

財經事務及庫務局  
香港添馬添美道二號  
政府總部二十四樓



LC Paper No. PWSC84/17-18(01)

**FINANCIAL SERVICES AND THE  
TREASURY BUREAU**

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Translation

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19 January 2018

Clerk to Public Works Subcommittee  
Legislative Council Secretariat  
Legislative Council Complex  
1 Legislative Council Road, Central  
Hong Kong  
(Attn: Ms Doris LO)

Dear Ms LO,

**Re: Capital Works Reserve Fund  
Block Allocations for 2018-19**

The Hon CHU Hoi-dick wrote to the Chairman of the Public Works Subcommittee, the Civil Engineering and Development Department and the Financial Services and the Treasury Bureau on 12 January 2018, requesting the Government to provide information on individual items under the block allocations for 2018-19. At the request of the Chairman, the Government's response, prepared in consultation with relevant bureaux/departments, is provided at **Enclosure**.

Yours sincerely,

(Original signed)

(June HO)  
for Secretary for Financial Services  
and the Treasury

**Enclosure**

**(a) Non-indigenous villagers affected by the village clearance and land resumption in respect of the item on resumption of land for development at Wang Chau, Yuen Long**

**(I) Resumption of land for development at Wang Chau, Yuen Long, and road works — site formation and infrastructure works for development at Wang Chau, Yuen Long**

Phase 1 development at Wang Chau, Yuen Long involves the resumption of about 3.5 hectares of private land. According to the prevailing ex-gratia compensation rate of Zone B as at the date of reversion (i.e. 3 August 2017), the ex-gratia compensation for land resumption is estimated to be about \$258 million.

There are a total of 138 surveyed structures within the scope of Phase 1 development at Wang Chau, involving approximately 180 households (about 400 persons).

As the studies relating to the remaining development projects at Wang Chau are still under way, the actual area of land affected by such works where resumption and clearance will be necessary has yet to be confirmed. Thus, the Lands Department is unable to provide information on the number of households and residents who may be affected by the remaining projects in Wang Chau or the estimated costs and expenditures in respect of land resumption and compensation at this stage.

**(II) Amount of compensation for the burial grounds affected and the impact made on fung shui**

**Please indicate on a map the locations of the 3 graves and 16 urns and specify the amounts of compensation involved. Please also indicate on a map the locations involved in the 5 claims for “Tun Fu” allowance which are alleged to be related to fung shui, and specify the amounts claimed and the way in which the Government handles such claims.**

For the locations of the 3 graves and 16 urns (“Kam Taps”) affected by the works, please refer to **Annex 1**.

The granting of “Tun Fu” allowance to pre-1898 indigenous villages affected by public works projects aims to facilitate the villagers’ performance of “Tun Fu” ceremonies to address their concerns related to fung shui, thereby facilitating timely completion of public projects. All claims must be fully justified and a list of itemised costs in respect of the “Tun Fu” ceremonies must be provided for consideration. In determining the amount of “Tun Fu” allowance, the reasonableness of the claim with reference to past similar claims, the proximity of public works to the villages or sites where fung shui is said to be affected, the relevant deity spots and the size and population of the villages will be taken into account. Each village may only submit one single claim in respect of each public works project. Relevant government departments may also be consulted. After the ceremony, the village representative is required to submit to the Government an account of expenditure for the “Tun Fu” ceremony for verification.

So far, a total of 5 claims for “Tun Fu” allowances which are alleged to be related to fung shui have been received from Shan Pui Tsuen and Sai Pin Wai in Shap Pat Heung, Yuen Long as well as Lam Uk Tsuen, Sai Tau Wai and Shan Ha Tsuen in Ping Shan Heung, Yuen Long. As regards the former 4 claims, lists of itemised costs in respect of Tun Fu ceremonies have yet to be submitted for consideration. The claim from Shan Ha Tsuen was not fully justified and hence rejected by the Government.

**(III) Regarding the site formation and infrastructure works for Phase 1 development at Wang Chau, what is the assumption about population or catchment population size on which the scale of sewage, electricity and water supply facilities was worked out:**

The sewage, electricity and water supply facilities in respect of the site formation and infrastructure works for Phase 1 public housing development at Wang Chau were designed on the basis that there would be around 4 000 flats and a population of about 12 300 in the area for development.

