

Head 190 — UNIVERSITY GRANTS COMMITTEE

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

Estimate 2003–04	\$13,152.3m
Establishment ceiling 2003–04 (notional annual mid-point salary value) representing an estimated 48 non-directorate posts as at 31 March 2003 and as at 31 March 2004	\$18.6m
In addition there will be an estimated three directorate posts as at 31 March 2003 and as at 31 March 2004.	
Capital Account commitment balance	\$170.0m

Controlling Officer's Report

Programme

University Grants Committee

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

Detail

	2001–02 (Actual)	2002–03 (Approved)	2002–03 (Revised)	2003–04 (Estimate)
Financial provision (\$m)	13,308.8	13,497.1 (+1.4%)	13,279.4 (-1.6%)	13,152.3 (-1.0%)

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. 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 2001/02 academic year:

Higher Education Review

- The UGC launched another review of Hong Kong's higher education and issued a review report entitled 'Higher Education in Hong Kong' for public consultation in March 2002.

Areas of Excellence (AoE) Scheme

- Three projects were funded for an amount totalling \$99.8 million over five years in the second round of the AoE scheme. A total of 41 initial proposals were received in the third round which was launched in January 2002. Peer-review of the proposals is currently underway.

Teaching and Learning Quality Process Reviews (TLQPRs)

- Built on the success of the first round of TLQPRs, the UGC launched the second round of the exercise in late 2001 to assist the institutions in their efforts to continuously improve the quality of teaching and learning. In the 2001/02 academic year, the UGC completed site visits to the first two institutions under review.

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Language

- The UGC continued to attach importance to enhancing the language proficiency of local university students. In addition to the allocation of Language Enhancement Grants, the UGC, in collaboration with institutions, introduced the common English proficiency assessment scheme which aimed to assess the language proficiency of graduating students and to heighten university students' awareness of the importance of language proficiency.

Funding of Research

- The RGC continued to see an increasing number of good research proposals and funded more than 750 projects in the year. To foster Hong Kong's research ties with the Mainland, the RGC agreed to continue the joint research scheme with the National Natural Science Foundation after a successful three-year pilot exercise. In the interest of promoting international academic exchanges, the RGC also launched a programme to support Hong Kong scholars to undertake research in the United States.

Teacher Education

- To enhance the language proficiency of language teachers, the UGC has secured the agreement of the institutions that compulsory immersion programmes should be arranged for full-time language students of teacher education programmes starting with the 2002/03 cohort.

Enhanced Student Exchange Programmes

- The UGC has secured government funding to support 1 000 additional undergraduate student exchange places of UGC-funded institutions each year over a three-year period starting from the 2002/03 academic year. The UGC has also secured government support to fully fund a cohort of 150 Mainland students in the 2003/04 academic year and to cover half of the expenditure of the next two cohorts in 2004/05 and 2005/06, subject to the institutions being able to raise the other half of the expenditure through their own means.

• Statistical indicators:

	<i>Academic Year</i>		
	2001/02 (Actual)	2002/03 (Revised)	2003/04 (Estimate)
Recurrent grants (\$m).....	13,112	13,202	13,091
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.....	37	37	37
Amount of grants for teaching development projects (\$m).....	38	38	38
Research grants			
No. of competitive earmarked research grant applications dealt with.....	1 630	1 698	1 878
No. of other research grant applications dealt with.....	194	204	210
Amount of Earmarked Research Grant (\$m).....	511	543	578
No. of on-going funded research projects monitored (as at the beginning of the relevant academic year).....	3 115	3 484	3 650
	<i>Financial Year</i>		
	2001–02 (Actual)	2002–03 (Revised)	2003–04 (Estimate)
Capital grants			
No. of capital works project applications processed	10	7	7
No. of capital works projects approved by Finance Committee.....	3	6	1
Amount of capital commitments approved by Finance Committee (\$m).....	466	1,248	128
No. of capital projects monitored.....	25	26	25
Cost of capital projects monitored (\$m).....	10,502	9,071	8,522
Cost of administration as % of recurrent and capital grants administered.....	0.3	0.4	0.4

