

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT

Subventions – Miscellaneous

41QJ – Youth Hostel Scheme – Construction by The Hong Kong Federation of Youth Groups

Members are invited to recommend to Finance Committee the upgrading of **41QJ** to Category A at an estimated cost of \$150.9 million in money-of-the-day prices.

PROBLEM

The Hong Kong Federation of Youth Groups (HKFYG) has to carry out the construction works for the youth hostel project in Tai Po under the Youth Hostel Scheme (YHS).

PROPOSAL

2. The Secretary for Home Affairs proposes to upgrade **41QJ** to Category A at an estimated cost of \$150.9 million in money-of-the-day (MOD) prices to carry out the construction works for the proposed youth hostel project in Tai Po.

/ PROJECT

PROJECT SCOPE AND NATURE

3. The site of HKFYG's project is located at 2 Po Heung Street, Tai Po Market. The site was originally granted to HKFYG by way of private treaty for the purpose of a youth centre, namely the Tai Po Lions Youth Space for Participation, Opportunities and Training (Youth S.P.O.T.). The Youth S.P.O.T. is currently operated on the subvention of the Social Welfare Department.

4. The proposed project comprises the demolition and reprovisioning of the Youth S.P.O.T. and the construction of a youth hostel. While the construction of the youth hostel will be funded by the Capital Works Reserve Fund (CWRF), funding for the reprovisioning of the Youth S.P.O.T. has been sought from the Lotteries Fund (LF)¹. The total construction floor area (CFA) of the building is about 4 040 square metres (m²), including around 3 460 m² for the youth hostel and around 580 m² for the Youth S.P.O.T.. The scope of the construction works is as follows –

- (a) construction of a podium (from G/F to 3/F) for reprovisioning the Youth S.P.O.T. in-situ, providing two management offices respectively for the youth hostel and the Youth S.P.O.T., and providing communal facilities (including laundry room and common area for reading, social networking and internet access) for the residents of the youth hostel. The podium will also include landscape areas on G/F, 2/F and 3/F, as well as plant rooms on G/F and 3/F; and
- (b) construction of a youth hostel tower above the podium (from 4/F to 19/F, and a roof floor) providing 78 hostel units.

5. The relevant site location plan and section plan are at Enclosure 1.
An artist's impression is at Enclosure 2.

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¹ LF was established on 30 June 1965 by Resolution of the Legislative Council for the purpose of financing various social welfare services. On the advice of the Lotteries Fund Advisory Committee, the Director of Social Welfare, as the Controlling Officer for LF, will ensure that the application falls within the approved ambit of LF.

6. Subject to the approval of the Finance Committee (FC) in this legislative session, we plan to commence the construction works in the third quarter of 2016 for completion in the third quarter of 2018.

JUSTIFICATION

7. To unleash the potential of under-utilised sites held by non-governmental organisations (NGOs) and to meet the aspirations of some working youths in having their own living spaces, the Government announced the YHS in the 2011-12 Policy Address. Under the YHS, NGOs will be fully funded by the Government to construct youth hostels on sites owned by them. Upon completion, NGOs will run the youth hostels on a self-financing basis. To enable young tenants to accumulate savings to pursue their medium term aspirations, NGOs need to set the rental at a level which does not exceed 60% of the market rent of flats of similar size in the nearby areas.

8. The target tenants of YHS are working youth (including self-employed) who are Hong Kong permanent residents aged 18 to 30. The income level of a one-person household applicant should not exceed the 75th percentile of the monthly earnings of employed persons aged 18 to 30 (\$17,000 in 2014), and the household income level of a two-person household applicant should not exceed twice the level of a one-person household. The total net asset of a one-person household and a two-person household should not exceed \$300,000 and \$600,000 respectively.

9. Five YHS projects are currently under planning, namely HKFYG's project in Tai Po, Po Leung Kuk's project in Yuen Long, the Tung Wah Group of Hospitals' project in Sheung Wan, the Hong Kong Association of Youth Development's project in Mong Kok and the Hong Kong Girl Guides Association's project in Jordan.

10. The community at large welcomes the YHS initiative and has been urging the Government to expedite its implementation. The Home Affairs Bureau has been working closely with and providing necessary assistance to the interested NGOs to help them take forward their proposed YHS projects. We need to embark on the construction of YHS in a timely manner so as to benefit the young people as early as possible.

