

FUNDING AND SERVICE AGREEMENT¹

Enhancing Support to People in Financial Distress

(A) Service Definition

(1) Introduction

The enhancement of support to people in financial distress (the Service) aims at providing easily accessible and readily available support to persons in financial distress who may be susceptible to unscrupulous tactics of financial intermediaries for money lending.

(2) Purpose and Objectives

The purpose and objectives of the Service are –

- (a) to provide easily accessible and readily available support, counselling and advice for individuals and families with emotional / family problems arising from financial distress;
- (b) to enhance the competence of those in financial distress in handling their difficulties and to enable individual and family members to prevent the problems from deteriorating; and
- (c) to raise public awareness on the importance of proper debt management and vigilance against the unscrupulous tactics of the financial intermediaries.

(3) Service Nature and Contents

The Service includes but not limited to –

- (a) a 24-hour hotline service with designated telephone line;
- (b) support groups and programmes organised for enhancing competence and resilience of individual and families under financial distress; and
- (c) publicity / community education programmes in raising public awareness.

(4) Target Service Users

¹ This Funding and Service Agreement is a sample document for reference only.

The target service users are individuals and families who are in financial distress and vulnerable to the unscrupulous tactics of intermediaries, and are in need of assistance regardless of age, gender and race.

(B) Service Performance Standards

(5) Essential Service Requirements

The Service Operator must comply with the following essential service requirements–

- (a) the 24-hour hotline should be manned by at least one staff at any one time.
- (b) the Service Operator should have an effective disaster recovery plan to recover the hotline system within 12 hours and a contingency plan to maintain the hotline service in case of the shut-down of the hotline system.

(6) Service Output and Outcome Standards

The Service Operator is required to meet the following service output and service outcome standards.

Service Output

Service Output Standard (OS)	Service Output Indicator	Agreed Level
1	Total number of hotline calls handled relating to emotional / family problems arising from financial distress in a year	1 000
2	Out of OS1, total number of hotline calls handled with counselling given in a year	700
3	Total number of support groups / programmes organised for enhancing competence and resilience of individual and families under financial distress in a year	3
4	Total number of publicity / community education programmes in raising public awareness of debt management and the unscrupulous tactics of the intermediaries in a	3

	year	
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Service Outcome

Service Outcome Standard (OC)	Service Outcome Indicator	Agreed Level
1	Out of the total number of calls handled with counselling given, percentage of callers having indicated satisfaction upon receiving the hotline service in a year	80%
2	Percentage of service users indicating enhanced competence and resilience under financial distress after attending the support groups / programmes in a year	80%

(7) **Service Quality Standards**

The Service Operator shall meet the requirements of the 16 Service Quality Standards.

(C) **Subvention**

- (8) The Service is subvented by the Social Welfare Department (SWD) under the Lump Sum Grant (LSG) Subvention System and the basis of subvention is set out in the notification letter issued by the SWD. The Service Operator is required to observe the rules of subvention according to the prevailing LSG Subvention Manual, circulars, guidelines, management letters and relevant correspondence issued by the SWD. The Government will not accept any liabilities or financial implications arising from the Service other than the amount of subvention as approved by the SWD.
- (9) The amount of subvention has taken into account the personal emoluments of staff, including provident fund for employing qualified staff, and other charges (covering all other relevant operating expenses such as utilities, programme and administrative expenses, minor repairs and maintenance, employees' compensation insurance and public liability insurance, etc.) applicable to the operation of the Service and recognised fee income, if any. Rent and rates in respect of the premises recognised by the SWD for delivery of the Service will be reimbursed separately on an actual cost basis.

- (10) Upon the Service Operator's acceptance of the Funding and Service Agreement (FSA), payment of subvention will be made on a monthly basis.

(D) Validity Period

- (11) This FSA is valid for a time-defined period. Should the Service Operator breach any terms or condition of this FSA and fail to remedy the same in such manner and within such time as shall be specified in a written notice from the SWD, the SWD may, after expiry of such notice, terminate this FSA by giving 30 days' notice in writing to the Service Operator.
- (12) Where there is any change to the service performance standards within the agreement period, the SWD will seek mutual agreement with the Service Operator and the Service Operator will be required to achieve new requirements in accordance with the specified implementation schedule.
- (13) Renewal of the FSA for the next term will be subject to the relevant considerations such as the prevailing policy directive, service needs and the performance of the Service Operator. The SWD reserves the right to reallocate the Service.
- (14) The SWD may immediately terminate the FSA upon the occurrence of any of the following events –
- (a) the Service Operator has engaged or is engaging in acts or activities that are likely to constitute or cause the occurrence of offences endangering national security or which would otherwise be contrary to the interest of national security;
 - (b) the continued engagement of the Service Operator or the continued performance of the FSA is contrary to the interest of national security; or
 - (c) the SWD reasonably believes that any of the events mentioned above is about to occur.

(E) Others

- (15) In addition to this FSA, the Service Operator shall also comply with the requirements according to the relevant Service Specifications, and the Service Operator's proposals and supplementary information, if any. Where these documents are in conflict, this FSA shall prevail.
- (16) In the event of any dispute or difference arising out of or in connection with

the FSA, the SWD and the Service Operator shall first refer to mediation in accordance with The Government of the Hong Kong Special Administrative Region Mediation Rules prevailing at the time. If the said dispute or difference is not settled by mediation, the SWD or the Service Operator may institute litigation / arbitration in respect of the said dispute or difference. The SWD and the Service Operator agree that the courts of Hong Kong shall have exclusive jurisdiction in respect of the said dispute or difference.

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