



社會福利署

Social Welfare Department

Our Ref. : (51) in SWD 0075-0010-0060-0080-0035

Tel. No. : 2832 4308

Fax No. : 2575 5632

Subventions Section

38/F, Dah Sing Financial Centre

248 Queen's Road East

Wan Chai, Hong Kong

20 March 2025

Chairpersons/Heads of
Non-governmental Organisations (NGOs)
operating subvented welfare services

Dear Sir/Madam,

Social Welfare Subvention for 2025-26

This is to inform you of the subvention allocations to your organisation for operating existing welfare services for 2025-26. Please note that the subvention allocations should only be regarded as confirmed subject to the passage of the Appropriation Bill 2025 by the Legislative Council.

Subvention Allocations

2. The allocations to your organisation and subvention related matters are contained in the following enclosed documents -

Enclosure I: Subvention allocations to your organisation for 2025-26 with -

- **Attachment A** on the adjustment factors for this allocation exercise; and
- **Attachment B** on the adjustment of provident fund for 2023-24, where applicable.

Enclosure II: A list of subvented welfare services as at 1 April 2025 operated by your organisation under Funding and Service Agreements (FSAs), and supporting services, where applicable.

3. Based on the level of subvention for 2024-25, the provision for the subvention allocations for 2025-26 has taken into account the full-year effect of upward adjustment of mid-point salaries arising from the 2024-25 civil service pay adjustment (viz. increase



of 3% for all salary bands of civil servants). The Other Charges will also be adjusted upward by 2% for 2025-26 with reference to the Composite Consumer Price Index.

Rates for 2025-26

4. There will be no adjustment of subvention allocation in respect of the provisional rates for 2025-26 despite the overall decrease of 5.35% with reference to the movement of rental indices published by the Rating and Valuation Department for the 12-month period ended on 30 September 2024. Furthermore, the Financial Secretary announced in the Budget Speech on 26 February 2025 the rates concession for 2025-26, subject to a ceiling of \$500 for the first quarter (April to June 2025) for each rateable tenement. The Social Welfare Department (SWD) will NOT withhold the recognised subvention payments for rates in respect of subvented service units for the entire year of 2025-26, but any surplus from subvention payments for rates at the end of 2025-26 will be clawed back in accordance with the existing practice.

Recognised Fee Income

5. Under the prevailing subvention policy, the amount of recognised fee income for subvented welfare services is taken to offset the amount of subvention. Currently, the recognised fee income to be deducted is maintained at the level of 2018-19, and there is no adjustment of recognised fee income in the subvention allocations.

Acceptance of Subvention Allocations

6. The roles, responsibilities and performance standards of service providers are stipulated in the relevant FSAs / service agreements / notification letters in force. Accepting the subvention allocations means that your organisation agrees to take on the relevant responsibilities and to meet the performance standards as required. **To confirm your acceptance of subvention allocations, please sign on the proforma at Enclosure III and return it via the e-Submission System of the Service Performance Management Information System on or before 27 March 2025. Please note that SWD may consider withholding the subvention to your organisation for 2025-26 if we do not receive your reply by the deadline.**

Subvention Rules

7. NGOs receiving social welfare subvention are directly accountable to SWD and the public for the proper and prudent use of public funds. It is the responsibility of NGOs' board and management to maintain proper control of the subvention and ensure compliance with the requirements as set out in the prevailing Lump Sum Grant (LSG) Subvention Manual, circulars/guidelines, and management letters/ correspondences issued by the SWD in respect of subvention policy and procedures, the



Guide to Social Welfare Subventions (updated in October 2023), and the Guidelines on Subventions and Subsidies for Aided Standalone Child Care Centres (January 2024), whichever is applicable, and the relevant guidance notes for specific services. Your special attention is drawn to the following subjects:

- (1) Use of subvention
- (2) Employment of staff and related matters
- (3) Submission of service information and financial statements
- (4) Surpluses account
- (5) Claim for conditional / supplementary subvention

For details of the above five subjects, NGOs under LSG may refer to **Enclosure IV(A)** whereas NGOs receiving subvention under conventional mode other than the LSG may refer to **Enclosure IV(B)**. Besides, all NGOs are required to exercise proper internal control in using public fund and details are set out in the prevailing LSG Subvention Manual, which is applicable to all NGOs receiving subvention.

Safeguarding National Security

8. NGOs operating subvented welfare services with subvention provided by the Government shall observe the requirements to safeguard national security. In the event of an NGO engaging in acts or activities that are contrary to the interest of national security, SWD will terminate the concerned FSA and subvention immediately. You are advised to adhere to the relevant clauses and requirements set out in the prevailing LSG Subvention Manual and notification letter(s) in force.

Corruption Prevention and Probity Requirements

9. It is the responsibility of NGOs' board and management to ensure that its management, board members and staff comply with the Prevention of Bribery Ordinance (Cap. 201) and the relevant requirements. The NGOs' board and management shall prohibit the members, staff, agents, and contractors from offering, soliciting or accepting advantages when discharging their duties under the FSA. With regard to the provision of the subvented services, the NGOs' board and management shall avoid and declare any conflict of interest.

10. NGOs' board and management should make reference to the relevant guidelines on corruption prevention and probity requirements to uphold integrity in every aspect, including but not limited to the governance structure, internal control, financial/fund management, procurement, staff administration, delivery of services/activities, management of maintenance works as set out in the "Corruption Prevention Guide on Governance and Internal Control for Non-governmental Organisations" and the "Integrity and Corruption Prevention Guide on Managing



Relationship with Public Servants” issued by the Independent Commission Against Corruption.

Enquiries

11. A contact list of the Social Work Officers (SWOs) of the Subventions Section designated for NGOs operating subvented welfare services is attached at **Enclosure V**. For enquiries on matters relating to subvention and service performance, please contact the SWO designated for your organisation.

Yours faithfully,

(Ms LEE Wai-yee)
for Director of Social Welfare

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