

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT

Education Subventions

87EB – A private independent secondary school at Norfolk Road, Kowloon Tong

Members are invited to recommend to Finance Committee the upgrading of **87EB** to Category A at an estimated cost of \$104.4 million in money-of-the-day prices for the construction of a non-profit-making private independent secondary school at Norfolk Road, Kowloon Tong.

PROBLEM

We need to provide more diversity in our school system and give parents more choices in the selection of schools for their children.

PROPOSAL

2. The Secretary for Education and Manpower (SEM), on the advice of the Director of Architectural Services (D Arch S), proposes to upgrade **87EB** to Category A at an estimated cost of \$104.4 million in money-of-the-day (MOD) prices for the construction of a non-profit-making private independent secondary school at Norfolk Road, Kowloon Tong.

3. The construction cost of the school is estimated to be \$186.2 million in MOD prices, comprising \$104.4 million of government subvention and \$81.8 million to be borne by the school sponsor. The amount of government subvention, being no more than the cost for constructing a standard design public sector school accommodating the same number of students, will be provided to the school sponsor in the form of a capital grant for the sole purpose of building the school. The school sponsor will be responsible for the design and construction of the school to meet its own curriculum needs.

PROJECT SCOPE AND NATURE

4. The school will adopt a non-standard design, with the following planned facilities¹ –

- (a) 50 classrooms (with a total enrolment capacity equals to 33 standard classrooms);
- (b) 26 special rooms, including a music studio, a design and technology workshop / art studio, a multi-media workshop, an information technology laboratory, and a computer music laboratory;
- (c) 12 small group teaching rooms;
- (d) a guidance activity room;
- (e) three interview rooms;
- (f) two staff rooms;
- (g) a staff common room;
- (h) a student activity centre;
- (i) a conference room;
- (j) a library-cum-student study area;
- (k) an assembly hall (which is equipped to serve as an auditorium for musical performances);
- (l) two lecture halls;

/(m)

¹ Due to site configuration, running track is not available to the school. Other sports facilities, including a gymnasium and an indoor swimming pool will be provided.

- (m) a gymnasium;
- (n) an indoor swimming pool;
- (o) a basketball court (at ground level);
- (p) a rooftop playground;
- (q) a green corner²; and
- (r) ancillary accommodation, including two lifts and relevant facilities for the handicapped.

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A comparison of the facilities at the proposed school with those at a standard design secondary school is at Enclosure 1.

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5. The school will meet the planning target of providing two square metres of open space per student. A site plan is at Enclosure 2 and views of the school premises (artist's impression) are at Enclosure 3. Subject to approval of the capital grant by Finance Committee, the school sponsor plans to start the construction works in February 2005 for completion in November 2006.

JUSTIFICATION

6. With the provision of nine-year free education since 1978, the majority of schools in Hong Kong have been public sector schools comprising government schools and aided schools. There is nevertheless a need to inject more variety into our school system, given the increasingly diverse values in the community, and the multi-faceted demands on our work force in the face of fast changing technology and increasing globalisation. With much greater autonomy in resource management and curriculum, private independent schools (PISs) can enhance school diversity and hence parental choice.

7. To facilitate the development of a vibrant private school sector, the Government has since 1999 been providing land grants at nominal premium to school sponsors for operating PISs. A capital grant, the amount being no more than the cost for constructing a standard design public sector school accommodating the same number of students, will also be provided to the school sponsors for the sole purpose of building the schools. The financial assistance

/and

² A green corner is a designated area inside the campus to enable students to develop an interest in horticulture and the natural environment. The green corner may include a green house, a weather station and planting beds.

and the provision of land at nominal premium will help high quality non-profit-making school operators overcome a major hurdle for entry. In addition, the assistance will give school sponsors incentives to charge affordable school fees. In each school year, the school is required to set aside a sum, which will not be less than 10% of its total school fee income, to provide scholarship and other financial assistance for deserving students. Apart from the capital grant, PISs will not receive any recurrent or further capital financial assistance from the Government.

