

**Guidance Notes on Application for a School Site for the Construction of
an Aided School, a Direct Subsidy Scheme (DSS) School
or a Private Independent School (PIS)**

Eligibility Requirements

1. The eligibility requirements for application for the grant of a site for construction of a school are as follows:
 - (a) the applicant body is an approved charitable institution or trust of a public character exempt from tax under Section 88 of the Inland Revenue Ordinance; and
 - (b) (i) it is incorporated under the Companies Ordinance and its memorandum and articles of association contain all the standard clauses and articles required for allocation of a school (See Annex I); or
 - (ii) it is incorporated under other ordinances and the Director of Education is satisfied, having regard to its constitution, that it is fit to be considered for grant of a site for construction of a school.

Entrustment of School Projects (for aided and DSS schools only)

2. Apart from building standard design schools, the Department also considers entrusting school building projects to capable and willing sponsors so that they can include more innovative designs to meet the missions and education goals of the new schools, subject to a set of entrustment and funding procedures to be announced in due course.
3. Successful applicant bodies may apply for government subvention to conduct a preliminary project feasibility study (PPFS) for construction of a new school at the site. Whether the proposed school building project will be approved is subject to the completion of the PPFS report and the necessary funding approval from the LegCo.

Land and Capital Grant (for PIS only)

4. Government will grant the school site by private treaty to the successful applicant body at a nominal premium and subject to any other terms and conditions to be determined by the Director of Lands. The applicant body will be required to pay Government rent from the date of the land grant. The successful applicant body may also apply for a capital grant, the maximum amount being no more than the construction cost for a standard design public sector school accommodating the same number of students, for building the school. For reference, the average costs of building a standard design aided primary school and a standard design aided secondary school are about \$90 million and \$105 million respectively, at December 2000 price level. Apart from the capital grant, the applicant body will not receive any recurrent or further financial assistance from the Government. He will have to bear the full cost of operation of the school, including the cost of furniture and equipment (For reference, the current costs are about \$4.5 million and \$9.4 million for an aided primary school and an aided secondary school respectively).
5. The amount and release of the capital grant is subject to LegCo's approval and any other terms and conditions considered appropriate by the Government.

Basic Principle for Grant of School Site for the Construction of an Aided School, a DSS School or a PIS

6. Allocation is on a competitive basis. The basic principle is to select applicant bodies with the best proposals to provide quality education for school children. Hence, the applicant body should :
 - (a) have good organisation structure, proper management and sound financial footing;
 - (b) demonstrate commitment to co-operating with the Education Department in promoting and implementing the approved education policies; and preferably
 - (c) have experience in running schools or social services, or have other relevant experiences.

7. Other things being equal, priority will be given to applicant bodies for operation of DSS schools. This is on condition that such an allocation will not affect the planned provision of public sector school places.
8. An applicant body which has been served with a warning letter within two years by the Director of Education for malpractice (e.g. breach of secondary six admission procedures) will not be considered for grant of school site for the construction of an aided school, a DSS school or a PIS.

School Plan

9. An applicant body is required to submit a proposed school plan setting out the vision, mission, curriculum, admission policy, class structure, management and organisation, teaching and learning, support for pupils (including a scholarship scheme and/or financial assistance for deserving students, in the case of DSS schools and PIS), school ethos, performance targets, and indicators for self evaluation etc. In the case of PIS, at least 70% of their students should be local children. Students of a PIS will not be eligible for student financial assistance under the existing scheme administered by the Student Financial Assistance Agency. In this connection, a PIS is expected to set aside about 10% of their total school fee income to provide scholarship and/or financial assistance for deserving students. An assessment plan for the selection of applicant bodies is at Annex II.

Submission of Application Forms and School Plans

10. Application forms, proposed school plans together with a 2-page executive summary and documentary proof detailed in paragraph 1 in support of the eligibility of applicant bodies should be sent to the Education Department at the following address not later than **31 January 2001**:

Building Section, Education Department Room 1427, Wu Chung House 213 Queen's Road East, Hong Kong

School Allocation Committee

11. All applications will be considered by the School Allocation Committee, which comprises officials from the Education and Manpower Bureau, Education Department and non-officials familiar with the Hong Kong education system.

Agreement between the Government and the Selected Applicant Body

12. Upon allocation of a school premises, the applicant body will be required to enter into an agreement with the Government. The agreement sets out the obligations and conditions by which both parties undertake to abide. These include the applicant body's undertaking (a) to provide the educational services as proposed in the school plan; (b) to establish a School Management Committee (SMC) for operation of the school, which shall be incorporated as a limited company under the Companies Ordinance to render the SMC the status of a legal entity; (c) to cause the SMC to enter into a Service Agreement and a Tenancy Agreement with Government; (d) to ensure that the SMC will operate the school to the expected standard as set out in the school plan.

Enquiries

13. Enquiries relating to applications for allocation of a school may be directed to the Secretary of the School Allocation Committee at 2892 6391. If applicant bodies wish to obtain the following reference materials, please visit Education Department's homepage at <http://www.info.gov.hk/ed>:
 - (a) Quality Assurance in School Education
 - (b) Service Agreement between Government and Sponsoring Bodies
 - (c) Education Department Circular Memoranda on Direct Subsidy Scheme
 - (d) PowerPoint Presentation on Compilation of Proposed School Plan