

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT

19QW – Revitalisation Scheme – Revitalisation of the Former Fanling Magistracy into the Hong Kong Federation of Youth Groups (HKFYG) Institute for Leadership Development

Members are invited to recommend to the Finance Committee the upgrading of **19QW** to Category A at an estimated cost of \$106.7 million in money-of-the-day prices.

PROBLEM

We need to revitalise the Former Fanling Magistracy (FFM) under the Revitalising Historic Buildings Through Partnership Scheme (the Revitalisation Scheme).

PROPOSAL

2. The Commissioner for Heritage, with the support of the Secretary for Development and on the advice of the Director of Architectural Services, proposes to upgrade **19QW** to Category A at an estimated cost of \$106.7 million in money-of-the-day (MOD) prices for the selected non-profit-making organisation (NPO), The Hong Kong Federation of Youth Groups (HKFYG), to carry out the works to convert the FFM into the HKFYG Institute for Leadership Development (ILD).

/ **PROJECT**

PROJECT SCOPE AND NATURE

3. The proposed scope of works comprises the restoration and revitalisation of the FFM and demolition of the existing annex court building and the duty lawyers' office for construction of a new hostel block for accommodating the following facilities –

Training Centre (FFM)

- (a) a public entry lobby and a reception;
- (b) two court rooms (including a mock Legislative Council (LegCo) Chamber) ;
- (c) four former cells (of which three will be converted into meeting rooms) and control corridor;
- (d) five lecture rooms and two function rooms (including the former defendant's carport);
- (e) three offices;
- (f) a magistrates' verandah and former magistrate's chamber;
- (g) a conservation corner (the former shroff office);
- (h) a gift shop;
- (i) a new lifting platform;

Hostel Block

- (j) one storeroom;
- (k) a common area, a laundry, and a recyclable materials collection room;
- (l) a new lift;

/(m)

- (m) a hostel with 90 bed spaces (including two disabled bed spaces);
- (o) a restaurant with kitchen; and
- (p) car parking spaces including two private car parking spaces, one disabled car parking space, one motorcycle parking space and one mini-bus parking space.

4. The site plan, photos of the existing FFM, artist's impressions, floor plans, landscape plan and the elevations of the proposed ILD are at Enclosures 1 to 6 respectively. Subject to the funding approval of the Finance Committee (FC) within the current legislative session, we plan to commence the works in the fourth quarter of 2015 for completion in the fourth quarter of 2016. The ILD is expected to commence operation in the first quarter of 2017.

JUSTIFICATION

5. The FFM, with a site area of 4 134 square metres (m²) is located at 302 Jockey Club Road, Fanling, New Territories. It is a two-storey building constructed in 1960 to handle offences within the North District. The Magistracy commenced operation in September 1961 and has been left vacant since 2002. The Antiquities and Advisory Board (AAB) accorded a Grade 3 status to the FFM in 2010, in recognition of its historical significance and architectural merit.

6. The FFM was supported by an annex court building built in 1983, a duty lawyers' office built in 1997 and two small associated blocks for building services facilities. These buildings are not graded historic buildings.

7. The proposed ILD will provide leadership training opportunities for young people. The revitalisation project will generate the following benefits –

- (a) the project will contribute to heritage conservation. It will bring new life to the historic building and promotes heritage conservation culture through a number of programmes to be organised;

/(b)

- (b) the public will be able to visit the building free of charge. Guided tours can be arranged by advance booking. The ILD will also set up external guided tours¹ using its own funding to explore the rich cultural resources scattered around North District, promote local tradition and culture with personal stories from local residents. The external guided tours will be offered free-of-charge to the public upon request and subject to availability; and
- (c) the project will provide leadership training opportunities for the youth. The ILD will offer a professional leadership curriculum, providing innovative and effective leadership training for students of various ages, interests and training needs. The University of Hong Kong (HKU) has agreed to support the leadership trainings with its extensive network of renowned teaching staff, experienced faculty members and outstanding alumni and students².

8. The HKFYG has set up a special-purpose company (SPC)³ namely HKFYG Institute for Leadership Development Limited (ILD Limited) for implementation as well as future day-to-day operation of the revitalised project. The ILD Limited will undertake the preservation and revitalisation works with a capital grant proposed in this submission. During the tenancy period⁴, the ILD

/Limited

¹ The proposed external guided tours will include heritage tour at surrounding historic villages, ancestral halls and other scenic spots around Fanling and Sheung Shui in North District.

² The HKFYG will collaborate with the HKU in three major ways –

- (a) strong academic and research support from HKU conservation experts will be provided throughout the whole revitalisation process so as to create the Institute as a learning and resources centre for local conservation;
- (b) interdisciplinary programmes to promote heritage conservation in the district will be the first-of-its-kind interdisciplinary programme in heritage conservation in Hong Kong; and
- (c) HKU faculties and students will interact with the secondary students and local community in the Institute to promote heritage conservation and revitalisation in Hong Kong.

