

LegCo Panel on Home Affairs

Provision of Leisure and Cultural Facilities

Purpose

This paper provides Members with information on:

- (a) the Private Sector Finance (PSF) approach under the Private Sector Involvement scheme proposed by the Administration to provide the public with leisure and cultural facilities; and
- (b) the ratio between population size and provision of leisure and cultural facilities.

Background

2. At the meeting of the LegCo Panel on Home Affairs held on 11 April 2003, Members discussed the subject of “Priority of the provision of sports, recreational and cultural facilities under the current budgetary constraints” and noted that the Administration has been examining the possibility of involving the private sector in implementing some of the leisure and cultural projects through three different approaches i.e. Design-Build, Design-Build-Operate and PSF. Members requested the Administration to provide more information on the proposed PSF approach. Members also requested information on the ratio between population size and provision of leisure and cultural facilities, and the proposed new civic centre in Tai Po.

The Proposed PSF Approach

Modus Operandi

3. The main features of the PSF approach are as follows –

(a) Sites for PSF projects

- (i) Lands Department would retain the land that it intended for allocation to Leisure and Cultural Services Department (LCSD) for development of leisure and cultural projects. It would then lease out the sites through a competitive bidding process for development as leisure/cultural cum commercial projects.
- (ii) The land lease (or other appropriate agreement) would prescribe conditions to require investors to design, build, raise funds to finance, and subsequently manage the projects.

(b) User conditions

- (i) On a site-by-site basis, we will specify in the lease (or other appropriate agreement) the core leisure/cultural facilities that the private operators would have to provide in the PSF projects.
- (ii) We would allow flexibility in terms of management and charging but would require the project operators to propose a pricing mechanism which would facilitate the use of the core facilities by members of the public at an affordable level, and which would encourage the use of these facilities by organizations which play a key role in promotion of sports development, elite sports as well as arts and cultural programmes. The pricing mechanism and booking policy would have to be agreed by DLCS.
- (iii) We will require the project operators to put in place measures to ensure that the leisure and cultural services provided by them are of a standard acceptable to the users, e.g. by conducting regular customer satisfaction surveys.

- (iv) We will prescribe in the land lease (or other service agreement) detailed provisions regarding the subsequent management and operation of the core facilities, and the sanctions for breaching such provisions.

(c) Lease period

Despite the flexibility on user conditions, we do not expect the leisure and cultural facilities to attract high profit margin. Sites disposed of for this purpose will therefore be made available for long term use and enjoy a lease duration of 50 years.

(d) Assessment of bids

We will take both the premium and non-premium aspects of the bids into account when leasing out the land and will devise a marking scheme to assess the bids.

Progress

4. We have identified the following two projects for piloting the Private Sector Involvement scheme under the PSF approach:

- (a) A leisure and cultural centre in Kwun Tong (with a civic centre, indoor-heated pool and ten-pin bowling as the core facilities); and
- (b) A town park and indoor recreation centre in Tseung Kwan O (with ice sports as the core facility).

5. We have already formed a Task Force comprising representatives from relevant Bureaux and Departments to take these two projects forward. We plan to invite Expressions of Interest from investors on these projects in July 2003.

6. At the LegCo case conference on the proposed new civic centre in Tai Po held on 29 May 2003, Members suggested that such proposal should be pursued as a project under the PSF approach. LCSD is currently studying this suggestion.

Overseas Cases

7. Our research shows that there are successful overseas cases of involving the private sector in implementing sports and recreational projects. The following are examples:

(a) Crosby Leisure Centre

The Sefton Council of UK has succeeded in involving the private sector in the replacement of swimming, and provision of additional sports, facilities in the Crosby area. According to the agreed arrangements, the private operator was to fully fund the design, build and operational management of the leisure centre while the Council was to fund the consultancy fees and to provide an ongoing financial contribution to the operator. The payments from the Council, together with the incomes generated by the activities of the leisure centre, allow the operation to recover its costs. As a means to control the prices for using the facilities of the leisure centre, the operator is not allowed to charge more than 10% higher than similar facilities in the area.

(b) Aylesbury Aquatics Complex

The Aylesbury Vale District Council of UK has also succeeded in securing private investment in the construction of a new aquatics complex within Vale Park in Aylesbury. Finance for this project came primarily from proceeds of the sale of a site of a poorly located swimming pool after it had been demolished. The private operator, the Sport England Lottery Fund and the Aylesbury Vale District Council contributed to the capital costs of the project. Insofar the private operator was concerned, in addition to its capital (£0.5M) to the

project, it also contributed a further revenue investment (£0.75M). In return, it obtained a 10-year management agreement.

(c) Tempo Drom

Tempo Drom is a sport and recreation centre in Switzerland with skateboard arena, go-karting facility, rock climbing hall and café lounge facility. This centre is located in a former industrial building. The Winterthur local government invited a company to provide and manage indoor recreational facilities there. The company pays 200,000 swissfrances rental charge (which includes electricity and water charges) to the local government each year. Through innovative management and marketing strategy, the centre becomes a popular venue and is well received by the local people. Also, the company makes good profit.

8. The above successful cases indicate that it is possible for the public sector to develop new partnerships with private sector bodies to deliver sport and recreational services. In our scenario, we will be able to gauge the market responses when we invite Expressions of Interest from investors on the pilot projects in July 2003 (paragraphs 4 and 5 above refer).

The Ratio between Population Size and Provision of Leisure and Cultural Facilities

9. The three Tables at **Annex** summarize the standards for major recreational facilities, recreational buildings and cultural facilities as stipulated in the Hong Kong Planning Standards and Guidelines (HKPSG).

