

## **ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE**

### **HEAD 707 – NEW TOWNS AND URBAN AREA DEVELOPMENT**

#### **Civil Engineering – Land development**

#### **733CL – Review studies on Hung Shui Kiu new development area – consultants' fees and site investigation**

Members are invited to recommend to Finance Committee the upgrading of **733CL** to Category A at an estimated cost of \$70.4 million in money-of-the-day prices for carrying out a planning and engineering study and site investigation works for the proposed new development area in Hung Shui Kiu.

### **PROBLEM**

We need to develop the proposed new development area (NDA) in Hung Shui Kiu (HSK) in order to address various housing, social, economic and environmental needs of the territory in the long term.

### **PROPOSAL**

2. The Director of Civil Engineering and Development, on the advice of the Director of Planning and with the support of the Secretary for Development, proposes to upgrade **733CL** to Category A at an estimated cost of \$70.4 million in money-of-the-day (MOD) prices to engage consultants to undertake a planning and engineering study (P&E Study) and associated site investigation works for the development of the proposed HSK NDA.

**/PROJECT .....**

**PROJECT SCOPE AND NATURE**

3. The scope of **733CL** (hereinafter collectively referred to as the P&E Study) comprises –

- (a) detailed planning and engineering study for the HSK NDA including preparation of the Preliminary Outline Development Plan, the Recommended Outline Development Plan (RODP), the Recommended Layout Plans and the preliminary design of the associated engineering infrastructure works, confirmation of feasibility of development proposals, and formulation of implementation strategies;
- (b) environmental impact assessment (EIA) for the HSK NDA development and associated engineering infrastructure;
- (c) community engagement exercises in relation to the formulation of development proposals; and
- (d) associated site investigation works and supervision.

————— A location plan showing the study area of the proposed HSK NDA is at Enclosure 1.

4. Subject to the approval of Finance Committee, we plan to commence the P&E Study in August 2011 for completion in August 2014 (comprising a study period of 30 months and an allowance of six months for time extension due to unforeseen delay, adjustment of study scope or other causes). The P&E Study will formulate sustainable and feasible planning and development proposals for the HSK NDA. Planning and technical assessments on the land use, environmental, cultural heritage, traffic, infrastructure engineering, air ventilation, landscape and urban design aspects of the recommended proposals will be thoroughly carried out in the study process.

**/JUSTIFICATION .....**

## JUSTIFICATION

5. The Planning and Development Study on North West New Territories (the NWNT Study), which was completed in 2003, identified and confirmed the feasibility of HSK as a suitable NDA. In view of the slower growth of population and housing demand at the time, the HSK NDA proposal had not been taken forward, pending a comprehensive review of the need for strategic development areas in the “Hong Kong 2030: Planning Vision and Strategy” (the HK2030 Study).

6. The HK2030 Study updates the territorial development strategy for Hong Kong with a view to recommending a spatial development pattern to respond to various social, economic and environmental needs in the next 20 to 30 years. The HK2030 Study was completed and the findings were promulgated publicly in October 2007. The HK2030 Study recommends proceeding with the North East New Territories (NENT) NDAs (comprising NDAs in Kwu Tung North, Fanling North and Ping Che/Ta Kwu Ling) and HSK NDA to address the long-term housing demand and provide employment.

7. The HK2030 Study proposes to stagger the implementation of the two NDA schemes for better resource utilization, i.e. planning, land clearance and works management, and that the NENT NDAs should proceed first. It recommends that NDAs shall be developed for multiple purposes, including the provision of land for housing, education and community facilities, improvement of the rural environment, better protection of resources of high conservation value, and timely development of land for special industries<sup>1</sup>, open storage uses, etc. The P&E Study on the NENT NDAs (the NENT NDAs Study) commenced in June 2008 for completion in late 2011.

8. As a long lead-time of at least 12 to 13 years<sup>2</sup> is required for implementing the HSK NDA, an early start of the P&E Study is necessary. Since

/the .....

---

<sup>1</sup> Special industries refer to industries with clean and high-value-added industrial processes.