11. To ensure that the youth hostel is developed and operated in accordance with the policy objectives, HKFYG will be governed by a Grant and Operation Agreement (GOA) and a land lease. The GOA will set out the parameters under which HKFYG will manage and maintain the youth hostel, such as the rental for a hostel place, tenancy period, the basic eligibility criteria for the youth tenants (e.g. age limit, income and asset limits), and the operation mode of the hostel. The land lease will govern issues related to the land use for hostel purposes under the YHS and for the Youth S.P.O.T. The Government will reserve the right to re-enter the site and take possession of the entire building in case of breach of lease conditions, or cease of operation of the youth hostel or the Youth S.P.O.T..

FINANCIAL IMPLICATIONS

12. The total project cost for the youth hostel and the Youth S.P.O.T., as computed by HKFYG and in consultation with the Director of Architectural Services (DArchS), is \$174.9 million in MOD prices, of which \$150.9 million for the youth hostel will be funded by the CWRP and \$24 million for the Youth S.P.O.T. will be funded by LF². The total project cost is broken down as follows –

	\$ million
(a) Demolition and site clearance	2.2
(b) Foundation and excavation and lateral support works	20.0
(c) Building works	64.6
(d) Building services	32.0
(e) Drainage and external works	3.9
(f) Energy conservation, green and recycled features	2.5
(g) Furniture and equipment ³	8.0
(h) Consultants' fees for	5.3
(i) contract administration	5.0
(ii) management of resident site staff (RSS)	0.3

/ (i)

² The total cost for the construction works will be apportioned between CWRP and LF mainly on the basis of the floor area apportionment between the youth hostel and the Youth S.P.O.T, i.e. 85.57%:14.43%. Certain architectural features, e.g. acoustic facilities for hostel rooms, will be solely borne by CWRP.

³ The estimated cost is based on an indicative list of furniture and equipment required.

		\$ million	
(i)	Remuneration of RSS	3.0	
(j)	Contingencies	13.7	
	Sub-total	155.2	(in September 2015 prices)
(k)	Provision for price adjustment	19.7	
	Total	174.9	(in MOD prices)

A detailed breakdown of the estimates of the consultants' fees by man-months is at Enclosure 3.

13. The CFA of this project is approximately 4 040 m². The estimated construction unit cost, represented by the building works and building services costs, is about \$23,900 per m² of CFA in September 2015 prices. Taking into account the site factor⁴, DArchS considers the estimated construction unit cost reasonable as compared with that of similar projects.

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

Year	\$ million (Sept 2015)	Price adjustment factor	\$ million (MOD)
2016 – 17	23.4	1.05775	24.8
2017 – 18	100.9	1.12122	113.1
2018 – 19	27.2	1.18849	32.3
2019 – 20	3.7	1.25980	4.7
	155.2		174.9

15. 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 from 2016 to 2020. Subject to FC's funding approval, HKFYG will engage consultants to undertake tender assessment, contract administration and site supervision of the project. HKFYG will invite tenders for the works under a lump-sum contract as the scope of the works can be clearly defined in advance. The contracts will provide for price adjustments.

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⁴ The project site is in close proximity to the railway line. Additional cost is required for the necessary noise mitigation measures.

16. The HKFYG is responsible for the recurrent expenditure regarding the operation and maintenance of the youth hostel.

PUBLIC CONSULTATION

17. We consulted the Environment, Housing and Works Committee of the Tai Po District Council in March 2014. Members generally supported the project. In April 2014, the Town Planning Board approved the amendments to the Tai Po Outline Zoning Plan (OZP), which were exhibited for two months until June 2014 for the public to inspect or make representations. The draft OZP was subsequently approved by the Chief Executive in Council in September 2015.

18. We consulted the Legislative Council Panel on Home Affairs on 24 March 2016. Members supported submitting the funding proposal to the Public Works Subcommittee for consideration.

ENVIRONMENTAL IMPLICATIONS

19. 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. As the youth hostel is located close to the railway, there will be suitable noise mitigation measures, including double layer ventilated windows, sound absorptive panels and acoustic fins.

20. HKFYG has included in the project estimates the provisions required to implement suitable mitigation measures to control short-term environmental impacts. During construction, HKFYG 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 linings or shields for noisy construction activities, frequent cleaning and watering of the site, and the provision of wheel-washing facilities.

21. At the planning and design stages, HKFYG has considered measures to reduce the generation of construction waste where possible. In addition, HKFYG will require the contractor to reuse inert construction waste (e.g. excavated soil) on site or in other suitable construction sites as far as possible, in order to minimise the disposal of inert construction waste to public fill reception facilities⁵. HKFYG will encourage the contractor to maximise the use of recycled or recyclable inert construction waste, as well as the use of non-timber formwork to further minimise the generation of construction waste.