³ Successful applicants under the Revitalisation Scheme are required to set up SPCs which also possess charitable status under Section 88 of the Inland Revenue Ordinance (Cap. 112) for the sole purpose of the projects. The purpose of requiring applicants to set up SPCs to implement the revitalisation projects is to facilitate financial monitoring by the Government, in particular to facilitate the Government in deducting any attempt of the successful applicants in siphoning off funds intended for or arising from the projects to serve non-project related purposes.

⁴ The tenancy period is of an initial term of three years, plus a further renewal term (if applicable). The Government will review the performance of the SPC and other factors prevailing at the time to decide whether the tenancy agreement will be renewed. The Government reserves the right not to renew the tenancy agreement upon its expiry.

Limited is required to fund the operating cost of the ILD with the revenue generated from the services to be provided at the premises. Where justified, the Government may provide one-off grant to meeting the starting cost and/or deficits of the project (if any) in the first two years of operation at a ceiling of \$5 million. The project is expected to become self-sustainable after the first two years of operation. Any operating surplus will be ploughed back to support the operation of the ILD.

FINANCIAL IMPLICATIONS

9. We estimate the capital cost of the project to be \$106.7 million in MOD prices (please see paragraph 13 below), broken down as follows –

		\$ million	
(a)	Demolition and site clearance	1.9	
(b)	Foundation	3.6	
(c)	Building Works	37.3	
(d)	Building services	20.4	
(e)	Drainage	1.8	
(f)	External works and landscaping	8.6	
(g)	Energy conservation, green and recycled features	1.5	
(h)	Furniture and equipment	5.9	
(i)	Consultants' fees for	5.5	
	(i) contract administration	5.3	
	(ii) management of resident site staff (RSS)	0.2	
(j)	Remuneration of RSS	1.7	
(k)	Contingencies	8.8	
	Sub-total	97.0	(in September 2014 prices)

/(1)

		\$ million
(1)	Provision for price adjustment	9.7
	Total	106.7 (in MOD prices)

10. The ILD Limited will engage consultants to undertake contract administration, management of RSS and site supervision of the project. A detailed breakdown of the estimates of the consultants' fees and RSS costs by man-months is at Enclosure 7.

11. Tender drawings and tender documents for the project are being prepared. Subject to FC's approval of the project, the ILD Limited intends to invite tenders for the construction works in the third quarter of 2015.

12. The total construction floor area (CFA) of the project is 2 754 m². The estimated construction unit cost, represented by the building and building services costs, is about \$20,951 per m² of CFA in September 2014 prices. We consider the unit cost reasonable as the works involve the preservation and adaptive reuse of a historic building which was built after World War II and is now in a dilapidated condition. The estimated cost reflects the cost of works necessary for revitalising this historic building into the ILD for providing leadership training. The works would also allow the building to comply with modern-day requirements under the Buildings Ordinance (Cap. 123) and heritage conservation requirements of the Antiquities and Monuments Office (AMO) of the Leisure and Cultural Services Department, as well as licensing requirements, and has made allowance for construction difficulties anticipated for this site.

/13.

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

Year	\$ million (Sept 2014)	Price adjustment factor	\$ million (MOD)
2015 – 16	34.9	1.05725	36.9
2016 – 17	59.6	1.12069	66.8
2017 – 18	2.0	1.18793	2.4
2018 – 19	0.5	1.25920	0.6
	<hr/> 97.0 <hr/>		<hr/> 106.7 <hr/>

14. We have derived the MOD estimate on the basis of Government's latest set of assumptions on the trend rate of change in the prices of the public sector building and construction output for the period from 2015 to 2019. The ILD Limited will award the contract on a lump-sum basis because the scope of works can be clearly defined in advance. The contract will provide for price adjustments.

15. The ILD Limited is responsible for the future maintenance of the historic building and all the facilities within the site at their own cost during the tenancy period. The maintenance of the structural elements of the historic building⁵ will be borne by the Government. We estimate that the annual recurrent expenditure for the maintenance works to be borne by the Government upon completion of the project will be \$125,000 during the tenancy period.

PUBLIC CONSULTATION

16. The North District Council was consulted on the proposed revitalisation project on 11 April 2013. Members were generally supportive of the proposal.

17. We consulted the Legislative Council (LegCo) Panel on Development on 3 December 2014. Members generally supported the project.

/ENVIRONMENTAL

⁵ The structural elements include structural walls, columns, beams and slab.

