

## **ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE**

### **HEAD 707 – NEW TOWNS AND URBAN AREA DEVELOPMENT**

**New Territories North and West Development**

**Civil Engineering – Land development**

**726CL – Review studies on North East New Territories New Development  
Areas : consultants' fees and site investigation**

Members are invited to recommend to Finance Committee the upgrading of **726CL** to Category A at an estimated cost of \$54.2 million in money-of-the-day prices for carrying out a planning and engineering study and site investigation works on new development areas in the North East New Territories.

### **PROBLEM**

We need to carry out a planning and engineering study (P&E Study) for the proposed new development areas (NDAs) in North East New Territories (NENT), which are required to address various housing, social, economic and environmental needs in the long term.

### **PROPOSAL**

2. The Director of Civil Engineering and Development, on the advice of the Director of Planning and with the support of the Secretary for Development, proposes to upgrade **726CL** to Category A at an estimated cost of \$54.2 million in money-of-the-day (MOD) prices to engage consultants to undertake a P&E Study and site investigation works for the proposed NDAs in NENT.

**/PROJECT .....**

**PROJECT SCOPE AND NATURE**

3. The scope of **726CL** (hereinafter collectively referred to as the P&E Study) comprises –

- (a) detailed planning and engineering studies including preparation of Recommended Outline Development Plans (RODPs) and Recommended Layout Plans (RLPs), confirmation of the feasibility of the RODPs and the RLPs, carrying out preliminary design of engineering works, and formulation of implementation strategies for the NDAs;
- (b) environmental impact assessments (EIA) including heritage impact assessment for the NDA development and associated engineering infrastructure;
- (c) public engagement exercise in relation to the formulation of the RODPs and RLPs; and
- (d) associated site investigation including supervision.

\_\_\_\_\_ A location plan showing the proposed NDAs is at Enclosure 1.

4. We plan to commence the P&E Study in June 2008 for completion in June 2011 (comprising a study period of 30 months and an allowance of 6 months for extension of time due to delay, variation or other causes such as public engagement). The P&E Study will formulate sustainable and feasible planning and development framework for the implementation of the NDAs in NENT. Various planning and technical assessments on the environmental, heritage, traffic, engineering, air ventilation and urban design aspects of the recommended proposals will be thoroughly carried out in the study process.

**/JUSTIFICATION .....**

## JUSTIFICATION

5. The Planning and Development Study on NENT (the NENT Study), completed in 2003, identified Kwu Tung North, Fanling North and Ping Che/Ta Kwu Ling as suitable NDAs and confirmed their feasibility based on findings of various planning, engineering and environmental assessments. In light of the slower growth of population and housing demand, the NDA proposals were shelved, pending a comprehensive review of the need for strategic development areas in the “Hong Kong 2030: Planning Vision and Strategy” (the HK2030 Study).

6. The HK2030 Study updates the territorial development strategy for Hong Kong with a view to recommending a spatial development pattern to respond to various social, economic and environmental needs in the next 20 to 30 years. The HK2030 Study has been completed and the findings were promulgated to the public in October 2007. The HK2030 Study recommends proceeding with Kwu Tung North, Fanling North and Ping Che/Ta Kwu Ling NDAs (the Three-in-One Scheme) and the Hung Shui Kiu NDA to address the long-term housing demand and provide employment.

7. The HK2030 Study proposes to stagger the implementation of the two NDA schemes for better resource utilization i.e. planning, land clearance and works management, and that the Three-in-One Scheme will proceed first. It recommends that NDAs shall be developed for multiple purposes, including the provision of land for housing, education and community facilities, improvement of the rural environment, better protection of resources of high conservation value, and timely development of land for special industries<sup>1</sup> and open storage uses, etc.

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<sup>1</sup> Special industries refer to industries with clean and high-value-added industrial processes.

8. Since the completion of the NENT Study in 2003, there have been substantial changes in the planning circumstances and public aspiration. The following issues are identified as having implications on the development parameters and layout as originally put forth under the NENT Study -

- (a) public aspirations for a better living environment;
- (b) new land use requirements (for examples, higher educational uses and special industries);
- (c) changes in public housing requirements and policy;
- (d) changes in territorial demand for commercial and industrial land; and
- (e) variations to the requirement of Government, Institution or Community facilities due to changes in the population profile.

9. As a long lead-time of at least 12 to 13 years<sup>2</sup> is required for implementing NDAs, an early start of the P&E Study is necessary. We propose to kick off the process by embarking on the P&E Study for the Three-in-One Scheme, which will take into account the latest circumstances and make reference to the findings and recommendations of the NENT Study completed in 2003. Comprehensive public engagement will be undertaken as an integral part of the P&E Study. We will engage the Legislative Council, Heung Yee Kuk, North District Council, local communities, environmental groups and other stakeholders during various stages of the P&E Study.

