

## EDUCATION BUREAU CIRCULAR MEMORANDUM NO. 119/2021

From : Permanent Secretary for Education      To : Supervisors and Heads of Kindergartens,  
Kindergarten-cum-Child Care Centres  
and Schools with Kindergarten Classes  
Joining the Kindergarten Education  
Scheme – for necessary action

Ref. : EDB(KGA)/KGES/22/1

Date : 24 September 2021

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### Kindergarten Education Scheme Kindergarten Premises-related Enhancement Measures

#### SUMMARY

The purpose of this circular memorandum is to inform kindergartens, kindergarten-cum-child care centres and schools with kindergarten classes joining the kindergarten education scheme (collectively referred to as “Scheme-KGs” hereafter) details of the enhancement measures related to KG premises.

#### BACKGROUND

2. The Government has implemented the kindergarten education scheme (“Scheme”) starting from the 2017/18 school year. The policy objectives are to provide good quality and highly affordable kindergarten education, and enhance the accessibility of students to different modes of services that suit their specific needs. Scheme-KGs will be provided with direct subsidy in the form of a basic half-day unit subsidy. KGs can also apply for other grants according to the situations of the schools. As regards KG premises, these grants include rental subsidy and premises maintenance grant. In the 2020/21 school year, the Education Bureau (EDB) launched two 2-year Pilot Schemes on Renovation Grant and Relocation Grant.

3. The EDB commenced a review on the implementation of the Scheme in mid-2019. The review was completed in August this year. The “Report on the Review of the Kindergarten Education Scheme” has been uploaded onto the EDB website ([https://www.edb.gov.hk/attachment/tc/edu-system/preprimary-kindergarten/free-quality-kg-edu/review-report/Report-on-KG-review\\_E\\_clean.pdf](https://www.edb.gov.hk/attachment/tc/edu-system/preprimary-kindergarten/free-quality-kg-edu/review-report/Report-on-KG-review_E_clean.pdf)). On the whole, the policy objectives have been achieved. Initiatives under the Scheme for enhancing the quality of the KG education have been rolled out progressively and the operation of KGs is smooth in general. The Scheme is well supported by the sector and parents. The EDB will continue to support the sustainable development of KGs in various aspects. The recommendations include increasing the quota of Renovation Grant, extending the Relocation Grant to the 2022/23 school year, and extending the grace period of rental subsidy for individual KGs. Details are at paragraphs 4 to 7 below.

## DETAILS

### *Renovation Grant*

4. To address the sector's concern about renovation of KG premises, the EDB launched a two-year Pilot Scheme on Renovation Grant in the 2020/21 school year so as to alleviate KGs' financial burden in improving the school environment. Each successful applicant can receive a grant of \$0.5 million. The annual quota in the 2020/21 and 2021/22 school years is 50. The pilot scheme, which helps improve school environment, was well received by the KGs. Taking into account the available resources, the quota will be increased by 200 in the 2021/22 school year to benefit more KGs. Application details are set out in [Appendix 1](#). Application form for the 2021/22 school year is at the [Annex](#) to the respective appendix. KGs should return the completed application form to Kindergarten Administration Section **on or before 29 October 2021 (Friday)**.

### *Relocation Grant*

5. To encourage KGs in districts with aging population to relocate to newly developed areas, or KGs at rented private premises to relocate to premises with lower rent or to apply for government-owned school premises so as to improve the teaching and learning environment of the schools, the EDB launched a two-year Pilot Scheme on Relocation Grant in the 2020/21 school year, under which each successful applicant can receive a one-off grant of \$1.5 million. To further encourage more KGs to apply for relocation to government-owned KG premises, the EDB will extend the Relocation Grant to the 2022/23 school year. Application details are set out in [Appendix 2](#). Application form for the 2021/22 school year is at the [Annex](#) to the respective appendix. KGs should return the completed application form to Kindergarten Administration Section **on or before 15 December 2021 (Wednesday)**.

