

Head 190 — UNIVERSITY GRANTS COMMITTEE

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

Estimate 2002–03 **\$13,497.1m**

Establishment ceiling 2002–03 (notional annual mid-point salary value) representing an estimated 44 non-directorate posts at 31 March 2002 rising by four posts to 48 posts at 31 March 2003 **\$19.2m**

In addition there will be an estimated three directorate posts at 31 March 2002 and at 31 March 2003.

Controlling Officer's Report

Programme

University Grants Committee

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

Detail

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	13,183.3	12,900.7 (–2.1%)	13,293.9 (+3.0%)	13,497.1 (+1.5%)

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.

5 The key performance measures are:

- Achievements of the UGC in the 2000/01 academic year:

Areas of Excellence (AoE) Scheme:

The second round of the AoE scheme was launched in January 2000 and continued throughout the 2000/01 academic year. The UGC will fund three selected proposals for an amount totalling \$99.8 million over five years, starting from the 2001/02 academic year.

Teaching and Learning Quality Process Reviews (TLQPRs):

In view of the success of the first round of TLQPRs, the UGC decided to launch the second round of the exercise to assist the institutions in their efforts to continuously improve the quality of teaching and learning. In the 2000/01 academic year, the UGC was actively making the necessary preparation, including the formation of a review panel and the finalisation of the review template. The exercise successfully commenced in October 2001 and is expected to last for about two years.

Language:

The UGC continued to attach importance to enhancing the language proficiency of local graduates and to strictly enforce the language requirements for the admission of first-year-first-degree students. In addition to the allocation of Language Enhancement Grants as in previous years, the UGC has also been actively exploring, in consultation with the institutions, the possibility of putting in place a common assessment framework to document graduates' language proficiency. Concrete proposals are being worked out.

Head 190 — UNIVERSITY GRANTS COMMITTEE

Funding of Research:

The RGC continued to see an increasing number of good research proposals and funded more than 700 projects in the year. As part of its continuous efforts to strengthen the support for academic research, the RGC sought to enhance the diversity of its funding schemes by introducing a Clinical Research Fellowship Scheme and a grant for individual research. Following a review of its Co-operative Research Centres Scheme in December 2000, the RGC concluded that the scheme had successfully promoted collaboration between universities and industry. Taking into account some recent developments including the establishment of the Innovation and Technology Fund, the Council decided to cease provision of new funding under the scheme.

Student Hostel Provision:

In December 1996, the Government promulgated a policy for the provision of publicly-funded student hostels places at the UGC-funded institutions, with the aim to enhance the quality of university education by fostering hostel life. During 2000–01, four more capital projects relating to the construction of student hostels have received funding approval from the Finance Committee (FC) of the Legislative Council.

Teacher Education:

In the context of academic planning for the 2001/02–2003/04 triennium, the UGC suggested in November 2000 and the HKIED agreed that the remaining sub-degree pre-service teacher training places for primary and secondary school teachers at the institute would be phased out and replaced by degree or above level places by the end of the 2001/02–2003/04 triennium, with a view to upgrading teacher training and developing the HKIED into a degree-awarding teacher training institute. To support the upgrading process, the UGC has increased the number of publicly-funded first-year-first-degree as well as taught-postgraduate places for the HKIED for the 2001/02–2003/04 triennium.

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

Planning for the 2001/02–2003/04 triennium cycle has been completed. The UGC's recommendations regarding the student number targets and funding requirements were broadly accepted by the Government and the total recurrent funding requirements of the institutions during the triennium were accepted by FC in February 2001.

- Statistical indicators:

	<i>Academic Year</i>		
	2000/01 (Actual)	2001/02 (Revised)	2002/03 (Estimate)
Recurrent grants (\$m)	13,408	13,240	13,438
Language enhancement grants			
No. of language enhancement projects	137	140	140
Amount of grants (\$m).....	88	88	88
Teaching development grants			
No. of teaching development projects.....	35	37	37
Amount of grants for teaching development projects (\$m)	51	38	38
Research grants			
No. of competitive earmarked research grant applications dealt with.....	1 652	1 630	1 698
No. of other research grant applications dealt with.....	251	194	200
Amount of Earmarked Research Grant (\$m)	475	511	543
No. of on-going funded research projects monitored (as at the beginning of the relevant academic year).....	3 339	3 125	3 280
	<i>Financial Year</i>		
	2000–01 (Actual)	2001–02 (Revised)	2002–03 (Estimate)
Capital grants			
No. of capital works project applications processed	23	10	10
No. of capital works projects approved by Finance Committee	7	4	5
Amount of capital commitments approved by Finance Committee (\$m)	749	786	1,716
No. of capital projects monitored.....	40	28	31
Cost of capital projects monitored (\$m).....	11,706	10,874	10,506
Cost of administration as % of recurrent and capital grants administered	0.3	0.3	0.4