ENVIRONMENTAL IMPLICATIONS

18. The project is not a designated project under the Environmental Impact Assessment Ordinance (Cap. 499). It will not cause any long-term adverse environmental impact. The ILD Limited has included about \$0.2 million in the project estimate to implement suitable mitigation measures to control short-term environmental impacts.

19. During construction, the ILD Limited will control noise, dust and site run-off nuisances to within established standards and guidelines through the implementation of mitigation measures in the relevant contract. These include the use of silencers, mufflers, acoustic lining or shields for noisy construction activities, frequent cleaning and watering of the site, and the provision of wheel-washing facilities to prevent dust nuisance.

20. At the planning and design stages, the ILD Limited has considered measures to reduce the generation of construction waste where possible. These measures include the use of metal site hoardings and signboards, and retention of the existing structures and materials. In addition, the ILD Limited will require the contractor to reuse inert construction waste (e.g. excavated soil for backfilling) on site or in other suitable construction sites as far as possible, in order to minimise the disposal of inert construction waste at public fill reception facilities⁶. The ILD Limited will encourage the contractor to maximise the use of recycled or recyclable inert construction waste, and the use of non-timber formwork to further reduce the generation of construction waste.

21. At the construction stage, the ILD Limited will require the contractor to submit for approval a plan setting out the waste management measures, which will include appropriate mitigation means to avoid, reduce, reuse and recycle inert construction waste. The ILD Limited will ensure that the day-to-day operations on site comply with the approved plan. The ILD Limited will require the contractor to separate the inert portion from non-inert construction waste on site for disposal at appropriate facilities. The ILD Limited will control the disposal of inert construction waste and non-inert construction waste at public fill reception facilities and landfills respectively through a trip-ticket system.

/22.

⁶ Public fill reception facilities are specified in Schedule 4 of the Waste Disposal (Charges for Disposal of Construction Waste) Regulation. Disposal of inert construction waste in public fill reception facilities requires a licence issued by the Director of Civil Engineering and Development.

22. The ILD Limited estimates that the project will generate in total 6 000 tonnes of construction waste. Of these, the ILD Limited will reuse 300 tonnes (5%) of the inert construction waste on site and deliver 4 800 tonnes (80%) of inert construction waste to public fill reception facilities for subsequent reuse. The ILD Limited will dispose of the remaining 900 tonnes (15%) of non-inert construction waste at landfills. The total cost for accommodating construction waste as public full reception facilities and landfill sites is estimated to be \$242,100 for this project based on a unit charge rate of \$27 per tonne for disposal at public fill reception facilities and \$125 per tonne at landfills as stipulated in the Waste Disposal (Charges for Disposal of Construction Waste) Regulation.

ENERGY CONSERVATION, GREEN AND RECYCLED FEATURES

23. This project has adopted various forms of energy efficient features, including –

- (a) high coefficient of performance variable refrigerant volume air-conditioning system;
- (b) heat recovery fresh air pre-conditioners in the air-conditioned space for heat energy reclaim of exhaust air; and
- (c) solar power landscape light fittings.

24. For greening features, the ILD Limited will provide different landscaping elements within the site including the greenery areas to the external areas, the backyard of the existing FFM building and the frontage of the site for environmental and amenity benefits.

25. The total estimated additional cost for adopting of the above features is around \$1.5 million (including \$0.8 million for energy efficient features), which has been included in the cost estimate for this project. The energy efficient features will achieve 8.5% energy savings in the annual energy consumption with a payback period of about 11.8 years.

/HERITAGE

HERITAGE IMPLICATIONS

26. As required under the prevailing requirements, this project is subject to a Heritage Impact Assessment (HIA). The HIA report, in the form of a Conservation Management Plan, was considered by the AMO, which had no objection to the report. The ILD Limited also consulted the AAB on the HIA report for this project at its meeting on 4 June 2014 and members were generally supportive of the findings of the HIA. The ILD Limited will ensure that the construction works, future maintenance and interpretation of the site history will comply with the mitigation measures, recommendations and the requirements stipulated in the HIA report. In case of any subsequent amendment to the scheme of the detailed design, the ILD Limited will further consult the AMO and the AAB as necessary to formulate additional mitigation measures to ensure that any possible impact on the heritage site is acceptable from the heritage conservation perspective.

LAND ACQUISITION

27. The project does not require any land acquisition.

BACKGROUND INFORMATION

28. We upgraded **22QW** to Category B in September 2013.

29. The ILD Limited engaged an architectural and quantity surveying consultant to carry out the pre-construction consultancies (including architectural service, heritage conservation, town planning, structural and geotechnical engineering, building services, landscape architectural and quantity surveying services and preparation of tender documentation) and minor site investigation works for the project. The total cost of the above works is about \$8.9 million (in MOD prices). We have charged this amount to **22QW** “Revitalisation of the FFM into the Hong Kong Federation of Youth Groups (HKFYG) Institute of Leadership Development – pre-contract consultancy and minor investigation works” which was upgraded to Category A in July 2013. The detailed design and site investigation works have been completed and the tender documents are being finalised.

