

**For discussion
on 30 June 2021**

PWSC(2021-22)26

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

HEAD 707 – NEW TOWNS AND URBAN AREA DEVELOPMENT

Civil Engineering – Land Development

852CL - First Phase Development of the New Territories North – San Tin/Lok Ma Chau Development Node

854CL - Remaining Phase Development of the New Territories North (NTN) – Planning and Engineering Study for NTN New Town and Man Kam To

Members are invited to recommend to the Finance Committee -

- (a) the upgrading of part of **852CL** as **864CL**, entitled “First Phase Development of the New Territories North – investigation and design for San Tin/Lok Ma Chau Development Node”, to Category A at an estimated cost of \$793.8 million in money-of-the-day (MOD) prices;
- (b) the upgrading of **854CL** to Category A at an estimated cost of \$200.8 million in MOD prices; and
- (c) the retention of the remainder of **852CL** in Category B.

/PROBLEM

PROBLEM

2. We need to take forward the planning and implementation of New Development Areas (NDAs) under our multi-pronged land supply strategy to meet the critical demand for land in Hong Kong. Under the Hong Kong 2030+ : Towards a Planning Vision and Strategy Transcending 2030 (Hong Kong 2030+ Study) promulgated in October 2016, the New Territories North (NTN) has been identified as one of the two strategic growth areas to meet Hong Kong's long-term social and economic needs¹. The Preliminary Feasibility Study on Developing the NTN (Preliminary NTN Study) completed in 2018 recommended that through comprehensive planning and more efficient use of abandoned agricultural and brownfield land, the development of the NTN would be a significant source of land supply for building new communities and developing modern industries and industries preferring locations near boundary crossings to the Mainland, while improving the living environment of the area. Commanding a strategic boundary location, with easy access to Shenzhen and the eastern part of Guangdong, the NTN developments will be the new anchor on the Northern Economic Belt and the Eastern Knowledge and Technology Corridor proposed under the Hong Kong 2030+. Full consideration will be given to the geographical advantages of the NTN developments when carrying out the spatial planning of Hong Kong, with a view to tapping the opportunities arising from the fast growing economy of the Greater Bay Area.

3. After examining the development opportunities and constraints of a large stretch of land in NTN, the Preliminary NTN Study identified three Potential Development Areas (PDAs), viz (i) San Tin/Lok Ma Chau Development Node (STLMC DN), (ii) the NTN New Town (covering Heung Yuen Wai, Ping Che, Ta Kwu Ling, Hung Lung Hang and Queen's Hill), and (iii) Man Kam To (MKT) Logistics Corridor, as essential sources of land supply to meet the long-term housing, social and economic needs of Hong Kong beyond 2030. In addition, the Preliminary NTN Study also proposed to proceed with STLMC DN first so as to capitalise on the opportunities arising from the proposed Northern Link (NOL) and San Tin Station.

/4.

¹ The other strategic growth area identified is East Lantau Metropolis.

4. The Chief Executive in her Policy Address 2018 directed that the studies on developing brownfield sites in the NTN should be advanced. The Government also announced in February 2019 its full acceptance of the eight land supply options recommended by the Task Force on Land Supply, which included developing the NTN. Adopting the phased development approach and considering the relatively higher concentration of brownfield operations in STLMC DN, the Government commenced the feasibility study of STLMC DN (i.e. the First Phase Development of the NTN) in September 2019. On the basis of this feasibility study which is now largely completed, we propose to commence investigation and detailed design for the STLMC DN, and to do so in tandem with detailed planning and design of the NOL being conducted by the MTR Corporation Limited (MTRCL) so as to optimise the development potential of the area.

5. For the Remaining Phase Development of the NTN covering the NTN New Town and MKT Logistics Corridor, we also propose to conduct a planning and engineering study (P&E Study) as early as possible to speed up land supply. The P&E Study will confirm the suitable land uses, development scale and required infrastructure with all necessary detailed technical assessments.

PROPOSAL

6. The Director of Civil Engineering and Development, with the support of the Secretary for Development, proposes to upgrade the following Projects to Category A-

Investigation and Detailed Design for First Phase Development

- (a) part of **852CL** at an estimated cost of \$793.8 million in money-of-the-day (MOD) prices for engaging consultants to undertake investigation and detailed works design for the First Phase Development of the NTN covering the San Tin/Lok Ma Chau Development Node and the land to be released from the Lok Ma Chau Boundary Control Point (LMC BCP); and

Planning and Engineering Study for Remaining Phase Development

- (b) **854CL** at an estimated cost of \$200.8 million in MOD prices for engaging consultants to undertake P&E Study for the Remaining Phase Development of the NTN.

/PROJECT

PROJECT SCOPE AND NATURE

7. The details of the above Projects are set out in **Enclosure 1** and **Enclosure 2**, respectively.

PUBLIC CONSULTATION

8. We have consulted the local stakeholders on the proposal to carry out the aforesaid design/study for the NTN development and they in general have not raised objection to the proposal but have expressed comments on various aspects. We also consulted the Legislative Council Panel on Development on 10 May 2021, Members supported the submission of this funding application to the Public Works Subcommittee for consideration, and highlighted the need for better utilisation of the land resources in the area for development and speeding up the implementation process so as to capture the development opportunities brought by Greater Bay Area development. In response, we undertook to explore expanding the PDAs and expediting the project implementation. Details are set out in the relevant section of the respective enclosures.

Development Bureau
June 2021

852CL – First Phase Development of the New Territories North – San Tin / Lok Ma Chau Development Node (STLMC DN)

PROJECT SCOPE AND NATURE

The part of **852CL** (the “Investigation and Design Project”), which we propose upgrading to Category A, comprises –

- (a) detailed investigation study including formulation of Recommended Outline Development Plan (RODP) and Recommended Layout Plan (RLP) and related public engagement work, environmental impact assessment (EIA) under the EIA Ordinance (EIAO) (Cap. 499), various technical assessments and preliminary design of works for the STLMC DN and the land to be released from the Lok Ma Chau Boundary Control Point (LMC BCP);
- (b) detailed design as well as preparation of tender documents and assessment of tenders for the works described in paragraph 4(a) to (c) below; and
- (c) associated site investigation works as well as supervision.

