related activities and flexibility provided for NGOs

NGOs have been supporting the implementation of various policy initiatives through Government/public funding and the scope of services has been diversifying. According to paragraph 2.37 of the LSG Manual, both LSG and LSG reserve are accounted for under recurrent subventions and, in essence, are intended for meeting the operating expenditure on FSA services or related activities. There is concern on the usage of LSG subvention for supporting other initiatives, thus reducing the manpower resources deployed for the original FSA services. To facilitate NGOs to serve the community on various fronts, the SWD has agreed to recognise a provision of central administrative overhead at the backend of NGOs from 5% to 15% for funds under the ambit of the SWD, subject to assessment of individual projects, with effect from August 2017<sup>3</sup>. However, there are still concerns on the assessment of FSA-related activities. It is opportune to address the issue and cover the following in the scope of review:

- (i) To examine the parameters for assessing FSA-related activities, so as to provide clear guidelines on the provision of activities relating to FSAs and the flexibility allowed for NGOs to respond to and meet the service needs in the districts and the community in a timely manner;

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<sup>3</sup> The HKCSS was informed of the decision on 16 August 2017. Further to the support of the LSG Steering Committee in October 2017, the LWB also informed other government bureaux of this arrangement on 2 November 2017.



- (ii) To deliberate on FSA-related activities and their financial implications (e.g. whether service performance and monitoring and output standards are required of the FSA-related activities, whether and how they can be covered by the LSG, whether rent and rates are allowed to be reimbursed on an actual basis, whether assessments on service components, facilities and space requirements are required to ensure compatibility with FSA services); and
  - (iii) To elucidate cost apportionment guidelines between FSA services (inclusive of FSA-related activities) and other non-FSA services.
- (f) Mechanisms for reviewing FSAs and NGOs' service performance assessment

To respond to the ever-changing social needs, the sector considers that it is necessary to set up a regular review mechanism for FSAs. In this regard, the Government should develop a standing mechanism to provide appropriate and continuous planning and review on the development of each welfare service, as well as to collect the views of services users for ensuring service quality and promoting service development. The Audit Report has made some recommendations to strengthen self-assessment on the service performance of NGOs. The review should cover the following items: –

- (i) Regular review mechanism for FSAs;
  - (ii) To review and refine the mechanism on self-assessment of service performance, and identify good practices on self-assessment for sharing among NGOs; and
  - (iii) To examine possible enhancement of the service performance self-assessment mechanism.
- (g) Transparency and public accountability

Given the large amount of subvention provided for operating welfare services, NGOs have developed their accountability framework in accordance with paragraph 4.5 of the LSG Manual on the use of subvention, and disclosed the financial information including audited Annual Financial Report and remuneration of the top three-tier senior executives according to paragraphs 4.14 to 4.19 of the LSG Manual. To comply with the requirements of the BPM, NGOs also need to inform staff of their LSG reserve and PF reserve. There have been rising expectations from the LegCo, staff side, service users and the public on greater transparency of NGOs. The Audit Report has also recommended the SWD to follow up with NGOs on rectifying the disclosure requirements in accordance with the

interpretation of the disclosure guidelines issued by the Director of Administration. In this connection, the scope of review should cover the following items: –

- (i) To deliberate on areas for enhancing public accountability and transparency (e.g. pay structures, staffing establishment, disclosure of the use of reserves, occurrence of major incidents in the NGO, etc.); and
  - (ii) To review and define the requirements on reporting the review on the remuneration packages of the top three-tier senior executives of NGOs (e.g. criteria on operating income relating to the scope of welfare services).
- (h) Communication and participation of stakeholders

There are views on the need to increase the participation of staff and service users and the communication with the Board of Directors in respect of major management decisions and service development plans. The review should examine the current practices of NGOs and explore optimal arrangements.

13. For carrying out the review of the scope set out in paragraph 12 above, it is necessary for the Government to collect sufficient data from NGOs to facilitate and support the Task Force's analysis and recommendations. As items (a), (b), (c) and (d) under the scope of the review require collection and analysis of a large amount of data, the Government needs to hire a consultancy firm to assist the Task Force. For the remaining items (e), (f), (g) and (h) which involve less data, the Task Force will conduct the data collection on its own. In addition to discussion at the meetings of the Task Force, stakeholders' views will be collected through focus groups and sector sharing sessions throughout the review. The Government estimates that the entire review work will be completed within two years after the scope of the review is formally established. The proposed timetable of the review is at **Annex 2**.

