UNIVERSITY ACCOUNTABILITY AGREEMENT
2019/20 – 2021/22 TRIENNIUM

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1. BACKGROUND, CONTEXT AND PURPOSE

1.   The University Accountability Agreement (Agreement) is a formal agreement between Hong Kong Baptist University (HKBU) and the University Grants Committee (UGC) of Hong Kong. It serves to articulate the nature and substance of the relationship between HKBU and the UGC. Along with the dialogue, the Agreement forms a key element of the strategic framework underpinning this relationship.

2.   This strategic dialogue is an important element in the action being taken by universities and by the UGC to strengthen the governance of publicly-funded higher education universities in Hong Kong and by such action to enhance their accountability. The Agreement reinforces the autonomous status of the universities by allowing them to articulate their individual missions, visions and strategic goals. The Agreement allows the UGC to be satisfied that the wider public interest is both recognised and met by HKBU, as well as providing assurance through high-level performance measures of a commitment to continuous quality improvement. For HKBU, the Agreement assures members of its governing body as well as its staff and students that the key elements are in place of the robust institutional governance which helps to guarantee HKBU's autonomy.

3.   The Agreement reaffirms the funding to be provided to a university by the UGC, setting out those elements which collectively represent the single-line block grant from the UGC over the triennial funding period from the 2019/20 to 2021/22 triennium. It also sets out any conditions attached to such funding, as well as being a reminder that all universities are required to follow the UGC Notes on Procedures (NoP) and other guidelines as promulgated and updated by the UGC from time to time.

4.   HKBU is also required to submit its teaching, learning and related processes to regular quality audit through the aegis of the Quality Assurance Council (QAC) and to submit to its research activity being assessed on a regular basis by the UGC. Specific outcomes and outputs from such periodic audit and assessment exercises are reflected as appropriate in the Agreement. The Agreement is not intended to replicate or replace such exercises.

5.   By signing this Agreement, HKBU affirms that all funds received from the UGC will be used solely for the purposes for which they are intended. Such funds are provided in the expectation that HKBU will seek to achieve value for money and be economical, efficient and effective in its use of public funds.

6.   The Agreement will be reviewed on an annual basis as part of the strategic dialogue between HKBU and the UGC. This annual review will consist of a check on progress towards targets and outcomes agreed over the timeframe of HKBU's strategic plan, which is aligned with the three-year span of the funding settlement from the UGC.

7.   It is expected that the process of dialogue leading to the joint acceptance of the Agreement will mean that universities and the UGC will keep to its terms, both in spirit and in the letter. Where a university fails to do so without the prior agreement of the UGC, the UGC may decide on appropriate action having regard to the merits of individual cases to ensure that HKBU is made aware of the potential consequences of it continuing to act in such a way.

8.   The Agreement is signed by both HKBU and the UGC as a public affirmation of the commitment of both parties to confirming and enhancing the global reputation of Hong Kong's higher education sector as a provider and enabler of teaching, research and related activity of the highest quality and of the greatest benefit to the people of Hong Kong.

2. HONG KONG FUNDING FRAMEWORK: KEY PRINCIPLES

9.   For the funding triennium of 2019/20 to 2021/22, the Government has agreed to provide a total sum of recurrent grants of HK$60,467.1 million[1] to the UGC based on a submission drawing on plans submitted by each university. Each plan has been subject to scrutiny and challenge by the UGC through a process of strategic dialogue with individual universities. This process respects the autonomy of a university and its unique nature, being based on an examination and discussion of the effectiveness of a university's strategy (as articulated in its strategic plan) in enabling it to advance its mission, vision and role, with reference to:

i.   The university's competitiveness in Hong Kong and internationally;
ii.   Collaboration within and outside the UGC sector;
iii. Capacity-building in key areas such as internationalisation and knowledge transfer;
iv.   The development of the self-financing sector; and
v.   Its use of the outcomes of key exercises such as QAC audits and the Research Assessment Exercise (RAE) 2014 to influence its longer-term strategy.

10.   The UGC and the Government are committed to the principle of funding being allocated to the eight publicly-funded universities on a three-year basis, with that funding consisting of a single-line block grant to each university. This approach is an explicit recognition of their autonomous status. On their part, universities accept that they have a duty to be openly accountable for their proper stewardship of funds, irrespective of their source, and of other resources at their disposal.

11.   The UGC considers that competition drives excellence. Competition among universities for a proportion of funded places is therefore embedded in the UGC's overall approach as the process of competing for places requires a university to take a critical look at its activities and its contributions, particularly in relation to its role within the higher education sector in Hong Kong, regionally and internationally, as well as in addressing community needs.