2. The location plan showing the proposed boundary of the STLMC DN and the land to be released from the LMC BCP is at **Annex 1 to Enclosure 1**.

3. We plan to commence the Investigation and Design Project upon obtaining funding approval from the Finance Committee (FC) for completion of the different tasks progressively in 24 months' to 52 months' time¹. To meet this schedule, we invited tender for the investigation study in May 2021, but the contract will only be awarded after obtaining funding approval from the FC.

4. We will retain the remainder of **852CL** for the construction works in Category B, which mainly covers –

- (a) site clearance and formation (including land decontamination works) of about 300 hectares (ha) of land, subject to refinement during the investigation study, for housing, community, commercial and other developments;
- (b) engineering infrastructure works including road works, drainage, sewerage, waterworks, pumping stations, fresh water and flushing water service reservoirs, sewage treatment works, and landscaping works; and
- (c) environmental mitigation measures for the works mentioned in (a) to (b) above.

5. Funding for the remainder of **852CL** will be sought upon substantial completion of the investigation and detailed design.

/JUSTIFICATION

¹ (a) in the first paragraph would take 24 months while (b) and (c) would take 42 months; and some of tasks would be carried out in parallel.

JUSTIFICATION

6. The Government commenced the Feasibility Study of STLMC DN in September 2019. It has reviewed the broad land use concepts proposed under the Preliminary Feasibility Study on Developing the NTN having regard to the latest planning circumstances, locational advantages of the STLMC DN and opportunities arising from developments in Shenzhen and nearby areas. The STLMC DN will not only increase land and housing supply and create job opportunities, but will also improve the environment through redevelopment of brownfield sites and promote better home-job balance. In addition, in pursuit of a green and sustainable community with a range of government, institution or community (GIC) facilities, we will incorporate smart, green and resilient initiatives in the development proposal.

7. The Feasibility Study has been substantially completed and an initial land use plan (**Annex 2 to Enclosure 1**), a planning and engineering framework including the broad development parameters, urban design master plan, road and sewerage network and supporting infrastructural requirements have been proposed for the STLMC DN. The STLMC DN covers a total area of about 320 ha² including over 80 ha of brownfield sites and about half of the land is private land. According to the initial land use plan, STLMC DN can support residential developments with about 31 000 flats for accommodating about 84 000 people; and economic and employment uses including innovation and technology³, commercial and retail/dining/entertainment creating about 64 000 job opportunities. This initial land use plan and related proposals are subject to review in the course of the proposed Investigation and Design Project. For instance, taking into account the comments raised by Members at the Panel on Development, we will review the scope for reducing and/or re-positioning the distribution of areas earmarked for green belt and agriculture uses with a view to maximizing the development potential of the DN. We will also take into account the detailed planning and design of the NOL when finalizing the land use plan.

/8.

² The STLMC DN under the Feasibility Study has not yet included the over 20 ha of land at the existing LMC BCP (see paragraph 8 below).

³ The proposed innovation and technology (I&T) development in the Development Node mainly includes several sites with a total area of 57 ha are preliminarily intended for the I&T industries and related uses, at the same time complementing or supporting the Hong Kong-Shenzhen Innovation and Technology Park (HSITP) development at the Loop. It will create synergy with the HSITP at the Loop, which reinforces Hong Kong's position as an international I&T hub in the Guangdong-Hong Kong-Macao Greater Bay Area.

8. The proposed area of about 320 ha covered by the STLMC DN represents only the estimate at the stage of the Feasibility Study. As we proceed with the detailed investigation study, the coverage of the STLMC DN may expand to cover adjacent areas identified to have development potential. Notably, as stated in the 2020 Policy Address, the Central Government supports the implementation of customs, immigration and quarantine co-location arrangement at the redeveloped Huanggang Port in Shenzhen, which would release over 20 ha of land at the existing LMC BCP for other uses. The Government reported to the Legislative Council Panel on Security on 2 March 2021 that consensus had been reached with the Shenzhen Municipal Government on the implementation of co-location arrangement. The LegCo on 24 March 2021 passed a government motion on taking forward the co-location arrangement. As the land to be released adjoins the northern part of the STLMC DN, the released land will be included into the STLMC DN for comprehensive review and planning as well as design of the engineering infrastructure works, so as to optimise the development potential of the area.

9. To take forward the development of the expanded STLMC DN as proposed above and to advance the land production, we need to further develop the details of the preliminary proposals formulated under the Feasibility Study. We will refine the initial land use plan to formulate the RODP/ RLP delineating the detailed land uses, vehicular accesses, pedestrian ways, planning parameters such as building height and plot ratio for specific land plots, carry out various technical assessments⁴, conduct public engagement, complete the required statutory and administrative procedures, and formulate the detailed design of the supporting engineering infrastructures works including site formation levels, road alignment and configurations, drainage works, sewerage facilities, etc. as early as possible.

10. Upon substantial completion of the Investigation and Design Project, we will seek funding approval for the construction works. While our original target is to commence the works in 2025 to allow for the first population and employment intake in STLMC DN in 2032, we will explore room for further streamlining the project planning and design process and phased commencement of works, with a view to starting works before 2025 and advancing population/business intake.

/FINANCIAL

⁴ The technical assessments concern various aspects including traffic and transport, ecology, sewerage, drainage, water supply, air ventilation, landscape and visual, geology and land decontamination.