8. The Kowloon City District, in which **87EB** is located, may have a projected shortfall of 70 secondary classes by 2006. However, this projection has not taken into account the supply of direct subsidy scheme (DSS) schools in the district which recruit students from all over the territory, nor the existence of 75 floating senior secondary classes without home classrooms. If we include the supply of school places of DSS schools in the district, the Kowloon City District may have a projected surplus of 20 secondary classes by 2006. As PISs are fee charging and recruit students from all over the territory, **87EB** therefore will unlikely have any significant impact on the supply and demand balance of public sector school places for the district concerned. In line with the policy for PISs and following a competitive selection by the School Allocation Committee³ (SAC), SEM has allocated the school site at Norfolk Road, Kowloon Tong, to the school sponsor for the operation of a non-profit-making PIS.

9. The proposed school is a co-educational secondary school offering choices of subjects that lead to local public examinations (Hong Kong Certificate of Education Examination and Hong Kong Advanced Level Examination) or international examinations (such as the International General Certificate of Secondary Education, Scholastic Aptitude Test or International Baccalaureate). The school will provide a bilingual and trilateral program, with emphasis on both the language and cultural aspects. As part of the formal curriculum, students will take immersion programmes in China during long holidays to strengthen their language proficiency and enhance their understanding of different cultures. They will also undertake specially designed learning activities in an annual overseas tour to broaden their global perspectives. As an integral part of learning and teaching, the school will use internal criterion-referenced assessments to collect information on students' learning. Profile of students' continuous developments will be maintained. The aims are to recognise the achievement of students as well as to improve teaching and learning. Students with enrichment and/or remedial needs will be assisted through in-class and individual support. Study action plans

/will

³ The School Allocation Committee makes recommendations to SEM on the allocation of school premises/sites to suitable school sponsors through an open and competitive selection process. The Committee comprises an equal number of official and non-official members familiar with the Hong Kong education system.

will also be developed collectively by students, teachers and parents. To strengthen home-school co-operation, an extended services programme will be available after school to support students whose parents are not able to render appropriate parental guidance.

10. Upon completion of **87EB**, the school sponsor is willing to share the use of some of the school's facilities at the Kowloon Tong site such as assembly hall, lecture halls and gymnasium with the community.

FINANCIAL IMPLICATIONS

11. The capital grant for the PIS is calculated on the basis of the reference cost of a standard design public sector secondary school. The reference cost is based on an uncomplicated site with no unusual environmental or geotechnical constraints. We estimate the capital grant to be \$104.4 million in MOD prices (see paragraph 14 below), made up as follows –

	\$ million
(a) Capital grant for school construction	104.1
<p>The cost of building a standard design 30-classroom secondary school with 1 160 students is \$97.4 million in September 2004 prices, as advised by D Arch S. The equivalent provision for the secondary school with 1 240 students⁴ will be \$104.1 million. (\$97.4 million ÷ 1 160 x 1 240)</p>	
(b) Consultants' fees	1.6
<p>Having examined and revised the consultants' fees estimated by the school sponsor, D Arch S considers the figures acceptable. For schools built by the Government, such services are arranged through the Architectural Services Department.</p>	
/Sub-total	

⁴ The school will have 40 classes of 25 students each for Secondary 1 to 5, five classes of 24 students each for Secondary 6 and five classes of 24 students each for Secondary 7. The total number of student is 1 240.

		\$ million	
	Sub-total	105.7	(in September 2004 prices)
(c)	Provision for price adjustment	(1.3)	
	Total	104.4	(in MOD prices)

A detailed breakdown of the estimate for consultants' fees by man-months is at Enclosure 4.

12. The school sponsor estimates the construction cost of the school to be \$186.2 million in MOD prices (see paragraph 14 below). D Arch S has examined and endorsed the cost estimate, made up as follows –

		\$ million	
(a)	Foundation	18.2	
(b)	Building	103.7	
(c)	Building services	34.7	
(d)	Drainage	2.3	
(e)	External works	8.9	
(f)	Consultants' fees for –	3.4	
	(i) Contract administration	2.1	
	(ii) Site supervision	1.0	
	(iii) Out-of-pocket expenses	0.3	
(g)	Contingencies	17.1	
	Sub-total	188.3	(in September 2004 prices)
(h)	Provision for price adjustment	(2.1)	
	Total	186.2	(in MOD prices)

