

Head 190 — UNIVERSITY GRANTS COMMITTEE

Controlling officer: the Secretary-General, University Grants Committee will account for expenditure under this Head.

Estimate 2001–02..... **\$12,900.7m**

Establishment ceiling 2001–02 (notional annual mid-point salary value) representing an estimated 44 non-directorate posts at 31 March 2001 and at 31 March 2002..... **\$16.0m**

In addition there will be an estimated three directorate posts at 31 March 2001 and at 31 March 2002.

Controlling Officer's Report

Programme

University Grants Committee

This programme contributes to Policy Area 16: Education (Secretary for Education and Manpower).

Detail

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	13,781.5	12,720.6 (–7.7%)	13,188.2 (+3.7%)	12,900.7 (–2.2%)

Aim

2 The aim is to service the University Grants Committee (UGC) which advises the Government on the development and funding of higher education in Hong Kong, to administer government grants to the UGC-funded higher education institutions, and to support the UGC's objectives of maintaining and improving the quality of teaching, learning and research in the UGC-funded institutions and monitoring the efficiency and cost-effectiveness of the institutions' activities.

Brief Description

3 The UGC Secretariat is specifically tasked with:

- providing administrative support to the UGC and its sub-committees, and the Research Grants Council (RGC) and its sub-committees and panels;
- channelling information between the Government, the UGC and the higher education institutions;
- disbursing approved grants to the UGC-funded institutions and monitoring their financial activities; and
- processing the accreditation of degree courses at the Hong Kong Institute of Education (HKIEd).

4 Various reviews and quality assurance exercises have progressed as planned, research activities are on-going and developing and further language enhancement projects and teaching development projects are being carried out by the UGC-funded institutions. Despite the increase in activities and workload of the UGC and its Secretariat, the cost of administration has been held at 0.3% of the recurrent and capital grants administered.

5 The key performance measures are:

Targets and Indicators

- Achievements of the UGC in the 1999/2000 academic year:

Areas of Excellence (AoE) Scheme:

The second round of the AoE scheme was launched in January 2000. The UGC received a total of 55 initial proposals from the eight UGC-funded institutions and shortlisted 16 for further evaluation.

Review of Teaching and Learning Quality Process Reviews (TLQPRs):

The UGC decided to undertake a second round of the TLQPRs. A TLQPR Task Force was set up under the UGC to work out the details and oversee the conduct of the reviews.

Language:

The UGC continued to encourage institutions to enforce strictly their minimum language requirements for the admission of first-year-first-degree students. To assist institutions in strengthening the general language proficiency of their students, the UGC continued to allocate language enhancement grants to the institutions.

Research Assessment Exercise (RAE) 1999:

The UGC completed the third RAE in 1999 and the results showed further remarkable improvement in the research performance of all UGC-funded institutions since the last exercise in 1996. The results had been

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factored into the allocation of the 'Research' portion of individual institutions' recurrent grants for the 2001/02–2003/04 triennium.

Funding of Research:

In response to a request from the Government, and also in accordance with its terms of reference, the RGC completed a preliminary review of the needs and priorities of research in higher education institutions in Hong Kong and tendered its first report to the Government through the UGC in March 2000. The RGC also undertook to review its Co-operative Research Centres Scheme taking into account the establishment of the Innovation and Technology Fund. The RGC considered the findings of the review in December 2000.

Space and Accommodation Review:

The UGC, on the advice of its Working Group on Space and Accommodation, commissioned in August 1998 a review of space and accommodation provision and utilisation in the eight UGC-funded institutions with a view to devising more up-to-date and locally relevant space standards. The consultancy has developed norms for accommodation requirements and methodology for assessing the adequacy of space in the UGC-funded institutions. Following the UGC's endorsement of the final report prepared by the consultant in 2000, the new methodology is now used as the basis for calculating space entitlement for new capital projects.

Teacher Education:

In accordance with the Policy Objectives stated in the Chief Executive's 1998 Policy Address, we are progressively upgrading about 1 800 sub-degree training places for pre-service primary and secondary school teachers at the HKIEd to degree or above levels in the HKIEd and other institutions in the 1998/99–2000/01 triennium.

