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Panel on Home Affairs

**Background brief prepared by the Legislative Council Secretariat
for the meeting on 9 July 2010**

Redevelopment of Hong Kong Sports Institute

Purpose

This paper provides background information on the redevelopment of the Hong Kong Sports Institute ("HKSI") and gives an account of the views and concerns of Legislative Council ("LegCo") Members on the subject since April 2008. Members may refer to LC Paper No. CB(2)1517/07-08(01) for previous deliberations on the subject.

Background

2. In his 2006-2007 Policy Address, the Chief Executive announced, amongst other initiatives for promoting sports development in Hong Kong, the redevelopment of the HKSI to provide world-class training facilities to elite athletes in Hong Kong ("the Project"). The Project covered upgrading of the existing facilities at the HKSI premises at Yuen Wo Road, Sha Tin ("Fo Tan venue"), which were built in early 1982, and provision of additional facilities to meet the projected demand for emerging new sports over the next 10 to 15 years. The Panel received a briefing from the Administration in April 2007 on the proposed scope of the Project, and met with deputations in May 2007 to listen to their views.

3. With the support of the Public Works Subcommittee ("PWSC"), the Finance Committee ("FC") approved the first-stage funding of \$52.9 million in money-of-the-day ("MOD") price in June 2007 for the preparatory works (including ground investigation, condition and structural surveys, and consultancy services for detailed design and tender documentation) of the Project.

4. In October 2007, the Hong Kong Sports Institute Limited ("HKSIL")^{Note} appointed the Architectural Lead Consultant and the Quantity Surveying Consultant to undertake the preparatory work required for the planning and detailed design of the main works of the Project. Taking into account the findings of the relevant studies and tender price adjustment, the Administration revised the cost estimate for the main works of the Project from around \$1.3 billion in May 2007 to around \$1.8 billion in April 2008.

5. At the meeting of the Panel on 11 April 2008, the Administration consulted members on the scope of the Project (which had been revised taking into account the views of the relevant stakeholders in the consultation exercise), and the second-stage funding application of around \$1.8 billion in MOD price for the construction of the main works of the Project. Members expressed grave concern about the substantial cost increase, and requested the Administration to provide detailed justifications accounting for the difference of the original and updated estimated cost, as well as the additional recurrent financial implication of the Project. The Administration reverted to the Panel in May 2008 with the relevant details and, at the Panel's further request, provided supplementary information on the contingencies, construction unit cost, as well as the tender price escalation between 2006 and 2007. The revised funding proposal was endorsed by PWSC and FC on 2 and 13 June 2008 respectively. The full scope of works under the Project is set out in **Appendix I**.

Project programme

6. According to the discussion paper provided by the Administration in April 2008, the Project would proceed in two phases with phase one covering upgrading/refurbishment works to existing facilities at Fo Tan venue and phase two embracing construction of new facilities. Details of the works involved are as follows -

- (a) Phase one works (including the refurbishment works of existing indoor sports complex in Fo Tan venue and the foundation of the new multi-purpose building, new multi-purpose sports hall and new rowing boathouse) would commence in the fourth quarter of 2008;
- (b) HKSI would remain in its current temporary main base in YMCA's Wu Kwai Sha Youth Village ("WKSJV") and continue to use the Leisure and Cultural Services Department venues for elite training until completion of phase one, estimated to be the third quarter of 2009;

^{Note} Following the dissolution of the Hong Kong Sports Development Board, HKSI was re-constituted to become an incorporated body (i.e. the HKSIL) on 1 October 2004 to provide elite athletes with a quality training environment and support services.

- (c) HKSI would then move back to Fo Tan venue and resume normal operations after the completion of phase one works in the third quarter of 2009. All new superstructure works would start in the fourth quarter of 2009; and
- (d) Phase two works would proceed in parallel with the normal HKSI operations. Elite training facilities would by and large remain intact and only athletes' hostel and administration offices needed to be relocated once more, i.e. from WKSJV back to existing hostels/offices in the third quarter of 2009 and upon completion of the new multi-purpose building to the new facilities in the third quarter of 2010. The other affected facility would be the canteen which might have to operate at a reduced size after the refurbishment works pending completion of the new canteen/restaurant in the new multi-purpose building. The Project would be completed in the third quarter of 2011.

Past discussions

7. Major views and concerns on redevelopment of HKSI expressed by LegCo Members at different LegCo forums since April 2008 (including the meetings of the Panel on 11 April 2008 and 9 May 2008, and meetings of PWSC on 2 June 2008 and FC on 13 June 2008) are set out in the ensuing paragraphs.

Redevelopment options

8. A member questioned whether the Administration/HKSIL had given due consideration to the possible option of rebuilding before deciding to pursue the refurbishment option in taking forward the redevelopment plan for HKSI.