FINANCIAL IMPLICATIONS

11. We estimate the cost of the Investigation and Design Project to be about \$793.8 million in money-of-the-day (MOD) prices, broken down as follows-

		\$ million (in MOD prices)
(a)	Consultants' fees for	618.6
	(i) investigation and detailed design	574.5
	(ii) preparation of tender documents and assessment of tenders	44.1
(b)	Public engagement exercises	7.2
(c)	Associated site investigation works as well as supervision	95.8
	(i) site investigation works	86.6
	(ii) Remuneration of resident site staff("RSS") for site investigation works	8.7
	(iii) Consultants' fees for management of RSS for site investigation works	0.5
(d)	Contingencies	<u>72.2</u>
	Total	<u>793.8</u>

12. We propose to engage consultants to undertake the Investigation and Design Project. A detailed breakdown of the estimates for consultants' fees and RSS costs by man-months is at **Annex 3 to Enclosure 1**.

13. Subject to funding approval, we plan to phase the expenditure as follows –

Year	\$ million (MOD)
2021 – 22	14.0
2022 – 23	122.7
2023 – 24	207.7
2024 – 25	217.4
2025 – 26	170.0
2026 – 27	62.0
	<hr/>
	793.8
	<hr/>

14. We have derived the MOD estimates on the basis of the Government’s latest set of assumptions on the trend rate of change in the prices of public sector building and construction output for the period 2021 to 2027. We will invite tenders for the investigation and detailed design on a lump sum basis using the New Engineering Contract (“NEC”) form⁵ with provision for price adjustments. We will procure the site investigation works under a standard re-measurement contract.

15. The proposed investigation and detailed design with the associated site investigation works will not give rise to any recurrent expenditure.

/PUBLIC

⁵ New Engineering Contract is a suite of contracts developed by the Institution of Civil Engineers, United Kingdom. It is a contract form that emphasizes corporation, mutual trust and collaborative risk management between contracting parties.

PUBLIC CONSULTATION

16. We consulted the Yuen Long District Council (YLDC) on 17 March 2021 on the Investigation and Design Project. Members of YLDC expressed comments on various issues, including transport support and location of the proposed San Tin Station, interface with existing villages and communities, provision of infrastructure and government, institution or community facilities, implementation mechanism, consultation approach, etc. In this regard, the location of the proposed San Tin Station was indicative at this stage and subject to further review. The issues raised would be reviewed and studied in detail in the Investigation and Design Project. Further details would be available after the detailed investigation study. We will conduct further engagement with relevant stakeholders and provide the relevant information to them when ready. We are arranging to consult the San Tin Rural Committee and will continue to engage other relevant stakeholders in taking forward the Investigation and Design Project.

17. We consulted the LegCo Panel on Development on 10 May 2021. Members supported the funding application and their views are summarised in paragraph 8 of the main paper.

ENVIRONMENTAL IMPLICATIONS

18. The proposed Investigation and Design Project is a designated project under Schedule 3 of the EIAO. Development proposals under the STL MC DN would also involve designated projects under Schedule 2 of the EIAO which will require Environmental Permits for their construction and operation. We will, as part of the proposed Investigation and Design Project, conduct the EIA studies to comply with the requirements of the EIAO.

19. The associated site investigation works 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 during construction stage.

/HERITAGE

HERITAGE IMPLICATIONS

20. The Investigation and Design Project including the associated site investigation works will not affect any heritage sites, i.e. all declared monuments, proposed monuments, graded historic sites and buildings, sites of archaeological interest and Government historic sites identified by the Antiquities and Monuments Office.

LAND ACQUISITION

21. The proposed Investigation and Design Project is essentially a study hence will not require any land acquisition. The details and scope of land acquisition for the STLMC DN will be ascertained under the Investigation and Design Project.