13. As the estimated construction cost of the PIS (\$186.2 million in MOD prices) is higher than the capital grant (\$104.4 million in MOD prices), the difference (\$81.8 million) will be borne by the school sponsor. The capital grant provided by the Government will be capped at \$104.4 million in MOD prices. The school sponsor will be responsible for all additional funding requirements, whether due to higher-than-expected tender outturn or other variations. The Government and the school sponsor will share all savings arising from a lower-than-expected tender outturn pro-rata to their estimated contribution to the project (i.e. 56.1% for the Government and 43.9% for the school sponsor).

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

Year	\$ million (Sept 2004)		Price adjustment factor	\$ million (MOD)	
	Capital grant under 87EB	Construction cost		Capital grant under 87EB	Construction cost
2004 – 05	–	4.9	1.00000	–	4.9
2005 – 06	–	65.8	0.99000	–	65.1
2006 – 07	101.2	113.1	0.98753	99.9	111.7
2007 – 08	4.5	4.5	0.99123	4.5	4.5
	<u>105.7</u>	<u>188.3</u>		<u>104.4</u>	<u>186.2</u>

15. We have derived the MOD estimate on the basis of the Government's latest forecast of trend rate of change in the prices of public sector building and contribution output for the period 2004 to 2008. The school sponsor will deliver the foundation works and superstructure works through two fixed-price lump-sum contracts because the school sponsor can clearly define the scope of works in advance, leaving little room for uncertainty.

16. The cost of furniture and equipment and the recurrent expenditure for the school will be borne by the school sponsor. There will not be any recurrent expenditure by the Government. This arrangement is in line with the existing policy.

PUBLIC CONSULTATION

17. The Legislative Council Panel on Education (the Panel) discussed the policy on land and financial assistance for PIS in March 1999. Members supported the policy designed to foster the growth of a quality private school sector.

18. We consulted the Panel on 30 January 2004 on the planning and provision of public sector school places and the various projects to be implemented in the School Building Programme in the next few years. The Panel thoroughly discussed the Administration's policy and noted its plan to proceed with seeking funding approval from the Public Works Subcommittee (PWSC) for projects in the following three categories –

- (a) whole-day primary schools;
- (b) reprovisioning and redevelopment projects; and
- (c) schools, including DSS and PISs, which have already been allocated to sponsoring bodies.

Members supported projects under categories (a) and (b). In respect of proposals under category (c), members asked that full background and justification, including the supply and demand balance of school places on both a territory-wide and district basis, be provided to facilitate consideration on a case-by-case basis.

19. We also consulted the Kowloon City District Council on **87EB** on 20 May 2004. Members of the Council supported the project on grounds that the project would add diversity to the education system, provide the students with high quality education, and that the school would open up some of its facilities for community use.

20. We are reviewing the School Building Programme critically in the light of the latest population projections released in end June 2004. As always, we aim at achieving an acceptable balance between meeting the projected demand and other education policy considerations, including promoting diversity in the school sector and enhancing parental choice. Due to legal and other planning implications, the review turns out to be more complex than we have envisaged. Notwithstanding this, we propose not to hold up selected projects whose delay may cause undue hardship on the school and the students and whose operation would not entail any significant impact on the overall supply and demand balance of subsidised school places, e.g. whole-day conversion of primary schools,

/redevelopment

redevelopment of existing schools whose premises are dilapidated and provision of premises for quality PISs as recommended by the SAC.

21. We circulated the PWSC paper to the Panel on 10 December 2004.

ENVIRONMENTAL IMPLICATIONS

22. The school sponsor engaged a consultant to conduct a Preliminary Environmental Review (PER) for **87EB** in November 2004. The PER recommended the provision of insulated windows and air-conditioning for rooms exposed to traffic noise exceeding the limits recommended in the Hong Kong Planning Standards and Guidelines. The recommended mitigation measures are as follows –

Mitigation measures	Estimated cost \$ million (in September 2004 prices)
Insulated windows and air-conditioning for the following rooms–	
(a) 29 classrooms and two special rooms from G/F to 8/F at the northern façade of the classroom block	0.44
(b) three classrooms from 3/F to 5/F at the eastern façade of the classroom block	0.05
(c) four classrooms and three special rooms from 5/F to 8/F at the southern façade of the classroom block	0.27
(d) one classroom on 4/F at the western façade of the classroom block	0.02
(e) five special rooms on 3/F, 4/F and 8/F at the northern façade of the teaching block	0.32
(f) one special room on G/F at the southern façade of the teaching block	0.33

The school sponsor has included the cost of the above mitigation measures as part of the building services in the project estimate at paragraph 12 above.

