

THE HONG KONG COUNCIL OF SOCIAL SERVICE
Executive Committee 2022/23

Minutes of the 3rd Meeting of the Executive Committee for 2022/23 held on Monday, 3 April, 2023 at 5:00 p.m. in Room 201, 2/F., Duke of Windsor Social Service Building, 15 Hennessy Road, Wanchai, Hong Kong.

Present : The Hon. Bernard Chan (Chairperson)
Ms. Yvonne Chak Ms. Karrie Chan
Ms. Queenie Chan Ms. Chan Siu Lai
Ms. Susan Chan Mr. Benny Cheung
Mr. Raymond Chiu Dr. Fung Cheung Tim
Mr. Larry Kwok Dr. Hon. Lam Ching Choi
Mrs. Patricia Lau Ms. Elizabeth Law
Ms. Carmen Lee Ms. Ivy Leung
Ms. Rachel Leung Mr. Kennedy Liu
Dr. CC Luk Prof. Terry Lum
Ms. Melissa Pang Ms. Yvonne Yeung

In-Attendance : Mr. Chua Hoi Wai, Chief Executive
Ms. Grace Chan, Business Director
Mr. Raymond Lai, Business Director
Mr. Anthony Wong, Business Director

Apologies : Mr. Andy Ho Ms. Anthea Lee
Ms. Josephine Lee Dr. Hon. Tik Chi Yuen
Ms. Apple Tse Ms. Wong Sau Wa

CONFIRMATION OF MINUTES OF LAST MEETING

1. Minutes of the last meeting dated 13 February 2023 were confirmed with no amendment.

MATTERS ARISING

2. There were no matters arising noted from the minutes of the last meeting.

MATTERS FOR INFORMATION AND APPROVAL

To note the Chief Executive's Progress Report

3. Members noted the Chief Executive's Progress Report and Mr. Chua provided supplementary information on below issue(s) presented in the report.

3.1 Operational Guidelines on FSA Activities and Cost Apportionment for NGOs

Mr. Chua reported that upon his initial review of the operational guidelines drafted by the Social Welfare Department (SWD), a few issues that required clarification from the SWD were identified. To gather more views and suggestions, the Council had met with members of the Specialized Committee on Sector Finance, Standing Committee on Sector & Capacity Development, and Standing Committee on Service Development, as well as the Agency Heads meeting. Moreover, a meeting with SWD was arranged to discuss key concerns raised by the sector, such as the official implementation date, formulae for calculating the ceiling of LSG Reserve, and whether NGOs could select the most appropriate method for calculating cost apportionment. Mr. Chua mentioned that SWD had noted the concerns and would consider allowing for more flexibility to NGOs. A revised draft of the guidelines would be issued in April, and a briefing session for NGOs would be arranged. The Council would continue to follow up with SWD on this matter.

3.2 Social Welfare Subventions for 2023-24

Mr. Chua reminded Members of their earlier endorsement, which was sought through written circulation, for the management to include a covering letter when returning the subvention acceptance reply slip to the SWD by 31 March 2023, in response to the Social Welfare Subventions for 2023-24. He reiterated that the letter expressed the Council's objection to the 1% subvention cut, which had been implemented in 2022/23 and carried forward to 2023/24, while also assuring that HKCSS would continue to fulfill the outcome and output pledges under the FSA. The covering letter and subvention acceptance reply slip were both returned on 31 March 2023. The ExCo noted and officially endorsed issuing the afore-mentioned covering letter together with the subvention acceptance reply slip for 2023-24.

3.3 NGO Governance Platform Project

Mr. Chua informed Members that the project, which involved enhancement measures on governance training for NGOs as recommended by LSG, had been confirmed and granted a two-year funding from SWD. Consequently, the preparation work for the project would proceed as planned.

