

財經事務及庫務局

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Translation

**FINANCIAL SERVICES AND THE
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1 April 2020

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,

**Public Works Subcommittee
Follow-up to the meeting on 6 January 2020**

Regarding the follow-up issues arising from the above meeting, the Government's consolidated reply, prepared in consultation with the relevant policy bureaux/departments, is provided at **Enclosure** for reference.

Yours sincerely,

(Original signed)

(Margaret HSIA)
for Secretary for Financial Services
and the Treasury

Enclosure

1. **At the request of Hon Chu Hoi-dick, the Government shall provide supplementary information on the project “B776CL – Site formation and infrastructure works for public housing development project at Kam Tin South, Yuen Long” as follows:**
 - (a) **new supporting community facilities (e.g. schools and recreation facilities) to be provided under the public housing development project at Kam Tin South, when the planning work for those community facilities will commence and whether their completion and commissioning dates can tie in with the population intake schedule; and**
 - (b) **the timetable for land resumption in relation to the development project, and whether the relevant compensation payment for land resumption has been included in the proposed provision for the Capital Works Reserve Fund (CWRF) block allocations for 2020-21.**

Under the housing development project at Kam Tin South, 2.46 hectares of land zoned “Government, Institution or Community” is reserved at Sites 1 and 6 to provide two primary schools, a community complex (including a sports centre, a clinic, public parking spaces and welfare facilities) and an electricity substation to serve the new population and the existing community. Relevant departments are working out a detailed plan for developing the complex, and will endeavour to get the necessary community facilities ready as soon as possible to tie in with the population intake schedule.

The block allocations under **Head 701 – Land Acquisition** of the CWRF cover the expenditure on payment of compensation and ex-gratia allowances incurred in land acquisition and clearance to dovetail with the implementation of public works projects. When drawing up the funding proposal under **Head 701 – Land Acquisition** of the CWRF for 2020-21, the Government expected that the major land resumption and clearance work for the development project would not commence in 2020-21. As such, the relevant compensation payment for land resumption has not been included in the proposed provision for the CWRF block allocations for 2020-21.

The Government pledged in 2018 that, as a general practice, land resumption and clearance would not be initiated before funding approval by the Finance

Committee of the Legislative Council for the corresponding main works project was obtained.

2. **The Government shall respond to Hon Chu Hoi-dick's views in respect of the project "3189GK – Construction of a joint-user building for reprovisioning a refuse collection point and setting up a community recycling centre at the junction between Hung Yuen Road and Hung Ping Road, Yuen Long", i.e. whether the Government will consider the inclusion of a community recycling centre when setting up new refuse collection points in other districts in future.**

The Food and Environmental Hygiene Department is open to the proposal of incorporating community recycling centres into new joint-user buildings with refuse collection points (RCPs) in other districts in future, as long as the effectiveness and efficiency of refuse collection services (particularly services provided at the RCPs) are not affected. This proposal can be further explored when planning for new RCPs in future.

3. **At the requests of Hon CHAN Chi-chuen, Hon KWONG Chun-yu, Dr Hon Fernando CHEUNG Chiu-hung and Dr Hon Helena WONG Pik-wan, the Government shall provide supplementary information on the "Renovation of facilities in Choh-Ming LI Basic Medical Sciences Building, The Chinese University of Hong Kong" (project code to be announced), "Construction of additional academic building and ancillary facilities for Faculty of Medicine of the University of Hong Kong" (project code to be announced) and the project "8029EK – Library extension and revitalisation" to explain why the codes of the two projects in relation to The Chinese University of Hong Kong and the University of Hong Kong have yet to be announced.**

"Renovation of facilities in Choh-Ming LI Basic Medical Sciences Building, The Chinese University of Hong Kong" (CUHK project) and "Construction of additional academic building and ancillary facilities for Faculty of Medicine of the University of Hong Kong" (HKU project) are taken forward by relevant bureaux/departments in accordance with the general procedures of the Public Works Programme (PWP). No PWP project codes were assigned to the above items at the special meeting of the Public Works Subcommittee held on 6 January 2020 since the internal procedures in respect of the technical feasibility statements required had yet to be completed at that time. The assignment of project codes is now completed, with **8063EF** and **8067EG** for the CUHK project and the HKU project respectively.