9. The Administration explained that the option of refurbishment instead of rebuilding was pursued taking into consideration its cost-effectiveness, environmental friendliness, and most importantly, the tight timeframe for implementation of the Project. The Administration further explained that rebuilding the HKSI sports complex would take around 25 months, while refurbishing would only take around 11 months. If the rebuilding option was pursued, it would not be possible to meet the target of resuming HKSI's operation in Fo Tan around the third quarter of 2009, so as to return the WKSJV to YMCA by December 2009 for the latter to host the World Council of YMCAs in 2010.

Project cost

10. When the Administration consulted the Panel in April 2008 on the second-stage funding application, members expressed grave concern about the substantial cost increase in the main works of the HKSI redevelopment project. Some members expressed dissatisfaction at the Administration's failure to include in the discussion paper the additional cost incurred and factors accounting for the great

discrepancies between the original and the updated estimate. They considered this a major negligence on the part of the Administration.

11. The Administration assured members that the Government had no intention to conceal any information on the project cost as such information was in the public domain. It further explained that the original estimate in the submission to PWSC in May 2007 was only a rough estimate for the purpose of providing PWSC with an indicative figure. The increase in cost estimate was mainly attributable to the need for additional piling works following the site investigation carried out for the Project, tender price escalation between 2006 and 2007, and anticipated inflationary adjustment (due to rising construction material and labour cost) to be reflected in the actual tender price and provision of contingency cost. At the request of the Panel, the Administration provided detailed information on the price adjustments which accounted for the increase in the cost estimate vide LC Paper No. CB(2)1805/07-08(01).

12. On the revised cost estimate, some members queried the reasons for the Administration to include a substantial amount of contingency provision (i.e. about 9% of the capital cost of the Project) to cater for possible changes related to the piling works and the refurbishment works, as the updated estimate had already included additional costs for extra piling and refurbishment works items envisaged in the light of the findings of detailed surveys.

13. The Administration explained that although site investigation had already been carried out, there were still possible changes related to the piling works as the real ground situation would not be completely known until such works were actually carried out. As a normal practice, a contingency provision in the range of 7% to 10% was generally included in the project estimate for subvented projects. The proposed contingency level at about 9% of the capital cost of the Project was set according to the professional advice of HKSI's consultants, and was considered by the Architectural Services Department as reasonable. The Administration further assured members that HKSI had to apply for the use of the provision for contingencies with justifications, and the Administration would release funding through a reimbursement arrangement.

Project design and facilities

14. Members requested the Administration to ensure that: (a) the design of the Project should incorporate appropriate measures to maximize the use of renewable energy and promote energy efficiency; (b) the new facilities for the Project would be constructed further away from the riverside in order to provide a larger green area along the Shing Mun River for public enjoyment; (c) adequate sports and ancillary facilities and barrier-free access would be provided for disabled athletes in the redeveloped HKSI; and (d) training facilities for cycling would be provided following the demolition of the outdoor velodrome at Fo Tan venue to make way for the construction of the new multi-purpose building.

15. The Administration advised that: (a) the Electrical and Mechanical Services Department had developed codes of practice for energy efficiency of building services installations, and HKSIL would endeavour to incorporate, as far as practicable, various forms of energy efficient features with reference to these codes; (b) efforts had been made to enlarge the green area along the Shing Mun River as far as possible, and the green area under the current design stretched 30 meters from the riverside; (c) one of the guiding principles of the project design was that the whole complex should be barrier-free, including athletes' residence, sports facilities and access to the facilities. Examples of the facilities included 10 rooms in the hostel for athletes using wheelchairs; rooms which could be flexibly adapted for athletes with other disabilities; a boccia court and fencing area designated for athletes with disabilities; ramp for access to the swimming pool area, and a new elevated and covered walkway connecting the new nine-storey multi-purpose building with other key facilities of HKSI for safe access of all athletes in all kinds of weather; and (d) HKIS had identified a site at Whitehead, Ma On Shan, for setting up a temporary velodrome pending the completion of a new indoor velodrome cum sports centre to be provided in the District Open Space in Area 45 of Tseung Kwan O for the purpose of cycling training and competitions.

16. A member asked about the impact of the Administration's decision to allow the Hong Kong Jockey Club ("HKJC") to retain the Equestrian stables on the redeveloped HKSI. The Administration advised that while the request from HKJC for retaining the Equestrian stable in HKSI for its temporary use had led to a reduction in the site of HKSI, the redeveloped HKSI should be capable of meeting its elite training needs over a period of 10 to 15 years, taking into account the increased construction floor area (from about 30,000 square metres at present to about 80,000 square metres after redevelopment) and the revised project scope.