<sup>2</sup> The required lead-time covers that for the P&E Study, statutory procedures and consultation, land resumption and clearance, design and construction of engineering infrastructure, and design and construction of housing blocks and necessary community facilities to support the first population intake.

the completion of the NWNT Study in 2003, there have been substantial changes in the planning circumstances and public aspiration. The following issues are identified as having implications on the development parameters and layout as originally put forth under the NWNT Study –

- (a) the strategic role of the HSK NDA;
- (b) public and private housing policy and requirements;
- (c) territorial demand for commercial and industrial land;
- (d) new land use requirements, particularly for the six industries<sup>3</sup> where Hong Kong enjoys clear advantages;
- (e) variations to the requirement of Government, institution or community facilities due to changes in the population profile; and
- (f) public aspirations for quality environment including low carbon living.

9. The P&E Study for the HSK NDA will take into account the latest circumstances and make reference to the findings and recommendations of the NWNT Study completed in 2003 and the NENT NDAs Study to be completed in late 2011. Comprehensive community engagement will be undertaken as an integral part of the P&E Study. We will engage the Legislative Council (LegCo), Heung Yee Kuk (HYK), relevant District Councils, local communities, environmental groups and other stakeholders both before and during various stages of the P&E Study.

10. Owing to insufficient in-house resources, we propose to engage consultants to carry out the P&E Study and to supervise the associated site investigation works.

## FINANCIAL IMPLICATIONS

11. We estimate the capital costs of **733CL** to be \$70.4 million in MOD prices (please see paragraph 12 below), broken down as follows –

/(a) .....

---

<sup>3</sup> The six industries are medical services, environmental industries, testing and certification, education services, innovation and technology, and cultural and creative industries.

		<b>\$ million</b>
(a)	Consultants' fees for	42.4
	(i) planning and engineering study	32.7
	(ii) environmental impact assessment	8.5
	(iii) supervision of site investigation works	1.2
(b)	Site investigation works	8.5
(c)	Miscellaneous expenses for community engagement exercises	3.5
(d)	Contingencies	5.4
	Sub-total	59.8 (in September 2010 prices)
(e)	Provision for price adjustment	10.6
	Total	70.4 (in MOD prices)

— A breakdown of the estimate for consultants' fees by man-months is at Enclosure 2.

12. Subject to approval, we will phase the expenditure as follows –

Year	\$ million (Sept 2010)	Price adjustment factor	\$ million (MOD)
2011 – 2012	3.0	1.04250	3.1
2012 – 2013	12.0	1.09463	13.1
2013 – 2014	18.0	1.14936	20.7

/2014 – 2015 .....

Year	\$ million (Sept 2010)	Price adjustment factor	\$ million (MOD)
2014 – 2015	15.0	1.20682	18.1
2015 – 2016	6.0	1.27169	7.6
2016 – 2017	5.8	1.34163	7.8
	<u>59.8</u>		<u>70.4</u>

13. We have derived the MOD estimate on the basis of the Government's latest set of assumptions on the trend rate of change in the prices of public sector building and construction output for the period 2011 to 2017. Subject to approval, we will engage consultants to undertake the proposed consultancy on a lump sum basis with provision for price adjustments as the duration of the consultancy will exceed 12 months. We will procure the site investigation works under a standard re-measurement contract because the quantity of works involved may vary depending on actual ground conditions. The contract for site investigation works will provide for price adjustments.

14. The proposed P&E Study and the associated site investigation works will not give rise to any recurrent expenditure.

## **PUBLIC CONSULTATION**

15. During the course of the NWNT Study (see paragraph 5 above), we conducted an extensive public consultation exercise between October 1999 and March 2000 on the draft RODP involving various stakeholders and community groups through consultation meetings and public forums. The responses showed that the location of the HSK NDA was generally supported.

16. We also consulted the public in 2003 and 2004 under the HK2030 Study on the NDA proposals in the context of the territorial spatial development pattern. There was general support for providing a better living environment through the development of NDAs. Some respondents commented that the development of NDAs could provide greater diversity of building density, different design of built forms and greater flexibility for adopting environmental measures and facilities.