BACKGROUND INFORMATION

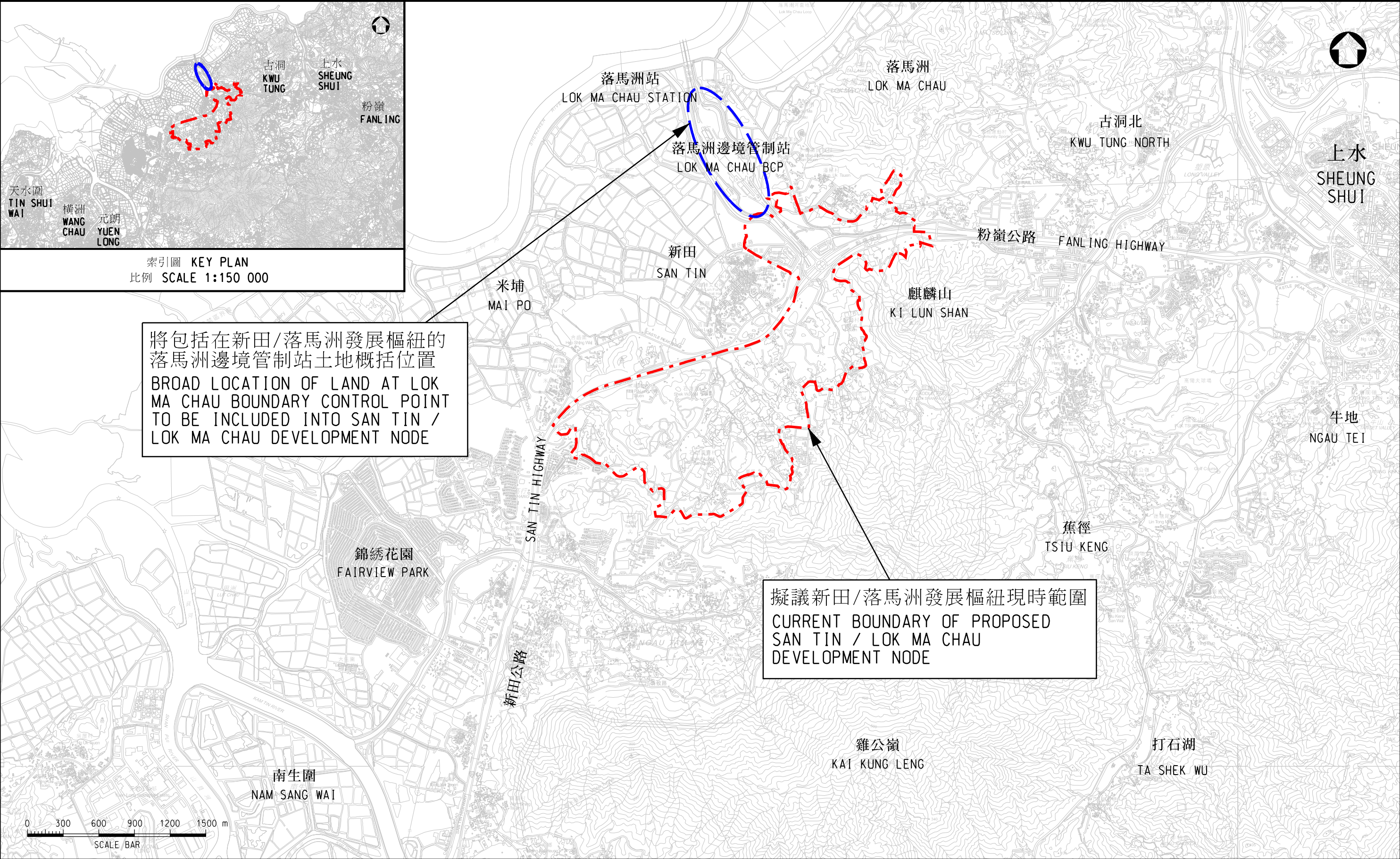
22. The Preliminary NTN Study was commissioned in 2014 under the block allocation **Subhead 7100CX** “New towns and urban area works, studies and investigation for items in Category D of Public Works Programme” at a total cost of about \$20.63 million in MOD prices. The preliminary concepts for the NTN development were promulgated in the Hong Kong 2030+ Study public engagement in 2016 and the Final Report and Executive Summary of the Preliminary NTN Study were published in February 2018.

23. The Feasibility Study for the STLMC DN was commissioned in September 2019 under the block allocation **Subhead 7100CX** “New towns and urban area works, studies and investigation for items in Category D of Public Works Programme” at a total cost of about \$18.98 million in MOD prices. The Feasibility Study has been substantially completed.

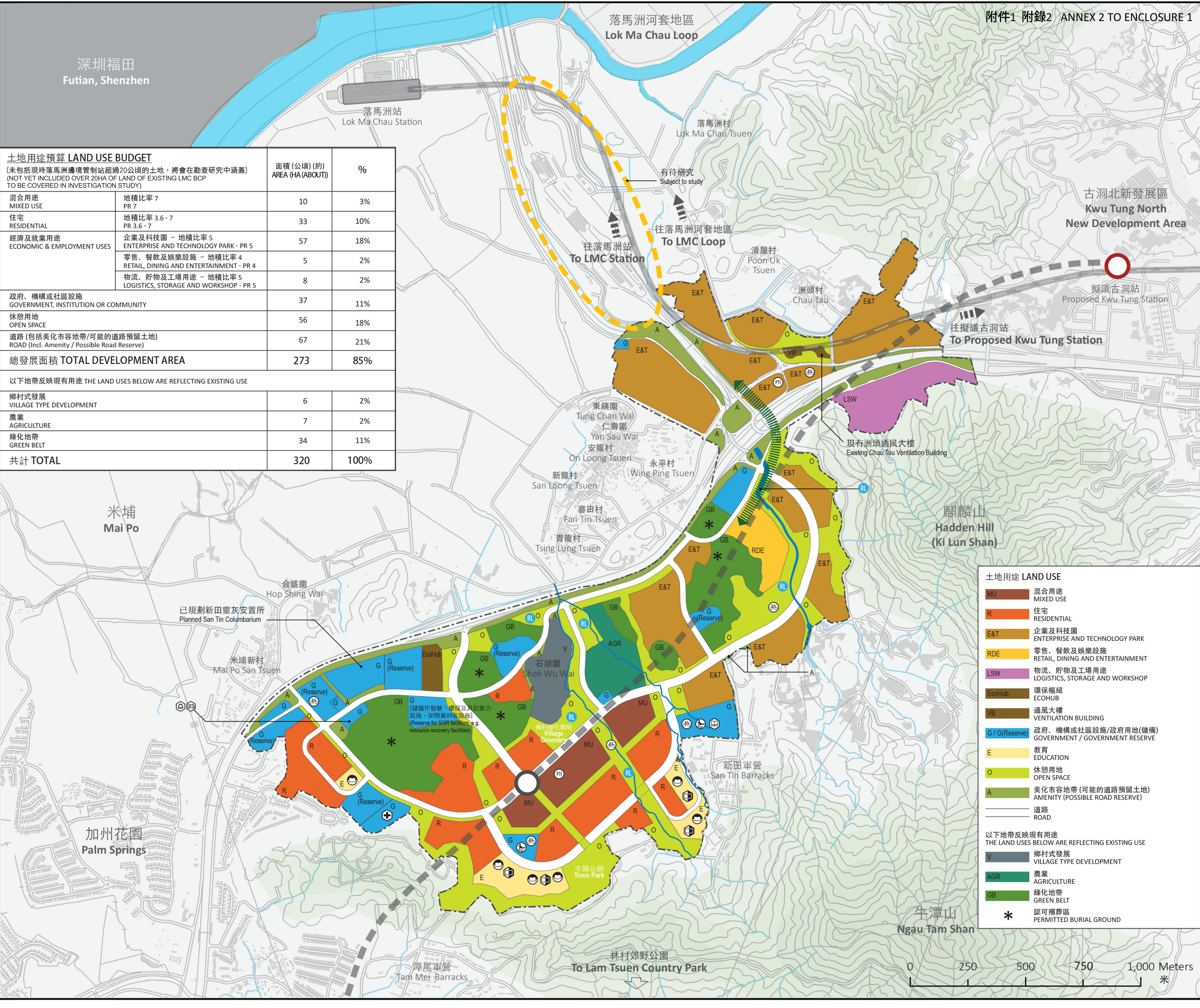
24. We upgraded **852CL** to Category B in September 2020.