22. At construction stage, HKFYG 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. HKFYG will ensure that the day-to-day operations on site will comply with the approved plan and will require the contractor to separate the inert portion from non-inert construction waste on site for disposal at appropriate facilities. HKFYG will control the disposal of inert construction waste and non-inert construction waste to public fill reception facilities, sorting facilities and landfills respectively through a trip-ticket system.

23. HKFYG estimates that the project will generate in total 3 064 tonnes of construction waste. Of these, HKFYG will reuse 705 tonnes (23.0%) of inert construction waste on site, and deliver 1 954 tonnes (63.8%) of inert construction waste to public fill reception facilities for subsequent reuse. In addition, HKFYG will dispose of the remaining 405 tonnes (13.2%) of non-inert construction waste at landfills. The total cost for accommodating construction waste at public fill reception facilities and landfill sites, together with the cost for handling mixed inert and non-inert construction waste at sorting facilities, is estimated to be \$103,400 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 (Cap. 354N)).

24. Regarding potential noise, air and water pollution, environmental mitigation measures shall be carried out and monitoring shall be conducted according to current legislation and codes of practices. Environmental impact during construction is considered to be insignificant.

/ **ENERGY**

⁵ Public fill reception facilities are specified in Schedule 4 of the Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354N). Disposal of inert construction waste in public fill reception facilities requires a licence issued by the Director of Civil Engineering and Development.

ENERGY CONSERVATION, GREEN AND RECYCLED FEATURES

25. This project will adopt an energy efficient building design, such as providing a sun shading system and landscaped area at G/F, 2/F and 3/F to minimise heat from transmitting through building envelope. The project will also adopt various forms of energy efficient features, including demand control of lighting by occupancy sensor or daylight sensor, LED-type general light fittings and lift power regeneration system.

26. The total estimated additional cost for adoption of the above features is around \$2.5 million (including \$153,700 for energy efficient features), which has been included in the cost estimate of the project. The energy efficiency features will achieve at least 4.1% energy savings in annual consumption with a payback period of about 11.9 years.

HERITAGE IMPLICATIONS

27. The proposed construction works will not affect any heritage site, i.e. all declared monuments, proposed monuments, graded historic sites or buildings, sites of archaeological interest and government historic sites identified by the Antiquities and Monuments Office.