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

Head 190 — UNIVERSITY GRANTS COMMITTEE

	<i>Academic Year</i>		
	2000/01 (Actual)	2001/02 (Revised)	2002/03 (Estimate)
Student numbers (FTE) of UGC-funded programmes			
Undergraduate	45 645	46 235	46 822
Taught Postgraduate	6 244	5 696	6 111
Research Postgraduate.....	3 695	4 035	4 175
Sub-degree.....	13 212	12 585	11 967
Total	68 796	68 551	69 075
FYFD places.....	14 433	14 500	14 500
No. of FYFD places as percentage of relevant age group (17–20)	17%	17%	16%

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

	<i>Financial Year</i>		
	2000–01 (Actual)	2001–02 (Revised)	2002–03 (Estimate)
Recurrent Subventions (including Earmarked Research Grants) (\$m).....	13,131.3	13,241.1	13,441.3
Earmarked Research Grants (\$m).....	457.1	500.2	535.2
Capital Subventions (\$m).....	1,108.3	966.8	1,216.1

Matters Requiring Special Attention in 2002–03

6 During 2002–03, the UGC will:

- complete a review on higher education in the first half of 2002;
- continue with the second round of the TLQPRs with a view to completing the exercise by the end of 2003;
- continue to support the upgrading of sub-degree pre-service training for primary and secondary school teachers to degree or above levels, with a view to phasing out these places by the end of the 2001/02–2003/04 triennium;
- work closely with the UGC-funded institutions to take forward the Education Commission's education reform proposals relevant to the sector;
- consider the institutions' Academic Development Proposals for the 2004/05–2006/07 triennium in early 2003; and
- support the provision of immersion programmes arranged overseas or in the mainland to full-time language students of teacher training programmes with a view to enhancing the language proficiency of language teachers.

Head 190 — UNIVERSITY GRANTS COMMITTEE

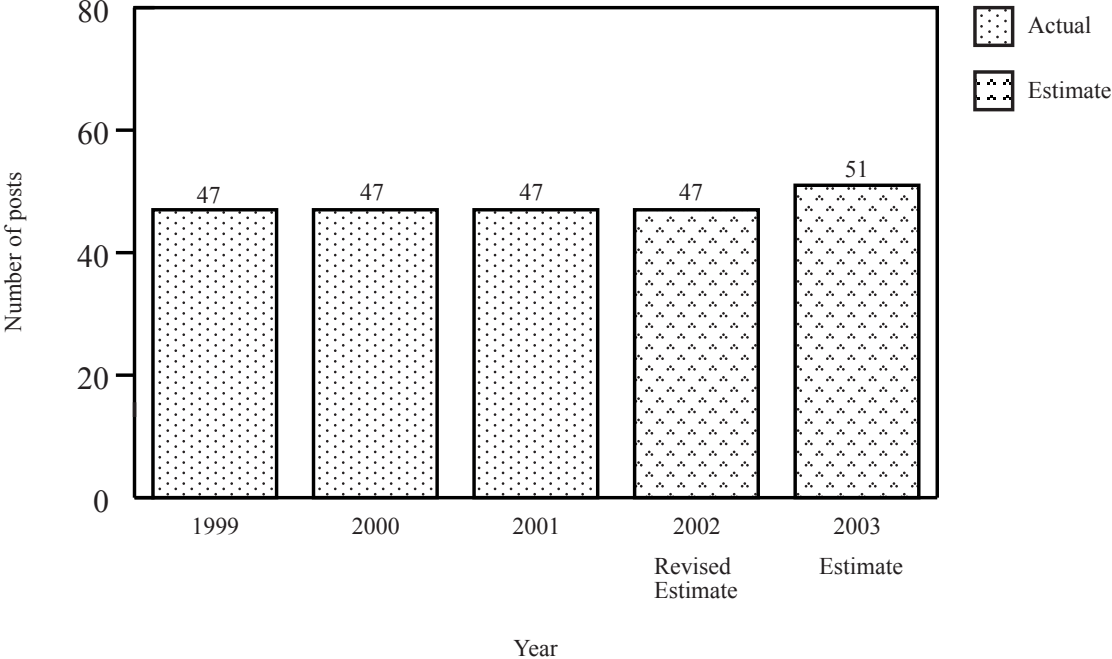
ANALYSIS OF FINANCIAL PROVISION

Programme	2000-01 (Actual) (\$m)	2001-02 (Approved) (\$m)	2001-02 (Revised) (\$m)	2002-03 (Estimate) (\$m)
University Grants Committee	13,183.3	12,900.7 (-2.1%)	13,293.9 (+3.0%)	13,497.1 (+1.5%)

Analysis of Financial and Staffing Provision

Provision for 2002-03 is \$203.2m (1.5%) over the revised estimate for 2001-02. This is mainly due to increased requirement for recurrent grants to UGC-funded institutions and increased provision for the Home Financing Scheme (HFS) in 2002-03, partly offset by reduced provision for non-HFS housing benefits.