### *KG Premises Allocation Exercise*

6. The EDB enhanced the mechanism for allocation of KG premises in mid-2021. In addition to streamlining the premises allocation exercise with a view to reducing the administration work of the applicant bodies, priority will also be accorded to schools applying for relocation. KGs' overall operating standard and needs are the key factors in considering the applications. KGs facing high rental expenses, dilapidated school environments and facilities, and a surplus of KG places in the district, are encouraged to apply for relocation. For details, please refer to the EDB homepage (<https://www.edb.gov.hk/en/education/preprimary-kindergarten/allocation-of-kg/latest-news.html>). KGs should also pay attention to the press release inviting application from school sponsoring bodies and KGs for new premises.

### *Grace Period of Rental Subsidy*

7. As regards rental subsidy, individual KGs were paying market rent and received full rental subsidy prior to the implementation of the Scheme. Under the Scheme, these KGs were under a grace period of four years (from the 2017/18 to the 2020/21 school years), during which they remained eligible for full rental subsidy. After the grace period, their rental

subsidy is subject to “dual” caps<sup>1</sup>, in a similar manner as other KGs paying market rent. To facilitate schools’ gradual transition to the new arrangement and minimise the impacts on school fees, the grace period will be extended for two years (i.e. the 2021/22 and 2022/23 school years), during which the amount of subsidy will be decreased by 15% each year, i.e. their rental subsidy will be 85% and 70% of the rentals<sup>2</sup> in the 2021/22 and 2022/23 school years respectively. Starting from the 2023/24 school year, the rental subsidy of these KGs would be subject to “dual” caps, in a similar manner as other KGs paying market rent.

## ENQUIRIES

8. For enquiries regarding the above enhancement measures related to KG premises, please contact:

<u>Measures</u>	<u>Section</u>	<u>Telephone number</u>
Renovation Grant	Kindergarten Administration	2186 6735
Relocation Grant	Kindergarten Administration	2186 8996
Kindergarten Premises Allocation Exercise	Kindergarten Administration 2	2892 5484 /
Rental subsidy	Kindergarten Administration	2892 5997 2186 8996

Ms Y Y SO  
for Permanent Secretary for Education

cc : Heads of Sections - for information

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<sup>1</sup> 50% of the market rental as assessed by Rating and Valuation Department (RVD), or 15% of the “basic half-day unit subsidy” for all eligible students under the Scheme, whichever is lower.

<sup>2</sup> The rental specified in the tenancy agreement or the RVD’s assessed market rent, whichever is lower.

**Renovation Grant  
(2021/22 School Year)**

**ELIGIBILITY**

If kindergartens joining the kindergarten education scheme (Scheme-KGs) have genuine needs for improving the school environment, they can apply for Renovation Grant in the 2021/22 school year. Each successful applicant can receive a grant of \$0.5 million.

2. In principle, all Scheme-KGs in the 2021/22 school year are eligible to apply for the Renovation Grant. However, for individual KGs which are eligible for other Government subsidies / resources or other public resources (such as Lotteries Fund) to conduct renovation works and/or purchase furniture and equipment, to avoid double-benefits, these KGs are not eligible for applying for this grant. The original quota of the Renovation Grant for the 2021/22 school year is 50. With 200 additional quotas, the quota will be 250 in total in the 2021/22 school year. Applicant KGs are required to submit the relevant basic information of the renovation works to the EDB, including the purpose of the works, items of the planned works, urgency of the works, the current situation of the school premises, budget, etc. The EDB will take into account different factors when vetting and approving the applications, including the operating standards of the KGs, current conditions of the school premises, genuine needs, urgency of the works, financial position of the KGs, sustainability of the KGs, length of remaining tenancy period of the school premises (if applicable), future removal plan, etc.

