


To: Heads of Agency Members receiving Social Welfare Subventions

From: John FUNG 
Business Director, Sector and Capacity Development

Re: **Data Collection on Level of LSG Reserve and Central Administration Cost**

Date: 3 August, 2012

Thank you for participating in the HKCSS' sharing Sessions on Lump Sum Grant (LSG) and related issues held earlier. Subsequently, the Core Group on LSG has identified, amongst other things, the following priority areas:

- a) Enhancement of NGOs' Central Administration Cost in tackling increasing pressure on governance, accounting and administrative duties, financial and human resources management and compliance to new regulations and ordinances that did not exist at the time when LSG was designed;
- b) Increase for Supervisory Support, which has long been ignored for new services and in-situ expansion, and is starting to hamper the service quality in the community;
- c) Increase for baseline allocation of LSG, so as to maintain the sustainability of services and to retain the human capital required.

Although we all want to argue for betterment of LSG, the Core Group finds it hard to push on for desirable changes without getting hold of some basic sector-wide figures. To empower the Core Group to effectively direct our advocacy work, you are cordially asked to provide us with some basic information so that a full picture could be constructed. The data collected will be treated in strict confidence and only the aggregated version of it will be shared.

You will find in the attached questionnaire that we basically are collecting figures to defend our LSG Reserve position, and to demonstrate the level of insufficiency regarding Central Administration. I must thank all those Core Group members in taking the trouble of piloting the questionnaire, which is now far less scary and time-consuming than it might look.

So please fill in the attached questionnaire and have it returned to us before 1st September 2012. The appendices are provided for your reference. If you need further clarification, please do not hesitate to contact Ms Cheung Lai Wah at 2876-2455 or myself at 2864-2992.

I trust we all understand the gravity of this data collection exercise and let me thank you in advance for supporting the work of the Council.

Encl.