**(IV) Some villagers reflected that the Civil Engineering and Development Department (CEDD) had engaged the Ove Arup & Partners (OAP) to carry out the advance works before funding was approved by the Legislative Council (LegCo). In this regard, please advise on the following:**

**1) Why did the CEDD have funding to engage OAP to commence the works before funding approval was obtained from the LegCo Panel on Housing (i.e. endorsed by the Public Works Subcommittee and the Finance Committee) for the site formation and infrastructure works at Wang Chau? Was it an item under Capital Works Reserve Fund (CWRF)? Which item was it?**

In March 2015, the CEDD engaged OAP to undertake investigation and design in respect of Phase 1 development at Wang Chau, and the fees for investigation and design were paid from the block allocations under CWRF Head 711 Subhead B100HX.

**2) The CEDD had not invited tenders for the works entrusted to OAP, nor had it published any notice in the Gazette or informed the villagers of the works. Would the Government please provide all the contracts signed with OAP?**

The CEDD through normal tendering procedures engaged OAP in March 2015 to undertake investigation and design in respect of Phase 1 development at Wang Chau. According to existing procedures, there is no need to publish a notice in the Gazette about the invitation of tender for the consultancy agreement in question. The full text of the consultancy agreement No. CE 64/2014(CE) for the infrastructure project in Wang Chau entered between the CEDD and OAP contains sensitive commercial information and third party information. We, therefore, cannot provide the information requested as doing so may undermine the competitive position of the consultant and/or the Government.

**3) Which government officer made the decision to give the telephone numbers of and information about the villagers to a third party? Was the Department of Justice consulted?**

The CEDD and OAP did not give the telephone numbers of and information about the villagers to a third party.

**(b) Tuen Mun Area 54**

**(i) Resumption of land for public housing and community facilities near Siu Hang Tsuen in Area 54, Tuen Mun;**

**(ii) Formation, roads and drains in Area 54, Tuen Mun – phase 1 package 1A – construction of part of Road L54D and widening of Hing Fu Street and phase 2 package 2 – construction of Road L54A, reprovision of Tong Hang Road and widening of Tsz Tin Road, as well as the resumption of land for public housing near Po Tong Ha in Area 54, Tuen Mun;**

**(iii) Formation, roads and drains in Area 54, Tuen Mun – phase 1 package 1B - construction of remaining part of Road L54D; and**

**(iv) Formation, roads and drains in Area 54, Tuen Mun – phase 1 package 1A - sewerage works at part of Road L54D, Hing Fu Street and Hing Kwai Street and phase 2 package 2 – sewerage works at Road L54A.**

**(I) Please set out in table form the area of land to be resumed, the number of owners involved, the ex-gratia compensation rate per square foot of land resumed and the estimated number of households receiving the ex-gratia allowance in respect of the above four items.**

The relevant information is tabulated as follows:

| Item   | Area of land to be resumed (hectares) (approximate) | No. of owners involved | ex-gratia zonal compensation rate at the time of land resumption | No. of households (persons) having received ex-gratia allowance |
|--|---|------------------------|--|---|
| Resumption of land for public housing and community facilities near Siu Hang Tsuen in Area 54, Tuen Mun  | 3.51  | 53                     | \$969.6 per square foot  | 17 households (29 persons)                                      |
| Formation, roads and drains in Area 54, Tuen Mun – phase 1 package 1A – construction of part of Road L54D and widening of Hing Fu Street and phase 2 package 2 – construction of Road L54A, reprovision of Tong Hang Road and widening of Tsz Tin Road | 3.2   | 19                     | Ditto  |   |
| Formation, roads and drains in Area 54, Tuen Mun – phase 1 package 1A – sewerage works at part of Road L54D, Hing Fu Street and Hing Kwai Street and phase 2 package 2 – sewerage works at Road L54A   | 0.08  | 8                      | Ditto  |   |
| Resumption of land for public housing near Po Tong Ha in Area 54, Tuen Mun   | 2.08  | 107                    | Ditto  | 2 households (3 persons)  |
| Formation, roads and drains in Area 54, Tuen Mun – phase 1 package 1B – construction of remaining part of Road L54D  | 0.34  | 1                      | Ditto  |   |

**(II) Please indicate on a map the locations of the lands to be resumed mentioned above; and**

Please visit the website of the Lands Department for the relevant plans for land resumption:

[http://www.landso.gov.hk/en/legco/acq\\_2014.htm](http://www.landso.gov.hk/en/legco/acq_2014.htm).

