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23rd December 2003

Clerk to Public Accounts Committee
(Attn: Ms Miranda HON)
Public Accounts Committee
Legislative Council Building,
8 Jackson Road, Central,
Hong Kong.

Dear Ms Hon,

**The Director of Audit's Report on the
Results of value for money audits (Report No. 41)**

**Chapter 6: Buildings Department's efforts
to tackle the unauthorized building works (UBW) problem**

Thank you for your letter dated 12 December 2003 seeking additional information further to the public hearing on 8 December 2003. I provide below the information required in the order as set out in your letter.

- (a) The numbers of buildings on which Blitz operations had been conducted in each of the years since the implementation of the 2001 Strategy were 1,571, 1,759 and 1,000 for Year 2001, 2002 and 2003 respectively. We have achieved all the targets of conducting Blitz operations i.e. conducting operations on 900 buildings in Year 2001 and 1,000 buildings per year since 2002.
- (b) With reference to the complaint cases in the Building Condition Information System (BCIS) without the "initial action date", we will deploy additional resources with a view to entering all relevant data into the BCIS by March 2004 and completing all outstanding "initial actions" by June 2004.

- (c) The comparison between the revised target completion dates of key stages for the new batch of outsourced contracts under the Blitz UBW Clearance (BUC) 2003 and the original ones under BUC 2001 is listed below:

Key stages	BUC2001 ^{Note 1}	BUC2003 ^{Note 2}
Completion of Survey Report	15 th week	Ranging from 7 th - 17 th week
Issue of statutory order	19 th week	Ranging from 14 th - 29 th week
Completion of first compliance inspection report	41 st week	Ranging from 34 th – 80 th week
Completion of final report	67 th week	Ranging from 62 nd - 106 th week

Note 1: Based on BD's Action Plan for BUC 2001

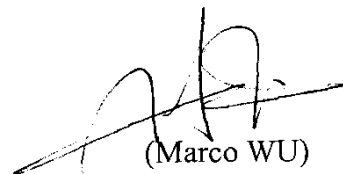
Note 2: Based on programmes agreed with the outsourced consultants for carrying out BUC operations in July 2003. Target completion dates may vary according to the complexity of the cases such as the nature and estimated number of UBWs involved in the target buildings.

The requirement of engaging experienced staff has been introduced in the new batch of outsourced contracts of BUC 2003. The average contract price per building for outsourced contracts under BUC2001 and BUC2003 are \$17,438 and \$17,578 respectively. As there are many other factors that may affect the contract prices such as the market conditions and the complexity of the jobs in individual contracts e.g. number of UBWs identified and to be removed in the target building, it is difficult to determine whether the new requirement for experienced staff has led to higher contract prices.

- (d) The details are provided at Annex.

I should be grateful if you could convey the above information to Members of the Committee.

Yours sincerely,



(Marco WU)
Director of Buildings

Encl.

c.c. Secretary for Housing, Planning and Lands
Director of Audit

b.c.c. AA/SHPL

Buildings Department's efforts to tackle the unauthorized building works problem – Reasons for delay in five cases

1. General

Regarding Cases 1 to 5 in Part 11 of the Audit Report, an account for the reasons for the delay, the rank(s) of the staff who were responsible for the delay and the rank(s) of the supervisors of the staff concerned is provided in the following paragraphs.

When seen in context, the delays in those cases might be due to a number of common factors in addition to their individual circumstances and particular reasons. These common factors include:

- a) There has been a significant increase in the workload and performance targets over the past few years. For example, the number of complaints attended to has increased from 8,300 cases in 1993 to 15,600 cases in 2002. The annual target of 'UBWs removed and irregularities rectified' has doubled from 15,000 in 2001 to 30,000 from 2002 onwards.
- b) Some major operations and key events might have interrupted the progress of individual cases during the material time as detailed below:
 - (i) A major internal re-organisation of the Buildings Department (BD) took place in July 2000. This reorganization exercise enabled us to improve our overall efficiency in dealing with existing buildings but inevitably caused some temporary disruptions to our work when it was implemented.