Triennial Planning for the 2001/02–2003/04 triennium:

The planning cycle for the 2001/02–2003/04 triennium started in the 1998/99 academic year. Provisional 'start' letters to the institutions were issued in July 1999. The UGC finished considering the institutions' Academic Development Proposals and submitted in late 2000 specific recommendations to the Government regarding the distribution of student number targets and the funding requirements of institutions for the 2001/02–2003/04 triennium.

- Statistical indicators:

	<i>Academic Year</i>		
	1999/2000 (Actual)	2000/01 (Estimate)	2001/02 (Estimate)
Recurrent grants (\$m)	13,652	13,205	12,838
Language enhancement grants			
No. of language enhancement projects	137	137	114
Amount of grants (\$m)	88	88	73
Teaching development grants			
No. of teaching development projects	50	35	30
Amount of grants for teaching development projects (\$m)	64	51	38
Research grants			
No. of competitive earmarked research grant applications dealt with	1 496	1 652	1 820
No. of other research grant applications dealt with	402	254	285
Amount of Earmarked Research Grant (\$m)	423	468	511
Other earmarked research grants allocated (\$m)	27	7	7
No. of on-going funded research projects monitored	3 072	3 498	3 850
	<i>Financial Year</i>		
	1999–2000 (Actual)	2000–01 (Estimate)	2001–02 (Estimate)
Capital grants			
No. of capital works project applications processed	23	20	20
No. of capital works projects approved by Finance Committee	1	8	6
Amount of capital commitments approved by Finance Committee (\$m)	53	1,018	1,711
No. of capital projects monitored	38	41	35
Cost of capital projects monitored (\$m)	11,172	11,975	10,777
Cost of administration as % of recurrent and capital grants administered	0.3	0.3	0.3

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Student numbers, in terms of Full-Time Equivalent (FTE) students and First-Year-First-Degree (FYFD) places, at the UGC-funded institutions:

	<i>Academic Year</i>		
	1999/2000 (Actual)	2000/01 (Estimate)	2001/02 (Estimate)
Student numbers (FTE)			
Undergraduate.....	45 489	45 550	46 235
Taught Postgraduate	6 320	5 914	5 636
Research Postgraduate.....	3 763	3 595	4 035
Sub-degree	14 376	13 374	12 585
Total.....	69 948	68 433	68 491
FYFD places	14 435	14 500	14 500
No. of FYFD places as percentage of relevant age group (17–20)#	17%	16%	16%

The figures have been revised based on the population figures recently released by the Census and Statistics Department using the 'resident population' approach.

Grants assessed and administered by the UGC covering the bulk of the institutions' capital, recurrent and research funding requirements:

	<i>Financial Year</i>		
	1999–2000 (Actual)	2000–01 (Estimate)	2001–02 (Estimate)
Recurrent Grants (including Earmarked Research Grants) (\$m).....	13,710.7	13,136.0	12,847.7
Earmarked Research Grants (\$m).....	423.3	457.1	500.2
Capital Grants (\$m).....	893.6	776.1	848.9

Matters Requiring Special Attention in 2001–02

6 The UGC will commence the second round of the TLQPRs for completion in 2003.

7 All the remaining sub-degree pre-service training for primary and secondary school teachers will be upgraded to degree or above levels by the end of the 2001/02–2003/04 triennium.

8 The UGC will continue to oversee the operation of the Home Financing Scheme (HFS) for eligible staff of UGC-funded institutions, and, in conjunction with the Administration, monitor and advise on the use of surplus staff quarters arising from the implementation of the Scheme.

9 The UGC will work closely with the Education Commission (EC) and the UGC-funded institutions to take forward the EC's education reform proposals.