12.   While the principle of the single-line budgetary allocation is, as stated above, fundamental to the UGC's approach, the use of its funding is subject to certain conditions. For its part, HKBU accepts that:

i.   Co-teaching of UGC-funded and self-funded programmes is permitted, subject to there being in place a transparent and fair system for costing and for the subsequent transfer of funds and subject to adherence to the requirements for such a system being

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[1] This figure includes a sum of HK$1,323.6 million of recurrent grants to be allocated in the form of earmarked grants and funding. These include funding to be allocated for Areas of Excellence Scheme, Earmarked Research Grants, knowledge transfer and other centrally held provisions.

as set out in the "Cost Allocation Guidelines for UGC-funded and non-UGC funded Activities";

ii. There must be no cross-subsidy of UGC resources into supporting non-UGC funded activities;

iii. "Mixed-mode" funding is not allowed where UGC-funded students might be charged a higher fee in order to subsidise lower fees for self-funded students;

iv. Additional years for the second degree within dual/double undergraduate degree programmes must be self-financed, subject to certain exceptions for particular teacher education programmes;

v. Sub-degree and taught postgraduate degree programmes should in general be self-financed;

vi. Part-time undergraduate and part-time research postgraduate programmes are not eligible for public funding;

vii. Admission of non-local students by over-enrolment is permitted, subject to conditions set out in the UGC NoP;

viii. The consequences as prescribed in the NoP of under-enrolment of UGC-funded students;

ix. Any proposed moves of programmes to a higher-weighting academic programme category require the agreement of the UGC, based on a strong case for the justification of such a move; and

x. It should adhere to the 20% rule on the balance of the General and Development Reserve Fund for a funding period.

13.   Specific details of the funding being provided by the UGC to HKBU are set out in Section Six of this Agreement.

3. INSTITUTIONAL MISSION AND VISION

14.   For the UGC, it is important that the strategies adopted by universities are effective in enabling an institution to advance its mission through enhancing its competitiveness, strengthening its ability to build its capacity, enabling collaboration and using the outcomes of exercises such as the 2014 RAE as a key element in its future development.

Institutional Mission

15.   "Academic excellence in teaching, research and service, and to the development of the whole person in all these endeavours built upon the heritage of Christian higher education". (HKBU Mission Statement, c2000)

Institutional Vision

16.   "To be a leading liberal arts University in Asia for the world delivering academic excellence in a caring, creative and global culture". (HKBU Refreshed Vision Statement, June 2017)

Strategic Priorities and Actions

17.   High-level strategic priorities by HKBU over the timeframe of its strategic plan from 2018 to 2028 and more specific actions for the first five years from 2018 to 2023.

18.   *Priorities: 2018 to 2028*

Priority 1: Best Student Experience

HKBU students already enjoy enriched on- and off-campus experiences, delivered through a broad-based curriculum covering arts, sciences, social sciences, humanities, and world civilisations.

By 2028 our objective for teaching and learning is:

To deliver the best student experience by emphasising creativity, communication, employability, and commitment to the common good of humankind.

We will achieve this by:

- Nurturing students who think creatively and with confidence to integrate and synthesise ideas, weigh alternatives and build consensus, re-think established positions, propose new insights, and have a strong sense of purpose in life and commitment to the common good;
- Evolving a research-led curriculum that provides inspiration for research and life-long learning, the skills to conduct independent research, and opportunities to practise and fine-tune scholarship;
- Delivering a range of educational opportunities to cater for students at different stages of development and with different learning needs;
- Offering a wide spectrum of learning opportunities in co- and extracurricular activities, including hands-on community service projects with partners from Government, business, and civil society;
- Utilising diverse learning methods and pedagogies including e-Learning and student initiated learning;
- Providing meaningful learning experiences outside the classroom, out in the Hong Kong community, in the Mainland and overseas; and
- Encouraging a campus culture that cultivates a global outlook and builds a cosmopolitan culture by providing a humanistic, culturally, and intellectually diversified experience conducive to free expression, debate, exchange of ideas, and a strong sense of civic responsibility.

Priority 2: Research Excellence

Constantly seeking to raise the bar of excellence, HKBU will continuously review and evaluate research priorities and strategies to achieve greater success in external competitive support and global recognition. HKBU also aims to nurture the next generation of researchers by conducting world leading investigations that extend the frontiers of knowledge, tackle global challenges, and benefit the community at home and abroad.

By 2028 our objectives in this area are:

To produce world class research in selected research clusters; and to solve problems for and with society using close connections between HKBU researchers and external stakeholders.

We will achieve this by:
- Conducting world leading research in selected areas of strength and impact;
- Building up research human capacity via recruitment and retention of world class faculty members, research postgraduates and post-doctoral fellows;
- Developing research capacity by enhancing the learning experiences of scholars and postgraduate students – providing them with exceptional network opportunities to broaden their knowledge through state-of-the-art laboratories and studios, and access to world class faculty and mentoring opportunities;
- Supporting diverse approaches to scholarship, including individual scholar, interdisciplinary, and team-based models;
- Addressing community needs through applied research on, for example, social impact, arts, cultural and community engagement, and policy making;
- Developing research collaborations with strategic partners around the world; and
- Producing new knowledge that has the potential to improve people's lives.