25. The Investigation and Design Project with the associated site investigation works will not directly involve any tree removal or planting proposals. We will require the consultant to take into consideration the need for tree preservation during the planning and design stages of the project. We will also incorporate tree planting proposals, where possible, in the construction phase in the future.

26. We estimate that the Project will create about 60 jobs (25 for labourers and 35 for professional or technical staff) providing a total employment of about 2 500 man-months.



項目編號/ITEM NO. 852CL
新界北第一階段發展-新田/落馬洲發展樞紐位置圖
FIRST PHASE DEVELOPMENT OF THE NEW TERRITORIES NORTH (NTN)-
SAN TIN / LOK MA CHAU DEVELOPMENT NODE
LOCATION PLAN



土地用途預算 LAND USE BUDGET		面積 (公頃) (約) AREA (HA (ABOUT))	%
(未包括現時落馬洲邊境管制站超過20公頃的土地，將會在勘查研究中涵蓋) (NOT YET INCLUDED OVER 20HA OF LAND OF EXISTING LMC BCP TO BE COVERED IN INVESTIGATION STUDY)			
混合用途 MIXED USE	地積比率 7 PR 7	10	3%
住宅 RESIDENTIAL	地積比率 3.6 - 7 PR 3.6 - 7	33	10%
經濟及就業用途 ECONOMIC & EMPLOYMENT USES	企業及科技園 - 地積比率 5 ENTERPRISE AND TECHNOLOGY PARK - PR 5	57	18%
	零售、餐飲及娛樂設施 - 地積比率 4 RETAIL, DINING AND ENTERTAINMENT - PR 4	5	2%
	物流、貯物及工場用途 - 地積比率 5 LOGISTICS, STORAGE AND WORKSHOP - PR 5	8	2%
政府、機構或社區設施 GOVERNMENT, INSTITUTION OR COMMUNITY		37	11%
休憩用地 OPEN SPACE		56	18%
道路 (包括美化市容地帶/可能的道路預留土地) ROAD (Incl. Amenity / Possible Road Reserve)		67	21%
總發展面積 TOTAL DEVELOPMENT AREA		273	85%
以下地帶反映現有用途 THE LAND USES BELOW ARE REFLECTING EXISTING USE			
鄉村式發展 VILLAGE TYPE DEVELOPMENT		6	2%
農業 AGRICULTURE		7	2%
綠化地帶 GREEN BELT		34	11%
共計 TOTAL		320	100%

附件1 附錄2 ANNEX 2 TO ENCLOSURE 1

圖例 LEGEND

新田/落馬洲發展樞紐
San Tin / Lok Ma Chau Development Node

擬議北環線的指示走線
Indicative Alignment of the Proposed Northern Link

擬議新田站
Proposed San Tin Station

擬議古洞站
Proposed Kwu Tung Station

東鐵線(落馬洲支線)
East Rail Line (Lok Ma Chau Spur Line)

現有的落馬洲站
Existing Lok Ma Chau Station

擬議標誌性綠化天橋
Proposed Iconic Green Bridge

普通科診所
General Clinic

消防局暨救護站
Fire Station cum Ambulance Depot

小學
Primary School

中學
Secondary School

圖書館
Library

體育中心
Sports Centre

公共運輸交匯處
Public Transport Interchange

單車停泊處
Cycle Parking Areas

蓄洪湖
Retention Lake

水體 WATER RESOURCES

河溪/明渠改善工程
Potential Watercourses/Nullah Upgrade

鄰近新田/落馬洲發展樞紐的河溪
Watercourses around STLMC DN

現時落馬洲邊境管制站土地的概略位置
Broad Location of the Land of
Existing Lok Ma Chau Boundary Control Point

初步土地用途

(未包括落馬洲邊境管制站土地)

INITIAL LAND USE PLAN

(Not yet included the land at Lok Ma Chau Boundary Control Point)

項目編號 / Item No. 852CL

新界北第一階段發展 - 新田/落馬洲發展樞紐

First Phase Development of the New Territories North - San Tin / Lok Ma Chau Development Node

土地用途 LAND USE

MU

混合用途
MIXED USE

R

住宅
RESIDENTIAL

E&T

企業及科技園
ENTERPRISE AND TECHNOLOGY PARK

RDE

零售、餐飲及娛樂設施
RETAIL, DINING AND ENTERTAINMENT

LSW

物流、貯物及工場用途
LOGISTICS, STORAGE AND WORKSHOP

EcoHub

環保樞紐
ECOHUB

VB

通風大樓
VENTILATION BUILDING

G / G(Reserve)

政府、機構或社區設施/政府用地(儲備)
GOVERNMENT / GOVERNMENT RESERVE

E

教育
EDUCATION

O

休憩用地
OPEN SPACE

A

美化市容地帶(可能的道路預留土地)
AMENITY (POSSIBLE ROAD RESERVE)

道路
ROAD

以下地帶反映現有用途
THE LAND USES BELOW ARE REFLECTING EXISTING USE

V

鄉村式發展
VILLAGE TYPE DEVELOPMENT

AGR

農業
AGRICULTURE

GB

綠化地帶
GREEN BELT

*

認可殯葬區
PERMITTED BURIAL GROUND

附註：需作進一步研究及修訂
Remarks: Subject to further study and amendments

Annex 3 to Enclosure 1

852CL (part) – First Phase Development of the New Territories North – investigation and design for San Tin / Lok Ma Chau Development Node

