

THE HONG KONG COUNCIL OF SOCIAL SERVICE
Executive Committee 2023/24

Minutes of 2nd Meeting of the Executive Committee for 2023/24 held on Monday, 29 January, 2024 at 6:00 p.m. in Rm 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. Chan Siu Lai
Mr. Cooke Cheung
Mr. Raymond Chiu
Revd Canon Hon. Peter Koon
Dr. Hon. Lam Ching Choi
Mrs. Patricia Lau
Ms. Rachel Leung
Dr. Hon. Tik Chi Yuen
Ms. Yvonne Yeung
Ms. Queenie Chan
Ms. Susan Chan
Mrs. Angela Chiu
Mr. Thomas Chu
Mr. Larry Kwok
Mr. Billie Lau
Ms. Ivy Leung
Mr. Kennedy Liu
Ms. Wong Sau Wa

In-Attendance : Mr. Chua Hoi Wai, Chief Executive
Ms. Angie Chan, Business Director
Ms. Grace Chan, Business Director
Dr. Jessica Tam, Business Director
Mr. Anthony Wong, Business Director

Apologies : Mr. Benny Cheung
Ms. Elizabeth Law
Ms. Carmen Lee
Ms. Melissa Pang
Dr. Fung Cheung Tim
Ms. Anthea Lee
Dr. CC Luk
Ms. Bonnie So

CONFIRMATION OF MINUTES OF LAST MEETING

1. Minutes of the last meeting dated 11 December 2023 were confirmed with no amendment.

MATTERS ARISING

2. No matters arising from the last minutes was reported.

MATTERS FOR INFORMATION AND APPROVAL

To note the Chief Executive's Progress Report

3. Mr. Chua highlighted and provided supplementary information to Members on the progress report.

3.1 HKJC Home Manager Caring Leadership Training Scheme

Mr. Chua reported that the HKJC Home Manager Caring Leadership Training Scheme was a pilot project aimed at offering management and leadership skills training specifically for residential home managers in subvented and self-financing homes. This initiative, along with the JC InnoPower Social Welfare Fellowship program and the training scheme, constituted a talent development effort in the social service sector funded by the HKJC. The program had been well-received by NGOs, receiving positive feedback.

3.2 The Directory of Social Service – Service Centre and Project map

Mr. Chua brought to the attention of the Members that there were upcoming enhancements to the Directory of Social Service. These improvements involved the creation of a center-and-project social service map and the implementation of smart

search functions. The objective was to enhance the accessibility and transparency of social services. The information had been gathered from over 4,000 social service centers, which represents approximately 90% of the total social service centers listed in HKCSS's records. The upgraded version of the directory was scheduled to be launched in early 2024.

3.3 Joint Insurance Scheme (JIS) – Completion of the new tendering exercise for Employees' Compensation (EC) and Public Liability (PL) Insurance

Mr. Chua reported that as a result of the recent tendering process led by Marsh (HK) Limited for Employees' Compensation Insurance (ECI) and Public Liability Insurance (PLI), AIG and Chubb had been selected as the insurance providers. They had offered a premium reduction of 25.2% for ECI and 4.3% for PLI compared to the previous premiums.

Furthermore, Marsh would provide value-added services to participating members in addition to the premium reduction. These enhancements had attracted increased participation from NGOs for insurance renewal.

3.4 Membership obligations

Mr. Chua drew Members' attention to the proactive efforts of the Council's Membership Liaison and Service team (MLS) in coordinating with agency members to ensure their compliance with membership obligations. These obligations included the timely submission of Annual Reports, Financial Reports, and Membership Fees by 1 July each year. It was observed that 40% of agency members had not yet fulfilled these obligations. MLS would continue to follow up with these members and provide necessary assistance measures.

3.5 Updating exercise on Lump Sum Grant (LSG) Manual, which includes Cost Apportionment Guideline

Mr. Chua highlighted that the Lump Sum Grant Manual was recently updated and revised by the SWD, causing concerns among NGOs due to significant changes in various areas. In light of this, the Council stressed the importance of conducting prior consultations with the sector regarding the proposed new rules outlined in the draft Manual. On 15 December, 2023, a letter expressing these concerns was sent to the DSW, requesting a meeting with the sector to address the concerns that could have a significant impact. Additionally, an agency heads meeting took place on 11 January to discuss the matter further. The Hon. C Y Tik, LegCo member, had been actively following up on the situation and was awaiting a response regarding the possibility of arranging a meeting between sector representatives and the Secretary or the Under Secretary for Labour and Welfare. The Council would continue to pursue a response from the bureau and provide further updates accordingly.

To note the Position of Funds

4. Mr. Chua presented to Members with an update on the Council's financial position as of 31 December 2023. The update covered the status of the HKCSS Development Fund and the Investment Fund, as well as the reserves, fund balances, and project budget. Mr. Chua also informed Members that there would be a possibility of turnover, which could lead to substantial cost savings. In the event that this would occur, the management intended to propose more effective measures for fund utilization, including staff retention initiatives, which would be brought forward to the ExCo for endorsement. Members noted the report and endorsed it without raising any further questions.