**(III) What are the details of the structures on the lands to be resumed and the number of households involved? How many of the households are ineligible for ex-gratia allowance?**

The relevant information is tabulated as follows:

| Item  | No. of structures | No. of households (persons) affected | No. of households (persons) rehoused | No. of households (persons) having received ex-gratia allowance | No. of the remaining households (persons) having moved out |
|---|-------------------|--------------------------------------|--------------------------------------|---|--|
| Resumption of land for public housing and community facilities near Siu Hang Tsuen in Area 54, Tuen Mun   | 595               | 174 households (297 persons)         | 86 households (141 persons)          | 17 households (29 persons)                                      | 71 households (127 persons)                                |
| Formation, roads and drains in Area 54, Tuen Mun—phase 1 package 1A— construction of part of Road L54D and widening of Hing Fu Street and phase 2 package 2 – construction of Road L54A, reprovision of Tong Hang Road and widening of Tsz Tin Road |                   |                                      |                                      |   |  |
| Formation, roads and drains in Area 54, Tuen Mun – phase 1 package 1A – sewerage works at part of Road L54D, Hing Fu Street and Hing Kwai Street and phase 2 package 2 – sewerage works at Road L54A  |                   |                                      |                                      |   |  |
| Resumption of land for public housing near Po Tong Ha in Area 54, Tuen Mun  | 316               | 72 households (138 persons)          | 45 households (84 persons)           | 2 households (3 persons)  | 25 households (51 persons)                                 |
| Formation, roads and drains in Area 54, Tuen Mun – phase 1 package 1B – construction of remaining part of Road L54D   |                   |                                      |                                      |   |  |

**(c) Area 54, Tuen Mun (part 2)**

- (i) Resumption of land for public housing and education facilities near Kei Lun Wai in Area 54, Tuen Mun,**
- (ii) Resumption of land for public housing near Kwong Shan Tsuen in Area 54, Tuen Mun,**
- (iii) Formation, roads and drains in Area 54, Tuen Mun – phase 2 stage 4B – construction of Road L54B**

**(I) Please set out in table form the area of land to be resumed, the number of owners involved, the ex-gratia compensation rate per square foot of land resumed and the estimated number of households receiving ex-gratia allowance in respect of the above three items;**

**(II) Please indicate on a map the locations of the lands to be resumed mentioned above;**

**(III) What are the details of the structures on the lands to be resumed and the number of households involved? How many of the households are ineligible for ex-gratia allowance?**

The relevant information is tabulated as follows:

| Item   | Area of land to be resumed (hectares) (approximate) | No. of owners involved (approximate) | Current zonal compensation rate for the sites involved in the development plans |
|--|---|--------------------------------------|---|
| Resumption of land for public housing and education facilities near Kei Lun Wai in Area 54, Tuen Mun | 1.5   | 35                                   | \$1,200 per square foot   |
| Resumption of land for public housing near Kwong Shan Tsuen in Area 54, Tuen Mun                     | 0.4   | 2                                    | Ditto   |
| Formation, roads and drains in Area 54, Tuen Mun – phase 2 stage 4B – construction of Road L54B      | 0.2   | 18                                   | Ditto   |

The Government conducted a freezing survey for the areas covered by the project on 12 August 2016. There are 175 surveyed structures, and it is estimated that five households (10 persons) are involved. As verification of eligibility of the households has yet to be conducted, the estimated number of households ineligible for ex-gratia allowance is not available.

As land resumption in respect of the above development projects has yet to commence, the relevant land resumption plans are not available. Nevertheless, the programme “formation, roads and drains in Area 54, Tuen Mun – phase 2 stage 4B – construction of road L54B” was announced in Government Notice No. 2828 published on 5 May

2017 and 12 May 2017, with a proposed land resumption plan attached. Please see **Annex 2** for the proposed land resumption plan.

**(d) Road works – site formation and infrastructure works for development at Kam Tin South, Yuen Long – advance works**

**(I) Please provide a breakdown of the site formation and infrastructure works – advance works, including consultants’ fees and retaining walls, etc.**

The funding for the “site formation and infrastructure works for development at Kam Tin South, Yuen Long – advance works” under Head 701 Subhead 1100CA is for meeting the land acquisition and clearance cost under the project, and no consultants’ fees and capital cost are involved. The capital cost of the project, which is estimated to be around \$700 million in money-of-the-day prices, will be charged to Head 707 “New Towns and Urban Area Development”. As the project is still in the preparation stage, we will provide the cost breakdown of the project in our submission to the Public Works Subcommittee.

