

LCQ19: Social Enterprises

Following is a written reply by the Secretary for Home Affairs, Mr Tsang Tak-sing, to a question by the Hon Frederick Fung in the Legislative Council today (April 23):

Question:

On promoting the development of social enterprises ("SEs"), will the Government inform this Council:

(a) of the details of the Pilot Scheme to facilitate eligible SEs in bidding 38 government cleansing contracts, including the number of contracts awarded by each participating department and the districts covered, the periods and commencement dates of the contracts, the tender process and expiry dates, the eligibility criteria for bidding, the number of bids received, how the tender assessment mechanism prevents the situation that the lowest bids are always the winning bids, and how it prevents the successful SEs from making pledges of services beyond what is required in the contracts and being unable to honour such pledges after being awarded the contracts, whether it will consider providing the reasons and information concerned for the SEs whose bids are unsuccessful, as well as when it will review the Scheme;

(b) given that in reply to my question on April 25 last year, the former Financial Secretary said that the policy bureaux and government departments represented in the defunct Commission on Poverty were expected to procure about \$32 million worth of goods and services from SEs during 2007-2008, of the details of the procurement in this respect by these policy bureaux and government departments during that financial year, including the actual values, quantities or times of the procurement, the types of the goods and services involved, how these figures and types compare with those in 2006-2007, and the estimated figures and types of the procurement in 2008-2009;

(c) when the dedicated web site on SEs and the directory of SEs will be launched, and whether the SEs which have not been recognized as charitable institutions or trusts of a public character under section 88 of the Inland Revenue Ordinance (Cap. 112) will be included;

(d) whether the promotional activities at district level to be organized by the Government in the second half of this year will include holding display and sales activities at government and other venues, so as to promote directly the goods and services of SEs to the public, and whether government venues will be offered for free or at low charge to SEs for holding display and sales activities; and

(e) of the details (including the numbers and backgrounds of the mentees and mentors at present, the estimated numbers of mentees and mentors to be registered, the expiry date for the registration of mentees) of the Mentorship Scheme under the Social Enterprises Partnership Programme launched by the Home Affairs Department, whether it will relax the eligibility criteria for registering as mentees by allowing the staff of all SEs (including those mentioned in (c)) to participate, of the latest progress of the Matching Forum (including the number of organisations and the areas matched, as well as the backgrounds and work plans of these areas)?

Reply:

Madam President,

My reply to the various parts of the question is as follows:

(a) The pilot scheme to facilitate social enterprises (SEs) in bidding government cleansing contracts has been introduced early this year. Under the scheme, 38 government cleansing contracts of one year duration have been set aside by 19 government departments. These contracts, covering all 18 districts, involve a total value of about \$17 million and provide more than 300 job opportunities. Government departments participating in the scheme and the number of contracts offered are set out at Annex. SEs participating in the bidding for the contracts must be recognized charitable institutions or trusts of a public character registered under section 88 of the Inland Revenue Ordinance (Cap 112). Departments concerned will give priority to such SEs when inviting bids for the 38 government cleansing contracts. The tendering process of most of these contracts is in progress and will be completed in the second quarter of 2008. As such, overall statistics on the quotations received are not available at this stage.

Just like assessing other government procurement contracts, relevant government departments will assess bids from SEs under the pilot scheme in

accordance with the Stores and Procurement Regulations. In general, government departments should accept the lowest quotation for service that meets the requirements set out in a contract. Government departments will also help SEs understand clearly the service requirements, for example by arranging site visits, to prevent successful SEs from not being able to honour the pledges of services. The unsuccessful SEs may ask for reasons for non-acceptance. We will also conduct a mid-term review of the pilot scheme in the third quarter of 2008.

(b) In 2007-08, some \$34 million worth of goods and services were procured from SEs by bureaux and departments represented in the then Commission on Poverty, representing a growth of around 20% over 2006-07. The goods and services procured included cleansing, catering (restaurants and light refreshment kiosks), printing, documents delivery, gardening, transport, delivery, banner and souvenir production, etc. In 2008-09, apart from introducing a pilot scheme to give eligible SEs priority in bidding 38 government cleansing services contracts, we will continue to encourage bureaux and departments to make more use of the goods and services provided by SEs.

(c) The Home Affairs Department will launch a dedicated website on SEs to provide SE-related information such as a directory of SEs in Hong Kong, support services available to SEs, SE-related publications and reference materials, and past activities on SEs, etc. The website is expected to be launched in mid-2008. Regarding the information to be contained in the directory of SEs, we are considering at this stage to include mainly SEs set up by charitable institutions or trusts of a public character registered under section 88 of the Inland Revenue Ordinance (Cap. 112). As regards those SEs that are not set up by charitable institutions or trusts of a public character registered under section 88 of the aforementioned Ordinance, we will consider how to include them in the directory in the next stage.

(d) The Home Affairs Department will promote SEs at the district level through various means including organising district promotional activities, such as exhibitions, in all 18 districts. If circumstances permit, we will consider following last year's practice for SEs to set up exhibition booths at the Hong Kong Products Expo to promote their businesses, give service demonstrations or sell their products. Details of the promotional activities to be held in all 18 districts are being worked out. We plan to make announcement on the details later this year.

(e) The Social Enterprises Mentorship Scheme (the Mentorship Scheme) is a service provided under the Social Enterprises Partnership Programme. It aims to link up SEs registered as mentees with voluntary mentors from the business and professional sectors for the latter to offer business advisory services to the former with a view to increasing the competitiveness of SEs. The Mentorship Scheme is open to application all year round.

At present, about 80 organisations/individuals have indicated initial interests in serving as voluntary mentors. All of them are experienced entrepreneurs, senior executives and professionals. More than 10 SEs have also registered as mentees. We are now ascertaining the particulars of the registered mentees and mentors in order to implement the Scheme. Since the mentors will examine and advise on the problems encountered by mentees in business operations instead of providing skills training for individual trade, we believe that there are better chances of achieving the expected results if the Mentorship Scheme is targeted at managerial staff.

The matching forum is another service provided under the Social Enterprises Partnership Programme to facilitate interested business organisations to team up with non-government organisations (NGOs). The partnership can be in the form of outsourcing certain operations to SEs, or providing concessionary rental of their premises or vacant land for use by SEs. The Home Affairs Department liaises with different sectors of the community through the current district-based network, including various District Offices, to implement the programme. Regarding the Enhancing Self-Reliance Through District Partnership Programme under the Home Affairs Department, of some 30 applications being processed under the third phase of application, about half are partnership programmes between business organisations and NGOs, which cover businesses such as salon, catering, tourism, manipulation and foot reflexology, recycling and cleansing services, care for the elderly and home help, gardening, etc. Most of the business organisations in partnership provide SEs with professional advice, and some provide concessionary rental and clientele, etc.

Ends/Wednesday, April 23, 2008

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