17. During the period between late 2010 and early 2011, we consulted various statutory and advisory organisations on the P&E Study and the key issues of HSK NDA. A list of the statutory and advisory organisations consulted and the respective meeting dates is at Enclosure 3.

18. While the Ping Shan Rural Committee, Ha Tsuen Rural Committee (HTRC) and HYK raised concerns on the implications of the P&E Study on their Small House applications and enquired whether the development right in the existing villages would be frozen, they have no objection to the conduct of the P&E Study. The HTRC also considered that the planned local road improvement works in the vicinity of Ha Tsuen should not be withheld because of the P&E Study. Tuen Mun Rural Committee raised concerns on the possible freezing of the Small House applications due to the P&E Study, and requested that the villages in North Tuen Mun District within the tentative boundary of the HSK NDA be excluded from the future NDA. We have confirmed with the relevant Rural Committees and HYK that the Small House applications within the village zones in the prevailing Outline Zoning Plans and planned local road improvement works will not be affected by the P&E Study. However, to allow a comprehensive planning and technical assessment of the HSK NDA and the adjacent villages, the concerned villages in North Tuen Mun District have to be included in the study area.

19. The Town Planning Board, Planning Sub-committee of the Land and Development Advisory Committee and Yuen Long District Council (YLDC) in general supported the conduct of the P&E Study. YLDC particularly urged the project office to conduct public forums in the community engagement exercises and to provide more detailed information to the relevant Rural Committees during the P&E Study. Tuen Mun District Council did not have strong views on the P&E Study, but members were concerned about the compensation package for the affected inhabitants in the future.

20. We consulted the LegCo Panel on Development at its meeting on 25 January 2011 on the proposal to conduct the P&E Study and the key issues of the HSK NDA. Members in general supported the proposal to conduct the P&E Study and offered views on the HSK NDA which will be taken into account in the P&E Study.

**/ENVIRONMENTAL .....**

## **ENVIRONMENTAL IMPLICATIONS**

21. The proposed P&E Study on HSK NDA is a designated project under Schedule 3 of the EIA Ordinance (Cap. 499). The development proposals of the P&E Study will include Schedule 2 designated projects, such as primary distributor roads and sewage pumping stations, etc, which will require Environmental Permits prior to construction and operation. We will conduct an EIA under the P&E Study for the proposed developments and associated engineering infrastructure. The assessments that will be carried out in the EIA will include air quality, ecological, cultural heritage, and landscape and visual impact assessments. We have included \$8.5 million (in September 2010 prices) in the cost estimate for conducting the EIA.

22. The proposed P&E Study and the associated site investigation works will only generate very little construction waste. We will require the consultants to fully consider measures to minimise the generation of construction waste and to reuse/recycle construction waste as much as possible in the future implementation of the construction projects.

## **HERITAGE IMPLICATIONS**

23. The proposed P&E Study and the associated site investigation works will not affect any heritage site, i.e. all declared monuments, proposed monuments, graded historic sites/buildings, sites of archaeological interest and Government historic sites identified by the Antiquities and Monuments Office.

## **LAND ACQUISITION**

24. The proposed P&E Study and the associated site investigation works will not require land acquisition. The P&E Study will examine the extent of land acquisition required for implementation of the HSK NDA.

## **BACKGROUND INFORMATION**

25. We upgraded **558CL** "Planning and development studies on North West New Territories : consultants' fees and site investigation" to Category A in June 1997 at an approved project estimate of \$55.7 million in MOD prices for carrying out an integrated P&E Study on NWNT to identify suitable development areas and expedite the provision of the necessary infrastructure for meeting housing demand in 1997. The NWNT Study was completed in 2003 and identified HSK as a suitable NDA.