10. Owing to insufficient in-house resources, we propose to engage consultants to carry out the P&E Study and to supervise the associated site investigation works.

**/FINANCIAL .....**

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<sup>2</sup> The lead-time includes the time for planning and engineering study, statutory procedures and consultation, design and construction of engineering infrastructure, and design and construction of housing blocks and necessary community facilities to the first population intake.

**FINANCIAL IMPLICATIONS**

11. We estimate the capital costs of **726CL** to be \$54.2 million in MOD prices (see paragraph 12 below), made up as follows –

	<b>\$ million</b>	
(a) Site investigation works	7.0	
(b) Consultants' fees for	33.9	
(i) supervision of site investigation	1.2	
(ii) planning and engineering study	24.4	
(iii) environmental impact assessment study	8.3	
(c) Physical models, video films, display materials and miscellaneous expenses for public engagement exercise	4.0	
(d) Contingencies	4.5	
Sub-total	49.4	(in September 2007 prices)
(e) Provision for price adjustment	4.8	
Total	54.2	(in MOD prices)

———— A breakdown by man-months of the estimates for consultants' fees is at Enclosure 2.

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

<b>Year</b>	<b>\$ million (Sept 2007)</b>	<b>Price adjustment factor</b>	<b>\$ million (MOD)</b>
2008 - 2009	4.0	1.02575	4.1
2009 - 2010	20.2	1.06293	21.5
2010 - 2011	13.5	1.10545	14.9
2011 - 2012	7.2	1.14967	8.3
2012 - 2013	4.5	1.19566	5.4
	<u>49.4</u>		<u>54.2</u>

13. 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 construction output for the period 2008 to 2013. Subject to approval, we will award the proposed consultancy on a lump sum basis with provision for price adjustments in the consultancy agreement as the duration of the consultancy will exceed 12 months. We will tender the site investigation works under a standard re-measurement contract because the quantity of works involved may vary depending on actual ground conditions.

14. The proposed site investigation works and study will not give rise to any recurrent expenditure.

**/PUBLIC .....**

**PUBLIC CONSULTATION**

15. During the course of the NENT Study (see paragraph 5 above), we conducted an extensive public consultation exercise between October 1999 and March 2000 on the draft RODP involving various stakeholders and community groups through consultation meetings and public forums. The responses showed that the locations of the NDAs were generally supported.

16. We also consulted the public in 2003 and 2004 under the HK2030 Study on the NDA proposals in the context of the territorial spatial development pattern. There was general support for providing a better living environment which could be effected through the development of NDAs. Some respondents commented that the development of NDAs could provide greater diversity of density, design of built forms and greater flexibility for adopting environmental measures and facilities.

17. We consulted the North District Council (NDC) and the Town Planning Board (TPB) on 14 and 15 February 2008 respectively on the proposed P&E Study. Members of NDC and TPB in general supported the proposal to conduct the P&E Study.

18. We consulted the Legislative Council Panel on Development at its meeting on 26 February 2008 in respect of the proposed consultancy and site investigation works. Panel Members in general supported the proposal to conduct the P&E Study.

19. We jointly consulted the Rural Committees (RCs) of Sheung Shui, Fanling, Ta Kwu Ling and Sha Tau Kok on 27 February 2008 on the proposed P&E Study. Members of the RCs in general supported the proposal to conduct the P&E Study.

20. We consulted Planning Sub-committee (PSC) of the Land and Building Advisory Committee and Heung Yee Kuk (HYK) on 17 March and 14 April 2008 respectively on the proposed P&E Study. Members of the PSC and HYK in general supported the proposal to conduct the P&E Study. HYK requested that it should continue to be consulted at various stages of the Study.

**/ENVIRONMENTAL .....**

**ENVIRONMENTAL IMPLICATIONS**

21. The P&E Study on NENT NDAs and site investigation will not have any environmental implications. However, the development to be covered by the proposed P&E Study, which is a Designated Project under Schedule 3 of the EIA Ordinance, requires an Environmental Impact Assessment study under the EIA Ordinance for the whole study area. The EIA study will conduct assessments for the development proposals, taking into account the latest circumstances and the previous findings of the EIA report completed in 2003 for the NENT Study. There are also some individual projects such as Fanling Bypass and sewage pumping station works for the NDA developments, which are Designated Projects under Schedule 2 of the EIA Ordinance. They would require Environmental Permits prior to construction and operation. We will carry out the necessary EIAs under the P&E Study and assess the environmental acceptability of the proposals and where necessary, formulate appropriate mitigation measures.