LAND ACQUISITION

28. The proposed construction works do not require clearance of any government land.

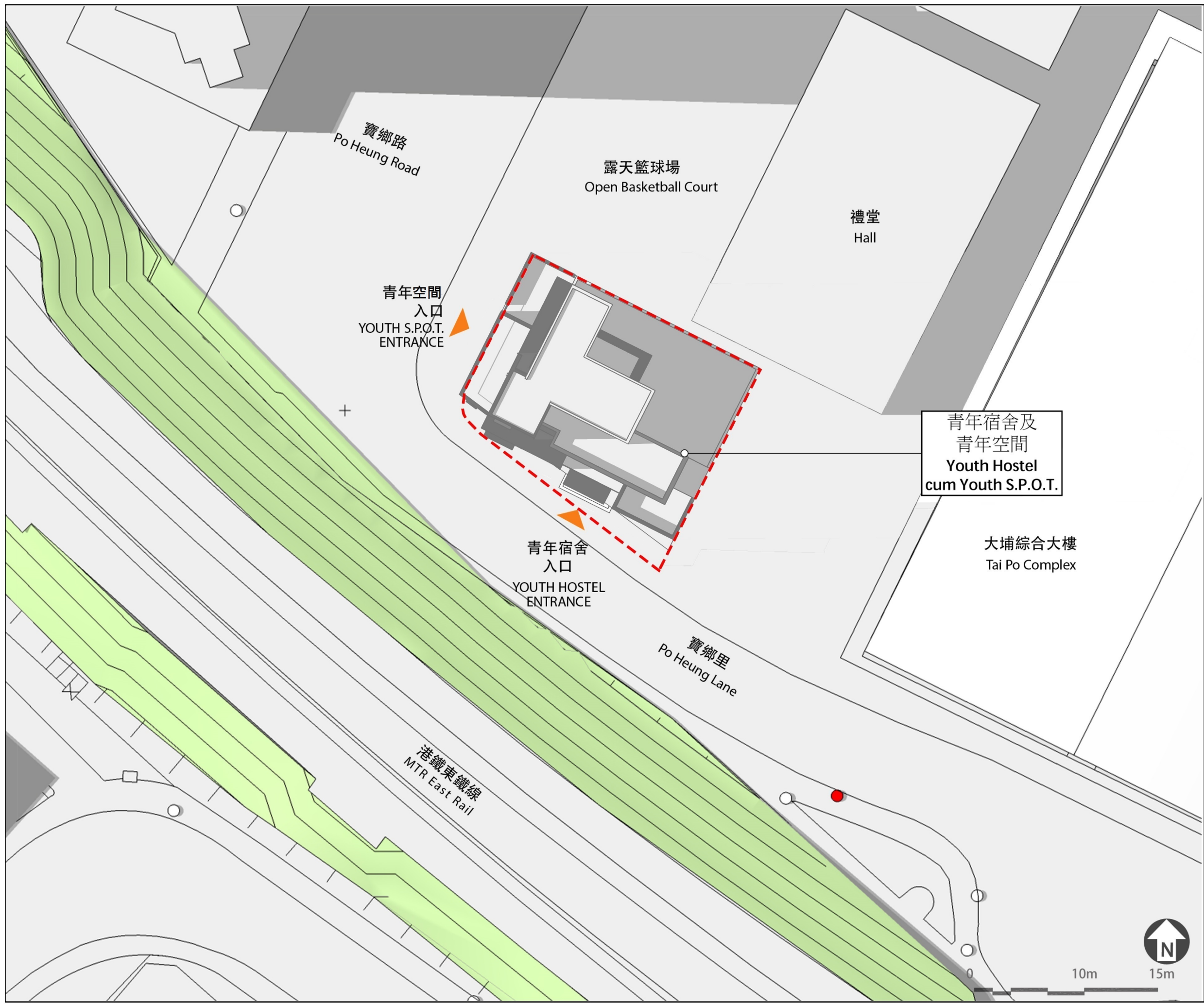
BACKGROUND INFORMATION

29. We partially upgraded **41QJ** to Category A in May 2015. HKFYG engaged consultants in the same month to carry out site investigation and to prepare preliminary design, detailed design and tender documents at a total estimated fee of about \$8.5 million. About \$7.23 million (i.e. 85%) of the \$8.5 million are paid for by CWRF. The remaining amount of \$1.27 (i.e. 15%) million was funded by LF. The above consultancy services and investigation works have been substantially completed in March 2016.

30. The project will not involve any tree removal proposal. Trees and shrubs will be planted at G/F, 2/F and 3/F landscape areas.

31. We estimate that the project will create about 110 jobs (100 for labourers and another 10 for professional or technical staff), providing a total employment of 1 470 man-months.

Home Affairs Bureau
April 2016



附件 1 (全2頁中第1頁)

Enclosure 1 (Page 1 of 2)

