

**Guidance Notes on Application for  
Land Site/Vacant Government Premises for  
Post-secondary Education Providers  
under the Land Grant Scheme**

**Eligibility Requirements**

1. The eligibility requirements<sup>1</sup> for application for a land site or a vacant government premises from the Government of the Hong Kong Special Administrative Region (“the Government”) for running an/a institution/college offering courses at post-secondary level (to be referred as “PSC” hereafter) are as follows –
  - (a) The Applicant must be non-profit making. This should be supported by documentary evidence that –
    - (i) the Applicant is an approved charitable institution or trust of a public character exempt from tax under section 88 of the Inland Revenue Ordinance;  
and
    - (ii)(A) the Applicant is incorporated under the Companies Ordinance and its Memorandum and Articles of Association contain all the standard clauses and articles required for the operation of a post-secondary course in a college/institution;  
or
    - (ii)(B) the Applicant is incorporated or established under other ordinances and that the Secretary for Education (“SED”) is satisfied, having regard to its constitution, that it is fit to be considered for the land grant under the Land Grant Scheme.

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<sup>1</sup> *The applicant should provide documentary proof showing that it has fulfilled all the eligibility requirements or has at least made an application to the relevant government department(s)/quality assurance body for the fulfillment of these requirements (for local accreditation to be conducted by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (“HKCAAVQ”), the applicant should have already signed a Service Agreement for accreditation with the HKCAAVQ and paid a deposit).*

- (b) The Applicant must provide self-financing full-time and/or part-time locally-accredited post-secondary programmes leading to a qualification at sub-degree (i.e. higher diploma or associate degree) and/or degree levels.
- (c) For face-to-face teaching programmes, “full-time” study should normally have a curriculum of not less than 450 contact hours per year. For non-face-to-face teaching programmes, “full-time” study should normally have a curriculum of not less than 1 350 study hours.
- (d) Accredited programmes are those that have successfully undergone accreditation. In case of programmes offered by self-accrediting institutions or its self-financing arms, these programmes must undergo their own internal quality assurance mechanism as applied to their regular publicly-funded programmes. For non-self-accrediting institutions, their post-secondary programmes should be validated by a quality assurance agency recognised by SED (i.e. the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (“HKCAAVQ”)).
- (e) The Applicant is required to furnish a copy of the results of Institutional Review/Initial Evaluation, Programme Validation reports and/or Summary Statement of Accreditation Approval by the HKCAAVQ, as appropriate. They are also required to furnish copies of further periodic reviews to the Education Bureau throughout the subsistence of the Service Agreement (see paragraph 3(a) and (b) below).

### **Coverage of the Scheme**

- 2. Eligible providers may, without the need to provide additional student places, apply for sites/premises for –
  - (a) building permanent college premises for enhancing the learning environment of self-financing post-secondary students;
  - (b) re-provisioning existing college campuses operating in sub-optimal environment;

- (c) providing or enhancing teaching and other ancillary facilities (e.g. library, laboratories, student guidance/career counseling centre, student hostels, etc.) which serve to enhance the learning experience of or support for students; and/or
  - (d) developing student hostels for students taking full-time undergraduate<sup>2</sup> and research postgraduate programmes to enhance the learning experience of the students.
3. The application will be considered on a competitive basis –
- (a) For land sites, applications will be processed by assessing the merit of the Educational Development Proposal (“EDP”) and the related Site Development Proposal (“SDP”). The successful Applicant for land sites will be required to enter into a binding agreement known as Conditions of Grant and a Service Agreement which is co-terminus with the Conditions of Grant. Applicants may also apply for an interest-free start-up loan under the Start-up Loan Scheme to finance the project.
  - (b) For vacant government premises, applications will be processed by assessing the merit of the EDP and the related Site Utilisation Proposal (“SUP”). The successful applicant for vacant government premises will be required to enter into a Tenancy Agreement and a Service Agreement which are co-terminus. Applicants may also apply for an interest-free start-up loan to finance the refurbishment costs.

### **Submission of Application**

4. Eligible institutions will be invited for each round of application exercise under the Land Grant Scheme. A total of **fifteen** copies of the completed application form and a copy of the completed summary of application, including an EDP and SDP/SUP together with documentary proof detailed in the application form in support of the eligibility of the Applicant, should be sent to the following address –

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<sup>2</sup> Referring to a full bachelor's degree programme of four years or more.