26. The HSK NDA proposal was shelved in 2003 due to an anticipated slower growth of population and housing demand at that time, pending a comprehensive review of the need for strategic development areas in the HK2030 Study. The HK2030 Study, completed in October 2007, proposes to proceed with the development of NDAs in Kwu Tung North, Fanling North, Ping Che/Ta Kwu Ling and HSK identified in the NWNT Study (see paragraphs 5 to 8 above). The revival of the planning and engineering studies on the NDAs, including the HSK NDA, was announced in the Chief Executive's Policy Address on 10 October 2007.

27. We upgraded **733CL** to Category B in November 2007.

28. The proposed P&E Study and the associated site investigation works will not directly involve any tree removal or planting proposals. We will require the consultants to take into consideration the need for tree preservation during the planning and design stages of projects. We will also incorporate tree planting proposals, where possible, in the construction phase in the future.

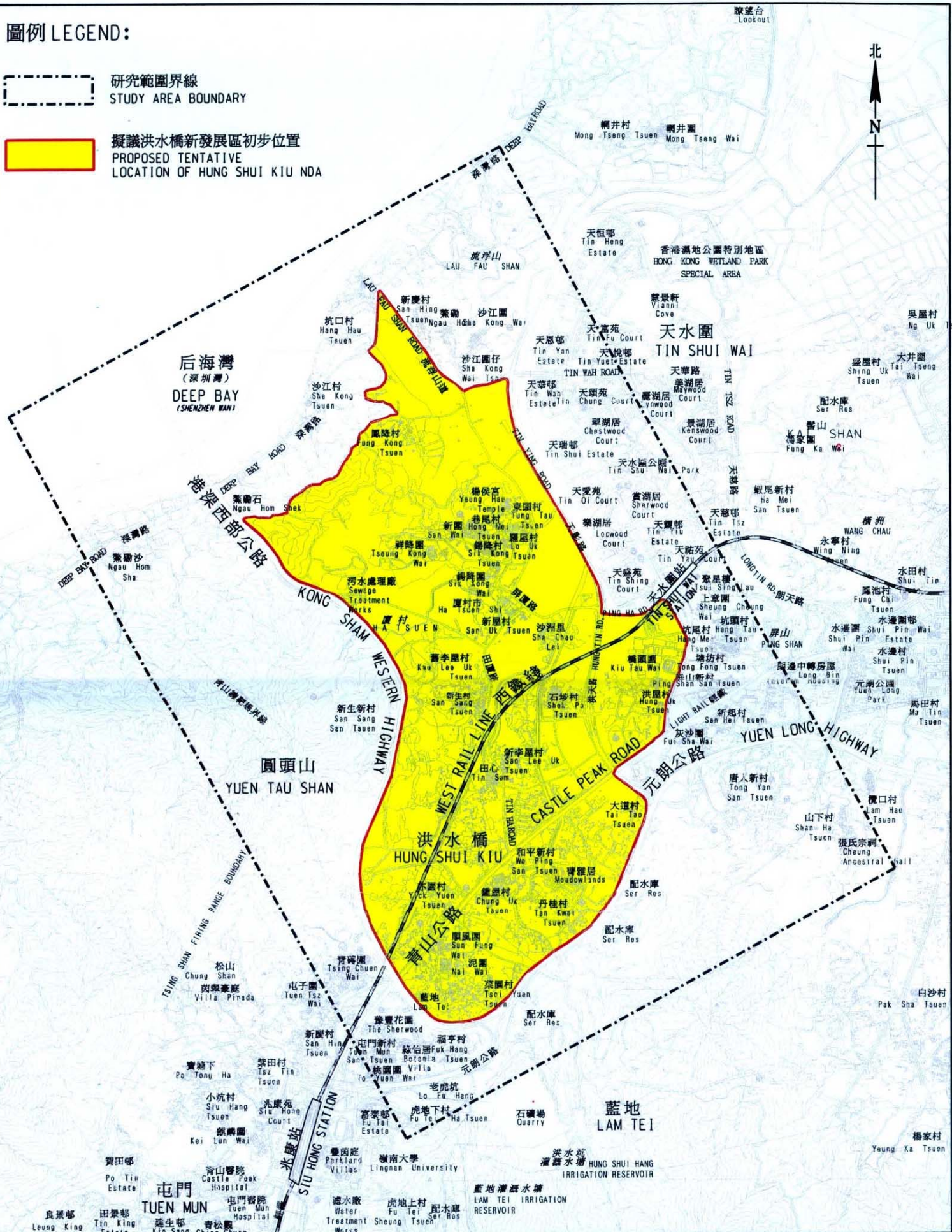
29. We estimate that the proposed consultancy and site investigation works will create about 40 jobs (6 for labourers and another 34 for professional/technical staff) providing a total employment of 940 man-months.