The Research Clusters

Over the coming decade we will produce world class research in selected areas, solving problems for and with society using close connections between HKBU researchers and external stakeholders.

HKBU has formed overarching institutional research clusters in three key areas of excellence:

- Creative Media/Practice (for example: film, graphics, literary arts, music, and visual/media arts);
- Health, and Drug Discovery (for example: Chinese medicine, chemistry, microbiology, ageing, physical education); and
- Data Analytics and Artificial Intelligence in X (where X denotes applications such as Data-Journalism, Data-healthcare, and Data-literature).

Priority 3: Capacity

HKBU will invest in its most valuable resource, its people, and provide an excellent environment with significant assets including physical infrastructures, fit-for-purpose governance, and enabling fiscal policies. Such resources have already helped foster creativity within the institution, facilitated meaningful contributions to society, and contributed to HKBU's success and reputation over many decades.

Our objective for 2028 in this area is:

To sustain academic excellence through appropriate investments in people, governance, and facilities.

We will achieve this by:

- Developing a fit-for-purpose talent policy to recruit the best, to promote inclusion and diversity, to encourage and reward excellence, and to cultivate a collegial, work-life balanced University environment;
- Enhancing our transparent and fair governance system, ensuring that it is responsive to the evolving needs of HKBU;
- Providing state-of-the-art facilities that are driven by the latest learning and research needs;
- Creating a low-carbon and environmentally sustainable campus; and
- Tapping new funding sources and enhancing resource allocation policies to support development needs for our vision and mission.

Talent100
Talent100 is a bold new initiative aimed at driving forward HKBU's ambitions to become a research-led liberal arts institution of global significance. We will target the recruitment of 100 new academic staff globally over the next few years. Aside from their contribution to the wider teaching and service needs of HKBU, these new colleagues will bolster our strength in research-focused areas.

19. *Actions: 2018 to 2023*

Actions to build the best student experience

Cross-cultural learning experiences

- Increase the opportunities for undergraduate cross-cultural learning experiences, in the form of studying, exchanging, interning, or working in a cross-cultural setting outside Hong Kong, in the Mainland and overseas;
- Establish a vibrant and diverse campus environment that will inspire learning communities from different backgrounds; and
- Further incorporate global and intercultural elements into formal, co- and extracurricular programmes.

Foster creativity and cosmopolitan outlook through innovative pedagogy and curriculum

- Further develop e-Learning platforms and online partnerships for collaborative student projects and collaborative teaching and dual degrees with overseas institutions and expand the global content in the formal curriculum including new Concentrations.

Enhanced service and experiential learning opportunity

- Through local, national, regional, and international partnerships, we will give all students an opportunity to complete a service/experiential programme where they provide a solution to a practical challenge and build commitment to society.

Inclusive admissions for diversity

- A new policy embracing diversity, inclusivity and talent, and backed up by resources that enable access to opportunity, regardless of income, place of origin, ethnicity, disability, or faith heritage, applies to all programmes (UGC and Non-UGC) at all levels.

The *Talent100* initiative

- The recruitment of 100 new faculty members within the next three to five years promises to bring exciting new possibilities for pedagogical and curricular innovation, enhancing the already rich diversity of learning experiences available to our students.

Actions to build research excellence

Develop University-focused clusters of strength to maximise knowledge outputs and impact

- Form clusters in key areas, for example: Creative Media/Practice (for example: film, graphics, literary arts, music, and visual / media arts); Health, and Drug Discovery (for example: Chinese medicine, chemistry, microbiology, ageing, physical education); and Data Analytics and Artificial Intelligence in X (where X denotes applications such as Data-Journalism, Data-healthcare, and Data-literature);
- Set up governance structures and monitor these clusters; and
- Build capacity in emerging Faculty niche areas.

Focus resources in strategic clusters

- Enhance selected areas of strength in the next three to five years, partly through the recruitment of 100 new faculty members (*Talent100*), and increase the numbers of research students and post-doctoral students to support focus areas.

Broaden and deepen research training

- Review the RPg programmes and develop a framework, benchmarking with local and international best practices;
- Review academic regulations, guidelines and procedures;
- Develop schemes and provide support for the new initiatives;
- Review coursework provision and study-related matters, such as supervision, academic advising, teaching arrangements;
- Develop new programmes, where relevant;
- Identify global strategic partners; and
- Expand global research partnerships with quality institutions, and increase the opportunities for all PhD research students to have global research experience with partner laboratories.

Accelerate global research collaboration

- Review the different forms of research partnerships according to the newly developed Guidelines for Partnership Formation;
- Outline a five-year partnership formation plan (institutions / research institutes / industry) according to disciplinary specificities; and
- Facilitate the arrangement of overseas attachment for students, deep research collaboration, and development of joint / dual degree programmes.