Further Education Division  
Education Bureau  
7/F, East Wing, Central Government Offices  
2 Tim Mei Avenue, Tamar  
Hong Kong

5. The Applicant shall submit all information of his/her application by close of the application deadline. No supplementary information should be submitted after the application deadline unless otherwise requested by the Government. The Government reserves the right not to further consider an application should the Applicant fails to submit the information as and when required.

### **Vetting and Approving Applications**

6. An independent Committee will be responsible for examining and assessing the applications and offering recommendations to SED on the allocation of sites/premises.
7. In considering the applications, the Committee will follow the eligibility criteria and the merits of the applications. Vetting criteria include –
  - (a) The Applicant's organisation and management structure, and track record in delivering post-secondary education services;
  - (b) The need and justifications for a site/premises to improve teaching and other ancillary facilities which serve to enhance the learning experience of or support for students and/or to re-provision existing college campuses operating in sub-optimal environment;
  - (c) The programmes to be offered, mix of disciplines, possible synergies with the Applicant's existing programmes and facilities, and mechanism and measures to enhance the quality and standard of programmes as set out in the EDP; and
  - (d) The Applicant's proposed campus design/refurbishment plan, and implementation strategy, utilisation of the site/premises, the applicant's

financial capability to implement the project, and measures/facilities to enhance the learning experience of or support for students as set out in the SDP/SUP.

8. The time required for processing an application upon the close of application up to the approval by SED ranges from around 3 to 6 months subject to a number of factors including but not limited to the number of applications received, clarity of the applications, etc.
9. The applications will be considered on a competitive basis. The Government is not obliged to allocate the sites/premises to any Applicant. The allocation of the sites/premises is at the absolute discretion of the Government.

### **Additional Information**

10. The Committee may request additional information from the Applicants and where appropriate, invite the Applicants to make presentations on their proposals.

### **Appeal**

11. Appeals to the recommendations of the Committee, if any, may be made to SED, within fourteen days from the date of issue of notification. Having reviewed the recommendations from the Committee and the justifications made in the appeals, SED will make a decision which shall be final.

### **Land Grant Procedures (for application for land site only)**

12. If an application is supported by the Committee, a notification of the basic terms will be made to the Applicant for the proposed land grant. Upon receiving the Applicant's acceptance and confirmation that the Applicant does have all the required financial resources to proceed with the development and complete the project in accordance with the requirements to be imposed in the proposed land grant conditions, the Government may give formal approval to the proposed land grant.

13. A binding agreement known as Conditions of Grant will then be required to be executed, in which the Applicant is obliged, among other things,–
- (a) to build and maintain upon the site a building or buildings comprising a non-profit-making PSC containing such facilities as shall be approved by SED;
  - (b) not to use the site for any purposes other than for the purpose of the PSC as specified;
  - (c) to complete and commission the operation of the required/approved facility by a date as specified in the Conditions of Grant on a scale satisfactory to SED and shall continue to operate the PSC on the said scale;
  - (d) not to assign, mortgage, charge, demise, underlet, part with the possession of or otherwise dispose of or encumber the site or any part thereof or any building or part of any building thereon or enter into any agreement so to do; and
  - (e) to permit the site to be used by other organisations as requisitioned by competent authority.
14. In addition, a Resumption clause would be inserted in the Conditions of Grant which shall state that the Government shall have the full power to resume, re-enter upon and re-take possession of all or any part of the lot if required for the improvement of Hong Kong or for any other public purpose whatsoever.
15. The successful Applicant shall be required to pay a nominal land premium of HK\$1,000 upon the execution of the Conditions of Grant.
16. Upon execution of the Conditions of Grant, when funds are available from the Start-up Loan Scheme or other sources and with the knowledge of all the development and engineering conditions governing the development of the site, the Applicant will then be in a position to seek professional advice and commission the preparation of detailed building plans for the site.

