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Panel on Security

Updated background brief prepared by the Legislative Council Secretariat for the meeting on 7 September 2021

Fire Safety (Buildings) Ordinance and the Fire Safety Improvement Works Subsidy Scheme

Purpose

This paper gives a brief account of the past discussions by the Panel on Security ("the Panel") on the implementation progress of the Fire Safety (Buildings) Ordinance (Cap. 572) ("FS(B)O") and the Fire Safety Improvement Works Subsidy Scheme ("FSW Scheme") to subsidize owners of old composite buildings to undertake fire safety enhancement measures as required by FS(B)O.

Background

2. FS(B)O came into operation on 1 July 2007. It requires that the fire safety measures of composite buildings and domestic buildings which were constructed, or with their plans of the building works first submitted for approval, on or before 1 March 1987 be enhanced to better meet the current requirements, with a view to providing better protection for occupants and users of, and visitors to, such buildings from the risk of fire and to protect life and property. Under FS(B)O, the Fire Services Department ("FSD") and the Buildings Department ("BD") issue Fire Safety Directions ("Directions") to owners or occupiers to specify the required fire safety improvement works after inspecting the buildings.

3. The Chief Executive ("CE") announced in the 2017 Policy Address that the Government planned to devote \$2 billion to launch the FSW Scheme to subsidize owners of eligible composite buildings to undertake fire safety enhancement measures as required by FS(B)O. Eligible building may receive a subsidy not exceeding 60% of the costs of works and consultancy fees, or the corresponding cap imposed on that category of buildings, whichever is the less. In mid-2018, the Government jointly launched the FSW Scheme with the Urban Renewal

Authority ("URA") with an allocation of \$2 billion. It was anticipated that the amount could benefit around 2 000 target composite buildings ("TCBs"). Subsequently, the Government has injected an additional funding of \$3.5 billion into the FSW Scheme. The whole subsidy scheme is estimated to benefit around 6 000 to 6 500 buildings.

Deliberations of the Panel

Technical difficulties encountered by owners of old buildings

4. Members expressed concern that some old building owners could not be able to fully comply with the requirements set out in the Directions due to structural or spatial constraints of their buildings. Specifically, old buildings of three storeys or less might encounter genuine technical difficulties in carrying out fire safety improvement works, as these aged buildings would be subject to greater structural or spatial constraints in the installation of fire service water tanks and pumping stations.

5. The Administration advised that it was aware of the difficulties faced by some owners in complying with the Directions. As such, FSD had, as allowed under FS(B)O, extended the compliance period of the Directions in the light of the justifications provided and/or the scale of works involved. Having regard to the circumstances of individual buildings, FSD and BD had, where basic fire safety would not be compromised, adopted a flexible and pragmatic approach in handling individual cases and allowed owners more time and flexibility in complying with the Directions. Besides, FSD had introduced a series of improvised measures, including the "improvised hose reel system" and lowering of the capacity requirements for supply tanks of the fire service systems, with a view to assisting owners in overcoming technical difficulties associated with the As for old buildings of three storeys or less, FSD and the Water Supplies works. Department had since September 2016 accepted the installation of "improvised hose reel systems" with direct water supply from government pipes on the ground floor of the buildings, sparing the owners the need to install related installations of fire service water tanks and pumps. As regards old buildings of four to six storeys, FSD had lowered the capacity requirement of fire service water tanks for most of them from 2 000 litres to 500 litres. Members were subsequently advised that for buildings of seven storeys or above, provided that direct vehicular access to one of the major facades of the building was available and a street fire hydrant was located within a distance of 50 metres, the capacity requirement of fire service water tanks might be reduced from 9 000 litres to 4 500 litres. Additionally, there was also a pilot scheme on utilizing the existing fresh water supply systems and rooftop fresh water tanks for supporting the fire service systems of buildings of seven storeys or above.

6. Some members pointed out that a number of owners of pre-1987 composite buildings and domestic buildings, especially "three-nil" buildings (i.e. buildings without owners' corporations ("OCs"), residents' organizations or property management companies), had encountered difficulties in coordinating fire safety improvement works. Specifically, these owners were unable to apply under the name of an OC for the relevant building maintenance loans and grants.

7. The Administration advised that noting the difficulties encountered by "three-nil" buildings, FSD had extended the compliance period of the Directions in the light of the justifications provided and/or the scale of works involved. To strengthen the provision of free professional advice and support services to "three-nil" buildings and enhance building management and maintenance works on all fronts, members were further advised that the Home Affairs Department ("HAD") had introduced the Building Management Professional Advisory Service Scheme since 2011. In addition, FSD and BD would refer a list of target buildings without OCs to HAD so that the latter could assist the owners in Specifically, URA had assisted in examining the Deed of establishing OCs. Mutual Covenant for about 80 "three-nil" buildings during the first round of the FSW Scheme applications, and OCs had successfully been set up in about 60 buildings and joined the Scheme.

8. Members were assured that that the Administration had been, and would continue adopting a flexible and pragmatic approach in handling individual cases. The relevant departments would also continue to review the measures implemented from time to time and explore various works options so as to assist the old building owners in complying with the Directions.

Need for the Fire Safety Improvement Works Subsidy Scheme

9. Some members pointed out that when FS(B)O was enacted, the financial burden arising from fire safety improvement works required was not a concern. They considered that the major difficulties encountered by the building owners in carrying out fire safety improvement works were mainly technical but not financial in nature, and queried the need for the FSW Scheme.