17. In response to a member's enquiry as to whether the high standard sports facilities to be provided in the redeveloped HKSI complex would be open to the public apart from being used for training of athletes, the Administration informed members that to maximize the utilization of the sports facilities of HKSI, these facilities would be made available for public use at reasonable fees when they were not being used for elite training purpose. This practice would provide not only an additional source of income for HKSIL to support its operation, but also high quality sports facilities for public use (e.g. swimming pools and tennis courts).

Consultation with HKSI staff

18. Regarding the impact of the redevelopment project on HKSI staff, the Chairman of HKSIL assured members that the project would not lead to reduction in posts. However, there would inevitably be staff redeployment due to changes in the operation mode. There was no plan at the present stage to implement any outsourcing arrangement, and the HKSI management would continue to engage in active consultation with the staff members.

Collaboration between HKSI and Sha Tin District Council

19. In response to a member's enquiry as to whether the HKSI facilities would be open to Sha Tin residents, the Administration advised that HKSI had undertaken to collaborate fully with the Sha Tin District Council ("STDC") in offering a great variety of sports training and activities for Sha Tin residents, and HKSI would consider offering facilities in the redeveloped HKSI for use by relevant stakeholders and the public. On measures to be taken to minimize disturbance caused to residents nearby and the Sha Tin Racecourse in the course of the implementation of the Project, the Administration advised that HKSI would continue to maintain close liaison with STDC to ensure that prompt actions would be taken to address concerns regarding the Project during the construction works.

Sports development policy

20. A member expressed dissatisfaction at the scattered distribution of sports facilities in Hong Kong. He considered that the Administration should provide a large-scale integrated sports village with all necessary training facilities, which in his view would be a better approach of planning for the sports development in Hong Kong. The member also expressed concern about the unfair allocation of resources for sports development, and criticized the Administration for failing to attach importance to the provision of community sports facilities, for instance, in Tin Shui Wai where only one 7-a-side hard surface soccer pitch was provided despite a large population in the community. In response, the Administration agreed to consider member's views in the future planning of sports facilities.

21. Some members expressed concern about the higher education opportunities available for retired athletes and enquired about the support and flexibility offered by education institutions in this regard. The Administration advised that it was the Government's policy to promote sports in the community, to develop elite sports, and to make Hong Kong a major location for international sports events. Additional funding of about \$40 million had been provided since 2007-2008 for elite sports development, and resources had been allocated for education and career development for retired athletes. Moreover, the Administration had obtained the support of the eight higher education institutions funded by the University Grant Committee to facilitate athletes to pursue higher education in Hong Kong, including exercising flexibility in admission and facilitating elite athletes in participating in games during their studies in these institutions.

Visit to HKSI

22. During the discussion on the promotion of sports development at the Panel meeting on 8 January 2010, the Administration undertook to arrange a visit to update members on the progress of the Project at an appropriate time.

Progress of the Project

23. In its response to a Member's enquiry in relation to the Budget Estimates for 2010-2011 in March 2010, the Administration updated Members with the progress of the Project. According to the Administration, the HKSI has been implementing the Project by way of four contracts, which include-

- (a) *Contract 1 - refurbishment of the existing indoor sports complex and construction of a temporary velodrome at Whitehead, Ma On Shan:* refurbishment works started in March 2009 and were completed in February 2010. The temporary velodrome at Whitehead will be completed by April 2010;
- (b) *Contract 2 - foundation works for the new multi-purpose building, multi-purpose sports hall, rowing boathouse and a 52-meter indoor swimming pool:* works started in July 2009 and are due for completion by the end of 2010;
- (c) *Contract 3 - superstructure works for the new multi-purpose building, multi-purpose sports hall, rowing boathouse and indoor pool, and refurbishment of outdoor venues (except the multi-purpose hard court and the external area around the hostel wing and swimming pool):* the HKSI is preparing tender documents for Contract 3 and intends to have it awarded within 2010. Most of the new infrastructure works are tentatively targeted for completion by the end of 2011; and
- (d) *Contract 4 - alteration and additional works for the existing swimming pool, hostel wing and spectator stand, and refurbishment of the external area around these premises and the multi-purpose hard court:* the HKSI plans to invite tenders for Contract 4 in mid-2012. The whole project is tentatively targeted for completion by the end of 2013.

Latest development

24. The Administration will brief members on the latest progress of the HKSI redevelopment project at the meeting of the Panel on 9 July 2010.