**(II) Please set out in table form the area of land to be resumed, the number of owners involved, the ex-gratia compensation rate per square foot of land resumed and the estimated number of households receiving ex-gratia allowance.**

The relevant information is tabulated as follows:

| Item   | Area of land to be resumed (m <sup>2</sup> ) (approximate) | No. of owners involved (approximate) | Current zonal compensation rate for the sites involved in the development plans |
|--|--|--------------------------------------|---|
| Road works – site formation and infrastructure works for development at Kam Tin South, Yuen Long – advance works | 951  | 10                                   | \$500 per square foot   |

The government completed the freezing survey of the affected structures within the clearance limit on 18 May 2016, and found that no removal of domestic households and business undertakings would be required for the project. Hence, we do not have an estimated number of households receiving ex-gratia allowance as compensation.



**(e) Land resumption in the Kwu Tung North and Fanling North New Development Areas**

**It is known that a two-year contract has recently been awarded by the CEDD for provision of services by a social service team in the Kwu Tung North New Development Area. The contract number is NTE/10/2017 while the tender reference is CEDD/S/T/4/2017. In this regard, please advise on the following:**

**(I) The value of the two-year service contract awarded in 2015 was \$3.47 million while that of the new contract awarded in December 2017 was \$4.6 million. Please account for the increase of over \$1 million and specify the scope of works stipulated in the contract.**

The price of the contract was subject to the prevailing condition of the market providing similar services. The value of the new contract was comparable to the market price. The major scope of works of the social service team includes facilitating communication between the affected stakeholders and the Government, providing the affected stakeholders with relevant assistance and operating the Community Liaison Centre in Kwu Tung North, thus enabling local residents to give their views and maintain communication with the Government.

**(II) Was the new contract an item under the CWRP? There is no such item last year or this year.**

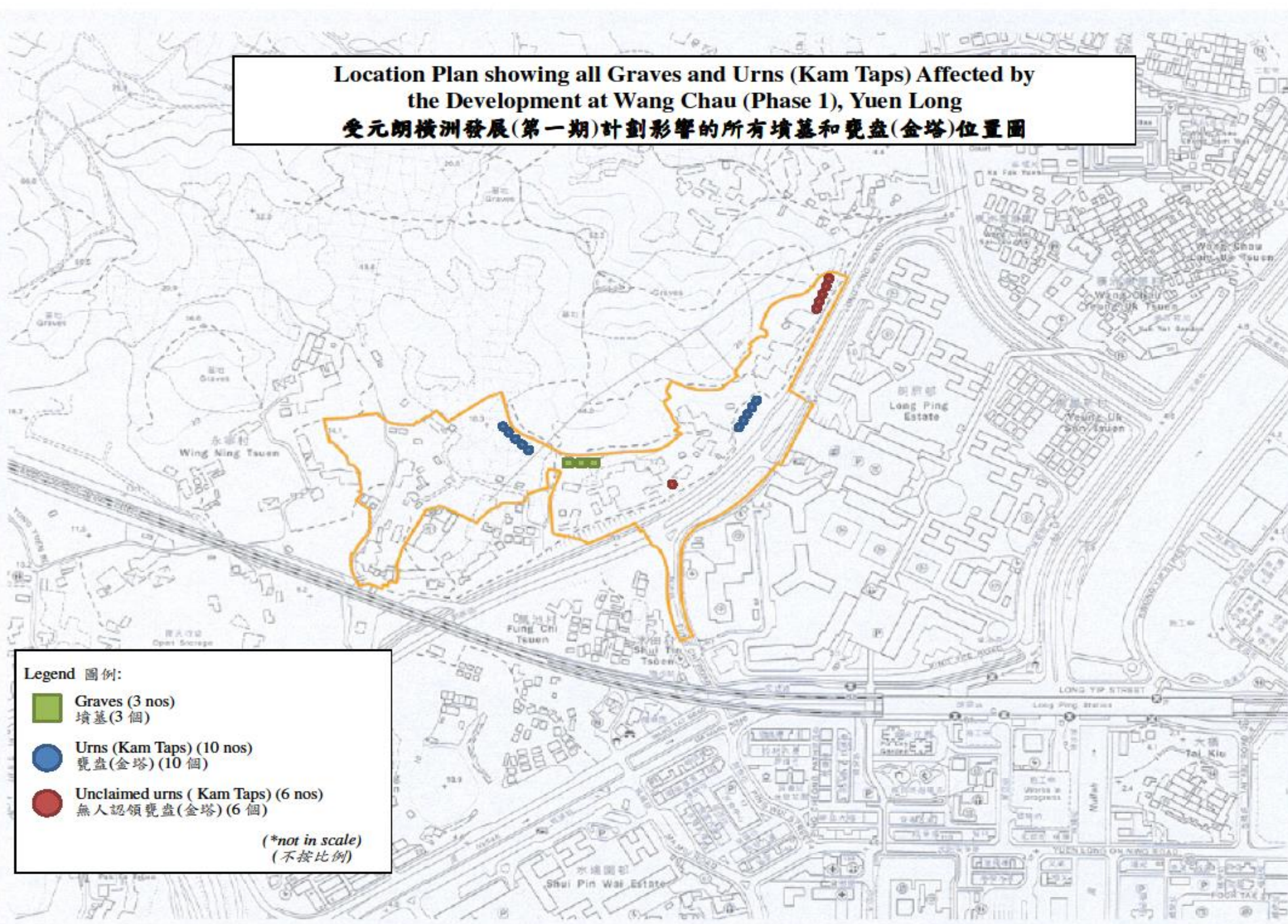
The service contract for the social service team was funded under the item on the detailed design and site investigation for the Kwu Tung North New Development Area and Fanling North New Development Area under the CWRP. The funding for the project was approved by LegCo in 2014.