Actions to build capacity

Talent policy

- Through the *Talent100* initiative, target the recruitment of 100 new academic staff globally over the next five years. Aside from contributing to wider teaching and service needs, these new colleagues will bolster our strength in research-focused areas;
- Adopt best practices to recruit, retain, and develop quality academic and professional staff;
- Enhance the mentoring and career development experiences of postgraduates and junior researchers through workshops and the active involvement of alumni networks; and
- Increase intake of global student talents through intensive outreach programme.

Global partnerships

- Develop an international outreach strategic plan to partner with quality institutions globally for strategic collaboration in teaching and learning, research and community engagement.

Secure and better utilise financial resources

- Accelerate our fund-raising drive to support, for example, buildings and facilities, endowed professorships, scholarship for global learning experience, and research support, and enhance funding allocation practices to focus on strategic priorities.

Intelligence function

- Develop an institutional intelligent data system for decision making, risk analysis, planning, and monitoring.

Cosmopolitan campus life

- Build a cosmopolitan campus which is environment-friendly and can enrich co- and extracurricular activities for students, staff, and visitors; and
- Provide new physical space for diverse learning experiences such as a new hostel complex for 1,700 students and 7,000 sqm of learning space, upgrade laboratories, redevelop the Ho Sin Hang Campus, and seek to develop a Chinese Medicine

hospital.

Governance

- Review administrative and academic structures periodically to ensure they remain fit for purpose.

4. ACTIVITY DOMAINS AND PERFORMANCE MEASURES

20. A regular review of institutional performance is an important element of sound governance. It allows an institution to derive leverage from its strengths, while highlighting other areas where action on issues requiring attention might be taken to its longer-term advantage. It also allows an institution to demonstrate in its key areas of activity that it has taken note of those elements which are important in the future development of higher education in Hong Kong. For the UGC, these elements are in particular important:

- Quality of the student experience of teaching and learning
- Quality of research performance and of research postgraduate experience
- Knowledge transfer and wider engagement
- Enhanced internationalisation
- Financial health and institutional sustainability

21. The higher education sector is a major asset for Hong Kong, benefitting from a major investment of public funds each year. Measuring the overall performance of the sector provides a measure of sector-wide performance for public information, as well as strengthening both the public profile and reputation of the sector and its overall value to the community. Measurement of performance helps ensure public confidence in universities through enhancing their accountability. Measurement also allows the higher education sector to demonstrate that individual institutions are committed to continuous quality improvement in their individual circumstances, as well as high standards of governance and educational practice.

22. As far as is practicable, data for the performance measures is derived from existing institutional returns to the UGC, whether through Common Data Collection Format (CDCF) returns or other statistical returns, or from audited sources such as a university's annual financial statements. Where other sources are used, these sources are acknowledged in the introduction to each performance measure.

23. The UGC acknowledges in its NoP (Chapter 6 on Data Collection and Returns) that, "it requires information about the activities of the UGC-funded institutions for a variety of purposes, including assessment of recurrent and capital funding requirements, monitoring progress, advising on academic developments generally, monitoring progress and expenditure on RGC-funded research projects, reporting to the Government, the Legislature and the public. The data so collected also enables many ad hoc questions to be answered without further enquiry of the institutions".

4.1 The Quality of the Student Experience of Teaching and Learning

24.　　The core components of the performance measures in this activity domain are intended to demonstrate that an institution has effective strategies in place to deliver improvements in teaching quality, to enhance the effectiveness of the learning environment and to maximise student learning outcomes, particularly in relation to learning gain leading to appropriate employment or further study.　The data for (1) and (2) under the sector-wide performance measures below are derived from a standard question in each university's student survey.

Sector-wide Performance Measures

1) Undergraduate satisfaction with the quality and value which they have gained from their teaching and learning experience
2) Undergraduate satisfaction with their overall learning environment
3) Undergraduate employment success rate
4) Employer satisfaction with graduates

Institution-specific Key Performance Indicators

1) Undergraduates' assessment of teacher effectiveness and undergraduates' improvement in academic abilities, language proficiencies and whole-person growth
2) Undergraduates' involvement in outside classroom co- and extracurricular learning
3) Use of e-Learning
4) External teaching development grants and recognition received by teachers

4.2 The Quality of Research Performance and of Research Postgraduate Experience

25.　　Performance measures in this domain are intended to illustrate that an institution has strategies in place appropriate to its mission to encourage research and scholarship and which seek to improve the quality and volume of research outputs.　The measures take account of factors such as research impact and measures in place to ensure positive learning outcomes for research postgraduate students, including equipping them for careers appropriate to their specialism.