### **Advice Sought**

14. Members are invited to note the progress of the review on the enhancement of the LSGSS and advise on the scope of the review as set out in paragraph 12 above.

**Labour and Welfare Bureau  
Social Welfare Department  
May 2018**

**Additional Funding and Major Financial Support Measures  
Provided by the Government to Non-Governmental Organisations (NGOs)  
Receiving Lump Sum Grant (LSG) Subvention**

| <b>Additional Recurrent Funding</b>      |   |               |  |
|--|---|---------------|--|
| <b>Year</b>                              | <b>Item</b>   | <b>Amount</b> | <b>Remarks</b>   |
| 2008-09                                  | Enhancing the administrative capacity of NGOs   | \$200 million |  |
| 2011-12<br>2013-14<br>2015-16<br>2017-18 | Additional recurrent funding for subvented welfare service units affected by the implementation of the statutory minimum wage   | \$63 million  | A total of four additional funding allocations   |
| 2012-13                                  | With reference to the Composite Consumer Price Index for the adjustment of allocation to Other Charges (OC), the OC was adjusted upward at a rate of 4.5% for the year  | \$69 million  | The \$69 million only accounted for the upward adjustment by 4.5% in 2012-13. The subsequent annual additional funding required had not been included. |
| 2014-15                                  | Strengthening central administrative and supervisory support, making additional allocation to OC and assisting NGOs to recruit and retain paramedical staff more effectively or to hire paramedical services  | \$470 million | In addition, all new service units have been provided with additional recurrent funding for supervisory support and paramedical support.               |
| 2014-15                                  | Additional recurrent funding for changing the funding mode of the two posts of Programme Assistants and Care Assistants involving 1 835 positions from Central Item to LSG mode, and a result of benefitting from the annual civil service pay adjustment and the standardised Provident Fund allocation rate at 6.8% | \$10 million  |  |

|                          |  |                        |   |
|--------------------------|--|------------------------|---|
| 2017-18                  | Additional allocation to OC for the provision of air-conditioning in all subsidised residential care service units | \$42 million           |   |
| <b>Total :</b>           |  | <b>\$854 million</b>   | The additional recurrent funding required for the enhancement of individual services has not been included. |
| <b>One-off Funding</b>   |  |                        |   |
| <b>Year</b>              | <b>Item</b>  | <b>Amount</b>          |   |
| 2001-02                  | Business Improvement Project Scheme  | \$105 million          |   |
| 2001-02                  | Five-year Tide-over Grant  | \$1,473 million        |   |
| 2006-07                  | Special One-off Grant  | \$912 million          |   |
| 2008-09                  | One-off subsidy for NGOs to implement various measures for enhancing human resources and financial management      | \$200 million          |   |
| 2009-10                  | One-off block grant from the Lotteries Fund  | \$80 million           |   |
| 2009-10                  | Additional resources for NGOs in need of hire of paramedical staff or related services                             | \$277 million          |   |
| 2009-10                  | Funding for small NGOs   | \$24 million           |   |
| 2012-13<br>to<br>2013-14 | More additional resources for NGOs in need of hire of paramedical staff or related services                        | \$229 million          |   |
| 2010-11<br>to<br>2018-19 | Social Welfare Development Fund  | \$1,000 million        |   |
| <b>Total :</b>           |  | <b>\$4,300 million</b> |   |