**(III) Why was the service contract for the social service team not awarded through open tender? It was not until early January 2018 that the CEDD announced the award of the contract on its website. Was it in compliance with the law?**

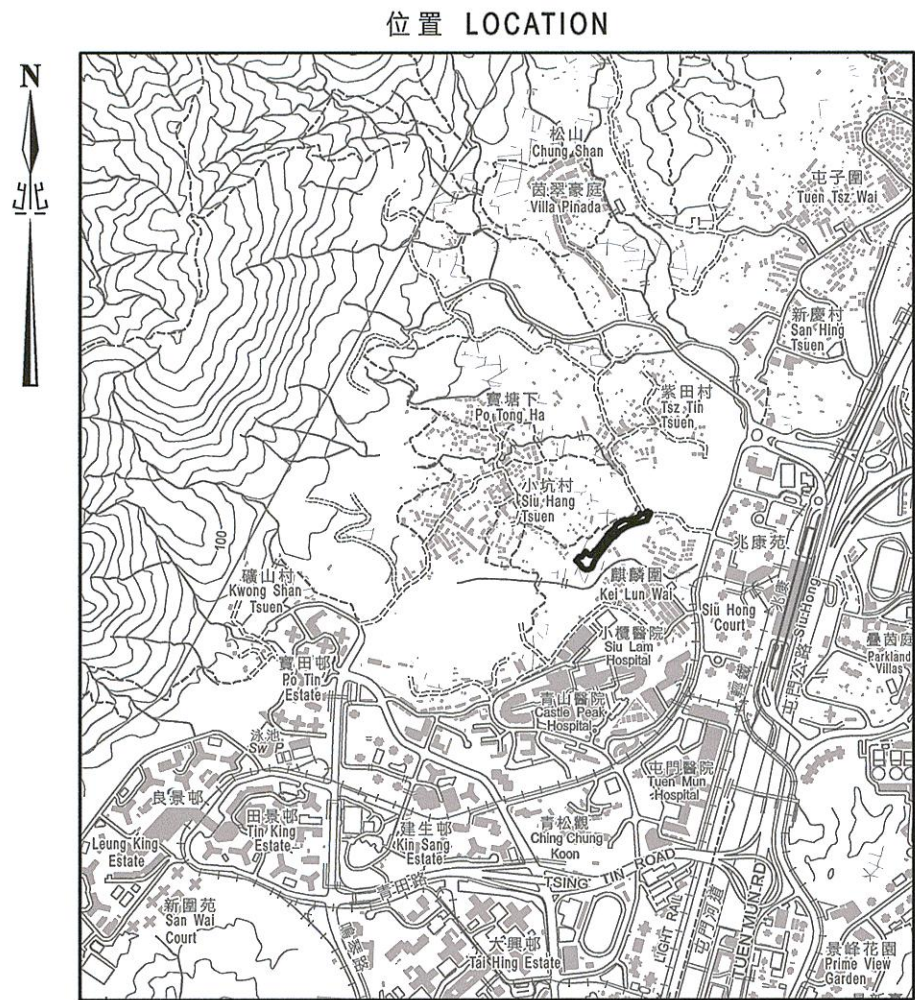
Government departments are in general required to make procurement through open tender, but departments may invite tenders in alternative ways under special circumstances and where approval from relevant authorities has been obtained. As regards the service contract for the social service team, having taken into account the fact that the existing social service team had already built a trusting relationship with local stakeholders, had got to know the affected stakeholders and maintained effective communication with them after two years of operation in the new development area, the CEDD considered that extending the existing service would best meet practical needs and ensure service continuity. It was thus proposed that the contract be awarded through a non-open tender, and approval was obtained from relevant authorities in accordance with the Government's procurement regulations. We must, however, stress that the service providers invited to tender for the contract did not know in advance the types of tendering adopted and the tenders received were vetted according to the same procedures as that required for open tendering.