Sector-wide Performance Measures

1) Percentage of research activities judged to be world leading or internationally excellent as assessed in the latest Research Assessment Exercise
2) Value of total research income
3) Average time-to-completion, graduation rate and employability of research postgraduates, allowing for disciplinary differences

Institution-specific Key Performance Indicators

1) Research grants
   New and ongoing projects funded by external competitive research grants by broad-based disciplines (science and non-science)

2) Research impact and recognition
   (a) Field-weighted Citation Index (SCOPUS database) and Category Normalized Citation Impact (WoS database)
   (b) Research output per academic staff
   (c) High performing subjects benchmarked in Essential Science Indicators top 1%
3) Research postgraduate (RPg) experience
   (a) PhD students with overseas learning experience
   (b) PhD students with oral / poster presentation in at least one reputable international conference / workshop during their postgraduate study period
4) Development of three multidisciplinary high-impact research clusters on:
   (a) Creative Media / Practice
   (b) Health and Drug Discovery
   (c) Data Analytics and Artificial Intelligence in X

4.3 Knowledge Transfer and Wider Engagement

26.   While acknowledging that quantitative performance measures in this domain are not yet sufficiently developed to reflect the full spectrum of institutional activities aimed at wider engagement with the community, the performance measures are intended to demonstrate in part how universities engage in knowledge transfer and in wider engagement with the community, defined as, "the systems and processes by which the knowledge, expertise and intellectually linked assets of universities are constructively applied beyond higher education for the wider benefit of the economy and society, through two-way engagement with business, the public sector (including the school sector), cultural and community partners", with innovative, profitable, economic or social improvements being part of that benefit.

27.   Knowledge transfer and wider engagement includes activities such as consultancies, collaborative research (with industrial, commercial or other non-higher education partners such as NGOs), contract research (undertaken for industrial, commercial or other non-higher education partners such as NGOs and creative or cultural organisations), continuing professional development (CPD), licensing, start-ups, spin-outs and public engagement. Such activities can loosely be categorised as: (i) the provision of research and business services (consultancy; collaborative research; contract research; and CPD); (ii) innovation (licensing; start-ups; and spin-outs); and (iii) public engagement (networking and public events; projects with a social or community benefit).

Sector-wide Performance Measures

1) (a) Total income from knowledge transfer via the provision of research and business services (i.e. collaborative research, contract research, consultancies, CPD)
   (b) Total income from knowledge transfer as innovative activity (i.e. income generating from intellectual property as defined in CDCF and from start-up companies)
2) Expenditure on public engagement activities (e.g. public lectures, performance arts, exhibitions and others as defined in CDCF)

Institution-specific Key Performance Indicators

1) Yearly average patent grant rate

2) Performances and exhibitions of creative works, public lectures, symposia, exhibitions and speeches per hundred academic staff
3) Entrepreneurship enrichment activities and support for students
   (a) Entrepreneurship activities and students' participation
   (b) Participating students with overall satisfaction in entrepreneurship enrichment programmes and their support for students

4.4 Enhanced Internationalisation

28.   System-wide performance measures in this domain are designed to illustrate the impact of an institution's development of a holistic approach to the growing importance of internationalisation to the higher education sector in Hong Kong. Such an approach might include the recruitment of students from overseas, exchange programmes involving Hong Kong students spending part of their course in an overseas institution and vice versa, recruitment of staff from overseas, participation of staff in overseas conferences / exchanges, engagement with Mainland China, as well as the extent to which the student curriculum itself has embraced and embodied international perspectives.

Sector-wide Performance Measures

1) Non-local students (in each of: undergraduate; taught postgraduate; research postgraduate) as percentage of total student numbers
2) Non-local students broken down by regions (Asia, Europe, North America, South America, Oceania, Africa and others)
3) Percentage of Hong Kong undergraduate students with non-local university-approved formal or experiential learning experience
4) Percentage of research outputs with international research collaboration which has resulted in a joint publication cited in the Research Assessment Exercise process as of at least international quality

Institution-specific Key Performance Indicators

1) Dual degree programmes and courses with international components
2) Promotion of integration of non-local students and local students and campus internationalisation
3) Diversity of teachers and their international experience
   (a) Teachers with previous full-time employment in non-local tertiary institutions or in a professional capacity
   (b) Participation of teachers in overseas conferences / exchange / meetings
4) Research collaborations with leading scholars / research teams outside Hong Kong

4.5 Financial Health and Institutional Sustainability

29.   Measures in this domain are designed to illustrate the strength of an institution's governance structures and their capacity to ensure the financial sustainability of the institution in the longer term. The elements forming the measures are drawn from the findings of the "Governance in UGC-funded Higher Education Institutions in Hong Kong" (Governance Report) published by the UGC in 2016, as well as from worldwide good practice in the wider sphere of commerce and government. Specific measures and indicators

of enhanced governance in HKBU are detailed in the following Section Five on Governance and Institutional Management.