/30.

30. Details of the Revitalisation Scheme were set out in LegCo Paper No. CB(2)637/07-08(03), which was discussed by the LegCo Panel on Home Affairs on 2 January 2008. The Scheme aims to achieve the dual objectives of preserving historic buildings and making these buildings available for public use. As provided for under the Revitalisation Scheme, the Government will meet the cost of the revitalisation works via a capital subvention under the Capital Works Reserve Fund. In October 2011, we invited on-profit-making organizations (NPOs) with charitable status under Section 88 of the Inland Revenue Ordinance (Cap.112) to apply for adaptive re-use of selected government-owned historic buildings in the form of social enterprise under the Revitalisation Scheme. The selection of NPOs for each project followed a vigorous and competitive process and was carried out upon the advice of the Advisory Committee on Revitalisation of Historic Buildings which comprises experts from various fields.

31. There are a total of 44 trees in the site for this project. Of the 44 trees, 28 are proposed to be retained, eight trees are proposed to be retained and pruned, seven trees of poor health are proposed to be felled and one tree would be transplanted. To compensate for the impact to the existing trees, 23 compensatory trees will be planted, therefore, the total number of trees within project site after compensation is 57, an increase of 13 trees as compared with the present number.

32. We estimate that the proposed works will create about 130 jobs (comprising 10 professional/technical staff and 120 labourers), providing a total employment of 1 400 man-months.

Development Bureau
June 2015

Revitalisation of Former Fanling Magistracy into the HKFYG Institute for Leadership Development

Development

活化前粉嶺裁判法院為香港青年協會青年領袖發展中心



PROPOSED HOSTEL BLOCK
(EXISTING ANNEX COURT TO BE
DEMOLISHED)

新旅舍大樓
(拆卸前副法院大樓)

TRAINING CENTRE
(FORMER FANLING
MAGISTRACY)
訓練中心
(前粉嶺裁判法院)

LEGEND 圖示

- Site Boundary 工地界線
- Training Centre 訓練中心
- New Hostel Block 新旅舍大樓
- Landscape Area 綠化範圍
- Emergency Vehicular Access 緊急車輛通道
- Loading and Unloading & Lay-By 上落客貨位置
- Car Parking Space 停車位
- Barrier Free Access 無障礙通道

Site Plan
工地平面圖



Photo of the existing Former Fanling Magistracy
前粉嶺裁判法院照片



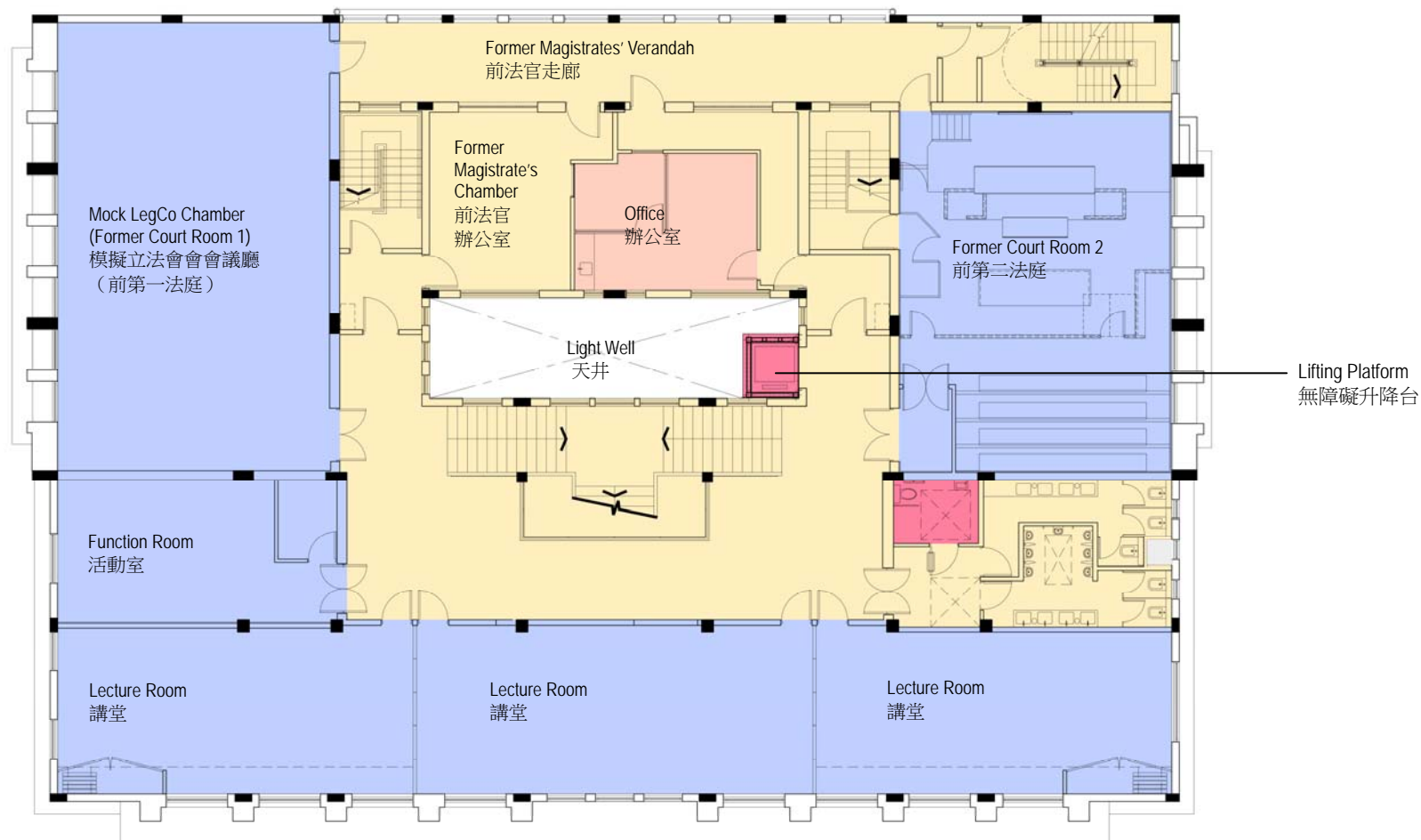
Artist's Impression of the HKFYG Institute for Leadership Development
活化後構思圖



