



英基學校協會
ENGLISH SCHOOLS FOUNDATION

APPENDIX 15

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15 January 2001

Mr. Joseph Y.T. Lai
Education and Manpower Bureau
9th Floor
CGO (West Wing)
Ice House Street
Central, Hong Kong

Dear Mr. Lai,

Re : Funding Arrangement for English Schools Foundation Schools

Thank you for your letter dated 5th January 2001 concerning progress towards achieving long-term funding arrangements for ESF schools.

Since I last wrote to you, the Executive Committee of the Foundation has considered a report on its property assets prepared by Brooke International. The detailed recommendations of this report are under consideration by a small group of Executive Committee members.

I would emphasise however, that unless a radical scheme was envisaged that involves commercial use of our leading school sites, it is highly unlikely that sufficient revenue could be raised to replace the third of our costs currently covered by the subvention. It is, in our opinion, not the time to embark on such a scheme in view of political sensitivity in its widest sense and also the current level of the property market.

In addition, the Foundation has conducted a fundamental review of benefits paid to teaching staff not only for the purpose of recruitment and retention to maintain quality, but also as part of our strategy towards reducing our cost base. As a result, the package of benefits which will now be on offer is considerably less than that currently offered through overseas terms and more recently, rental supplement, (known as salary supplement). Basically, staff currently employed on local terms who do not get benefits from any other source, and those whom we appoint from 1st September 2001 onwards will qualify for this much-reduced package. No further overseas packages for teaching staff will be offered. It is anticipated that a saving of around H.K.\$20 million will eventually be accrued (after a period of six years as these new measures come into effect). It is likely this sum will increase over time as post-holders currently on overseas terms / salary supplements leave and are replaced by staff holding the new benefit package.

I would add that both the Chairman and I were much heartened by our recent discussions at the end of the last year with Matthew Cheung, Director of Education, and were delighted to show

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him some aspects of an ESF education. We were pleased that he confirmed your view of us, basically that the ESF is a permanent fixture in Hong Kong. The Chairman and I made it clear to Mr. Cheung, as we have to you, that we have made a substantial sacrifice in foregoing the principle of parity. What this means is that effectively the subvention is frozen at current levels thus reducing Government expenditure on ESF under the Codes of Aid. This development has not been popular with ESF parents as we advised Mr. Cheung.

We shall be seeking ways to increase revenue as inevitably with the grant capped, the amount we shall eventually be required to finance ourselves will grow as inflation returns. If, however, inflation increases to the extent that our viability is threatened, we shall make representations to you to have the principle of parity restored. We cannot reduce staff benefits further without comprising the quality of our education provided; a substantial rise in fees would not be acceptable to our parents.

As you will appreciate, we are doing what we can to reduce our dependence on government funding but we do need the long time scale if our stability is to be maintained.

With best wishes for the New Year 2001.

Yours sincerely,

Jennifer Wisker
Chief Executive
English Schools Foundation

c.c : Mr. Matthew Cheung, Director of Education
Mr. Jal Shroff, ESF, Chairman
Mr. John Bohan, ESF, Financial Controller

JW/cb