- (ii) A number of large scale operations were launched, including:
- in September 1999 - Blitz UBW Clearance (BUC) 99 involving 307 target buildings;
 - in September 2000 - BUC 2000 involving 404 target buildings;
 - in December 2000 – Co-ordinated Maintenance of Buildings Scheme (CMBS) 2000 involving 150 target buildings;
 - in November 2001 – first batch of BUC 2001 involving 1,571 target buildings;
 - in December 2001 – second batch of BUC 2001 involving 1759 target buildings;
 - in December 2001 - CMBS 2001 involving 200 target buildings;
 - in December 2002 - CMBS 2002 involving 200 target buildings;
 - in July 2003 - BUC 2003 involving 1,000 target buildings;
 - in April 2003 – Inspection of external drain pipes of some 18,000 buildings in the wake of the outbreak of SARS; and
 - in June 2003 - Priority District Hygiene Black-spots Clearance Operation involving 85 rear lanes.

Substantial resources were drawn to these operations at various critical stages such as the selection of target buildings, survey inspections, issuance of statutory orders and compliance inspections.

- c) To implement the 2001 Strategy, additional resources were obtained which were partly used to recruit new staff on a contract or temporary basis. As a result, over 540 new staff were recruited in Year 2001 and 2002. Understandably,

these new recruits had to spend some time at the beginning to familiarize themselves with the work procedures for carrying out enforcement against UBW.

- d) Before the launching of the Building Condition Information System (BCIS) in January 2003, we did not have a comprehensive progress monitoring system which could help the supervisory staff to monitor the progress of the follow-up action on individual cases.

2. Case 1 – UBW on a building in Shamshuipo, Kowloon

- a) As described in Paragraph 11.4 of the Audit Report, Audit observed that:
*“Although the BD received a referral from the Lands D on 22 June 1999, its staff did not carry out a site inspection until **609 days** later...”*

Reasons for delay

At the sectional meeting held on 21 April 1999, the Chief Officer instructed all staff to clear backlog orders involving unauthorized building works (UBW) which posed an imminent danger as a top priority.

From June 1999 to June 2000, the case officer (a Principal Survey Officer (PSO)), under the supervision of a Senior Building Surveyor (SBS), was engaged in another complicated backlog case which required breaking into and closure of a flat for the removal of an unauthorized structure. Apart from clearing backlog orders, the case officer also received in the same period an average of 50 complaints about UBWs and carried out about 20 inspections on complaints every month.

After the internal re-organisation of BD on 3 July 2000, which involved changes in job duties, the case officer made preparations for the launching of two large scale operations, namely the BUC2000 in September 2000 and CMBS2000 in December 2000. Thereafter, the case officer was preoccupied with work on surveying 10 target buildings and issuing 158 statutory orders under BUC 2000.

- b) As described in Paragraph 11.5, Audit observed that *“From the date of site inspection, the time taken for completion of the inspection report was **79 days...**”*

Reasons for delay

During the period between February 2001 and September 2001, the case officer was engaged in handling one target building for CMBS2000 and served a total number of 39 removal orders. He also carried out 116 complaint inspections and 126 compliance inspections for orders issued during the period.

- c) As described in Paragraph 11.6, Audit observed that *“the action team did not proceed to the next step until **140 days** after the completion of the inspection report, ...Thereafter, no substantive actions were taken for **646 days**, counting up to 5 July 2003 (i.e. the date of audit review)”*

Reasons for delay

From November 2001 onwards, the case officer has been engaged in several large scale operations. These are:

- i) From November 2001 onwards, to supervise a BUC2001 outsourced contract consisting of 54 target buildings;

- ii) From December 2001 onwards - to handle 2 target buildings under CMBS2001;
- iii) From December 2002 –onwards - to handle 2 target buildings under CMBS2002;
- iv) From April 2003 to August 2003 - to inspect external drain pipes in 202 buildings in the wake of the outbreak of SARS;
- v) From June 2003 onwards – to take part in Phase I Clearance of environmental hygiene Black-spots under Team Clean; and
- vi) From July 2003 –onwards – to supervise a BUC2003 outsourced contract consisting of 12 target buildings.

d) Current Status

The case officer re-inspected the site on 30 August 2003. The subject UBW had not yet been removed. A removal order was issued on 30 August 2003. The case officer conducted compliance inspection on 18 November 2003. The UBW was found removed.