Sector-wide Performance Measures

1) Annual surplus as a percentage of total income
2) Subventions from UGC as a percentage of total income
3) Current ratio (i.e. current assets / current liabilities)
4) Coverage of university's expenditure by reserves and cash & cash equivalents (defined by Hong Kong Financial Reporting Standards):
   (i)(a) Reserves / monthly expenditure = number of months that expenditure can be supported by reserves;
   (i)(b) Liquid reserves / monthly expenditure = number of months that expenditure can be supported by liquid reserves; and
   (ii) Cash & cash equivalents / monthly expenditure = number of months that expenditure can be supported by cash & cash equivalents

Institution-specific Key Performance Indicators

1) <u>For self-financed programmes and activities</u>
   (a) Percentage of their annual turnover to overall turnover
   (b) Percentage of their annual surplus to their turnover
   (c) Ratio of their reserves to their annual outgoings
2) Percentage of donation to UGC grants (last year and average of last three years)
3) Structurally healthy financial position as reflected by the amount of annual surplus after taking out investment return and donation income

5. GOVERNANCE AND INSTITUTIONAL MANAGEMENT

30.   Effective governance and institutional management is based on a clear understanding of the respective roles of the governing body, of the senate or academic board and of the senior management in an institution. Mutual respect for these differing roles is a keystone of a well-run university. To quote the UGC's Governance Report, "The governing body is responsible for oversight of the institution's activities, determining its future direction and fostering an environment in which the institutional mission is achieved and the potential of all learners is maximised". The president and the executive team are responsible for the management of the institution, both internally and externally, such that its mission is achieved and it benefits from teaching, learning and research of the highest quality. In short, the senior executive should not seek to determine those matters which are properly the concern of the governing body. Equally, the governing body should not become involved in the day-to-day executive management of the institution.

31.   In many institutions worldwide, codes of good conduct or practice explicitly recognise this difference between the roles but also their mutual dependence, as well as the need to respect such difference. By highlighting the importance of all involved in institutional governance and management recognising their respective responsibilities, this Agreement seeks to reinforce the importance of differing roles being respected, either through a formal code of good practice or through explicit recognition by all concerned.

32.   The UGC and the eight universities have worked together since the UGC published its Governance Report in March 2016. Action has been taken to implement recommendations in each of the following key areas in order to strengthen institutional governance and management.

- Recruitment, induction and continuing professional development of university council members
- Institutional strategy
- Management of risk
- Delegation of authority
- Periodic review of governance arrangements

33.   HKBU has responded to the recommendations by taking the following actions:

5.1 Recruitment, Induction and Continuing Professional Development of University Council Members

34.   Council Members undergo a formal induction programme organised by HKBU on its governance, recent developments and Strategic Plan. The first such induction programme was held on 24 February 2017. Induction on sector-wide issues is provided to Council Members by the UGC.

35.   All Council Members are kept up to date through regular briefings and reports, supplemented by informal meetings on HKBU's development and issues under discussion.

36.   HKBU has formulated a "skills template" outlining the skills required for Council membership, and it will propose to the Education Bureau that the Council nominate candidates for membership of the Council, in order to ensure the diversity of skills needed for a balanced Council.

5.2 Institutional Strategy

37.   The Council was fully involved in the development of HKBU's Institutional Strategic Plan 2018-28. Following the University retreat on 14 December 2015, three task forces – (a) Identity, Branding and Benchmarking; (b) Internationalisation and the Global University; and (c) Research Focus – were established and conducted surveys and discussions on these major strategic directions. Their reports were submitted to the Standing Committee under the Council and to the Council on 9 May and 21 June 2016 respectively.

38.   Following this groundwork, a first draft of the Institutional Strategic Plan was developed in March 2017 in line with the development of the Academic Development Proposal 2019-22. Comprehensive consultations were made not only with the relevant committees under the Council, Court and Senate and the Senior Executive Committee but also with the University community at large through electronic means, two open forums and a meeting with academic staff. Through this process, further drafts were developed, with the final proposal submitted to and approved in principle by the Council on 13 June 2017.

39.   After a further series of discussions and thorough consideration of comments received from the Council office-bearers and a lay Council Member, the final version of the Institutional Strategic Plan 2018-28 was approved by the Council on 14 September 2017.

5.3 Management of Risk

40.   HKBU completed the process of establishing an enhanced risk management framework.   During the process, HKBU identified several high-priority risk factors, each with its risk owners and control owners with reporting lines.   Based upon this risk register, which was established to facilitate implementation and monitoring, training was conducted for key risk owners and control owners.   A report on institutional risk management was submitted to and approved by the Council on 13 June 2017.   Subsequent to the approval, a Task Force on Institutional Risk Management has been formed, with the following implementation plans established:

- Execution of risk management framework and processes – an implementation plan for the next three years
- University-wide risk management network, communication channel, reporting protocol and escalation process
- University-wide risk awareness, engagement and development plan

5.4 Delegation of Authority

41.   HKBU has in place a comprehensive scheme of delegation, covering the Council and its committees and delegation of authority by the University Administration.   Subsidiary companies of HKBU also fall under a delegation scheme with clear reporting lines.   The scheme of delegation of authority has been publicised.