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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>		2003/04 (Estimate)
	2001/02 (Actual)	2002/03 (Revised)	
Student numbers (FTE) of UGC-funded programmes.....			
Undergraduate	46 148	46 822	47 157
Taught Postgraduate	6 164	6 102	6 107
Research Postgraduate.....	4 033	4 175	4 315
Sub-degree.....	12 201	11 967	11 453
	68 546	69 066	69 032
Total			
FYFD places.....	14 575	14 500	14 500
No. of FYFD places as percentage of relevant age group (17-20).....	17%	17%	17%

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

	<i>Financial Year</i>		2003-04 (Estimate)
	2001-02 (Actual)	2002-03 (Revised)	
Recurrent Subventions (including Earmarked Research Grants) (\$m).....	13,257.7	13,185.5	13,037.0
Earmarked Research Grants (\$m).....	503.8	535.2	569.2
Capital Subventions (\$m).....	918.1	807.8	747.0

Matters Requiring Special Attention in 2003-04

6 During 2003-04, the UGC will:

- start working out implementation details relating to the final recommendations of the Higher Education Review;
- continue with the second round of TLQPRs with a view to completing the exercise by the end of 2003;
- work closely with the UGC-funded institutions to take forward the Education Commission's education reform proposals which are relevant to the sector;
- consider the institutions' Academic Development Proposals for the 2004/05 academic year in early 2003;
- finalise the allocation of student numbers and recurrent grants to the institutions for the 2004/05 academic year; and
- monitor the implementation of compulsory immersion programmes for full-time language students of teacher training programmes with a view to enhancing the language proficiency of language teachers.

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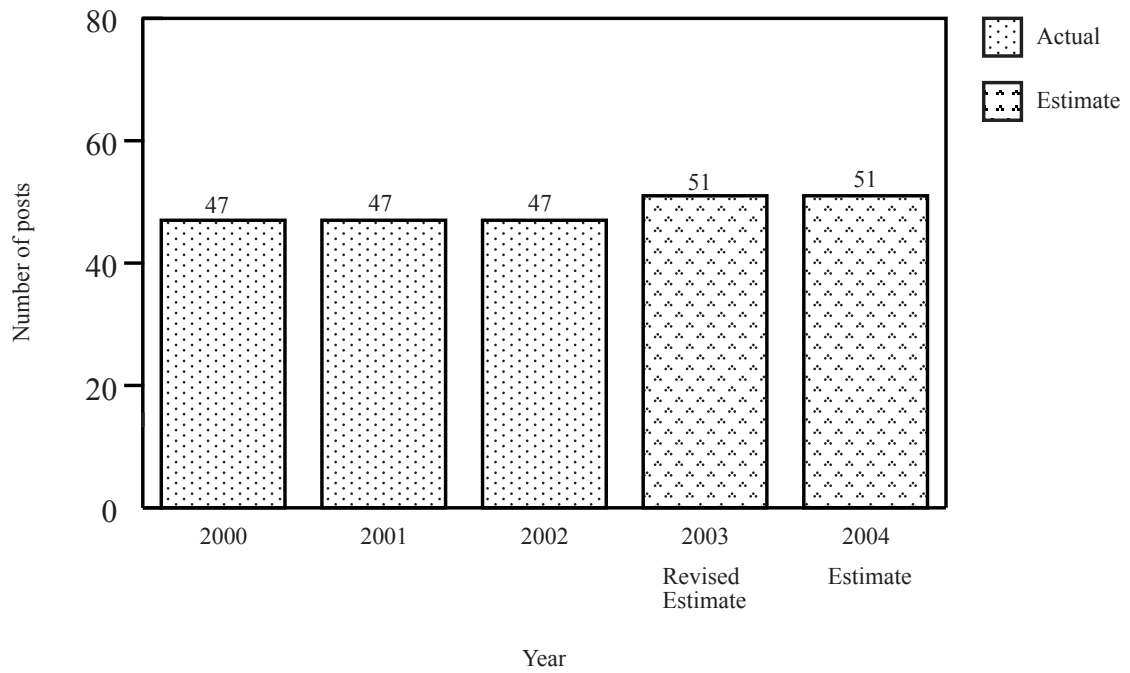
ANALYSIS OF FINANCIAL PROVISION

Programme	2001-02 (Actual) (\$m)	2002-03 (Approved) (\$m)	2002-03 (Revised) (\$m)	2003-04 (Estimate) (\$m)
University Grants Committee	13,308.8	13,497.1 (+1.4%)	13,279.4 (-1.6%)	13,152.3 (-1.0%)

Analysis of Financial and Staffing Provision

Provision for 2003-04 is \$127.1 million (1.0%) lower than the revised estimate for 2002-03. This is mainly due to the full-year effect of reduced provision for recurrent grants to UGC-funded institutions as a result of the 2002 civil service pay reduction.