To note the Position of Funds

4. Presented by the Hon. Treasurer, the Position of Funds were noted and received by Members.

To note and approve Membership Fee Adjustment for 2023-24

5. Mr. Raymond Lai, Business Director, reported that the Membership Liaison and Service unit had adopted a regular mechanism for adjusting membership fees, which was approved by the Executive Committee in March 2019. He explained that the fees were adjusted every three years based on the composite consumer price index, with the last adjustment originally scheduled for April 2022. However, due to the impact of the COVID-19 pandemic, the adjustment was deferred by one year to April 2023.

Mr. Raymond Lai presented a proposal for fee adjustments to be implemented in April 2023. The proposal was based on calculations using the percentage of the Composite Consumer Price Index over the past three years (2020-2022), resulting in an average increase of 4%. Members noted and approved the proposal, and the management would notify agency members and round up the figures in relevant amount for the sake of administrative convenience, as recommended.

To note and approve Membership Suspension of Non-compliant Agency Members

6. Mr. Raymond Lai, Business Director, presented a report on membership suspension to Members and highlighted the relevant section in the Constitution of HKCSS regarding membership rights and obligations. The report stated that as of 31 January 2023, final reminders were sent to agency members who failed to pay their membership fees or submit their Annual Reports and Audited Accounts. The report also included an analysis of the reasons for the failure to submit the reports. Mr. Lai then invited Members to note and approve the suggestions, including initiating membership suspension for non-compliant agency members.

During the discussion, Members expressed concerns about maintaining good relationships with agency members and suggested more lenient treatment. The management acknowledged Members' concerns and assured them that these agency members would not be put in an embarrassing position. Follow-up work would be carried out in a reasonable and appropriate manner. The Membership Liaison and Service unit would issue registered letters to non-compliant agency members and follow up accordingly, allowing 14 days for appeal to the suspension decision. In cases where two agency members had provided justifiable reasons, they would be temporarily exempted from membership suspension until they submit

their reports. The Chairperson noted that Ms. Elizabeth Law had declared an interest with one of the involved agency members during the meeting.

The report was noted and endorsed without further comments from the Members.

To note and approve Membership Termination of an Agency Member

7. The termination of an agency membership was noted and endorsed.

To note and approve the Change of Legal Status of an Agency Member

8. Members noted and approved the change in legal status of an agency member.

To note and approve Switching from ORSO Scheme to MPF Scheme for Council staff

9. Mr. Chua presented to Members the background, current situation, and recommendations regarding agency members and individual members wishing to switch from the Occupational Retirement Schemes Ordinance (ORSO) Scheme to the Mandatory Provident Fund (MPF) Scheme. Mr. Chua emphasized that as members participating in the provident fund plan retire, the number of participants was decreasing. The Council had received inquiries from participating agencies and individual members about the possibility of converting to the MPF scheme.

The Council had only 14 staff members left under the ORSO Scheme, which was outdated and lacked advanced features for facilitating better investment options, compared to the MPF. Therefore, some staff members expressed a desire to switch. The Council representatives consulted with the scheme trustee and received advice from the Honorary Legal Advisor. Subsequently, relevant laws and governing rules were clarified with the trustee.

As a result, the recommendations were proposed, and Members were invited to note and approve the measures to be offered to Council staff. Mr. Chua assured that the recommended measures were all facilitated to safeguard the interests of Council staff, with available options. With no further questions raised, Members noted and approved the recommendations.

To note and approve the Co-options to ExCo

10. Mr. Chua reported that two Members had resigned from the ExCo, and as per the Constitution's Election Procedures in section 45, "*any vacancy occurring in the Executive Committee by reason of death, resignation, being incapacitated or disqualification resulting from an elected member ceasing to be an Agency Member may be filled by the Executive Committee, subject to retirement at the same time as originally set for the member in whose place he is appointed*". Mr. Chua therefore proposed appointing The Revd Canon Hon Peter Douglas KOON Ho Ming to fill the Co-opted Member vacancy left by Dr. Stephen WONG until the AGM of 2024. Members were presented with a brief bio of The Revd KOON for their consideration, and after discussion, they endorsed the recommendation.