5.5 Periodic Review of Governance Arrangements

42.   The Council has agreed to review governance arrangements in line with the review of the Institutional Strategic Plan in 2021, with reviews of specific areas of activity being undertaken more frequently if needed.

6. UGC FUNDING ALLOCATION TO HONG KONG BAPTIST UNIVERSITY

43.   As set out in the Provisional Allocation Letter "Recurrent Grants for the 2019/20 – 2021/22 Triennium" dated 8 April 2019, the recurrent grants to be provided to HKBU in the form of block grants during the 2019-22 triennium will be **HK$3,694.327 million**. This figure is indicative, which may increase or decrease slightly when actual competition results on the allocation of the research postgraduate places and RGC projects are available.

UGC Funding Methodology

44.   Please refer to the Annex "Methodology for Determining the Levels of Recurrent Grants for the UGC-funded Universities".

Approved Student Numbers (in fte terms) for the 2019-22 Triennium

	2019/20	2020/21	2021/22
Sub-degree	-	-	-
Undergraduate	6,100	6,091	6,068
Taught Postgraduate	127	113	113
Research Postgraduate#	221 + (15)	190 + (50)	160 + (78)
Total*	6,448 + (15)	6,394 + (50)	6,341 + (78)
FYFD	1,148	1,148	1,148

*   Figures may not add up to the corresponding total owing to rounding.

\#   The total tentative RPg places in 2019/20, 2020/21 and 2021/22 are 250, 804 and 1,286 respectively and the allocation to the universities are shown in brackets.

Other UGC Funding

45.   Details about other earmarked grants and funding such as the funding to be allocated for Areas of Excellence Scheme, Earmarked Research Grants, knowledge transfer, etc. will be announced separately.
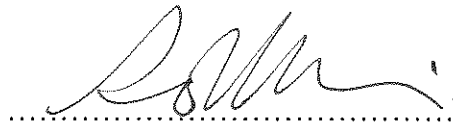
7. FORMAL AGREEMENT

46.   This University Accountability Agreement represents an agreement between Hong Kong Baptist University and the University Grants Committee.

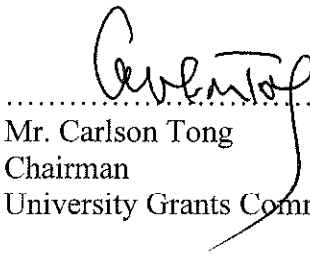Signed for and on behalf of Hong Kong Baptist University by

....   25th June 2019
Dr. Clement Chen Cheng-jen   Date
Council Chairman
Hong Kong Baptist University

....   20 June 2019
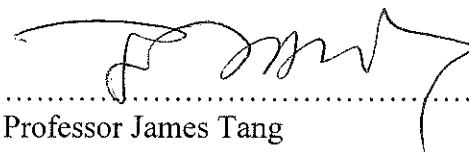Professor Roland T. Chin   Date
President and Vice-Chancellor
Hong Kong Baptist University

Signed for and on behalf of the University Grants Committee by

....   27 June, 2019
Mr. Carlson Tong   Date
Chairman
University Grants Committee

....   24 June 2019
Professor James Tang   Date
Secretary-General
University Grants Committee

Methodology for Determining the Levels of Recurrent Grants
for the UGC-funded universities

The UGC's funding methodology was developed in 1994 and has been used since then for the assessment of the recurrent grants for the UGC-funded universities. It is regularly reviewed and improved to ensure that it is appropriate and relevant to current circumstances.

2.　　　　Recurrent grants for each UGC-funded university basically comprise a block grant and funds provided for specific purposes. The purpose of the UGC recurrent grants is to fund universities to support the pursuit of their different roles and missions in teaching and research.

Block grant

3.　　　　The New Academic Structure (NAS) has been implemented in the UGC-funded sector since the 2012/13 academic year. Thus, there has been new recurrent funding for the additional year under the NAS ("new pot of money") in addition to the funding ("existing pot of money") for the three years of undergraduate study and other levels of study. In this regard, for the purpose of determining the block grant allocation to universities, a "two pots of money" approach/funding methodology has been applied since the 2012/13 to 2014/15 triennium, as detailed below. Universities still receive a single lump-sum block grant in the end and the "two pots of money" approach will not affect the existing autonomy within which universities deploy their block grant.