**USAGE**

3. The successful applicants can make use of the Renovation Grant to cover expenses on improvement or renovation works of the registered premises. For KGs operating in part of the premises concerned, only the relevant portion of the renovation expenses that should be shared by the KGs is chargeable to the Renovation Grant. The KGs should ensure that the portion of the share is reasonable.

4. The Renovation Grant can be used to cover the following works:

- (i) Internal decoration and renovation works;
- (ii) Minor internal conversion works such as partition of rooms and change of room use; and
- (iii) Purchase of furniture.

5. Extension of KG premises, demolition or rebuilding of KG premises are normally not covered by the Renovation Grant.

6. The grant is auxiliary by nature. KGs can at the same time deploy Government Subsidies or School Funds to conduct the renovation works.

## DISBURSEMENT AND ACCOUNTING ARRANGEMENT

7. The Renovation Grant will be provided on a per-school basis, that is, application by school registration. A Scheme-KG, regardless of the number of its registered locations under the same school registration, will be counted as one eligible KG.

8. Successful applicants will receive a one-off grant. In general, KGs will be notified of the application results by February 2022 and the grant will be disbursed in March 2022. KGs are required to use the grant on or before 29 February 2024. KGs are required to keep a separate ledger account to record all the incomes and expenditures chargeable to the grant. KGs are also required to record all the related incomes and expenditures in the statements/note of the annual audited accounts to reflect the incomes and expenditures of the grant, as well as to submit the annual audited accounts to the EDB in accordance with the existing requirements. KGs are not allowed to transfer the funds/unspent balance out of the grant. No expenditure item of the grant can be included in the calculation of school fees.

9. KGs are required to observe the established principles and requirements on the use of public funds as promulgated by the EDB when using the grant. These include hiring outside services and making purchases according to fair and transparent procedures with reference to Chapter 4 of the “Kindergarten Administration Guide” and the “Guidelines on Procurement Procedures in Kindergartens” issued by the EDB, and preparation of a separate ledger for proper recording of receipts of various accounting transactions on a reimbursement basis. KGs need to submit such purchase records including related invoices, receipts and documents to the EDB for examination, if required. As a usual practice, relevant records of the grant should be kept for a period of not less than seven years. If found inadequate, the grant can be topped up by the non-teaching staff salary portion of the basic unit subsidy under the Scheme as appropriate, having considered the overall financial position of the schools and the rationality of deployment of resources.

10. If there is an unspent balance of the grant in KGs approved to receive the above grant after 29 February 2024, the unspent balance will be clawed back by the EDB. KGs are not allowed to transfer funds/unspent balance out of the grant.

11. KGs shall undertake to continue to join the Scheme in the coming four school years. If the KG closes, is revoked of the status as a Scheme-KG, or withdraws from the Scheme by the end of the 2025/26 school years, the Renovation Grant should be returned to the Government in full. KGs are required to return the amount of grant as specified by the EDB to the Government if they are subsequently identified for using the grant for purposes other than those specified and/or no longer fulfill the requirements as stipulated in this circular memorandum.

## APPLICATION PROCEDURES

12. KGs interested in applying for the Renovation Grant are required to complete the application form at [Annex to Appendix 1](#) and return it to the Kindergarten Administration Section **on or before 29 October 2021 (Friday)**. The application form (in Word format) could be accessed from this website ([http://www.edb.gov.hk/free-quality-kg-edu\\_en](http://www.edb.gov.hk/free-quality-kg-edu_en)).

## **Relocation Grant (2021/22 school year)**

### **ELIGIBILITY**

Kindergartens joining the kindergarten education scheme (Scheme-KGs), which have a concrete plan for relocating to other premises for meeting the need of the community and improving the school environment, can apply for grant under the Pilot Scheme on Relocation Grant to alleviate KGs' financial burden of relocation. The Pilot Scheme on Relocation Grant launched in the 2020/21 school year was intended to implement in the 2020/21 and 2021/22 school years. Taking into account the available resources and needs of the KG sector, it is extended to the 2022/23 school year. Each successful applicant can receive a grant of \$1.5 million. However, for individual KGs which are eligible for other Government subsidies / resources or other public resources (such as Lotteries Fund) to conduct renovation works and/or purchase furniture and equipment for the new premises prior to relocation, to avoid double-benefits, these KGs are not eligible for applying for this grant.