To note and approve Agency Membership Application

5. Members noted and endorsed the membership applications of the following agencies:
 - Hope of the City Foundation Limited 城市的盼望基金有限公司
 - Kids4Kids Limited 童協基金會有限公司

- Yao Yueh Chinese Music Association Limited 樂樂國樂團有限公司

The membership team would follow the prescribed procedures accordingly and proceed to inform the agencies whose applications had been rejected.

To note and approve the change of name of Agency Member

6. Members noted and approved the change of name of the below agency member:
 - The Urban Peacemaker Evangelistic Fellowship Limited 城市睦福團契有限公司

MATTERS FOR DISCUSSION AND ACTION

Recommendations for assessing the financial independence and potential conflict of interests between the Applicant Agency, the Proposer, and the Seconder in the membership application

7. Mr. Chua reported to Members that, during a recent review of a membership application, it was discovered that there was a significant financial connection between the applying agency (A agency) and the proposing agency (P agency). A special task force under the Advisory Committee for Membership Application was formed to thoroughly examine the application and found that A agency had been heavily relied on P agency financially, raising concerns about a potential conflict of interest. As a result, the task force did not recommend the application for membership and proposed amendments to the "Membership Management Policy" and membership application form to address potential conflicts of interest.

In the reviewing process, the task force emphasized the need to assess the financial independence of membership application agencies, particularly their reliance on the proposing and seconding agencies. They recommended to include a declaration requirement on the membership application form, where all involved agencies would have to disclose potential or actual conflicts of interest. These proposed changes aimed to enhance transparency and mitigate conflicts of interest in the membership application process.

Members were requested to take note of and provide feedback on the proposed additions and amendments to the existing Membership Management Policy and membership application form. A member expressed a concern regarding the statement of declaration on the Conflict of Interests in the English version of the form, stating that it appeared too vague. He suggested using more specific language, such as requiring the declaration of any financial relationships or financial dependencies, which would result in more relevant and appropriate disclosure.

Other comments highlighted the importance of clear definitions for the disclosures, such as the extent of financial dependency between the parties involved. This would help prevent ambiguous interpretations and misjudgments of relationships. It was further noted that these revisions would be included as useful references in the membership operation guidelines for future membership application assessments, without affecting retrospective cases.

With no further inquiries, the Chairperson noted and agreed that the proposed revisions were generally accepted by Members, with the exception of minor adjustments to the wording as recommended. Mr. Chua expressed his gratitude to Members for their feedback and would follow up on the matter with the Membership team accordingly.

Feedback on the Extended Governance Meeting on HKCSS Business Plan 2024-25

8. Mr. Chua expressed his gratitude to all members of the governance committees for their active participation in the extended governance meeting and their support in the sharing session by the three guest speakers: Prof. Anthony Cheung, Advisor (Public Administration) from the Department of Social Sciences and Policy Studies at The Education University of Hong Kong; Prof. C K Law, Adjunct Professor from the Department of Social Work and Social

Administration at The University of Hong Kong; and Hon. Duncan Chiu, Member of the Legislative Council (Technology and Innovation Functional Constituency). Mr. Chua highlighted that the guest speakers had provided valuable insights from different perspectives on the future challenges that the social welfare sector would face.

These challenges, as identified by the speakers, encompassed various areas, including the government's structural fiscal deficit, the increasing elderly population, declining birth rates, political tensions, the relationship between NGOs and the government, and the technological landscape and digital readiness of the sector.

The Chairperson then encouraged Members to reflect on and recommend the role the Council should play in light of the government's stringent financial pressures and the imminent subvention cut that the sector would face. Members shared the view that the sector needed to be prepared for cost-saving measures imposed by the government, with a focus on targeted alleviation and addressing the community's needs. They also acknowledged the government's adoption of targeted poverty alleviation strategies and recommended that the Council took a proactive role in leading the sector towards new thinking and business models of service delivery.

Regarding the 1% subvention cut, Members agreed that the sector would have to face the reality and overcome the challenges together with fresh perspectives. It was noted that Legislative Council Members, on behalf of the sector, had already communicated the NGOs' financial difficulties to the Secretary for Labour and Welfare for consideration. A Member further emphasized the importance of reengineering resource allocation to adapt to the subvention cut and explore new resources. There was also a comment that NGOs were committed to working hand in hand with the government to face the financial challenges.

Mr. Chua thanked Members for their valuable comments and assured that the discussion would be considered as a reference and background for developing proactive strategies to lead and shape the Council's business strategic directions in maneuvering through the challenges ahead.

ANY OTHER BUSINESS

9. No further business had been raised or reported.

DATE OF NEXT MEETING

10. The next meeting was scheduled for 25 March 2024 at 5:00 p.m.

There being no other business, the meeting was adjourned at 7:25 p.m.