- 4. At the request of Hon Wilson OR Chong-shing, the Government shall provide supplementary information on the expected dates of commencement and completion in respect of the project “8004MJ – Expansion of United Christian Hospital”, and whether and how the Government would consult the stakeholders on the details of the project.**

On 14 January 2020, the Hospital Authority (HA) consulted the Kwun Tong District Council on the project and secured the support of its members. On 20 March 2020, the Food and Health Bureau and the HA consulted the LegCo Panel on Health Services on the project. Members supported the submission of the funding proposal to the Public Works Subcommittee for deliberation. Subject to funding approval of the Finance Committee of the Legislative Council, the expansion works of the United Christian Hospital is expected to commence in mid-2020 for completion in 2024.

- 5. At the request of Dr Hon Fernando CHEUNG Chiu-hung, the Government shall provide supplementary information on the details of the project “3085MM – Hospital Authority Supporting Services Centre” and how the centre will improve the logistics support of the Hospital Authority upon its completion.**

The Hospital Authority (HA) Supporting Services Centre will be equipped with the following hospital supporting service facilities:

- (a) A central laundry with an annual production capacity of around 27.5 million kilograms, accounting for around 50% of HA’s projected service demand by 2030. The new laundry can take up the function of some existing hospital laundries and the hospital space so released can be used for clinical purposes;
- (b) A new central food production unit (CPU) with an annual production capacity of around 12.5 million patient meals using cook-chill cum cold-plating technology, equivalent to around 50% of the total projected patient meals requirement of the HA. The new CPU will allow room for further use of cook-chill cum cold-plating technology to improve food safety and hygiene;
- (c) An information technology corporate data centre, which can accommodate 500 IT equipment racks to cater for around 50% of the projected total data centre requirement. It can reduce the high cost of leasing data centre from

external service providers and service interruptions during corporate data centre relocation due to change of service contracts; and

- (d) Central emergency stores for storing critical personal protective equipment and key linen items for emergency use. With the development of the central stores, more hospital space can be released for clinical uses and the expenditure on renting outside warehouses can be reduced.

6. At the request of Dr Hon Fernando CHEUNG Chiu-hung, the Government shall provide information on the facilities and the preliminary design in respect of the project “3129KA – Water Supplies Department Headquarters with Hong Kong & Islands Regional Office and Correctional Services Department Headquarters Building in Chai Wan”.

The proposed office building will provide a net operational floor area (NOFA)¹ of about 37 000 square metres (m²) for the reprovisioning of facilities of the Water Supplies Department (WSD) and the Correctional Services Department (CSD), and the accommodation of a government dental clinic of the Department of Health and a public carpark. The NOFA of various facilities is tabulated below:

Facilities	NOFA (m²)
(I) WSD facilities	Approx. 20 980
1) offices for WSD Headquarters and its Hong Kong & Islands Regional Office	18 080
2) a Customer Enquiry Centre	100
3) other ancillary facilities including workshops, conference rooms, a multi-purpose room, a building information modelling technical centre, storage areas, etc.	2 800

¹ NOFA is the floor area actually allocated to the users of a building for carrying out the intended activities. Unlike the construction floor area which takes into account all areas within the building structure envelope, NOFA does not include areas for the following facilities: toilets, shower rooms, lift lobbies, public or shared corridors, escalators and lift shafts, pipe or services ducts, refuse chutes and refuse rooms, flat roofs, parking spaces, plant rooms, etc.

Facilities	NOFA (m²)
(II) CSD facilities	Approx. 15 340
1) offices for CSD Headquarters	8 800
2) specialised facilities such as a central command centre, a centralised pharmacy, a central supplies unit, a departmental data centre, etc.	3 520
3) other ancillary facilities including conference rooms, interview rooms, a multi-purpose room, an indoor multi-function facility, a staff mess cum staff canteen, etc.	3 020
(III) a government dental clinic	Approx. 530
(IV) a public carpark management office	Approx. 40
Total	36 890 (Approx. 37 000)

The above facilities are similar to those of other government office buildings and do not involve the use of special construction materials or systems.