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



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Sub-head (Code)	Actual expenditure 2001-02	Approved estimate 2002-03	Revised estimate 2002-03	Estimate 2003-04	
	\$'000	\$'000	\$'000	\$'000	
Recurrent Account					
000	Operational expenses.....	—	—	—	13,089,117
	Salaries	20,858	23,782	22,134	—
	Allowances	1,654	1,882	1,834	—
	General departmental expenses	14,896	16,250	16,206	—
	Honoraria for overseas members	2,947	3,818	3,579	—
	Visitation	5,664	8,023	8,023	—
	Grants to UGC-funded institutions	11,787,546	11,945,214	11,737,807	—
	Refund of rates and Government rents - UGC- funded institutions.....	130,866	135,973	135,973	—
	Home Financing Scheme.....	1,211,075	1,258,276	1,235,580	—
	Housing-related expenses other than Home Financing Scheme.....	128,190	101,829	76,181	—
	Total, Recurrent Account	13,303,696	13,495,047	13,237,317	13,089,117
Capital Account					
II — Other Non-Recurrent					
700	General other non-recurrent	—	—	40,000	55,000
728	Validation of courses at UGC-funded institutions (block vote)	5,145	2,058	2,058	8,232
	Total, Other Non-Recurrent	5,145	2,058	42,058	63,232
	Total, Capital Account	5,145	2,058	42,058	63,232
	Total Expenditure.....	13,308,841	13,497,105	13,279,375	13,152,349

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Details of Expenditure by Subhead

The estimate of the amount required in 2003–04 for the salaries and expenses of the University Grants Committee (UGC)-funded institutions and the UGC Secretariat is \$13,152,349,000. This represents a decrease of \$127,026,000 against the revised estimate for 2002–03 and of \$156,492,000 against actual expenditure in 2001–02.

Recurrent Account

2 Provision of \$13,089,117,000 under *Subhead 000 Operational expenses* is for the salaries and allowances of staff of the UGC Secretariat and its other operating expenses and the payment of recurrent grants to the UGC-funded institutions.

3 The establishment as at 31 March 2003 will be 51 permanent posts. No change in establishment is expected by 31 March 2004. Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2003–04, but the notional annual mid-point salary value of all such posts must not exceed \$18,607,000.

4 An analysis of financial provision under *Subhead 000 Operational expenses* is as follows:

	2001–02 (Actual) (\$'000)	2002–03 (Original Estimate) (\$'000)	2002–03 (Revised Estimate) (\$'000)	2003–04 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	20,858	23,782	22,134	23,194
- Allowances.....	1,654	1,882	1,834	1,825
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	—	—	—	24
Departmental Expenses				
- General departmental expenses.....	14,896	16,250	16,206	15,989
Other Charges				
- Honoraria for overseas members	2,947	3,818	3,579	3,247
- Visitation.....	5,664	8,023	8,023	7,879
Subventions				
- Grants to UGC-funded institutions.....	11,787,546	11,945,214	11,737,807	11,563,197
- Refund of rates and Government rents - UGC-funded institutions	130,866	135,973	135,973	141,715
- Home Financing Scheme	1,211,075	1,258,276	1,235,580	1,252,699
- Housing-related expenses other than Home Financing Scheme	128,190	101,829	76,181	79,348
	13,303,696	13,495,047	13,237,317	13,089,117

Capital Account

Other Non-Recurrent

5 Provision of \$8,232,000 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 \$6,174,000 (300.0%) over the revised estimate for 2002–03 is mainly due to the increase in the number of courses to be validated in 2003–04.

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Capital Account

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2002	Revised estimated expenditure for 2002-03	Balance
			\$'000	\$'000	\$'000	\$'000
700		<i>General other non-recurrent</i>				
	215	Student exchange programmes for undergraduate students of the UGC- funded institutions.....	120,000	—	40,000	80,000
	216	Scholarship scheme for outstanding Mainland students to attend undergraduate programmes at the UGC-funded institutions.....	90,000	—	—	90,000
		Total.....	<u>210,000</u>	<u>—</u>	<u>40,000</u>	<u>170,000</u>