Breakdown of the estimates for consultants' fees and resident site staff costs (in September 2020 prices)

		Estimated man- months	Average MPS* salary point	Multiplier (Note 1)	Estimated fee (\$ million)
(a) Consultants' fee for investigation and detailed design, preparation of tender documents and assessment of tenders (Note 2)	Professional	2775	38	2.0	476.6
	Technical	693	14	2.0	41.9
				Sub-total	518.5 #
(b) Resident site staff (RSS) costs (Note 3)	Professional	32	38	1.6	4.4
	Technical	68	14	1.6	3.3
				Sub-total	7.7
Comprising –					
(i) Remuneration of RSS for site investigation works					7.3 #
(ii) Consultants' fees for management of resident site staff					0.4 #
				Total	526.2

* MPS = Master Pay Scale

Notes

1. A multiplier of 2.0 is applied to the average MPS salary point to estimate the full staff costs for the staff employed in the consultants' offices (including the consultants' overheads and profits). A multiplier of 1.6 is applied to the average MPS salary point to estimate the cost of resident site staff supplied by the consultants (as at now, MPS salary point 38 = \$85,870 per month and MPS salary point 14 = \$30,235 per month).
2. The actual man-months and actual costs will only be known after the consultants have been selected.
3. The actual man-months and actual fees will only be known after completion of the site investigation works.

Remarks

The figures in this Annex are shown in constant prices to correlate with the MPS salary point of the same year. The figures marked with # are shown in money-of-the-day prices in paragraph 11 of Enclosure 1.

**854CL – Remaining Phase Development of the New Territories North (NTN)
– Planning and Engineering Study for NTN New Town and Man Kam To**

PROJECT SCOPE AND NATURE

The proposed scope of the Planning and Engineering Study (the P&E Study) under **854CL** comprises –

- (a) detailed planning and engineering studies for the proposed NTN New Town¹ and Man Kam To Logistics Corridor (the Remaining Phase Development), including formulation of the Preliminary Outline Development Plan (PODP), Recommended Outline Development Plan (RODP) and Recommended Layout Plan (RLP), conducting various technical assessments and environmental impact assessment, ascertaining the engineering infrastructure requirements, preparing the implementation strategies/programme phasing and preliminary design of the associated engineering infrastructure works;
- (b) public engagement to collect public views and gauge public response to recommendations of the P&E Study; and
- (c) associated site investigation works as well as supervision.

2. The location plan showing the proposed tentative boundary of the Remaining Phase Development is at **Annex 1** to **Enclosure 2**. The exact boundary of the development areas will be subject to review under the P&E Study taking into account the updated planning circumstances and suggestions received at the Panel on Development meeting on 10 May 2021. The areas adjoining the development areas, which may affect or be affected by the proposed developments, will be included for technical assessments under the P&E Study.

/3.

¹ NTN New Town covers Heung Yuen Wai, Ping Che, Ta Kwu Ling, Hung Lung Hang and Queen's Hill.

3. We plan to commence the P&E Study upon obtaining funding approval from the Finance Committee (FC) for completion in about 36 months. To meet this schedule, we invited tenders for the P&E Study in May 2021, but the contract will only be awarded after obtaining funding approval from the FC.

JUSTIFICATION

4. According to the Preliminary Feasibility Study on Developing the NTN, subject to enhancement in transport infrastructure, the NTN New Town and MKT Logistics Corridor, of about 1 140 ha as conceived at that time (including about 160 ha of brownfield sites) with about half of the area being private land, have potential of accommodating a population of not less than 200 000 and providing about 134 000 job opportunities mainly from innovation and technology, commercial, logistics and retail/dining/entertainment uses. The two aforesaid potential development areas (PDAs) will not only increase land and housing supply and create job opportunities, but will also improve the environment through redevelopment of brownfield sites and promote better home-job balance.

5. The Preliminary NTN Study only formulated the broad land use concepts and conducted broad technical assessments for the whole NTN developments. The proposed P&E Study is required to work out the detailed development proposal for the Remaining Phase Development, taking into consideration the latest planning circumstances including the land use requirements and the public/private housing ratio in the latest Long Term Housing Strategy. Notably, it will fully consider the locational advantages of the two PDAs at the boundary area and the opportunities arising from developments in Shenzhen and the Greater Bay Area. In this connection, the Study will pay full regard to the development in the regional context including the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area and the “Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035”, the latter introducing for the first time the notion of supporting Hong Kong to enhance its status as an international innovation and technology hub. The study will also consider the latest position of the implementation of “East in East out, West in West out” strategy which would rationalise the traffic flow of cross-boundary goods vehicles.

6. The development area, scale and land uses under the Preliminary NTN Study are subject to change. At the Panel meeting on 10 May 2021, we received suggestions to suitably expand the coverage of Remaining Phase development of NTN so as to better utilise the land resources in the area. We will explore in the P&E Study room for expansion of the NTN New Town especially eastward towards Lin Ma Hang and extension of MKT Logistics Corridor to the west and north to cover additional land of relatively flat topography with higher development potential² for comprehensive planning (see **Annex 1 to Enclosure 2**).

7. The NTN New Town and MKT Logistics Corridor are expected to be materialised progressively in the medium to long term. With a view to expediting land supply and securing early capitalisation of the opportunities so unleashed, we will explore the room for starting detailed works design by phases to support phased development. In mapping out the development phasing and timetable, we will take heed of Members' request for expediting the project delivery. In view of the development timespan, the P&E Study should consider the strategic roles and functions of the NTN area, and the planning of the PDAs would be forward-looking with flexibility for changes over the years to take account of Hong Kong's future social and economic needs.