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



Head 190 — UNIVERSITY GRANTS COMMITTEE

Sub-head (Code)		Actual expenditure 2000-01	Approved estimate 2001-02	Revised estimate 2001-02	Estimate 2002-03
		\$'000	\$'000	\$'000	\$'000
Recurrent Account					
I — Personal Emoluments					
001	Salaries	20,533	21,185	20,859	23,782
002	Allowances	859	860	1,733	1,882
	Total, Personal Emoluments	<u>21,392</u>	<u>22,045</u>	<u>22,592</u>	<u>25,664</u>
III — Departmental Expenses					
149	General departmental expenses	14,617	14,744	15,618	16,250
	Total, Departmental Expenses	<u>14,617</u>	<u>14,744</u>	<u>15,618</u>	<u>16,250</u>
IV — Other Charges					
167	Honoraria for overseas members.....	3,139	3,088	3,014	3,818
169	Visitation	7,980	7,692	6,409	8,023
	Total, Other Charges	<u>11,119</u>	<u>10,780</u>	<u>9,423</u>	<u>11,841</u>
V — Subventions					
492	Grants to UGC-funded institutions.....	11,687,396	11,357,589	11,787,610	11,945,214
496	Refund of rates and Government rents —				
	UGC-funded institutions.....	125,910	131,495	131,495	135,973
529	Home Financing Scheme	1,144,417	1,212,006	1,211,075	1,258,276
530	Housing-related expenses other than Home Financing Scheme.....	173,601	146,630	110,913	101,829
	Total, Subventions	<u>13,131,324</u>	<u>12,847,720</u>	<u>13,241,093</u>	<u>13,441,292</u>
	Total, Recurrent Account	<u>13,178,452</u>	<u>12,895,289</u>	<u>13,288,726</u>	<u>13,495,047</u>
Capital Account					
II — Other Non-Recurrent					
728	Validation of courses at UGC-funded institutions (block vote)	4,802	5,455	5,145	2,058
	Total, Other Non-Recurrent	<u>4,802</u>	<u>5,455</u>	<u>5,145</u>	<u>2,058</u>
	Total, Capital Account	<u>4,802</u>	<u>5,455</u>	<u>5,145</u>	<u>2,058</u>
	Total Expenditure.....	<u><u>13,183,254</u></u>	<u><u>12,900,744</u></u>	<u><u>13,293,871</u></u>	<u><u>13,497,105</u></u>

Head 190 — UNIVERSITY GRANTS COMMITTEE

Details of Expenditure by Subhead

The estimate of the amount required in 2002–03 for the salaries and expenses of the University Grants Committee (UGC)-funded institutions and the UGC Secretariat is \$13,497,105,000. This represents an increase of \$203,234,000 over the revised estimate for 2001–02 and of \$313,851,000 over actual expenditure in 2000–01.

Recurrent Account

Personal Emoluments

2 Provision of \$25,664,000 for personal emoluments represents an increase of \$3,072,000 over the revised estimate for 2001–02.

3 The establishment at 31 March 2002 will be 47 permanent posts. It is expected that four new posts will be created in 2002–03.

4 Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2002–03, but the notional annual mid-point salary value of all such posts must not exceed \$19,176,000.

5 Provision of \$1,882,000 under *Subhead 002 Allowances* is for standard allowances. The increase of \$149,000 (8.6%) over the revised estimate for 2001–02 is mainly due to the increased requirements for acting allowances in 2002–03.

Departmental Expenses

6 Provision of \$16,250,000 under *Subhead 149 General departmental expenses* represents an increase of \$632,000 (4.0%) over the revised estimate for 2001–02. This is mainly due to a higher level of activities of the UGC.

Other Charges

7 Provision of \$3,818,000 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 increase of \$804,000 (26.7%) over the revised estimate for 2001–02 is mainly due to the expected increase in the number of overseas members as a result of the planned Teaching and Learning Quality Process Reviews (TLQPRs) and the third-round exercise under the Areas of Excellence (AoE) scheme to be conducted in 2002–03.

8 Provision of \$8,023,000 under *Subhead 169 Visitation* is to meet the costs of passages, hotel accommodation, subsistence allowances, as well as incidental expenses for the Chairman and members of the UGC, the RGC, their sub-committees and panels attending meetings in Hong Kong and elsewhere. It also covers the expenses to be incurred by staff of the UGC Secretariat performing duties outside Hong Kong. The increase of \$1,614,000 (25.2%) over the revised estimate for 2001–02 is mainly due to lower requirement in 2001–02, the expected increase in the number of overseas panel members as a result of the planned TLQPRs and the third-round exercise under the AoE scheme to be conducted in 2002–03.

Subventions

9 Provision of \$11,945,214,000 under *Subhead 492 Grants to UGC-funded institutions* is for payment of grants to the eight UGC-funded institutions, namely, 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 2001/02 and 2002/03.

10 Provision of \$135,973,000 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.

11 Provision of \$1,258,276,000 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.

12 Provision of \$101,829,000 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 \$9,084,000 (8.2%) against the revised estimate for 2001–02 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 2001–02.

Capital Account

Other Non-Recurrent

13 Provision of \$2,058,000 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 decrease of \$3,087,000 (60.0%) against the revised estimate for 2001–02 is mainly due to the decrease in the number of courses to be validated in 2002–03.