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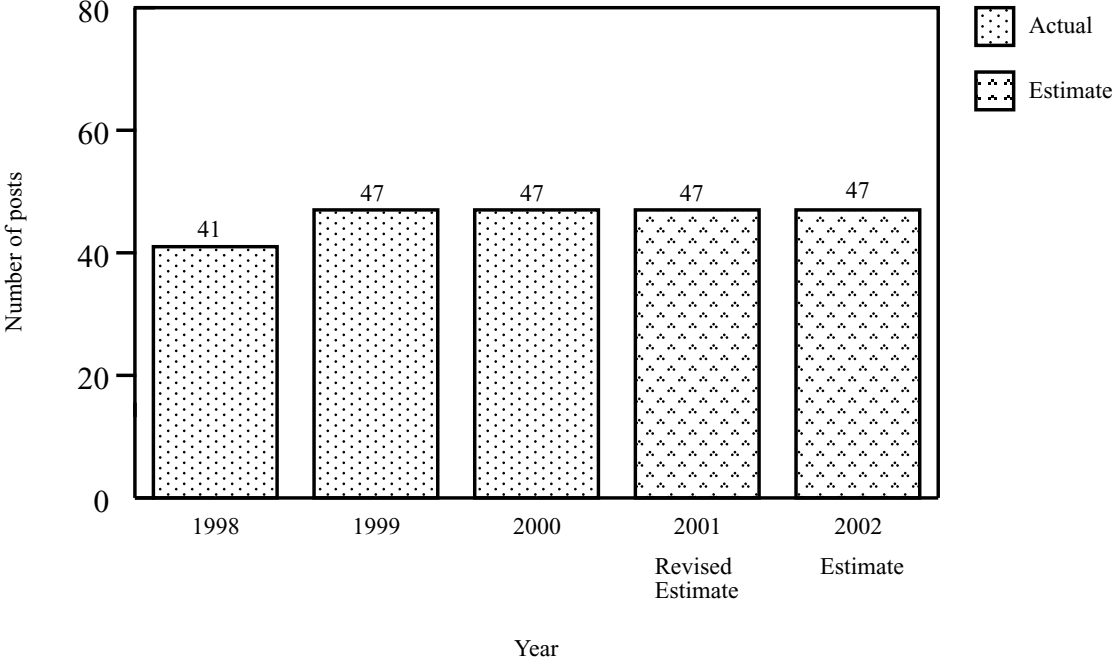
ANALYSIS OF FINANCIAL PROVISION

Programme	1999–2000 (Actual) (\$m)	2000–01 (Approved) (\$m)	2000–01 (Revised) (\$m)	2001–02 (Estimate) (\$m)
University Grants Committee.....	13,781.5	12,720.6 (-7.7%)	13,188.2 (+3.7%)	12,900.7 (-2.2%)

Analysis of Financial and Staffing Provision

Provision for 2001–02 is \$287.5m (2.2%) lower than the revised estimate for 2000–01. This is mainly due to reduced requirement for recurrent grants to UGC-funded institutions and reduced provision for non-HFS housing benefits, partly offset by the increase in requirements for HFS in 2001–02 as compared with 2000–01.

*Changes in the size of the establishment
(as at 31 March)*



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Sub-head (Code)	Actual expenditure 1999–2000	Approved estimate 2000–01	Revised estimate 2000–01	Estimate 2001–02	
	\$ '000	\$ '000	\$ '000	\$'000	
Recurrent Account					
I — Personal Emoluments					
001	Salaries.....	20,109	20,800	20,697	21,185
002	Allowances.....	1,471	1,446	829	860
	Total, Personal Emoluments	21,580	22,246	21,526	22,045
III — Departmental Expenses					
149	General departmental expenses.....	12,084	11,338	14,686	14,744
	Total, Departmental Expenses	12,084	11,338	14,686	14,744
IV — Other Charges					
167	Honoraria for overseas members.....	4,218	3,405	3,210	3,088
169	Visitation.....	7,488	7,776	7,971	7,692
	Total, Other Charges.....	11,706	11,181	11,181	10,780
V — Subventions					
492	Grants to UGC-funded institutions.....	12,251,830	11,167,652	11,686,704	11,357,589
496	Refund of rates and Government rents — UGC-funded institutions	153,982	161,922	130,730	131,495
529	Home Financing Scheme.....	1,006,799	1,059,961	1,144,961	1,212,006
530	Housing-related expenses other than Home Financing Scheme	298,108	284,097	173,601	146,630
	Total, Subventions.....	13,710,719	12,673,632	13,135,996	12,847,720
	Total, Recurrent Account	13,756,089	12,718,397	13,183,389	12,895,289
Capital Account					
II — Other Non-Recurrent					
728	Validation of courses at UGC-funded institutions (block vote).....	2,401	2,200	4,802	5,455
	General other non-recurrent.....	23,058	—	—	—
	Total, Other Non-Recurrent.....	25,459	2,200	4,802	5,455
	Total, Capital Account.....	25,459	2,200	4,802	5,455
	Total Expenditure	<u>13,781,548</u>	<u>12,720,597</u>	<u>13,188,191</u>	<u>12,900,744</u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2001–02 for the salaries and expenses of the University Grants Committee (UGC)-funded institutions and the UGC Secretariat is \$12,900,744,000. This represents a decrease of \$287,447,000 against the revised estimate for 2000–01 and of \$880,804,000 against actual expenditure in 1999–2000.

