

**立法會**  
**Legislative Council**

LC Paper No. LS75/06-07

**Paper for the House Committee Meeting  
on 1 June 2007**

**Legal Service Division Report on  
The English Schools Foundation (Amendment) Bill 2007  
(Member's Bill)**

**I. SUMMARY**

1. **Object of the Bill** To make changes to the governance structure of The English Schools Foundation (The Foundation) and to the administration of its schools.
2. **Comments** The Member in charge of this Member's Bill is Hon Abraham SHEK Lai-him, JP.

The proposals to re-structure its governance and make changes to the administration of its schools have been made after a review by The Foundation of the principal ordinance and the Regulations made under it, having taken into account the Director of Audit's Report No.43 in October 2004 and the related Public Accounts Committee's Report No. 43 in February 2005.

The supreme governing body of The Foundation, now being vested in the Foundation membership, is to be replaced by a Board of Governors with significant down-sizing to 26 voting members and one non-voting members who is the Chief Executive Officer, 22 of whom (i.e. the majority) being external members. 10 of the external members will be independent community representatives nominated by a Nominating Committee. Two of the external members will be nominated by LegCo Members from among themselves.

The Bill also contains changes to other aspects of The Foundation's governance and administration of its schools.

3. **Public Consultation** Consultation has taken place with various groups of stakeholders.
4. **Consultation with LegCo Panel** The Panel on Education was briefed on the draft Bill and a set of draft general regulation at its meeting on 22 March 2007.
5. **Conclusion** As the governance of The Foundation has attracted public concern in recent years, Members may wish to set up a Bills Committee to look at the re-structuring proposals in detail. Scrutiny of the Bill's legal and drafting aspects will continue.

## **II. REPORT**

### **Object of the Bill**

To make changes to the governance structure of the English Schools Foundation (The Foundation) and the administration of its schools and for related purposes.

### **LegCo Brief Reference**

2. LegCo Brief on the subject issued c/o office of the Hon Abraham SHEK Lai-him, JP.

### **Date of First Reading**

3. 30 May 2007.

### **Comment**

4. According to the LegCo Brief, The Foundation operated directly 10 primary schools, 5 secondary schools and one special school and through an associate company, 3 kindergartens and one international school (which has since closed) as at the end of the 2005-2006 school year. There has been no radical review of The Foundation's governance since the principal ordinance was first enacted in 1967. Over the years, the increase in the number of its schools has resulted in the growth of The Foundation's membership to 133, with an adverse effect on its effectiveness as the supreme governing body.

5. In 2004, the Director of Audit carried out value for money audits of The Foundation as proposed by the newly constituted Executive Committee of The Foundation under its new Chairman, Professor Felice LIEH MAK. His findings were published in Report No. 43. The report was considered by the Public Accounts Committee (PAC), which published its own report (Report No. 43) with recommendations in 2005.

6. The Foundation subsequently reviewed the principal ordinance and the Regulations made under it in the light of the recommendations made in the Director's and PAC reports. The Bill contains proposals by The Foundation to re-structure its governance structure and to made changes to the administration of its schools.

7. The main proposals with regard to re-structuring of the governance structure are -

- (a) the supreme governing body will be a Board of Governors (instead of the present Foundation membership) consisting of 26 voting members and one non-voting member who is the Chief Executive Officer (CEO). The majority (22 members) will be external members (i.e. non-employees), among whom two will be nominated by LegCo members from among themselves. 10 of them will be independent community representatives to be nominated by a Nominating Committee. Another 10 will be elected from among Chairmen of School Councils and among parents;

- (b) there will be five advisory committees advising the CEO; and
- (c) three standing committees shall be established to advise on auditing, remuneration (described as independent Audit Committee and independent Remuneration and Terms and Conditions of Service Committee respectively in paragraph 16(h) and (f) in the LegCo Brief) and financial management matters.

8. With regard to school administration, School Councils will be retained with enhanced participation of alumni and more clearly defined functions. There will also be dedicated sections providing for the offices of School Principals and for the establishment in each school of a parent teacher association.

9. It is noted that new provisions are added to set out the objects of The Foundation, among which is the provision of educational services generally, within Hong Kong or elsewhere.

10. One of the PAC recommendations is that The Foundation should consider repealing section 10(2) of the principal ordinance so that subsidiary legislation in the form of regulations made under the Ordinance is required to be published in the Gazette and tabled in LegCo (para. 14(h) of LegCo Brief). In clause 12 of the Bill, the regulation-making power of The Foundation is re-written with the effect that the provision in the existing section 10(2) is repealed.

### **Public Consultation**

11. According to the LegCo Brief, detailed consultation has taken place with various groups of stakeholders in the course of the drafting process. Members may refer to its paragraphs 18 to 23 for details of the consultation process.

### **Consultation with LegCo Panel**

12. The LegCo Panel was briefed on the draft Bill and a set of the draft general regulation at its meeting on 22 March 2007. Members discussed various issues, including the composition of the Board of Governors of The Foundation, the governance structures at the school level and the financial management. In response to members' request, The Foundation provided a paper to compare the proposed governance arrangements for The Foundation schools with the school-based management that applies to the local schools. The paper was circulated to members on 10 May 2007 (LC Paper No. CB(2)1812/06-07(01)).

### **Conclusion**

13. As the governance of The Foundation has attracted public concern in recent years, Members may wish to set up a Bills Committee to look at the re-structuring proposals in detail.

14. The scrutiny of the legal and drafting aspects of the Bill is continuing.

Prepared by  
Arthur CHEUNG Ping-kam  
Senior Assistant Legal Adviser 2  
Legislative Council Secretariat  
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