17. Apart from and without prejudice to the Conditions of Grant, the successful Applicant (the Lessee) is also required to meet the following conditions –

- (a) The Lessee shall construct a non-profit-making PSC on the site in line with its SDP, or such other plan as agreed by the Government;
- (b) The Lessee shall take immediate possession of the site after it is made available by Government and proceed with the construction of the PSC as soon as practicable, in any event subject to the terms and conditions of the Private Treaty Grant;
- (c) The Lessee shall be responsible for any deposits required for electricity, water or other utilities;
- (d) Unless not practicable, the buildings and facilities of the College when required shall be made available to the Education Bureau and any other organisations as may be approved by SED for conducting public examinations, or organising educational or other activities; and
- (e) The conditions contained in this section do not represent the terms and conditions of the Conditions of Grant. Nothing contained in this section shall in any way prejudice any of the terms and conditions of the Conditions of Grant.

**Conditions for Allocation of Vacant Government Premises (for application for vacant government premises only)**

18. The successful Applicant (the Tenant) is required to meet the following conditions –

- (a) The Tenant shall refurbish the premises (where applicable, including additions and alteration works) for the provision of post-secondary programmes in line with its SUP, or such other plan as agreed by the Government;
- (b) The Tenant shall take immediate possession of the premises after it is made

available by Government and proceed with the refurbishment works as soon as practicable, in any event subject to the terms and conditions of the Tenancy Agreement;

- (c) The Tenant shall complete refurbishment works within one year after the premises is made available to him, or by such other date as agreed by the Government;
- (d) The Tenant shall abide by the terms and conditions as shall be determined by the Government in the Tenancy Agreement;
- (e) The Tenant shall be required to pay a nominal monthly rental of HK\$1 in accordance with the Tenancy Agreement;
- (f) The Tenant shall be responsible for any deposits required for electricity, water or other utilities;
- (g) Unless not practicable, the buildings and facilities of the PSC when required shall be made available to the Education Bureau and any other organisations as may be approved by SED for conducting public examinations, or organising educational or other activities; and
- (h) The conditions contained in this section do not represent the terms and conditions of the Tenancy Agreement. Nothing contained in this section shall in any way prejudice any of the terms and conditions of the Tenancy Agreement.

### **Service Agreement**

19. The Lessee (for land grant recipients)/ Tenant (for vacant government premises recipients) will be required to enter into a ten-year Service Agreement with the Government and except for such amendments as may be agreed by the Government be bound by the content of their SDP/SUP and EDP as contained in their applications. Subject to any terms and performance measures that both sides may agree, the Government may renew the Service Agreement for further periods of up to ten years on each occasion.

20. If the Lessee/Tenant repeatedly fails to meet the milestones, standards, targets or site development set out in its EDP and SDP/SUP or is unable to make improvements to overcome identified problems or fail to comply with the terms of the Service Agreement, the Government would serve a written notice to terminate the Service Agreement before it expires. In case of an early termination of the Service Agreement, the associated Conditions of Grant/Tenancy Agreement will also be terminated.
21. Upon expiry of the initial term of ten years and in the event that the Service Agreement is renewed, the Conditions of Grant/Tenancy Agreement should be extended for a further term to be co-terminous with the renewed Service Agreement subject to a maximum period of 10 years on each occasion and subject further to the terms and conditions similar to those applicable to the initial Conditions of Grant/Tenancy Agreement and other terms and conditions as shall be determined by the Government.

### **Submission of Progress Report**

22. The successful Applicant is required to submit annual progress reports in accordance with the implementation plan, and quantitative and qualitative targets as set out in the EDP.

### **Start-up Loan**

23. The Applicants may also apply for an interest-free start-up loan under the Start-up Loan Scheme to finance the projects. Successful Applicant for the start-up loan will be required to sign a Loan Agreement, a legal charge/mortgage deed (if applicable) or other legal documents with the Government as deemed necessary by the Government's legal adviser. Apart from the start-up loan, they are not entitled to receiving any capital grant or recurrent subsidy from the Government. They will have to bear the full cost of operation of the PSC.
24. The amount and release of the start-up loan is subject to the approval of Finance Committee of the Legislative Council and any other terms and conditions considered appropriate by the Government.

## **Enquiries**

25. The Guidance Notes are intended for explanatory purposes only.
  
26. Enquiries relating to application under the Land Grant Scheme may be directed to the Further Education Division, Education Bureau at 7/F, East Wing, Central Government Offices, 2 Tim Mei Avenue, Tamar, Hong Kong (telephone number: 3509 7413 and fax number: 3579 5097).

**Education Bureau**

**February 2016**