For the other vacancy, Members opined that it would be more appropriate to fill it officially during the next election, given the remaining service period was only a few months. Mr. Chua noted the Members' views. In addition, taking into consideration of the Members' opinion, the management would evaluate the possibility of creating a standard procedure for filling any upcoming vacancies caused by resignations or other reasons.

MATTERS FOR DISCUSSION AND ACTION

HKCSS Budget 2023-24 and 10-Year Financial Projection

11. Ms. Elizabeth Law, Honorary Treasurer, presented the proposed budget for 2023-24 along with explanatory notes. The budget projected a surplus of around \$220,000, taking into account the 1% reduction in Government Subvention since 2022-23 and inflation reflected in Personal Emoluments (PE) and expenses. The budget for projects and the PF and LSG

reserve accounts were also reviewed. Mr. Chua explained the 3-year and 10-year financial projections respectively for 2022-23 to 2025-26 and to 2032-33. He noted that the former report was required under the financial projection framework of NGOs under LSG, while the latter was based on past years' parameters. However, Mr. Chua added that the projections would be adjusted based on the new operational guidelines under LSG review, and that Members would be kept informed.

At the meeting, Members raised concerns about operating deficits and deficit reserves expected in 2032-33. Mr. Chua assured Members that the Council would prudently work on income generation strategies to address financial deficits. After the discussion, Members had no further inquiries and received and endorsed the HKCSS Budget for 2023-24 and the 3-year financial projection.

HKCSS Business Plan 2023-24

12. Mr. Chua presented the HKCSS Core Business Plan for 2023-24 during the meeting, marking the beginning of the Council's next three-year strategic framework after the completion of the consultancy study on Strategic Review of HKCSS. The new business plan would focus on three strategic pillars: co-creation, tech-enablement, and talent development, which aimed to develop innovative solutions for underserved communities, enhance technical capabilities for efficient service delivery, and promote talent acquisition, development, and retention, respectively. The plan also emphasized the need for outcome-based solutions to address evolving societal challenges and needs, as well as for setting social agendas and driving an impact-oriented culture.

Mr. Chua also mentioned that planning for international and mainland study tours and activities would gradually resume post-COVID, to rebuild connections across regions. He shared some upcoming visits to the Greater Bay Area and Beijing, as well as the visit by the Korea National Council on Social Welfare to HK, which would facilitate useful exchanges. Cross-unit collaboration and advice from responsible governance committees would be sought to achieve these goals. Mr. Chua would provide more details on this matter.

After the discussion, Members endorsed the HKCSS business plan for 2023-24 without further comment.

WAPs 2023

13. Mr. Raymond Lai, Business Director, presented the Welfare Agenda and Priorities Setting exercise (WAPS) for 2023. The exercise was scheduled to take place on 5 May 2023. Mr. Lai provided Members with a list of priority issues and program rundown, which included 17 agenda items under six core service areas, namely welfare planning, children and youth service, family and community service, elderly service, rehabilitation service, and social security service.

Mr. Lai explained that the targeted deadline for submitting the final report to SWD was the end of May or early June 2023, after views were collected and consolidated at the WAPS exercise. He invited Members to share their views and endorse the list of priorities. Once approved, the full list would be submitted to SWD for consideration and preparation for discussion at the WAPS meeting. After responding to a few inquiries from Members, the proposed list and rundown for WAPS were noted and approved.

ANY OTHER BUSINESS

14. During the meeting, Mr. Chua updated Members on a meeting between the Council's senior management and chief officials from the Social Work Department of the Liaison Office of the Central People's Government (LOCPG), which took place on 22 March. Views were exchanged on the Council's work, and it was a productive discussion.

Mr. Chua further informed Members that a sharing session on the work and spirit of the "two sessions" would be arranged for all Council staff on 20 April. The Revd KOON Ho Ming was invited as the guest speaker. Mr. Chua also extended an invitation to Members of the ExCo to attend, and invitations would be sent out in due course.

DATE OF NEXT MEETING

15. The next meeting was scheduled for 5 June 2023 at 5:00 p.m.

There being no other business, the meeting was adjourned at 6:45 p.m.