23. During construction, the school sponsor will control noise, dust and site run-off nuisances to within established standards and guidelines through the implementation of mitigation measures in the relevant contracts. 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.

24. At the planning and design stages, the school sponsor has considered providing measures to reduce the generation of construction and demolition (C&D) materials. The school sponsor has introduced more pre-fabricated building elements into the project designs to reduce temporary formwork and construction waste. These include dry-wall partitioning and proprietary fittings and fixtures. The school sponsor will use suitable excavated materials for filling within the site to minimise off-site disposal. In addition, the school sponsor will require its contractors to use metal site hoardings and signboards so that these materials can be recycled or reused in other projects.

25. The school sponsor will require its contractor to submit waste management plans (WMPs) for approval. The WMPs will include appropriate mitigation measures to avoid, reduce, reuse and recycle C&D materials. The school sponsor will ensure that the day-to-day operations on site comply with the approved WMPs. The school sponsor will control the disposal of public fill and C&D waste to the designated public filling facilities and landfills respectively through a trip-ticket system. The school sponsor will require its contractor to separate public fill from C&D waste for disposal at appropriate facilities. The school sponsor will record the disposal, reuse and recycling of C&D materials for monitoring purposes. The school sponsor estimates that the project will generate about 11 370 cubic metres (m³) of C&D materials. Of these, the school sponsor will reuse about 6 690 m³ (59%) on site, 3 414 m³ (30%) as fill in public filling areas⁵, and dispose of 1 266 m³ (11%) at landfills. The notional cost of accommodating C&D waste at landfills is estimated to be \$158,250 for this project (based on a notional unit cost⁶ of \$125/m³).

/LAND

⁵ A public filling area is a designated part of a development project that accepts public fill for reclamation purposes. Disposal of public fill in a public filling area requires a licence issued by the Director of Civil Engineering and Development.

⁶ This estimate has taken into account the cost for developing, operating and restoring the landfills after they are filled and the aftercare required. It does not include the land opportunity cost for existing landfill sites (which is estimated at \$90/m³), nor the cost to provide new landfills (which are likely to be more expensive) when the existing ones are filled. The notional cost estimate is for reference only and does not form part of this project estimate.

LAND ACQUISITION

26. The project does not require land acquisition.

BACKGROUND INFORMATION

27. We upgraded **87EB** to Category B in March 2004. The school sponsor engaged consultants to carry out the PER, site investigation, detailed design and tender documentation for the project. We will charge the Government's contribution of \$1.6 million to block allocation **Subhead 8100QX** "Alterations, additions, repairs and improvements to education subvented buildings". The consultants have completed these services except for the preparation of tender documents which are being finalised.

28. In choosing the school sponsors for PISs, the SAC invited parties interested in operating PISs to submit proposals. Selected non-profit-making PISs would usually be granted school sites by private treaty. To enhance the accountability of the PISs in delivering education in exchange for government assistance, and to facilitate the development of performance-based school management, the school sponsors of PISs are required to sign a ten-year service agreement with the Government. The agreement will confirm the objective of providing quality education in accordance with the prevailing approved education policies. Renewal of the service agreement upon its expiry will be subject to an evaluation with reference to the performance targets stated in the agreement. In the case of non-renewal or termination of the service agreement, SEM may allocate the school to a new school sponsor or temporarily take over the school. With only a very limited number of PISs⁷ at the initial stage of development, we do not count the provision of school places in these schools towards the projected supply of school places under the current mechanism for the planning and provision of school places. We shall review three to five years after completion of these projects how PIS places should be taken into account in planning the supply of school places.

/29.