3. **Case 2 – UBW on a building in Tai Po, New Territories**

- a) As described in Paragraph 11.4, Audit observed that “*A referral was received on 19 January 2000. However, BD staff did not complete the site inspection until 118 days later...*”

Reasons for delay

In response to a referral memo, the case officer, a Structural Engineer (SE), conducted a site inspection on 22 February 2000 (Day 34). During the inspection, his supervisor, a Senior Structural Engineer (SSE), instructed him to carry out an emergency inspection at another location.

In view of the many other similar UBWs in the building, the case officer decided to handle all of them in one go and planned to return to the subject site for a full survey at a later stage. The subject case was therefore held in abeyance while the case officer was engaged in other more urgent complaint cases. On 16 May 2000 (84 days after first inspection), the case officer continued his full survey inspection on the subject UBW and other similar UBWs in the building.

- b) As described in Paragraph 11.8, Audit observed that “*BD issued a s.24 Order on 22 September 2000. However, a compliance inspection was not conducted until 245 days later, on 25 May 2001.*”

Reasons for delay

After the internal re-organisation of BD on 3 July 2000, the subject case was taken up by another case officer, who was also a Structural Engineer (SE) under the supervision of another Senior Structural Engineer (SSE). A s.24 order was served on 22 September 2000. Although the case officer brought up the case file on 28 December 2000 with a view to carrying out the compliance inspection, he was engaged in other duties at that time which included:-

- i) to handle 3 target buildings under BUC1999 in Sham Shui Po;
- ii) From 3 July 2000 onwards, to attend to over 800 complaints in Tai Po and many backlog orders;
- iii) From September 2000 to August 2001 – to survey 10 target buildings under BUC2000 and to issue orders and carry out compliance inspections to these buildings;
- iv) From December 2000 to June 2002 - to handle 3 target buildings under CMBS2000.

Due to the heavy workload during that period, the case officer could not conduct the compliance inspection until 25 May 2001.

c) Current Status

BD has initiated prosecution action against the owner of the subject UBW for non-compliance with the s.24 order. Summons was issued to the owner on 11 November 2003. First plea hearing is scheduled for 31 December 2003.

4. **Case 3 – IRS on a single-staircase building in Shamshuipo, Kowloon**

- a) As described in Paragraph 11.5, Audit observed that *“From the date of site inspection, the time taken for completion of the inspection reports was **66 days**.”*

Reasons for delay

Between 27 March 2001 and 22 August 2002, the case officer was a Building Safety Officer (BSO). After his resignation, a Senior Survey Officer (SSO) took up the post on 23 August 2002. They were under the supervision of a Building Surveyor (BS) and a Senior Building Surveyor (SBS).

Although the inspection report only records the date of the first inspection by BD, 27 March 2001, in fact, the site concerned was inspected twice before the inspection report was prepared. The case officer conducted the second inspection on 12 April 2001.

Moreover, during the early phase of the IRS clearance operation, the case officer first conducted inspections on a number of target buildings, and then prepared the inspection reports for each of these buildings afterwards. Therefore, there was a time-lag between the inspection and the preparation of the report.

- b) As described in Paragraph 11.7, Audit observed that *“the closure order was executed on 16 November 2001. However, no action was recorded on the file until **73 days later** (i.e. on 28 January 2002), ...In April 2003, an instruction was issued to arrange for a site inspection. However, up to 5 July 2003, there was no record to indicate that the inspection had been carried out.”*

Reasons for delay

After execution of the closure order, it was noted that the owner was staying in the IRS while his property on 5/F was rented out. He was not eligible for re-housing. The owner indicated willingness to demolish the IRS voluntarily when he could move back to his own property after his tenant moved out. In view of the hardship the owner was facing, immediate enforcement action was not taken. The case officer failed to report to his supervisor on the progress of the case.

The case officer above resigned on 22 August 2002, and the case was taken up by another case officer. As such, he kept the case in view, pending the owner's action to resolve his re-housing problem. On 3 December 2002, he called the owner to follow up the matter and learnt that the owner had financial problems. Subsequently, on 23 April 2003, he instructed his sub-ordinate to arrange for a site inspection which took place on 18 July 2003.