G/F Plan

Floor plan of the HKFYG Institute for Leadership Development (Existing Main Building)

前粉嶺裁判署主樓地下平面圖



LEGEND 圖示

- Common Area 公用地方
- Barrier Free Access Facilities 無障礙設施
- Staff Area 職員區域
- Training Facilities 訓練設施
- Plant Room & Storage 機房及儲物室

1/F Plan

Floor plan of the HKFYG Institute for Leadership Development (Existing Main Building)

前粉嶺裁判署主樓一樓平面圖



G/F Plan

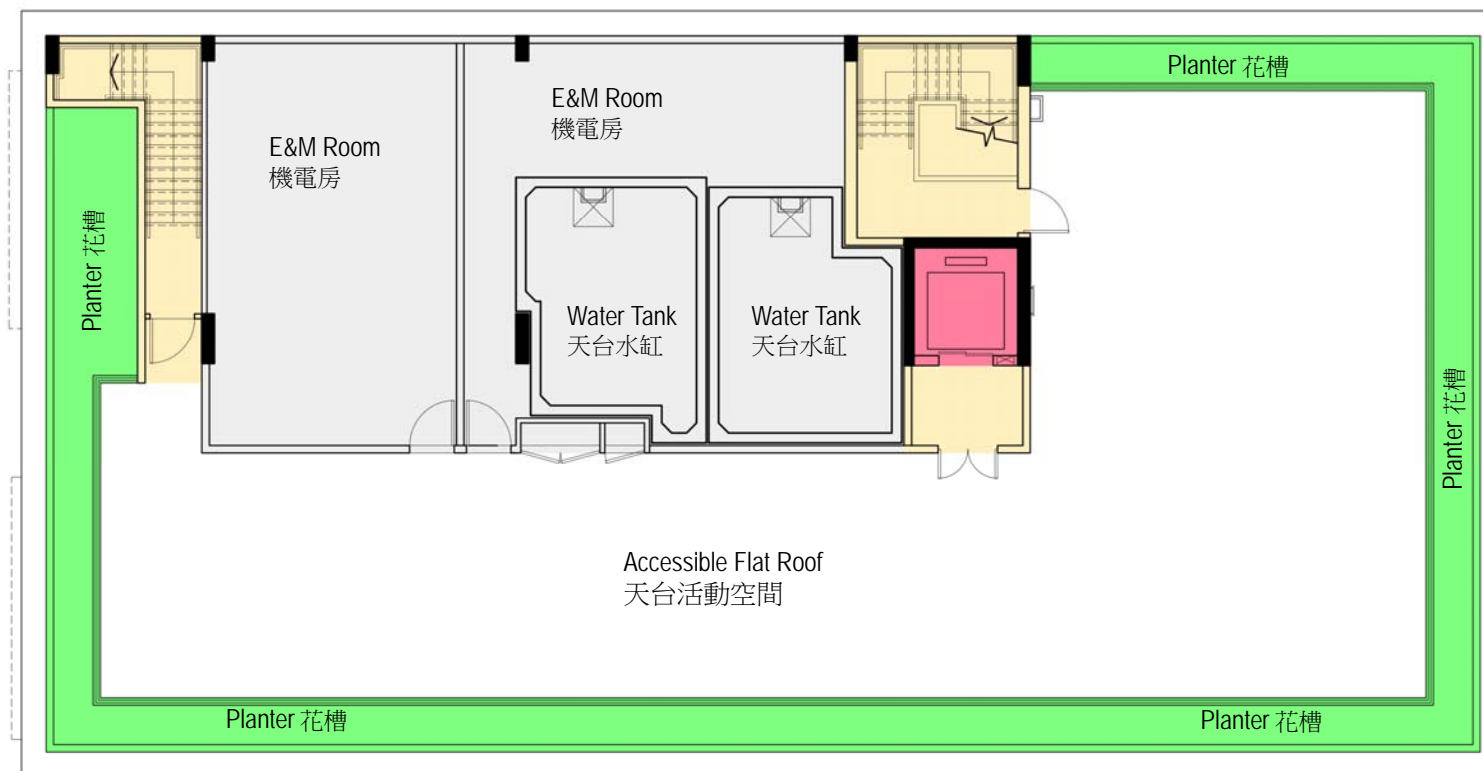
Floor plan of the HKFYG Institute for Leadership Development (New Hostel Block) 新建旅舍大樓地下平面圖