⁷ Up to now, we have upgraded **29EC** "A private independent school at Po Kong Village Road, Wong Tai Sin", **39EC** "A private independent school (secondary-cum-primary) in Area 90B, Ma On Shan" and **44EC** "A private independent school (secondary-cum-primary) at Sham Wan Road, Aberdeen" to Category A in March 2002, July 2003 and July 2004 respectively. **46EC** "A private independent school (secondary-cum-primary) at Kong Sin Wan Tsuen, Pok Fu Lam", endorsed by PWSC on 24 November 2004, is pending upgrading to Category A.

29. The proposed construction of the school will involve removal of 19 trees, including 11 trees to be felled and eight trees to be transplanted elsewhere. All trees to be removed are not important trees⁸. We will incorporate planting proposals as part of the project, including no less than 11 trees and an estimated quantity of 150 shrubs.

30. We estimate that the proposed works will create about 240 jobs (215 for labourers and another 25 for professional/technical staff) providing a total employment of 3 350 man-months.

Education and Manpower Bureau
December 2004

⁸ Important trees include trees on the Register of Old and Valuable Trees, and any other trees which meet one or more of the following criteria –

- (a) trees over 100 years old;
- (b) trees of cultural, historical or memorable significance;
- (c) trees of precious or rare species;
- (d) trees of outstanding form; or
- (e) trees with trunk diameter exceeding one meter (measured at one meter above ground level).

Enclosure 1 to PWSC(2004-05)49

**87EB – A private independent secondary school at Norfolk Road,
Kowloon Tong**

A comparison of the facilities proposed under 87EB with those at a standard design 30-classroom secondary school

Facilities	87EB	Standard design secondary school
Classroom	50	30
Special room	26	16
Small group teaching room	12	3
Guidance activity room	1	1
Interview room	3	2
Staff room	2	1
Staff common room	1	1
Student activity centre	1	1
Conference room	1	1
Library	1 (cum-student study area)	1
Assembly hall	1	1
Multi-purpose area	–	1
Lecture halls	2	–
Gymnasium	1	–
Indoor swimming pool	1	–
Basketball court	1	2
Rooftop playground	1	–
Green corner	1	1
Ancillary accommodation, including lifts and relevant facilities for the handicapped	Available	Available



從西南面望校舍的構思圖
VIEW OF THE SCHOOL PREMISES FROM SOUTH WESTERN DIRECTION (ARTIST'S IMPRESSION)



從東面望校舍的構思圖
VIEW OF THE SCHOOL PREMISES FROM EASTERN DIRECTION (ARTIST'S IMPRESSION)

1:10 8087EB

九龍塘羅福道的 1 所私立獨立中學
A PRIVATE INDEPENDENT
SECONDARY SCHOOL AT
NORFOLK ROAD, KOWLOON TONG.

DRAWING NO.

SK-002

SCALE

NTS.

**87EB – A private independent secondary school at Norfolk Road,
Kowloon Tong**

Breakdown of the estimate for consultants' fees

		Estimated man- months	Average MPS* salary point	Multiplier (Note 1)	Estimated fee (\$ million)
(a) Consultants' staff cost					
(i) Contract administration ^(Note 2)	Professional	–	–	–	0.5
	Technical	–	–	–	0.3
(ii) Site supervision ^(Note 3)	Technical	20.2	14	1.6	0.6
				Sub-total	1.4
(b) Out-of-pocket expenses ^(Note 4)					
	Lithography and other direct expenses				0.2
				Sub-total	0.2
				Total	1.6

* MPS = Master Pay Scale

Notes

1. A multiplier of 1.6 is applied to the average MPS point to estimate the cost on resident site staff supplied by the consultants. (As at 1 January 2005, MPS point 14 is \$18,010 per month.)
2. The consultants' staff cost for contract administration is calculated in accordance with the existing consultancy agreement for the design and construction of **87EB**. The assignment will only be executed subject to Finance Committee's approval to upgrade **87EB** to Category A.
3. We will only know the actual man-months and actual costs for site supervision after completion of the construction works.
4. Out-of-pocket expenses are the actual costs incurred. The consultants are not entitled to any additional payment for overheads or profit in respect of these items.