Relevant papers

25. A list of relevant papers with their hyperlinks at the LegCo website is in **Appendix II**.

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Scope of the HKSI redevelopment project

The full scope of works under the Project include:

- (a) demolition of the velodrome for the construction of a new 9-storey multi-purpose building situated at the site of the existing outdoor velodrome in Fo Tan, consisting of the following facilities:
 - a sports information centre;
 - conference centre, lecture and coaching rooms and function rooms;
 - athletes' canteen / restaurant;
 - athletes' hostel (four storeys at Level 6 to 9 with a capacity for at least 370 athletes);
 - sports residence (distributed at Level 1 to 5 for visiting athletes and sports personnel); and
 - offices and ancillary facilities;
- (b) a new multi-purpose sports hall (for a 12-lane bowling centre, a venue for training of wushu and three doubles squash courts convertible to four singles squash courts);
- (c) a new 52-metre (m) international standard indoors swimming pool connected with the existing 25-m pool to form an integrated indoor swimming complex;
- (d) a new 2-storey rowing boathouse;
- (e) demolition of part of the HKSI hostel wing for the construction of the entrance of the new integrated indoor swimming complex and upgrading of the existing spectator stand;

- (f) upgrading of the existing indoor sports complex (to provide better facilities for table tennis, fencing, badminton, sports science laboratories, sports medicine clinic and fitness training centre with expanded, integrated recovery centre, coaches' offices, building services and fittings);
- (g) upgrading of the running / cycling trail with 3-m wide rubber finish;
- (h) a 120-m 4-lane covered warm-up track;
- (i) reprovision of four tennis courts, addition of two tennis clay courts and two tennis covered courts, and conversion of the surplus tennis courts and volleyball courts into a new multi-purpose outdoor venue;
- (j) a new elevated and covered walkway connecting the new 9-storey multi-purpose building with other key facilities of the HKSI;
- (k) integrated sports facilities for athletes with disabilities including, but not necessarily limited to, fencing, boccia, table tennis, rowing, tenpin bowling, swimming, track and field, warm-up and cross-training. Additional ancillary facilities will be specifically targeted for athletes with disabilities including residence, access, toilets and changing rooms, lifts, car-parks, wheel-chair storage etc; and
- (l) an off-site temporary velodrome at Whitehead as decanting arrangement.

Panel on Home Affairs

Relevant documents on Redevelopment of Hong Kong Sports Institute

Committee	Date of Meeting	Minutes/Paper/ Council question	LC Paper No./ website
Panel on Home Affairs	11.4.2008	Administration's paper on Redevelopment of the Hong Kong Sports Institute	CB(2)1500/07-08(1) http://www.legco.gov.hk/yr07-08/english/panels/ha/papers/ha0411cb2-1500-1-e.pdf
		Background brief on Redevelopment of the Hong Kong Sports Institute	CB(2)1517/07-08(1) http://www.legco.gov.hk/yr07-08/english/panels/ha/papers/ha0411cb2-1517-1-e.pdf
		Minutes of meeting	CB(2)2722/07-08 http://www.legco.gov.hk/yr07-08/english/panels/ha/minutes/ha080411.pdf
	9.5.2008	Administration's paper on Redevelopment of the Hong Kong Sports Institute	CB(2)1805/07-08(01) http://www.legco.gov.hk/yr07-08/english/panels/ha/papers/ha0509cb2-1805-1-e.pdf
		Minutes of meeting	CB(2)2742/07-08 http://www.legco.gov.hk/yr07-08/english/panels/ha/minutes/ha080509.pdf
		Supplementary information provided by the Administration on Redevelopment of Hong Kong Sports Institute	CB(2)1990/07-08(01) http://www.legco.gov.hk/yr07-08/english/panels/ha/papers/ha0509cb2-1990-1-e.pdf

Committee	Date of Meeting	Minutes/Paper/ Council question	LC Paper No./ website
Public Works Sub-committee of Finance Committee	2.6.2008	HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT 15QJ – Redevelopment of Hong Kong Sports Institute	PWSC (2008-09)13 http://www.legco.gov.hk/yr07-08/english/fc/pwsc/papers/p08-13e.pdf
		Minutes of meeting	PWSC125/07-08 http://www.legco.gov.hk/yr07-08/english/fc/pwsc/minutes/pw080602.pdf
Finance Committee	13.6.2008	Minutes of meeting	FC31/08-09 http://www.legco.gov.hk/yr07-08/english/fc/fc/minutes/fc080613.pdf
Panel on Home Affairs	8.1.2010	Minutes of meeting	CB(2)1063/09-10 http://www.legco.gov.hk/yr09-10/english/panels/ha/minutes/ha20100108.pdf
Council meeting	March 2010	Replies to initial written questions raised by Hon CHAN Hak-kan and Hon IP Kwok-him in examining the Estimates of Expenditure 2010-11	http://www.legco.gov.hk/yr09-10/english/fc/fc/w_q/hab-e.pdf

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