1/F Plan

Floor plan of the HKFYG Institute for Leadership Development (New Hostel Block)

新建旅舍大樓一樓平面圖



LEGEND 圖示

- Barrier Free Access Facilities 無障礙設施
- Common Area 公用地方
- Greenery Area 綠化範圍

R/F Plan

Floor plan of the HKFYG Institute for Leadership Development (New Hostel Block)

新建旅舍大樓天台平面圖

LEGEND 圖示

SITE BOUNDARY 地界

EXISTING TREE TO BE RETAINED 獲保留樹木

EXISTING TREE TO BE RETAINED & PRUNED 獲保留及修剪樹木

TRANSPLANTED TREE 被移植樹木

PROPOSED COMPENSATORY TREE 建議補償樹木

PROPOSED BUFFER PLANTING (NON COMPENSATORY TREE) 建議緩衝帶

PROPOSED SHRUBS/GROUNDCOVER 建議灌木/地表綠化

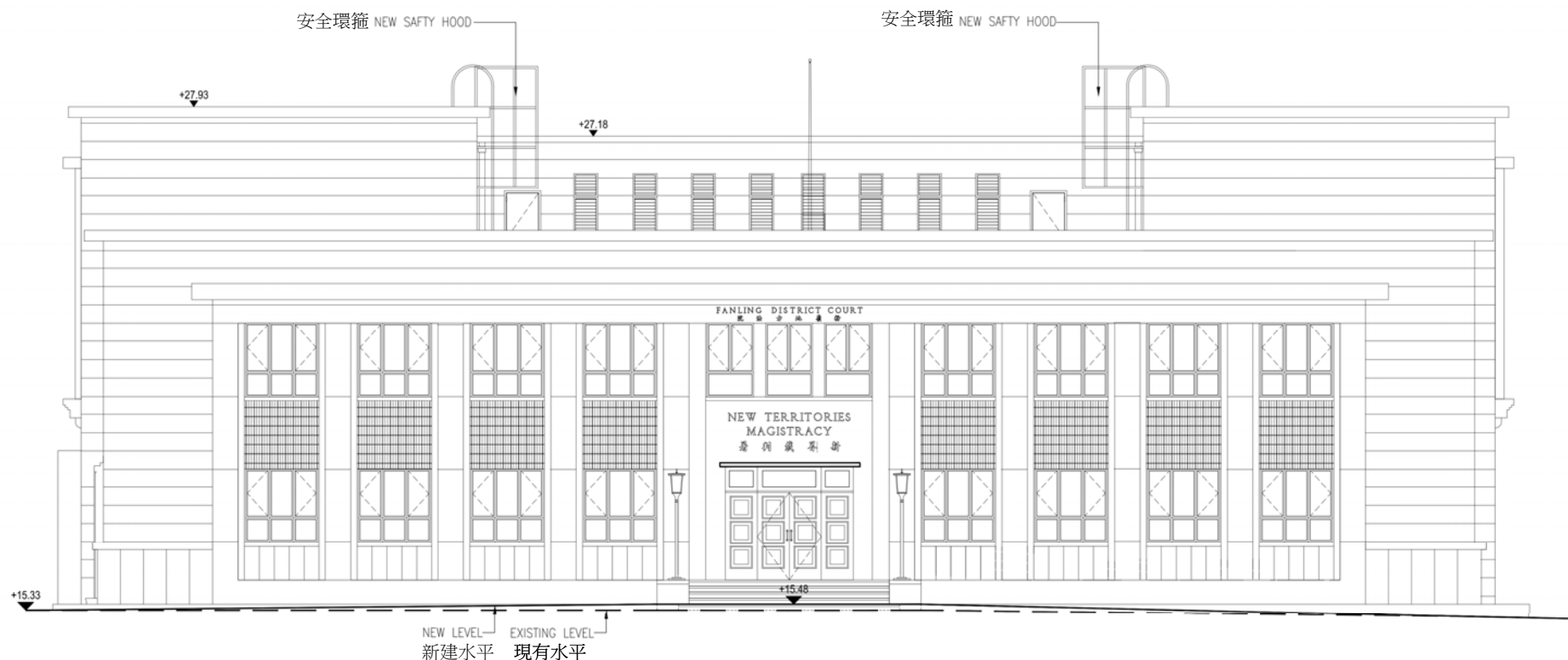
PROPOSED LAWN 建議草坪

HARD PAVING 硬面鋪表

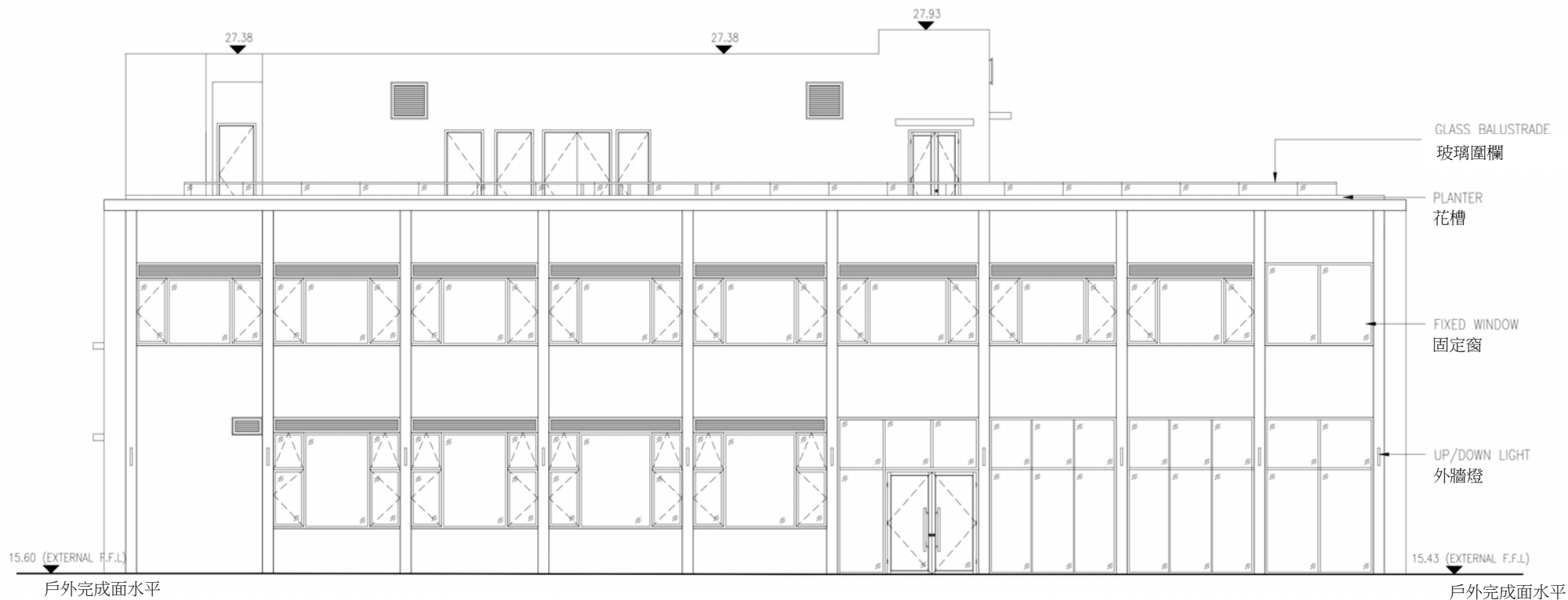


Landscape Plan

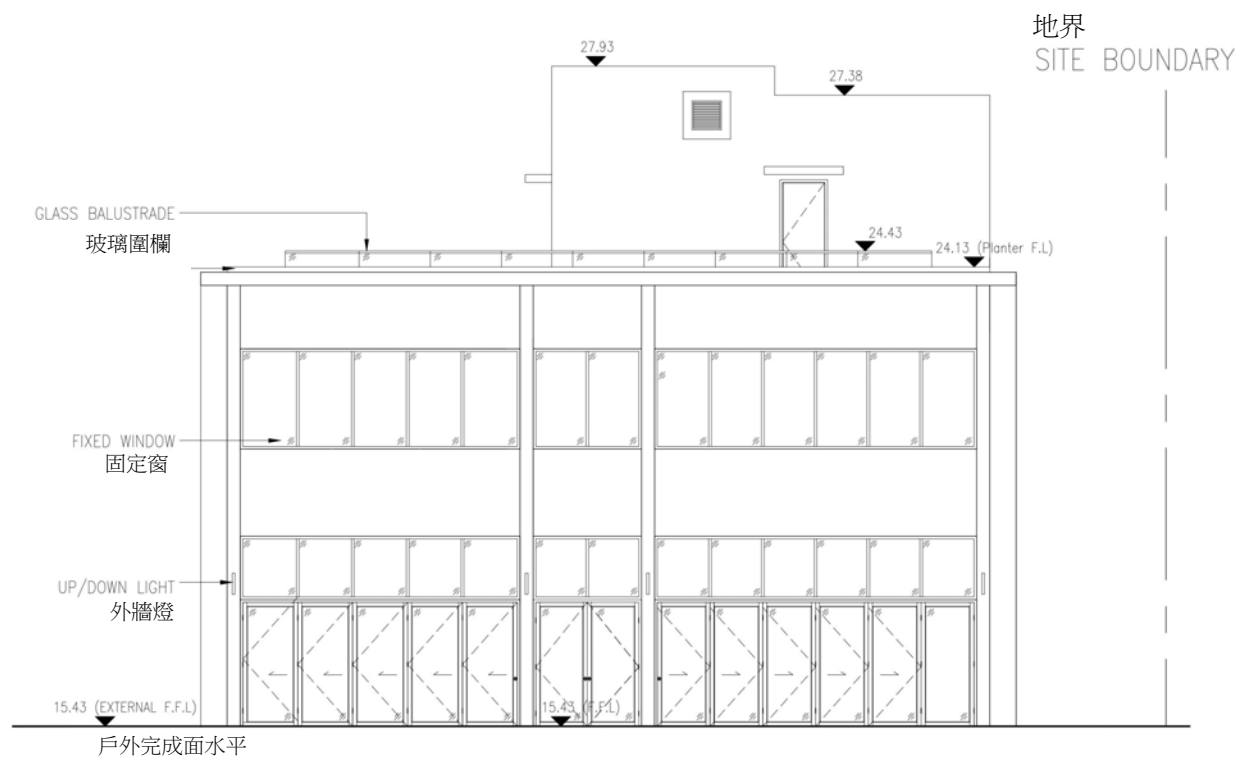
園境平面圖



The elevations of Existing Main Building (Facing the junction of Sha Tau Kok- Lung Yeuk Tau and Jockey Club Road)
前粉嶺裁判署主樓正面立面圖（沙頭角公路龍躍頭段與馬會道交界）



ELEVATION A1