8. The overall objectives of the P&E Study are to recommend suitable land uses and development parameters and the required supporting infrastructures, and to formulate RODP(s) for the NTN New Town and MKT Logistics Corridor to guide the detailed planning and implementation of the future developments and infrastructure works. The P&E Study will also ascertain the sustainability of the land use proposals in terms of traffic and other infrastructure facilities, environment, urban design, government, institution or community (GIC) facilities and open space/amenities, taking into account, amongst others, measures to enhance liveability.

9. The P&E Study will also explore how to make the NTN New Town more people-oriented, connected, healthier and sustainable with a liveable environment through a Smart, Green and Resilient City strategy.

/FINANCIAL

² According to a desktop assessment, the potential extension areas with a total area of around 100 hectares are relatively flat land with scattered structures, active and abandoned farmland and unused land that may be considered for inclusion into the PDAs.

FINANCIAL IMPLICATIONS

10. We estimate the cost of the P&E Study to be about \$200.8 million in money-of-the-day (MOD) prices, broken down as follows –

		\$ million (in MOD prices)
(a)	Consultants' fees for	151.9
	(i) planning and engineering study	120.4
	(ii) environmental impact assessment	31.5
(b)	Public engagement exercises	9.2
(c)	Associated site investigation works as well as supervision	21.5
	(i) site investigation works	19.4
	(ii) remuneration of resident site staff ("RSS") for site investigation works	2.0
	(iii) consultants' fees for management of RSS for site investigation works	0.1
(d)	Contingencies	<u>18.2</u>
	Total	<u>200.8</u>

11. We propose to engage consultants to undertake the P&E Study. A detailed breakdown of the estimates for the consultant's fees and RSS costs by man-month is at **Annex 2** to **Enclosure 2**.

12. Subject to funding approval, we plan to phase the expenditure as follows -

/Year

Year	\$ million (MOD)
2021 – 22	10.1
2022 – 23	48.0
2023 – 24	84.0
2024 – 25	44.8
2025 – 26	13.9
	<hr/> 200.8 <hr/>

13. We have derived the MOD estimates on the basis of the Government's latest set of assumptions on the trend rate of change in the prices of public sector building and construction output for the period 2021 to 2026. We will invite tenders for the P&E Study on a lump sum basis using the New Engineering Contract ("NEC") form³ with provision for price adjustments. We will procure the site investigation works under a standard re-measurement contract.

14. The P&E Study with the associated site investigation works will not give rise to any recurrent consequences.

PUBLIC CONSULTATION

15. We consulted the Ta Kwu Ling District Rural Committee (TKLDRC), the Fanling District Rural Committee (FDRC), the Sheung Shui District Rural Committee (SSDRC), the Sha Tau Kok District Rural Committee (STKDRC) and the North District Council (NDC) on the proposal to commission the P&E Study in March and April 2021.

/16.

³ New Engineering Contract is a suite of contracts developed by the Institution of Civil Engineers, United Kingdom. It is a contract form that emphasises corporation, mutual trust and collaborative risk management between contracting parties.

16. The Rural Committees and NDC in general had no objection to the P&E Study for the Remaining Phase Development. They expressed comments on various aspects relating to the NTN New Town and MKT Logistics Corridor including traffic impact, transport and other necessary infrastructure support; the opportunities arising from developments in Shenzhen and the Greater Bay Area; provision of retail, educational, community and social welfare facilities; local tourism; impact on the local residents, villagers, farmers, and brownfield operators; compensation and rehousing/relocation arrangements; development programme as well as public engagement timing and content. Comments received will be further considered in the detailed planning and engineering studies. We will conduct further engagement with relevant stakeholders and provide the relevant information to them when ready.

17. We consulted the LegCo Panel on Development on 10 May 2021. Members supported the funding application and views are summarised in paragraph 8 of the main paper.

ENVIRONMENTAL IMPLICATIONS

18. The P&E Study is a designated project under Schedule 3 of the Environmental Impact Assessment Ordinance (EIAO) (Cap. 499). Development proposals to be formulated would also involve designated projects under Schedule 2 of the EIAO which will require Environmental Permits for their construction and operation. We will conduct the EIA studies to comply with the requirements of the EIAO.

19. The associated site investigation works will only generate very little construction waste. We will require the consultant to fully consider measures to minimise the generation of construction waste and to reuse/recycle construction waste as much as possible during the construction stage.

HERITAGE IMPLICATIONS

20. The P&E Study including the associated site investigation works will not affect any heritage sites, i.e. all declared monuments, proposed monuments, graded historic sites and buildings, sites of archaeological interest and Government historic sites identified by the Antiquities and Monuments Office.

/LAND

LAND ACQUISITION

21. The P&E Study will not in itself require any land acquisition. The need and extent of land acquisition for the proposed developments will be ascertained under the P&E Study.