"Existing pot of money" for the three years of undergraduate study and other levels of study

4.　　　　Under the "existing pot of money", the amount of block grant to the sector as a whole comprises three elements –

　　　　(a)　Teaching – about 75%
　　　　(b)　Research – about 23%
　　　　(c)　Professional Activity – about 2%

Teaching element

5.　　　　The bulk of the block grant is allocated for teaching, which is an indispensable duty and mission of all universities. The Teaching element is determined on the basis of the student numbers, their study levels (i.e. sub-degree, undergraduate, taught postgraduate and research postgraduate), modes of study (i.e. part-time and full-time) and disciplines of study. Some subjects are more expensive to teach than others because of special equipment or laboratory needs, or because they are more staff time intensive, etc. Relative cost weightings by broad academic programme category are grouped into three price groups, as shown in the table below –

Academic Programme Category (APC)	Price Group of APCs	Relative Cost Weighting	
		Teaching[1] Programme	Research[2] Programme
1. Medicine 2. Dentistry	A Medicine & Dentistry	3.6	1.8
3. Studies Allied to Medicine and Health 4. Biological Sciences 5. Physical Sciences 6. Engineering and Technology 7. Arts, Design & Performing Arts	B Engineering & Laboratory Based Studies	1.4	1.4
8. Mathematical Sciences 9. Computer Science and Information Technology 10. Architecture and Town Planning 11. Business and Management Studies 12. Social Sciences 13. Law 14. Mass Communication & Documentation 15. Languages & Related Studies 16. Humanities 17. Education	C Others	1.0	1.0

Notes:
(1) Includes sub-degree, undergraduate and taught postgraduate programmes.
(2) Includes research postgraduate programmes.

Research element

6.   The Research element, i.e. the Research Portion (R-portion), is disbursed to the universities as infrastructure funding to enable universities to provide both the staffing and facilities (e.g. accommodation and equipment) necessary to carry out research, and to fund a certain level of research.   To promote research excellence, the UGC has been gradually allocating the R-portion to its funded universities on a more competitive basis according to their success in obtaining peer reviewed Research Grants Council (RGC) Earmarked Research Grants (ERGs).   It was originally intended that over a period of nine years (starting from the 2012/13 academic year), about 50% of the R-portion would be ultimately allocated in this manner.   In 2017, in response to the stakeholders' concerns expressed in the Review of the RGC (Phase I), the UGC approved the interim arrangement to "freeze" the percentage of the competitive part of the R-portion at 26% since the 2017/18 academic year, pending the completion of a further review on R-portion.   The remaining 74% of the R-portion will be allocated with regard to the universities' performance in the Research Assessment Exercise (RAE).   For the 2019/20 to 2021/22 triennium, before the

results of the forthcoming RAE in 2020 are available, the results of the RAE 2014 will continue to inform allocation of the rest of the R-portion.

Professional Activity element

7.	This element of funding is intended to fund professional activities not covered by the Teaching element and Research element and is calculated based on the number of academic staff.

"New pot of money" for the additional year under the New Academic Structure

8.	The funding for the additional year under the NAS, treated as a separate pot of money, is allocated wholly as "teaching funding" among faculties with price weightings of 1.4 and 1.0 for (i) Medicine, Dentistry, Engineering and Laboratory-based studies; and (ii) Others respectively.

Allocation of block grant within universities

9.	The above-mentioned methodology only serves as a basis for determining the block grant allocation to the UGC-funded universities. Once allocations are approved, universities have autonomy in and responsibility for determining the best use of the resources vested in them.

Grants for specific purposes and extra-formulaic adjustments

10.	The UGC is aware that its formula-based funding model cannot address all the various needs of the universities. The UGC's recommendations therefore make provision for the following specific requirements for the 2019/20 to 2021/22 triennium –

(a)	Earmarked Research Grants (ERG)
The ERG is distributed by the RGC to support research projects and research activities of the eight UGC-funded universities. The ERG is funded by the investment income of the Research Endowment Fund (REF). To keep the amount of funding of the ERG up to the current price level, an amount of $72.7 million will be deployed within the Cash Limit for ERG for each of the academic years in the 2019/20 to 2021/22 triennium.

(b)	Teaching Development and Language Enhancement Grant (TDLEG)
UGC attaches great importance to teaching and learning. A sum of $781.2 million will be provided for the TDLEG in the 2019/20 to 2021/22 triennium.

(c)	Knowledge Transfer
To support expansion of institutional capacity and to broaden universities' endeavours in knowledge transfer, the UGC will continue to reserve a sum of $68.5 million (including the inflation adjustment) for universities for each of the academic years in the 2019/20 to 2021/22 triennium.

(d)	Central Allocation Vote (CAV)
Similar to the past triennium funding exercise, the UGC will set aside about 1.0% of the Cash Limit (*i.e.* $600 million in the 2019/20 to 2021/22 triennium)

centrally to support new initiatives during the triennium, in addition to setting aside an average annual funding of $100 million for the Areas of Excellence projects.

(e)　Others

The UGC also agreed to fund a number of small extra-formulaic adjustments relating to specific activities of universities, totalling around $72 million each year.

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