22. The proposed site investigation works to be carried out as part of the Study will only generate very little construction waste. We will require the consultants to fully consider measures to minimise the generation of construction waste and to reuse/recycle construction waste as much as possible in the future implementation of the construction projects.

**HERITAGE IMPLICATIONS**

23. The P&E Study will not affect any heritage site. A Heritage Impact Assessment (HIA) will be conducted under the P&E Study for the proposed developments of the NDAs. The proposed HIA will cover all declared monuments, proposed monuments, graded historic sites/buildings, sites of archaeological interest and Government historic sites identified by the Antiquities and Monuments Office.

**LAND ACQUISITION**

24. The proposed site investigation works and study will not require land acquisition. The P&E Study will examine the extent of land acquisition required for implementation of the NDAs.

**/BACKGROUND .....**



**BACKGROUND INFORMATION**

25. We upgraded **559CL** “Planning and development studies on North East New Territories : consultants’ fees and site investigation” to Category A in June 1997 at an approved project estimate of \$42.2 million for carrying out an integrated planning and engineering study on NENT to identify suitable development areas and expedite the provision of the necessary infrastructure for meeting housing demand in 1998. The then Secretary for the Treasury approved an increase of the approved project estimate from \$42.2 million by \$14.7 million to \$56.9 million in January 1998 under delegated authority. The NENT Study was completed in October 2003.

26. The NDA proposals in the NENT Study were shelved in 2003 due to slower growth of population and housing demand. The HK2030 Study, completed in October 2007, proposes to proceed with the NDA developments identified in the NENT Study (see paragraphs 5 to 8 above). The revival of the planning and engineering studies on NDAs was announced in the Chief Executive’s Policy Address on 10 October 2007.

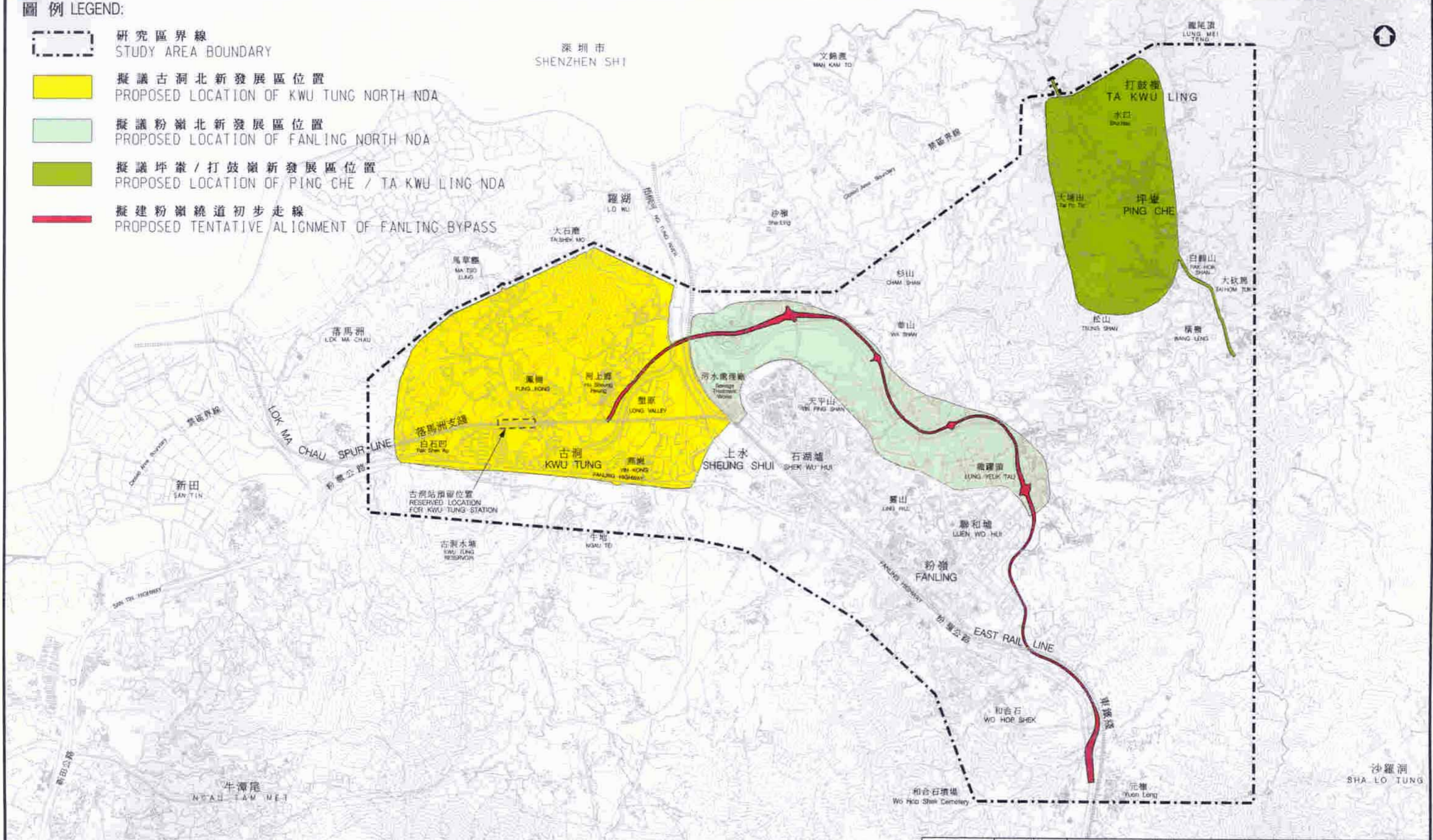
27. We upgraded **726CL** to Category B in December 2006.