The progress of IRS clearance operation could be affected by social, financial and re-housing problems faced by owners of the IRS. Case officers generally sympathized with the owners' situation and allow more time to owners to solve their re-housing problems before taking enforcement action to remove the structures.

c) Current Status

The owner voluntarily removed the IRS on 13 October 2003 and BD subsequently discharged the s.24 order.

5. **Case 4 – IRS on a single-staircase building in Mongkok, Kowloon**

- a) As described in Paragraph 11.6, Audit observed that *“the action team did not proceed to the next step until 437 days after the completion of the inspection report”*

Reasons for delay

The case officer was a Building Safety Officer (BSO) under the supervision of a Building Surveyor (BS) and a Senior Building Surveyor (SBS).

After the first inspection on 27 October 2000, the ownership information was obtained from the Land Registry on 11 November 2000. Based on the ownership information, it was noted that a probate in respect of the ownership of a share of the roof was pending registration, thus the ownership of the roof was in doubt. The case officer could not proceed to the next step at the time.

Moreover, in 2001, the case officer did not follow up the subject case because he was engaged in other work of conducting site inspections, serving s.24 orders and executing closure orders in a number of enforcement cases against IRS. During this period, he has served 90 s.24 orders to 42 target buildings and has removed IRS on 37 target buildings.

- b) As described in Paragraph 11.7, Audit observed that *“the closure order was executed on 28 August 2002. In July 2003, the subject IRS was still there. During this period, the BD paid only one site visit.”*

Reasons for delay

The occupant claimed that he needed re-housing, but he did not approach Housing Department for assistance and stayed in Mainland China since August 2002. As the occupant kept his personal belongings in the subject IRS, the case officer decided not to take any immediate action for the time being. He had not consulted his supervisor for advice on this matter.

c) Current Status

The subject IRS was voluntarily removed on 27 November 2003 and the s.24 order was subsequently discharged.

6. **Case 5 – an abandoned signboard in Nathan Road, Kowloon**

- a) As described in Paragraph 11.8, Audit observed that *“the BD issued a DSRN on 13 March 2001. Up to the time of audit review on 31 July 2003 (i.e. 870 days after the issue of the DSRN), no substantive actions had been taken to remove the abandoned signboard.”*

Reasons for delay

The case officer was a Structural Engineer (SE) under the supervision of a Senior Structural Engineer (SSE).

It was stipulated in an internal guideline, Information Paper for Planned Survey of Signs and Enhanced Removal of Abandoned Signs that -

“For cost-effectiveness, staff should properly plan the removal action and issue works orders to cover a number of abandoned signs in vicinity, say 4 to 5 nos.”

As the subject abandoned sign did not pose immediate danger to the public, and the removal action would involve temporary closure of part of Nathan Road, the case officer deferred the removal action to await opportunities for the joint removal of other abandoned signs in the vicinity.

In August 2001, the case officer noted other abandoned signs on the subject building while he was conducting preliminary survey for the selection of target buildings for BUC2001. He decided to include the detailed survey of these

abandoned signs in the outsourced BUC2001 to be carried out by the consultant.

After the implementation of the BUC 2001, a consultant was appointed to carry out BUC operations in the subject building. The consultant submitted the full survey report for the subject building on 7 January 2002. It was noted that the submitted report did not include the details of the abandoned signs of the building. BD's comments were conveyed to the consultant on 5 March 2002 regarding the abandoned signs. Later on, the consultant submitted the compliance inspection report on 11 March 2003 but still did not include the details of the abandoned signs. BD's comments were given to the consultant on 17 March 2003 regarding the abandoned signs. Afterwards, the case officer was engaged in a large amount of urgent work arising from the outbreak of SARS. Such work included assisting owners and inspecting external drain pipes in buildings in the wake of the outbreak of SARS and taking part in Phase 1 clearance of environmental hygiene black-spots. Hence the case officer could not follow up closely on the progress of the subject case.

b) Current Status

In September, the consultant submitted the details of the abandoned signs. BD served DSRNs for the remaining abandoned signs on 5 September 2003. BD instructed the Government Contractor on 22 September 2003 to remove all those abandoned signs in one go. The subject sign was subsequently removed on 9 November 2003.