10. Some other members, however, held different views. They considered that while failure to comply with the Directions issued by FSD or BD might be due to various reasons, including technical problems and difficulties in forming OC or owners' committee, owners lacking in funding was the major problem especially for those buildings where a majority of owners were seniors facing financial difficulties.

According to the Administration, compliance situation with the Directions 11. had been unsatisfactory. It was highlighted that apart from technical issues, another common problem faced by owners of old buildings was financial While there were some financial assistance schemes available to difficulties. owners for building repair works, which covered fire safety-related works, the amount of subsidy provided was relatively low. Taking the Common Area Repair Works Subsidy of URA as an example, the owner of a unit could generally receive a subsidy of around 20-30% of the cost of building repair works at most, The Administration considered that a higher level of capped at \$4,500 per unit. subsidy would offer owners a greater incentive to coordinate and carry out repair works. That said, the Administration stressed that to ensure proper use of public money, certain criteria had to be met for a building to be eligible for subsidy under For example, a ceiling on the average rateable value of the FSW Scheme. residential units of a building would be imposed so that the subsidy could target those building owners with greater need for financial support.

Implementation of and eligibility for the Fire Safety Improvement Works Subsidy Scheme

12. Members noted that URA would process around 400 to 500 applications per year under the FSW Scheme, and expressed concern about its slow implementation progress. The Administration explained that the estimation was drawn up taking into account the market capacity of qualified professionals. Currently, there were some 800 registered fire service installation contractors and some 1 500 authorized persons in the market, and the estimation of the annual number of applications to be processed was made to avoid driving up the costs of the fire safety improvement works under FS(B)O and to ensure the quality of the works carried out.

13. Regarding the progress of the FSW Scheme, members were advised that as at May 2021, among the 2 356 applications meeting the basic requirements in the first round of the FSW Scheme, URA had issued letters of Approval-in-principle ("AIP") to 1 667 applicants and approached them for commencement of fire safety improvement works. For the 689 remaining applications, it was estimated that URA could issue AIP to all the applicants by December 2021. As for the second round of application, as at end May 2021, there were a total of 839 applications which met the basic requirements. URA was gradually sending notifications to the relevant applications, and would expect to start issuing AIP to the applicants in batches no later than September 2021.

14. Some members suggested that direct subsidy should be provided to individual owners of buildings without OCs and owners' committees. Some members considered that subsidy should also be provided under the FSW Scheme to owners of TCBs which had already complied with the Directions issued by BD

and FSD respectively. Otherwise, these owners would be reluctant to carry out improvement works in future unless subsidies were provided.

15. The Administration advised that only buildings, which had formed OCs or owners' committees, on which the Directions had been served and with required works not yet completed prior to the date of delivery of the CE's 2017 Policy Address would be eligible for subsidy under the FSW Scheme. As FS(B)O had commenced operation since 2007, some fire safety improvement works arising from the Directions previously issued might have been completed many years ago and there might have been subsequent changes in the ownership of the units concerned.

Carrying out the required fire safety improvement works by the Government

16. In view of the genuine technical difficulties, some members suggested that FSD should carry out fire safety improvement works for aged owners who had difficulties in complying with the Directions. Concern was also raised as to whether FSD could carry out the fire safety improvement works required under the Directions and recover the costs from owners of the buildings concerned.

17. Members were advised that FS(B)O did not empower the Administration to carry out fire safety improvement works for TCBs. Besides, relevant improvement works required under FS(B)O often involved the provision of fire service installation in the common areas of old buildings, which required the agreement and coordination amongst the owners. Thus, legal proceedings might arise and the works might be delayed if the Administration carried out the works without the owners' agreement. Having said that, the Government understood that, due to the lack of technical knowledge and/or ability to coordinate, some building owners might face certain difficulties in complying with the requirements of FS(B)O. CE announced at the Question and Answer Session of the Legislative Council ("LegCo") on 4 February 2021 that having regard to the experience of BD in carrying out works related to building safety, the Government agreed that there was a need to consider amending FS(B)O to empower FSD and BD to carry out fire safety improvement works for the owners of old buildings who were incapable of complying with the requirements of FS(B)O, and to recover the costs incurred from such owners upon completion of The Government would make reference to a similar mechanism and the works. its implementation under the existing Buildings Ordinance (Cap. 123), and would do its best to resolve the legal and enforcement issues involved. A public consultation exercise was expected to be launched in the second half of 2021 in order to formulate a suitable mechanism and amend the legislation to empower relevant departments to carry out the related works.

18. The Administration will brief the Panel on the proposed amendments to FS(B)O at its meeting on 7 September 2021.

Relevant papers

19. A list of the relevant papers on the LegCo's website is in the **Appendix**.

Council Business Division 2 Legislative Council Secretariat 1 September 2021

Appendix

Relevant papers on the Fire Safety (Buildings) Ordinance and the Fire Safety Improvement Works Subsidy Scheme

Committee	Date of meeting	Paper
Panel on Security	25.1.2007	Agenda
	(Item IV)	<u>Minutes</u>
	5.1.2016	Agenda
	(Item VIII)	<u>Minutes</u>
	3 November 2017	Agenda
	(Item IV)	<u>Minutes</u>
	9 January 2018	Agenda
	(Item IV)	<u>Minutes</u>
	7 January 2020	Agenda
	(Item V)	<u>Minutes</u>
Legislative Council	2.3.2016	Official Record of Proceedings
		(Question 6)
	2.11.2016	Official Record of Proceedings
		(Question 10)
	14.6.2017	Official Record of Proceedings
		(Question 5)
	5.7.2017	Official Record of Proceedings
		(Question 10)

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