28. The proposed P&E Study will not directly involve any tree removal or planting proposals. We will require the consultants to take into consideration the need for tree preservation during the planning and design stages of projects. We will also incorporate tree planting proposals, where possible, in the construction phase in the future.

29. We estimate that the proposed consultancy and site investigation work will create about 36 jobs (six for labourers and another 30 for professional/technical staff) providing a total employment of 850 man-months.

圖例 LEGEND:

- 研究區界線  
STUDY AREA BOUNDARY
- 擬議古洞北新發展區位置  
PROPOSED LOCATION OF KWU TUNG NORTH NDA
- 擬議粉嶺北新發展區位置  
PROPOSED LOCATION OF FANLING NORTH NDA
- 擬議坪嶺 / 打鼓嶺新發展區位置  
PROPOSED LOCATION OF PING CHE / TA KWU LING NDA
- 擬建粉嶺繞道初步走線  
PROPOSED TENTATIVE ALIGNMENT OF FANLING BYPASS



二〇〇八至二〇〇九年度工務小組委員會文件 P.W.S.C. SUBMISSION 2008/2009

編號 no.	日期 date	內容摘要 description	核對 checked	核准 approved
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修訂 REVISION

繪圖 drawn	簽署 initial	日期 date	項目編號 item no.
K S LO	SIGNED	11.03.2008	726CL
核對 checked	簽署 initial	日期 date	比例 scale
Y F TANG	SIGNED	11.03.2008	1 : 35 000
核准 approved	簽署 initial	日期 date	圖則編號 drawing no.
C S LIU	SIGNED	11.04.2008	NTN 2173

辦事處 office  
新界西及北拓展處  
NEW TERRITORIES NORTH AND WEST DEVELOPMENT OFFICE

**CEDD**  
土木工程拓展署  
CIVIL ENGINEERING AND DEVELOPMENT DEPARTMENT

圖則名稱 drawing title  
新界東北新發展區檢討研究：  
顧問費及地盤勘测 - 研究區位置圖  
REVIEW STUDIES ON NORTH EAST NEW TERRITORIES NEW DEVELOPMENT AREAS:  
CONSULTANTS' FEES AND SITE INVESTIGATION - STUDY AREA LOCATION PLAN

**Enclosure 2 to PWSC(2008-09)2**

**726CL – Review studies on North East New Territories new development areas :  
consultants’ fees and site investigation**

**Breakdown of estimate for consultants’ fees**

<b>Consultants’ staff costs</b> <small>(Note 2)</small>		<b>Estimated man-months</b>	<b>Average MPS* salary point</b>	<b>Multiplier</b> <small>(Note 1)</small>	<b>Estimated fees (\$ million)</b>
(a) Supervision of site investigation	Professional	5.0	38	1.6	0.5
	Technical	24.0	14	1.6	0.7
(b) Planning and engineering study	Professional	120.0	38	2.0	13.7
	Technical	285.0	14	2.0	10.7
(c) Environmental impact assessment study	Professional	38.0	38	2.0	4.3
	Technical	106.0	14	2.0	4.0
				<b>Total</b>	<b>33.9</b>

\* MPS = Master Pay Scale

**Notes**

1. A multiplier of 2.0 is applied to the average MPS point to estimate the full staff cost including the consultants’ overheads and profit for staff employed in the consultants’ offices. A multiplier of 1.6 is applied to the average MPS point in the case of resident site staff supplied by the consultants. (As at 1 January 2008, MPS pt. 38 = \$56,945 per month and MPS pt. 14 = \$18,840 per month)
2. The actual man-months and fees will only be known when we have selected the consultants through the usual competitive fee bid system.