-----

Development Bureau  
January 2011

圖例 LEGEND:

- 研究範圍界線  
STUDY AREA BOUNDARY
- 擬議洪水橋新發展區初步位置  
PROPOSED TENTATIVE LOCATION OF HUNG SHUI KIU NDA



二〇一〇至二〇一一年度工務小組委員會文件

P.W.S.C. SUBMISSION 2010/2011

修訂 REVISION

圖則名稱 drawing title	繪圖 draw	簽署 initial	日期 date	項目編號 item no.	辦事處 office
洪水橋新發展區檢討研究: 顧問費及工地勘測 - 研究範圍位置圖 REVIEW STUDIES ON HUNG SHUI KIU NEW DEVELOPMENT AREA: CONSULTANTS' FEES AND SITE INVESTIGATION - STUDY AREA LOCATION PLAN	S M CHU	SIGNED	19.1.11	733CL	新界西及北拓展處 NEW TERRITORIES NORTH AND WEST DEVELOPMENT OFFICE
	核對 checked	簽署 initial	日期 date	比例 scale	
	W K CHAN	SIGNED	20.1.11	1:25 000	
	核准 approved	簽署 initial	日期 date		
	C S LIU	SIGNED	20.1.11	NTN 2286	土木工程拓展署 CIVIL ENGINEERING AND DEVELOPMENT DEPARTMENT

Enclosure 1 (附件 1)

**Enclosure 2 to PWSC(2010-11)37**

**733CL – Review studies on Hung Shui Kiu new development area –  
consultants’ fees and site investigation**

**Breakdown of the estimates for consultants’ fees (in September 2010 prices)**

			Estimated man-months	Average MPS* salary point	Multiplier (Note 1)	Estimated fees (\$ million)
Consultants’ staff costs (Note 2)						
(i)	Planning and engineering study	Professional	176	38	2.0	20.5
		Technical	305	14	2.0	12.2
(ii)	Environmental impact assessment	Professional	42	38	2.0	4.9
		Technical	90	14	2.0	3.6
(iii)	Supervision of site investigation works	Professional	6	38	1.6	0.6
		Technical	18	14	1.6	0.6
<b>Total</b>						<b>42.4</b>

\* MPS = Master Pay Scale

**Notes**

1. A multiplier of 2.0 is applied to the average MPS salary point to estimate the full staff cost including the consultants’ overheads and profit for staff employed in the consultants’ offices. A multiplier of 1.6 is applied to the average MPS salary point to estimate the cost of resident site staff supplied by the consultants. (As at now, MPS salary point 38 = \$58,195 per month and MPS salary point 14 = \$19,945 per month.)
2. The consultants’ staff costs given above are only estimates prepared by the Director of Civil Engineering and Development. The actual man-months and fees will only be known when we have selected the consultants through the usual competitive fee bid system.

**Enclosure 3 to PWSC(2010-11)37**

**733CL – Review studies on Hung Shui Kiu new development area –  
consultants' fees and site investigation**

**List of Statutory and Advisory Organisations Consulted**

<b>Statutory and Advisory Organisations Consulted</b>	<b>Date of Consultation</b>
Town Planning Board	19 November 2010
Ping Shan Rural Committee	23 November 2010
Ha Tsuen Rural Committee	8 December 2010
Yuen Long District Council	9 December 2010
Heung Yee Kuk	21 December 2010
Tuen Mun Rural Committee	30 December 2010
Tuen Mun District Council	4 January 2011
Planning Sub-committee of the Land and Development Advisory Committee	24 January 2011