工地平面圖

SITE LAYOUT PLAN

圖例

Legend

工地界線
Site Boundary

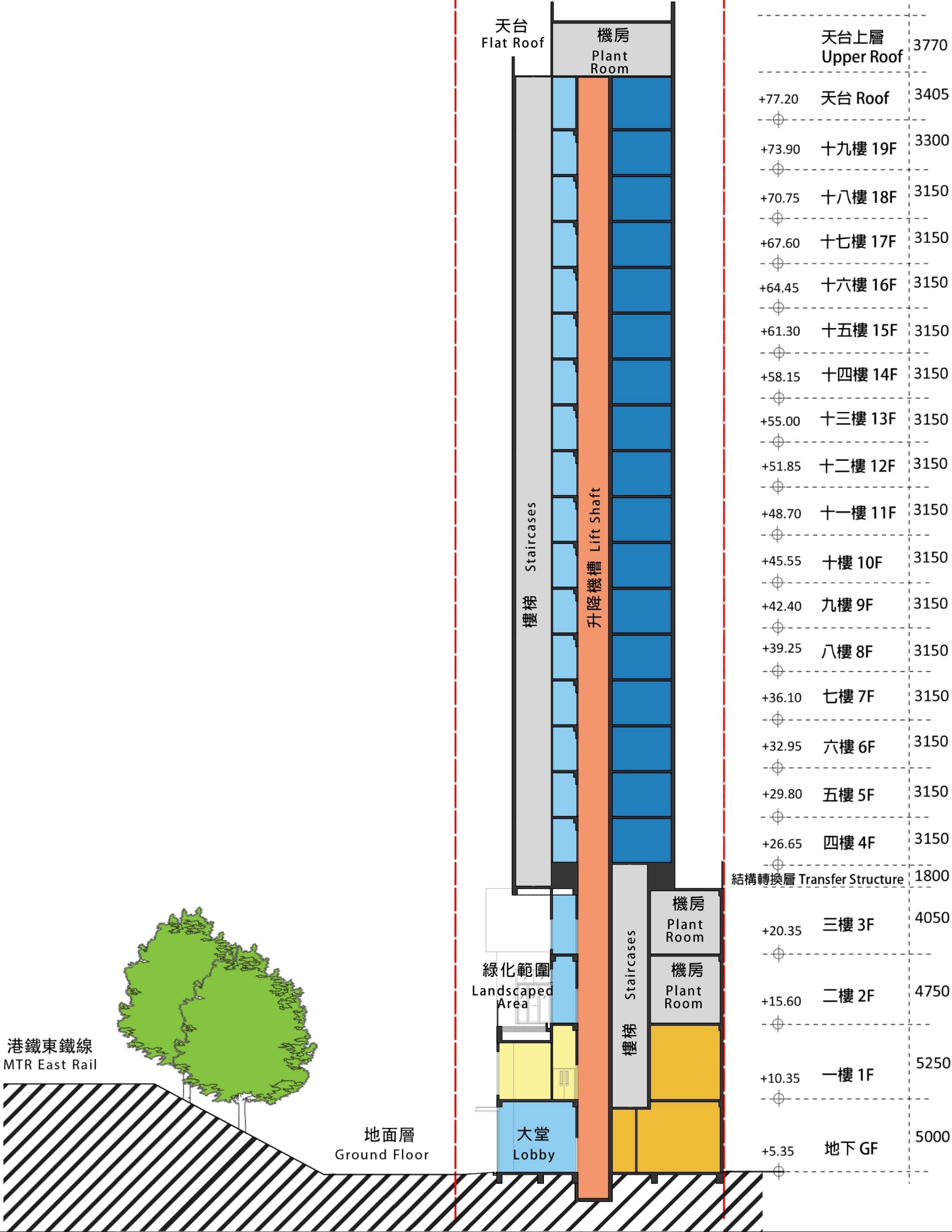
41QJ

青年宿舍計劃 - 香港青年協會的建造工程

Youth Hostel Scheme – Construction by
The Hong Kong Federation of Youth Groups

工地界線
Site Boundary

工地界線
Site Boundary



剖面圖 A-A
SECTION A-A

41QJ
青年宿舍計劃 - 香港青年協會的建造工程
Youth Hostel Scheme - Construction by The Hong Kong Federation of Youth Groups

圖例
Legend

- | | | | |
|---|----------------------------|-------------------------|------------------------------|
| 青年空間
Youth S.P.O.T. | 公用地方
Common Area | 青年宿舍
Youth Hostel | 附屬設備
Ancillary Facilities |
| 機房/樓梯/升降機
Plant Rooms / Staircases / Lifts | 暢通易達升降機
Accessible Lift | 綠化範圍
Landscaped Area | 工地界線
Site Boundary |

0 1 2 3 5metres

41QJ

青年宿舍計劃 -

香港青年協會的建造工程

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從西面望向大樓的構思圖

View of complex from the west
(artist's impression)



從東北面望向大樓的構思圖

View of complex from northeast
(artist's impression)

41QJ – Youth Hostel Scheme – Construction by The Hong Kong Federation of Youth Groups

Breakdown of the estimates for consultants' fees and resident site staff costs (in September 2015 prices)

		Estimated man- months	Average MPS* salary point	Multiplier (Note 1)	Estimated fee (\$ million)
(a)	Consultants' fees for contract administration (Note 2)	Professional	—	—	5.0
(b)	Resident site staff (RSS) costs (Note 3)	Technical	81	14	1.6
	Comprising -				
(i)	Consultants' fees for management of RSS				0.3
(ii)	Remuneration of RSS				3.0
				Total	8.3

* MPS = Master Pay Scale

Notes

1. A multiplier of 1.6 is applied to the average MPS point to estimate the cost of RSS supplied by the consultants (as at now, MPS salary point 14 = \$25,505 per month).
2. The consultants' fees for contract administration are calculated in accordance with the existing consultancy agreement of **41QJ**. The construction phase of the assignment will only be executed subject to FC's funding approval to upgrade **41QJ** to Category A.
3. The actual man-months and actual costs will only be known after completion of the construction works.