2. Applicant KGs should meet one of the following criteria:
  - (i) KGs to be relocated to the premises allocated through the KG Premises Allocation Exercise by the EDB;
  - (ii) Average monthly rent of the new premises to be reduced by 20% or more upon relocation; or
  - (iii) KGs to be relocated to premises with the same / lower rental cost and there is an increase of 20% or more in premises area.
3. Applicant KGs should have signed a tenancy agreement or contract for the new premises. Applicant KGs should provide a copy of the signed tenancy agreement / contract, or other supporting documents when submitting the application. For KGs allocated premises under the KG Premises Allocation Exercise, they should provide relevant correspondence issued by the EDB.
4. The EDB will take into account different factors when vetting and approving the applications, including the operating standards of the KGs, school environment, amount of reduction in rent, enrolment situation, the expected date of commencement of the new premises, demand and supply of KG places in the district, etc.

### **USAGE**

5. Successful applicants of the Relocation Grant can use the grant to cover expenses on renovation works in the new premises, purchase of furniture and equipment for the new premises and other costs relating to relocation, e.g. transportation of furniture and equipment. The grant is auxiliary by nature. KGs should deploy Government Subsidies or School Funds to conduct the relocation.

## **DISBURSEMENT AND ACCOUNTING ARRANGEMENT**

6. The Relocation Grant will be provided on a per school basis, that is, application by school registration. A Scheme-KG, regardless of the number of its registered locations under the same school registration, will be counted as one eligible KG.

7. Successful applicants will receive a one-off grant. For the applications in the 2021/22 school year, KGs will be notified of the application result by February 2022 and the grant will be disbursed in March 2022. KGs are required to use the grant on or before 29 February 2024. KGs are required to return the grant in full to the Government if they are not relocated to the new premises as planned after being approved for the grant. KGs are required to keep a separate ledger account to record all the incomes and expenditures chargeable to the grant. KGs are also required to record all the related incomes and expenditures in the statements/note of the annual audited accounts to reflect the incomes and expenditures of the grant, as well as to submit the annual audited accounts to the EDB in accordance with the existing requirements. KGs are not allowed to transfer the funds/unspent balance out of the grant. No expenditure item of the grant can be included in the calculation of school fees.

8. KGs are required to observe the established principles and requirements on the use of public funds as promulgated by the EDB when using the grant. These include hiring outside services and making purchases according to fair and transparent procedures with reference to Chapter 4 of the “Kindergarten Administration Guide” and the “Guidelines on Procurement Procedures in Kindergartens” issued by the EDB, and preparation of a separate ledger for proper recording of receipts of various accounting transactions on a reimbursement basis. KGs need to submit such purchase records including related invoices, receipts and documents to the EDB for examination, if required. As a usual practice, relevant records of the grant should be kept for a period of not less than seven years. If found inadequate, the grant can be topped up by the non-teaching staff salary portion of the basic unit subsidy under the Scheme as appropriate, having considered the overall financial position of the schools and the rationality of deployment of resources.

9. If there is an unspent balance of the grant after 29 February 2024 in KGs approved to receive the above grant, the unspent balance will be clawed back by the EDB. KGs are not allowed to transfer funds/unspent balance out of the grant.

10. KGs shall undertake to continue to join the Scheme in the coming four school years. If the KG closes, is revoked of the status as a Scheme-KG, or withdraws from the Scheme in these four years, the Renovation Grant should be returned to the Government in full. KGs are required to return the amount of grant as specified by the EDB to the Government if they are subsequently identified for using the grant for purposes other than those specified and/or no longer fulfill the requirements as stipulated in this circular memorandum.