**Review on Enhancement of Lump Sum Grant Subvention System  
Proposed Timetable of the Review**

**I. Determination of the scope of the review**

| <b>Date</b>      | <b>Task Force meeting</b> | <b>Discussion items*</b>   |
|------------------|---------------------------|--|
| 27 November 2017 | 1st meeting               | <ul style="list-style-type: none"><li>▪ Discussed the terms of reference of the Task Force</li><li>▪ Discussed the draft scope of the review</li></ul>   |
| 19 December 2017 | 2nd meeting               | <ul style="list-style-type: none"><li>▪ Revised the draft scope of the review</li></ul>  |
| 23 January 2018  | 3rd meeting               | <ul style="list-style-type: none"><li>▪ Concluded the discussion on the scope of review</li><li>▪ Exchanged preliminary views on the necessary information to be collected for the scope of the review and the timetable of the review</li></ul>   |
| 27 February 2018 | 4th meeting               | <ul style="list-style-type: none"><li>▪ Discussed the content of the consultancy study</li><li>▪ Discussed the necessary information to be collected and related issues of four categories in the scope of the review, namely (e) <u>Funding and Service Agreement (FSA)-related activities</u>, (f) <u>Mechanisms for reviewing FSAs and NGOs' service performance assessment</u>, (g) <u>Transparency and public accountability</u>, and (h) <u>Communication and participation of stakeholders</u></li><li>▪ Discussed the collection of information from NGOs on the four aforementioned categories in the scope of the review</li></ul> |

| <b>Date</b> | <b>Task Force meeting</b>                                  | <b>Discussion items*</b>   |
|-------------|--|--|
| 2 May 2018  |  | <ul style="list-style-type: none"> <li>▪ The Public Accounts Committee tabled its Report No. 69A on Chapter 1 of Director of Audit's Report No. 69 on the "Administration of lump sum grants by the Social Welfare Department".</li> </ul> |
| 14 May 2018 | LegCo Panel of Welfare Services meeting and public hearing | <ul style="list-style-type: none"> <li>▪ Listen to the views from Panel members and the public on the scope and proposed timetable of the review</li> <li>▪ Formally establish the scope of the review</li> </ul>                          |

**II. Timetable after the formal establishment of the scope of the review**

**(Assuming that the scope of the review can be formally established in May 2018, the timetable of the review study by the Task Force will be as follows:)**

| <b>Date</b> | <b>Task Force meeting</b>              | <b>Discussion items*</b>  |
|-------------|--|---|
| June 2018   | 1st focus group/sector sharing session | <ul style="list-style-type: none"> <li>▪ Exchange views on review scope (e) <u>FSA-related activities</u> and related issues of concern</li> <li>▪ Exchange views on the criteria for delineating FSA-related activities</li> <li>▪ Exchange views on review scope (f) <u>Mechanisms for reviewing FSAs</u> which cover the timeframe, mode, content and participation of stakeholders for the review(s)</li> <li>▪ Exchange views on viable measures for review scope (f) <u>Enhancement of the service performance self-assessment mechanism</u></li> </ul> |

| <b>Date</b>  | <b>Task Force meeting</b>              | <b>Discussion items*</b>   |
|--------------|--|--|
| July 2018    | 5th meeting                            | <ul style="list-style-type: none"> <li>▪ Discuss the views expressed in the 1st focus group/sector sharing session on review scope (e) <u>FSA-related activities</u></li> <li>▪ Analyse and discuss the information collected from NGOs on FSA-related activities</li> <li>▪ Delineate the applicability of the criteria for FSA-related activities and flexibility allowed</li> <li>▪ Discuss the criteria and recommendations on the apportionment of resources</li> <li>▪ Discuss the details of the consultancy study</li> </ul> |
| August 2018  | 6th meeting                            | <ul style="list-style-type: none"> <li>▪ Discuss the views expressed in the 1st focus group/sector sharing session on review scope (f) <u>Mechanisms for reviewing FSAs</u> which cover the timeframe, mode, content and participation of stakeholders for the review(s)</li> <li>▪ Discuss the viable measures for review scope (f) <u>Enhancement of the service performance self-assessment mechanism</u></li> <li>▪ Discuss the recommendations on the above review scope</li> </ul>   |
| October 2018 | 2nd focus group/sector sharing session | <ul style="list-style-type: none"> <li>▪ Exchange views on policies and scope of information for review scope (g) <u>Transparency and public accountability of NGOs</u></li> <li>▪ Exchange views on the means, scope and channels for review scope (h) <u>Communication and participation of stakeholders</u></li> </ul>  |