Recurrent Account

Personal Emoluments

2 Provision of \$22,045,000 for personal emoluments represents an increase of \$519,000 over the revised estimate for 2000–01.

3 The establishment at 31 March 2001 will be 47 permanent posts. No change in establishment is expected by 31 March 2002.

4 Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2001–02, but the notional annual mid-point salary value of all such posts must not exceed \$15,956,000.

5 Provision of \$860,000 under *Subhead 002 Allowances* is for standard allowances. The increase of \$31,000 (3.7%) over the revised estimate for 2000–01 is mainly due to the increased requirements for overtime allowances in 2001–02.

Other Charges

6 Provision of \$3,088,000 under *Subhead 167 Honoraria for overseas members* is for the payment of honoraria to overseas members of the UGC, the Research Grants Council (RGC) and their sub-committees and panels. The decrease of \$122,000 (3.8%) against the revised estimate for 2000–01 is mainly due to the expected reduction in the number of overseas panel members in 2001–02 following the completion of the assessment exercise for second-round proposals under the Areas of Excellence (AoE) scheme.

7 Provision of \$7,692,000 under *Subhead 169 Visitation* is to meet the cost of passages, hotel accommodation, subsistence allowances, incidental expenses for the Chairman and members of the UGC, the RGC, their sub-committees and panels and staff of the UGC Secretariat attending meetings in Hong Kong and elsewhere. The decrease of \$279,000 (3.5%) against the revised estimate for 2000–01 is mainly due to the expected reduction in the number of overseas panel members in 2001–02 following the completion of the assessment exercise for second-round proposals under the AoE scheme.

Subventions

8 Provision of \$11,357,589,000 under *Subhead 492 Grants to UGC-funded institutions* is for payment of grants to the eight UGC-funded institutions including City University of Hong Kong, Hong Kong Baptist University, Lingnan University, the Chinese University of Hong Kong, the Hong Kong Institute of Education, the Hong Kong Polytechnic University, the Hong Kong University of Science and Technology and the University of Hong Kong and for expenditure incurred for sector wide and cross-institutional activities in accordance with the approved recurrent grants for the academic years 2000/01 and 2001/02.

9 Provision of \$131,495,000 under *Subhead 496 Refund of rates and Government rents—UGC-funded institutions* is for the refund to UGC-funded institutions for their payments of rates and Government rents to the Government.

10 Provision of \$1,212,006,000 under *Subhead 529 Home Financing Scheme* is to meet the expenses under the Home Financing Scheme (HFS) implemented with effect from 1 October 1998 in the UGC-funded institutions. The increase of \$67,045,000 (5.9%) over the revised estimate for 2000–01 is mainly due to the need to make additional provision for staff expected to opt for HFS in 2001–02, and full-year provision for staff who joined HFS in 2000–01.

11 Provision of \$146,630,000 under *Subhead 530 Housing-related expenses other than Home Financing Scheme* is to meet expenses for housing-related expenses other than the HFS in the UGC-funded institutions. The decrease of \$26,971,000 (15.5%) against the revised estimate for 2000–01 is mainly due to the reduced requirement as a result of staff opting for HFS and reduction in the rates of Private Tenancy Allowance in 2000–01.

Capital Account

Other Non-Recurrent

12 Provision of \$5,455,000 under *Subhead 728 Validation of courses at UGC-funded institutions (block vote)* is for payments to the Hong Kong Council for Academic Accreditation for validating and revalidating degree courses at the Hong Kong Institute of Education. The increase of \$653,000 (13.6%) over the revised estimate for 2000–01 is mainly due to the increase in the number of courses to be validated in 2001–02.