10. According to the HKPSG, the planning standards and guidelines are to be applied with a degree of flexibility, having regard to the land use demands, local conditions, development constraints and resource availability etc. Insofar as the provision of leisure and cultural facilities are concerned, apart from the standards set out in the HKPSG, we will also take the following into account:

- (a) the speed of population in-take, particularly in new towns such as Tseung Kwan O and Tung Chung;
- (b) local demand for new and existing facilities including usage rates at other similar venues in the districts concerned; and
- (c) the general provision and distribution of facilities in individual districts.

Home Affairs Bureau
July 2003

Table 1 : Recreation Facilities

Facility	Standard	Remarks
Indoor		
Badminton court ^(2&3)	1 per 8,000)	- Provided in indoor recreation centres/indoor games halls, leisure centres or purpose-built facilities in composite developments
Squash court	1 per 15,000)	
Table Tennis table ^(2&3)	2 per 15,000 or 1 per 7,500)	
Fitness/Dance hall	1 per indoor recreation centre/indoor games hall	---
Gymnasium	1 per district	---
Swimming swimming pool complex	1 per 287,000	---
leisure pool	1 per district	---
Outdoor		
Tennis court ⁽¹⁾	2 per 30,000	- Minimum 2 courts
Basketball court ^(1,2&3)	1 per 10,000	- Full or half court in public housing estates
Volleyball court ⁽¹⁾	1 per 20,000	---
Football pitch	1 per 100,000	- Football pitches within sports grounds do not count towards standard due to their inaccessibility to the general public
Mini-Soccer pitch 5-a-side ⁽⁴⁾	1 per 30,000)	- Provision for both facilities
7-a-side ⁽⁴⁾	1 per 30,000)	
Rugby/Baseball/Cricket pitch	1 per district	- To be accommodated in multi-purpose grass pitches
Athletics	1 per 200,000-250,000	- To be accommodated in sports ground/sports complex
Roller Skating rink	300 m ² per 30,000	---
Jogging Track	500m-1,000m per 30,000	- May be provided in district open space or as part of pedestrian circulation system
Children's' Playground ⁽³⁾	400 m ² per 5,000	---

Notes:

1. *Facilities which may also be provided indoors. However, indoor provision within Indoor Recreation Centres or Indoor Games Halls on a share facility basis is normally considered as a bonus and does not count towards the HKPSG. In the absence of outdoor space, indoor provision within dedicated, purpose-designed, facilities may be countable.*
2. *Facilities which are normally provided in public housing estates as either indoor or outdoor provision. For outdoor provision, informal facilities such as kick about areas or basketball shooting areas, and courts of minor sub-standard size, may be acceptable in public housing estates which have obvious site constraints.*
3. *Facilities which are normally to be provided in public housing estates.*
4. *Optional facilities to be provided in public housing estates where site conditions permit.*

Table 2 : Recreation Buildings

Facility	Standard	Site Area	Remarks
Indoor Recreation Centre/Indoor Games Hall (a) Type A	1 per 15,000-24,999	To be determined at detailed design stage subject to advice from LCSD/Arch SD	Current standard applied in rural area with*: 4 x badminton, or 1 x basketball, or 1 x volleyball court plus 1 x Activity/Dance 1 x Fitness Training
(b) Type B	1 per 25,000-49,999	To be determined at detailed design stage subject to advice from LCSD/Arch SD	Current standard with*: 4 x badminton, or 1 x basketball, or 1 x volleyball plus 3 x Squash Courts 1 x Activity/Dance 1 x Fitness Training
(c) Type C	1 per 50,000-65,000	0.6 ha (i.e. 100m x 60m)	Current standard with*: 8 x badminton, or 2 x basketball, or 2 x volleyball 2 x tennis plus 3 x Squash Courts 1 x Activity/Dance 1 x Fitness Training
Leisure Centre	1 per 50,000	0.6 ha	May be provided as an alternative to IRC/IGH*
Sports Ground/	1 per 200,000-250,000	3.0 ha	400m track (all weather), grass infield for athletics

Sports Complex			(field events), seating capacity for about 10,000 spectators in standard designed sports ground
Swimming Pool (a) standard	1 complex per 287,000	2.0 ha	
Swimming Pool (b) leisure	1 per district	0.6 ha - 2 ha subject to advice from LCSD	min. per 900 m ² pool size
Indoor Stadium -multi-purpose	Territorial facility based on need	To be determined at detailed design stage subject to advice from LCSD/Arch SD	Two existing i.e. Hong Kong Coliseum and Queen Elizabeth Stadium, and one under planning in Fanling
Indoor Stadium - sports	Territorial facility based on need	To be determined at detailed design stage subject to advice from HKSDB and LCSD	There may be a need for one such facility, but project feasibility and implementation aspects subject to further study.
Outdoor Stadium	Territorial facility based on need	4.5 ha - 6.0 ha	4 sites reserved on existing plans, including one already developed i.e. Hong Kong Stadium. Project feasibility and implementation aspects of the other three proposals subject to further studies.
Water Sports Centre	No set standard	To be determined at detailed design stage subject to advice from LCSD/Arch SD	To be located at suitable inshore recreation areas and subject to EIA

Note: *Provision level of activities to be determined on an individual district by district basis.

Table 3 : Cultural Facilities

Facility	Standard	Land Requirement	Area Served
Arts Venues	No set standard. To be determined on the basis of need, as assessed and advised by the Secretary for Home Affairs.	---	territory-wide and community level
Libraries	One branch library should be provided for every 200 000 persons.	No specific site allocation is required. The facility is normally provided in a composite building.	district