| <b>Date</b>   | <b>Task Force meeting</b>              | <b>Discussion items*</b>  |
|---------------|--|---|
| November 2018 | 7th meeting                            | <ul style="list-style-type: none"> <li>▪ Discuss the views expressed in the 2nd focus group/sector sharing session on issues under review scope (g) <u>Transparency and public accountability of NGOs</u></li> <li>▪ Discuss the recommendations on the above review scope</li> </ul>   |
| December 2018 | 8th meeting                            | <ul style="list-style-type: none"> <li>▪ Discuss the views expressed in the 2nd focus group/sector sharing session on review scope (h) <u>Communication and participation of stakeholders</u></li> <li>▪ Discuss the recommendations on the above review scope</li> </ul>   |
| February 2019 | 3rd focus group/sector sharing session | <ul style="list-style-type: none"> <li>▪ Report progress and collect views</li> <li>▪ Exchange views on the challenges and difficulties under review scope (a) <u>Operating environment of NGOs under the Lump Sum Grant Subvention System (LSGSS)</u></li> <li>▪ NGOs to exchange views on review scope (b) <u>Review of staffing establishment and subvention benchmarks</u></li> </ul> |
| March 2019    | 9th meeting                            | <ul style="list-style-type: none"> <li>▪ Discuss the views expressed in the 3rd focus group/sector sharing session on review scope (a) <u>Operating environment of NGOs under the LSGSS</u></li> <li>▪ Analyse and discuss the data collected by the consultant in this regard</li> <li>▪ Discuss recommendations on the above review scope</li> </ul>                                    |



| <b>Date</b>              | <b>Task Force meeting</b>               | <b>Discussion items*</b>  |
|--------------------------|---|---|
| April to May 2019        | 10th meeting                            | <ul style="list-style-type: none"> <li>▪ Discuss the views expressed in the 3rd focus group/sector sharing session on review scope (b) <u>Review of staffing establishment and subvention benchmarks</u></li> <li>▪ Analyse and discuss the data collected by the consultant in this regard</li> <li>▪ Discuss recommendations on the above review scope</li> </ul> |
| June 2019                | LegCo Panel on Welfare Services meeting | <ul style="list-style-type: none"> <li>▪ Brief Panel members on the progress of the review</li> </ul>   |
| July 2019                | 4th focus group/sector sharing session  | <ul style="list-style-type: none"> <li>▪ Exchange views on review scope (c) <u>Use of Lump Sum Grant (LSG) /Provident Fund (PF) reserve and financial planning by NGOs</u></li> <li>▪ NGOs to exchange views on review scope (d) <u>Pay structures, staff turnover rate and vacancies</u></li> </ul>  |
| August to September 2019 | 11th meeting                            | <ul style="list-style-type: none"> <li>▪ Discuss the views expressed in the 4th focus group/sector sharing session on review scope (c) <u>Use of LSG/PF reserve and financial planning</u></li> <li>▪ Analyse and discuss the data collected by the consultant in this regard</li> <li>▪ Discuss the recommendations on the above review scope</li> </ul>           |
| October to November 2019 | 12th meeting                            | <ul style="list-style-type: none"> <li>▪ Discuss the views expressed in the 4th focus group/sector sharing session on review scope (d) <u>Pay structures, staff turnover rate and vacancies</u></li> </ul>  |

| <b>Date</b>       | <b>Task Force meeting</b>   | <b>Discussion items*</b>   |
|-------------------|---|--|
|                   |   | <ul style="list-style-type: none"> <li>▪ Analyse and discuss the data collected by the consultant in this regard</li> <li>▪ Discuss the recommendations on the above review scope</li> </ul> |
| January 2020      | 13th meeting  | <ul style="list-style-type: none"> <li>▪ Provide an initial summary of the review findings and recommendations</li> </ul>  |
| February 2020     | 5th sector sharing session  | <ul style="list-style-type: none"> <li>▪ Report the review findings and listen to views</li> </ul>   |
| March to May 2020 | Finalise the review, discuss the report, brief the LegCo Panel on Welfare Services, and submit the report to the Secretary for Labour and Welfare |  |

\* Note: Discussion on the items may be extended depending on the progress of the discussion(s). The order of the items is also subject to changes.