(Facing the Existing Main Building 面向前粉嶺裁判署)
The elevations of New Hostel Block
新建旅舍大樓主要立面圖



ELEVATION A2
(Facing Jockey Club Road 面向馬會道)
The elevations of New Hostel Block
新建旅舍大樓主要立面圖

19QW – Revitalisation Scheme - Revitalisation of the Former Fanling Magistracy into the HKFYG Institute for Leadership Training

**Breakdown of estimates for consultants' fees and resident site staff costs
(in September 2014 prices)**

		Estimated man-months	Average MPS* Salary Point	Multiplier (Note 1)	Estimated Fees (\$ million)
(a)	Consultants' fees for contract administration (Note 2)	37	38	2.0	5.3
				Sub-total	5.3
(b)	Resident site staff (RSS) costs (Note 3)				
	Professional	1.5	38	2.0	0.2
	Technical	44	14	1.6	1.7
				Sub-total	1.9
	Comprising –				
	(i) Consultants' fees for management of RSS			0.2	
	(ii) Remuneration of RSS			1.7	
				Total	7.2

* MPS = Master Pay Scale

Notes

1. A multiplier of 2.0 is applied to the average MPS salary point to estimate the full staff costs including the consultants' overheads and profits, as the staff will be employed in the consultants' offices. A multiplier of 1.6 is applied to the average MPS salary point to estimate the cost of RSS supplied by the consultants (as at now, MPS salary point 38 = \$71,385 per month, MPS salary point 14 = \$24,380 per month).
2. The consultants' fees for contract administration are calculated in accordance with the existing consultancy agreements of **22QW**. The construction phase of the assignment will only be executed subject to FC's funding approval to upgrade the project to Category A.
3. The figures on estimates are prepared by the HKFYG and agreed by the Commissioner for Heritage. The Director of Architectural Services has examined the figures and considered them acceptable. The actual man-months and actual costs will only be known after completion of the construction works.