## **APPLICATION PROCEDURES**

11. KGs interested in applying for Relocation Grant in the 2021/22 school year are required to complete the application form at [Annex to Appendix 2](#) and return it to the

Kindergarten Administration Section **on or before 15 December 2021 (Wednesday)**. Regarding the application for the 2022/23 school year, we will invite applications from KGs in due course. The application form (in Word format) could be accessed from this website ([http://www.edb.gov.hk/free-quality-kg-edu\\_en](http://www.edb.gov.hk/free-quality-kg-edu_en)).



Application for Renovation Grant

(2021/22 School Year)

(To be returned on or before 29 October 2021 (Friday))

**To: Permanent Secretary for Education  
(Attn: Kindergarten Administration Section, (Fax: 2834 5183)  
Kindergarten Education Division, Education Bureau,  
Room 3608, 36/F, Dah Sing Financial Centre, 248 Queen's Road East, Wan Chai, Hong  
Kong)**

On behalf of my kindergarten (KG), I wish to apply for the Renovation Grant for the 2021/22 school year:

- (1) The school premises of my KG are (Please '✓' only ONE of the following boxes.)
- self-owned school premises (which generally refers to the KG premises owned by the KG itself, its SSB / its operator).
  - rented premises. (Please answer item (3))
  - others: \_\_\_\_\_  
(Please specify).
- (2) The registration date of the school premises of my KG is \_\_\_\_\_ (yyyy) \_\_\_\_ (mm). (My KG has been operated in the current premises for \_\_\_\_\_ years.)
- (3) [For rented premises] The effective period of the tenancy agreement signed between my KG and the landlord is from \_\_\_\_\_ (yyyy) \_\_\_\_ (mm) to \_\_\_\_ (yyyy) \_\_\_\_ (mm) (\_\_\_\_ year(s) \_\_\_\_ month(s) in total).
- (4) My KG  has  does not have a removal plan in the coming four years. (Please '✓' only ONE of the boxes.)
- (5) Detailed renovation work plan of my KG: (Please briefly describe the purpose, items and urgency of the work, current situation of the school premises, budget and other relevant information on pages 2 and 3 of the Annex to Appendix 1)

For items (6) to (9) below, please '✓' the boxes to confirm.

- (6)  I undertake to continue to join the kindergarten education scheme for the coming four school years (i.e. 2022/23 school year to 2025/26 school year).
- (7)  I confirm that my KG is not eligible for other Government subsidies / resources or other public resources (e.g. Lotteries Fund) for purposes of premises renovation.
- (8)  I confirm that all information provided above is true, accurate and complete. I will provide supporting documents when requested by the EDB for vetting and approving my application.
- (9)  I undertake to follow EDB's requirements as stipulated in EDBCM No. 119/2021 to return the grant to the EDB.

Signature of Supervisor: \_\_\_\_\_

Name of Supervisor: \_\_\_\_\_

Name of KG: \_\_\_\_\_

School Registration No.: \_\_\_\_\_

Tel. No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Contact Person (Name): \_\_\_\_\_

(Post): \_\_\_\_\_

Date: \_\_\_\_\_

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**Application for Renovation Grant**

**(2021/22 School Year)**

**Plan of Renovation Works**

Name of KG: \_\_\_\_\_

1	Purpose of the work(s)	
2	Items of the planned work(s)	<p><input type="checkbox"/> Internal decoration and renovation works          Details:          _____          _____          _____</p> <p><input type="checkbox"/> Minor internal conversion works such as partition of rooms and change of room use          Details:          _____          _____          _____</p> <p><input type="checkbox"/> Purchase of furniture          Details:          _____          _____          _____</p>
3	Urgency of the work(s)	