**Location Plan showing all Graves and Urns (Kam Taps) Affected by  
the Development at Wang Chau (Phase 1), Yuen Long  
受元朗橫洲發展(第一期)計劃影響的所有墳墓和甕盞(金塔)位置圖**







| 將予收回土地的面積<br>Area to be resumed |                 |                         |                        |       |
|---------------------------------|-----------------|-------------------------|------------------------|-------|
| 丈量約份<br>編號<br>D.D. No.          | 地段編號<br>Lot No. | 農地<br>Agricultural Land |                        |       |
|                                 |                 | 平方米(約數)<br>m² (about)   | 平方呎(約數)<br>ft² (about) |       |
| 132                             | 606 RP          | (P)                     | 1.8                    | 19    |
|                                 | 612 RP          | (P)                     | 202.7                  | 2182  |
|                                 | 615             | (P)                     | 55.0                   | 592   |
|                                 | 682 RP          | (P)                     | 477.0                  | 5134  |
|                                 | 691 S.A ss.1    | (P)                     | 200.5                  | 2158  |
|                                 | 691 S.A ss.2    | (P)                     | 36.8                   | 396   |
|                                 | 691 S.A RP      | (P)                     | 5.4                    | 58    |
|                                 | 691 S.B ss.1    | (P)                     | 17.3                   | 186   |
|                                 | 692 RP          |                         | 67.5                   | 727   |
|                                 | 694 S.H         | (P)                     | 27.2                   | 293   |
|                                 | 694 RP          | (P)                     | 1.7                    | 18    |
|                                 | 699 RP          | (P)                     | 25.7                   | 277   |
|                                 | 702 RP          | (P)                     | 74.7                   | 804   |
| 132                             | 704 S.A         | (P)                     | 10.4                   | 112   |
|                                 | 704 RP          | (P)                     | 1.3                    | 14    |
| 132                             | 706 RP          | (P)                     | 29.8                   | 321   |
|                                 | 707 RP          | (P)                     | 570.0                  | 6135  |
| 總面積 TOTAL AREA                  |                 |                         | 1804.8                 | 19426 |



Signed  
( 黎啟泰 John LAI )  
屯門地政專員 District Lands Officer, Tuen Mun  
日期 Date 5.4.2017

地政總署 屯門地政處  
District Lands Office, Tuen Mun  
Lands Department

圖則由屯門測量處繪製  
Plan Prepared by District Survey Office, Tuen Mun

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收地圖則  
道路(工程、使用及補償)條例(第370章)  
工務計劃項目第7681CL號(部分) -  
屯門第54區的土地開拓、道路及渠務工程 - 第2期第4B組工程 - 建造L54B路

RESUMPTION PLAN  
ROADS (WORKS, USE AND COMPENSATION) ORDINANCE (CHAPTER 370)  
PWP ITEM NO. 7681CL (PART) -  
FORMATION, ROADS AND DRAINS IN AREA 54, TUEN MUN - PHASE 2 STAGE 4B - CONSTRUCTION OF ROAD L54B

檔案編號 File No. DLOTM 354/CPD/RN/66A

測量圖編號 Survey Sheet No. 6-NW-21C

發展藍圖編號 Layout Plan No. -----

參考圖編號 Reference Plan No. LW 9740 (土木工程拓展署)  
(CEDD)

圖則編號 PLAN No. TMM3817a