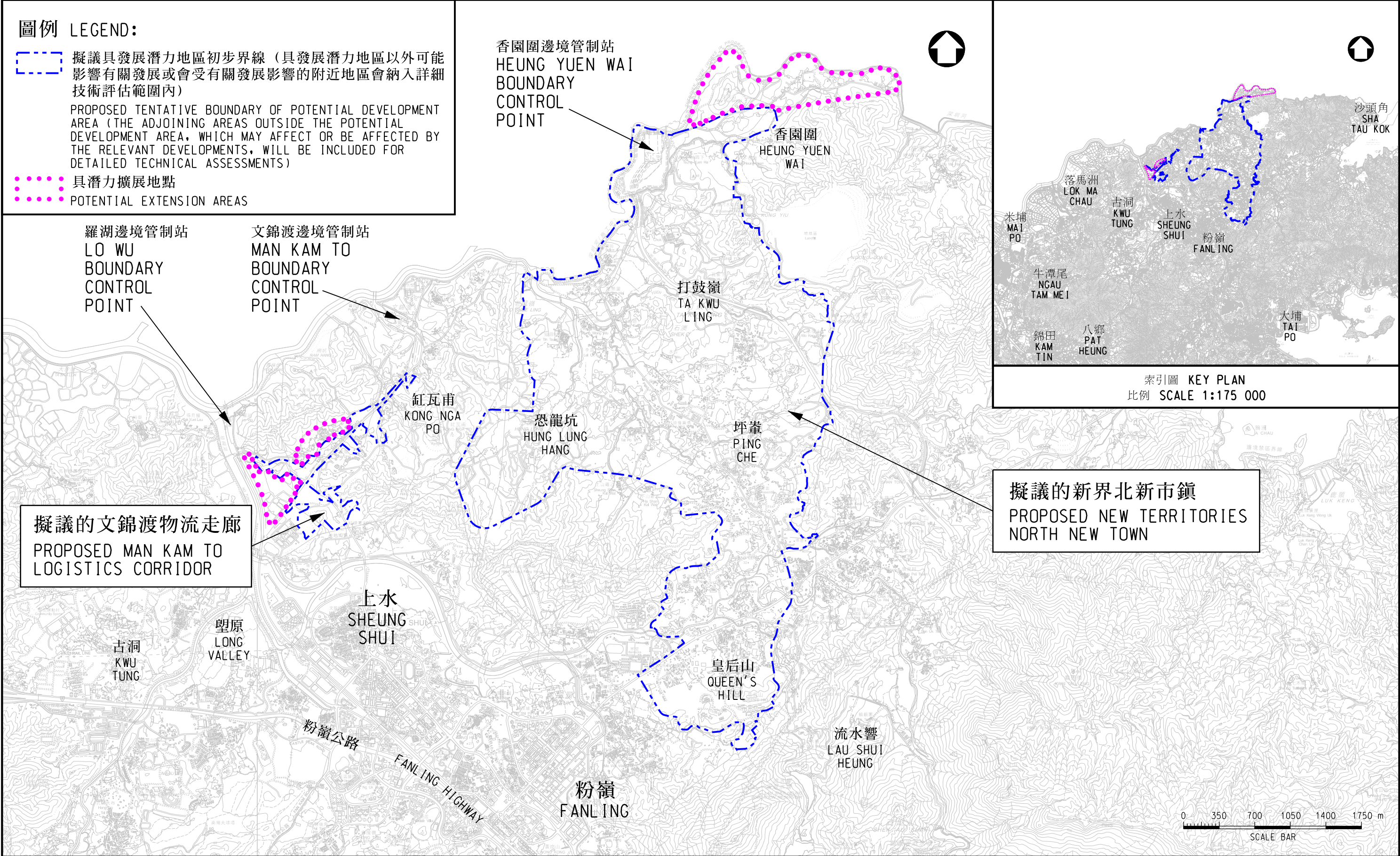
BACKGROUND INFORMATION

22. The Preliminary NTN Study was commissioned in 2014 under the block allocation **Subhead 7100CX** “New towns and urban area works, studies and investigation for items in Category D of Public Works Programme” at a total cost of about \$20.63 million in MOD prices. The preliminary concepts for the NTN development were promulgated in the Hong Kong 2030+ Study public engagement in 2016 and the Final Report and Executive Summary of the Preliminary NTN Study were published in February 2018.

23. We upgraded **854CL** to Category B in September 2020.

24. The P&E Study with the associated site investigation works will not directly involve any tree removal or planting proposals. We will require the consultant to take into consideration the need for tree preservation during the planning and design stages of the project. We will also incorporate tree planting proposals, where possible, in the construction phase in the future.

25. We estimate that the P&E Study will create about 30 jobs (10 for labourers and 20 for professional or technical staff) providing a total employment of about 1 000 man-months.



項目編號/ITEM NO. 854CL
新界北餘下階段發展-新界北新市鎮及文錦渡位置圖
REMAINING PHASE DEVELOPMENT OF THE NEW TERRITORIES NORTH (NTN)-
NTN NEW TOWN AND MAN KAM TO
LOCATION PLAN

Annex 2 to Enclosure 2

854CL – Remaining Phase Development of the New Territories North (NTN) – Planning and Engineering Study for NTN New Town and Man Kam To

Breakdown of estimates for consultants' fees (in September 2020 prices)

		Estimated man- months	Average MPS* salary point	Multiplier (Note 1)	Estimated fee (\$ million)
Consultants' fees (Note 2)					
(a) P&E Study	Professional	373	38	2.0	64.1
	Technical	668	14	2.0	40.4
Sub-total					104.5 #
(b) Environmental Impact Assessment	Professional	99	38	2.0	17.0
	Technical	170	14	2.0	10.3
Sub-total					27.3 #
(c) Resident site staff (RSS) costs (Note 3)	Professional	7	38	1.6	1.0
	Technical	17	14	1.6	0.8
Sub-total					1.8
Comprising –					
(i) Remuneration of RSS for site investigation works					1.7 #
(ii) Consultants' fee for management of resident site staff					0.1 #
Total					133.6

* MPS = Master Pay Scale

Notes

1. A multiplier of 2.0 is applied to the average MPS salary point to estimate the full staff costs for the staff employed in the consultants' offices (including the consultants' overheads and profits). A multiplier of 1.6 is applied to the average MPS salary point to estimate the cost of resident site staff supplied by the consultants (as at now, MPS salary point 38 = \$85,870 per month and MPS salary point 14 = \$30,235 per month).

2. The actual man-months and actual costs will only be known after the consultants have been selected.
3. The actual man-months and actual fees will only be known after completion of the site investigation works.

Remarks

The figures in this Annex are shown in constant prices to correlate with the MPS salary point of the same year. The figures marked with # are shown in money-of-the-day prices in paragraph 10 of the Enclosure 2.