4	Current situation of the school premises																							
5	Budget	<table border="1"> <thead> <tr> <th colspan="2" data-bbox="464 510 1158 573">Item(s)</th> <th data-bbox="1158 510 1423 573">Amount(\$)</th> </tr> </thead> <tbody> <tr> <td data-bbox="464 573 533 636">1</td> <td data-bbox="533 573 1158 636"></td> <td data-bbox="1158 573 1423 636"></td> </tr> <tr> <td data-bbox="464 636 533 698">2</td> <td data-bbox="533 636 1158 698"></td> <td data-bbox="1158 636 1423 698"></td> </tr> <tr> <td data-bbox="464 698 533 761">3</td> <td data-bbox="533 698 1158 761"></td> <td data-bbox="1158 698 1423 761"></td> </tr> <tr> <td data-bbox="464 761 533 824">4</td> <td data-bbox="533 761 1158 824"></td> <td data-bbox="1158 761 1423 824"></td> </tr> <tr> <td data-bbox="464 824 533 887">5</td> <td data-bbox="533 824 1158 887"></td> <td data-bbox="1158 824 1423 887"></td> </tr> <tr> <td colspan="2" data-bbox="464 887 1158 958" style="text-align: right;"><b>Total(\$)</b></td> <td data-bbox="1158 887 1423 958"></td> </tr> </tbody> </table>		Item(s)		Amount(\$)	1			2			3			4			5			<b>Total(\$)</b>		
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6	Other relevant information																							

(Please use additional sheet as necessary.)

## Application for Relocation Grant

(2021/22 School Year)

(To be returned on or before 15 December 2021 (Wednesday))

**To: Permanent Secretary for Education**  
**(Attn: Kindergarten Administration Section, (Fax: 3105 0277)**  
**Kindergarten Education Division, Education Bureau,**  
**Room 3608, 36/F, Dah Sing Financial Centre, 248 Queen's Road East, Wan Chai, Hong Kong)**

On behalf of \_\_\_\_\_ (name of kindergarten (KG)), I wish to apply for Relocation Grant for the 2021/22 school year.

## (1) Premises Information:

	Current Premises	New Premises
Address		
Area	_____ sq. ft/ sq. m ^	_____ sq. ft/ sq. m ^
Rental period (dd/mm/yyyy)	_____/_____/_____ to _____/_____/_____	_____/_____/_____ to _____/_____/_____
Average rental amount per month within the rental period	\$ _____	\$ _____
Whether landlord is a related party of KG*	<input type="checkbox"/> No <input type="checkbox"/> Yes (Please specify relationship with the related party: _____ _____)	<input type="checkbox"/> No <input type="checkbox"/> Yes (Please specify relationship with the related party: _____ _____)
Expected date of commencement of new premises		

^ Please delete whichever is inappropriate.

\* Applicant KGs should report factually accurate information. Eligibility will be cancelled if KGs are found to have withheld information or provided false information.

(2) The following copy of document(s) is/are enclosed for application purposes:

- tenancy agreement of current premises; and
- tenancy agreement of new premises/ other supporting documents.

For items (3) to (7) below, please '✓' the boxes to confirm:

- (3)  I undertake to continue to join the kindergarten education scheme in the coming four school years (i.e. 2022/23 school year to 2025/26 school year).
- (4)  I confirm that my KG is not eligible for other Government subsidies / resources or other public resources (e.g. Lotteries Fund) for purposes of relocation of KG.
- (5)  I confirm that all information provided above is true, accurate and complete. I will provide supporting documents when requested by the EDB for vetting and approving my application.
- (6)  I undertake to return the grant in full to the EDB if my KG is not relocated to the new premises as planned after approved for the grant.
- (7)  I undertake to follow EDB's requirements as stipulated in EDBCM No. 119/2021 to return the grant to the EDB.

Signature of Supervisor: \_\_\_\_\_

Name of Supervisor: \_\_\_\_\_

Name of KG: \_\_\_\_\_

School Registration No.: \_\_\_\_\_

Tel. No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Contact Person (Name): \_\_\_\_\_

(Post): \_\_\_\_\_

Date: \_\_\_\_\_