- 7. At the request of Dr Hon Fernando CHEUNG Chiu-hung, the Government shall provide supplementary information on when the latest price adjustment factors were updated, and whether the local and global economic environment since the latter half of 2019 was taken into account when the updating was done.**

The price adjustment factors currently adopted by the Government are derived from the set of assumptions made on the “prices of public sector buildings and construction output” in July 2019. In the process of making such assumptions, the latest position of a number of relevant factors already known (such as the annual and quarterly data on the prices of public sector buildings and construction output, the overall situation in the labour market, the latest changes in wages and prices of construction materials in the construction industry, as well as the trends in global and local economic performance) were taken into full account. The price adjustment factors adopted in the funding applications on capital works projects are updated every year.

8. **At the requests of Hon Jeremy TAM Man-ho and Hon CHAN Chi-Chuen, the Government shall provide supplementary information to explain whether the two projects, namely “3402IO – Provision of facilities and accommodation for various government departments to support the Three-Runway System at Hong Kong International Airport” and “3278LP – Provision of Police facilities to support the Three-Runway System at Hong Kong International Airport”, could be submitted separately to the Public Works Subcommittee for separate deliberation and voting.**

To cater for the growth in air traffic under the Three-Runway System (3RS), relevant government departments need to enhance their services at the Hong Kong International Airport (HKIA) to ensure safe and efficient operation of the airport. As certain government facilities and equipment would be required to support the 3RS, the Government undertook to seek funding approval from the Legislative Council (LegCo) for such facilities and equipment in batches having regard to the progress of the 3RS project. It has always been the Government’s plan to seek LegCo’s funding approval for the items in batches after consolidation of related facilities based on the nature of and the time required for these items so that a holistic consideration could be given. This will facilitate Members’ consideration of these funding proposals and ensure efficient and focused discussion.

As far as the nature of the items is concerned, the first batch of government facilities and equipment required for supporting the 3RS, including those of the Civil Aviation Department, the Hong Kong Observatory and the Fire Services Department, are to fulfil the requirements of the International Civil Aviation Organization in providing air navigation services, aviation weather services as well as rescue and firefighting services to ensure safe and efficient operation of the HKIA. These items should be taken forward together so that the third runway/the 3RS can operate in compliance with international standards.

The second batch of government facilities is for providing essential customs, immigration, quarantine and port health control services as well as law enforcement support at the HKIA to cope with the increase in demand for law enforcement and disease control services arising from a higher passenger throughput upon the commissioning of the 3RS. Likewise, the proposed items on the second batch of government facilities, namely Public Works Programme Item Nos. **3402IO** and **3278LP**, must be taken forward together in order to render sufficient protection to a critical infrastructure, the HKIA, which serves as a gateway to Hong Kong. Subject to funding approval of the Finance Committee,

the Transport and Housing Bureau (THB) plans to entrust the two items to the Airport Authority Hong Kong (AAHK) at the same time, as in the case of the first batch of government facilities, so that they can be taken forward concurrently as soon as possible to tie in with the progress and the target commissioning date of the 3RS.

The bundling of related items would also facilitate smooth and effective discussion at the meetings of the Public Works Subcommittee (PWSC). The three funding applications on the first batch of government facilities for the 3RS were submitted and discussed as one agenda item at the meetings of the PWSC in June 2018. According to the experience of the previous submission, combining items for discussion was practicable and effective and would enable the Government to address Members' enquiries that straddled three different items, e.g. the basis and rationale for determining the entrustment fees, clauses in the entrustment agreement to govern risks and responsibilities shared by the AAHK and the Government, details of project supervision as well as management, repair and maintenance of the proposed facilities, in a holistic and coordinated manner.

Having given due consideration to the nature and implementation schedule of the two items and in light of the experience gained from discussions on the first batch of government facilities, the THB considers that it is more appropriate to submit the two items together to the PWSC for discussion in the same way as before with a view to facilitating Members' consideration of these funding applications.