

**For discussion on
26 November 2013**

**LEGISLATIVE COUNCIL
PANEL ON DEVELOPMENT**

**Progress Report on the Mandatory Building Inspection Scheme and
Mandatory Window Inspection Scheme and
the proposed Creation of a Permanent Post of
Assistant Director/Mandatory Building Inspection
in the Buildings Department**

PURPOSE

This paper informs Members of the progress of the implementation of the Mandatory Building Inspection Scheme (MBIS) and the Mandatory Window Inspection Scheme (MWIS), and seeks Members' support for the proposed creation of a permanent bi-disciplinary Government Building Surveyor (GBS)/Government Structural Engineer (GSE) post (D2) as the Assistant Director (AD) to head the Mandatory Building Inspection Division (MBID) of the Buildings Department (BD) with effect from 1 April 2014 upon the lapse of a supernumerary GBS/GSE post.

BACKGROUND

2. Following a comprehensive review of the building safety policy and measures, the Government has since 2011 adopted a new multi-pronged approach, covering legislation, enforcement, support and assistance to building owners, as well as publicity and public education, to enhance building safety. To cope with the building ageing and dilapidation problems, the new package of measures puts a heavy emphasis on inspection, repair and preventive maintenance of the existing building stock as well as demolition of unauthorised building works (UBWs) in existing buildings. One of the major new building safety initiatives is the introduction of the MBIS and the MWIS to tackle the problem of building neglect at source. The two schemes cover all private buildings aged 30 years or above and 10 years or above respectively, except domestic buildings not exceeding three storeys in height. Following the introduction of the relevant amendments to the Buildings Ordinance (BO) through the Buildings (Amendment) Ordinance 2011 in June 2011 and subsidiary legislation including the Building (Inspection and Repair) Regulation in December 2011, the MBIS and the MWIS have been fully implemented

since 30 June 2012. The legislation empowers the Building Authority to serve statutory notices on owners requiring them to carry out prescribed inspections and prescribed repairs as necessary of their buildings and windows every 10 years and five years respectively.

3. In order to implement the new multi-pronged approach to enhance building safety and in the light of operational needs, BD was re-organised in July 2011. As part of the re-organisation, a dedicated MBID, underpinned by two MBI Sections and the Fire Safety Section (FSS), was established to implement the MBIS and the MWIS and handle fire safety improvement works of old buildings. The Finance Committee approved on 24 June 2011 vide EC(2011-12)5 the creation of a supernumerary bi-disciplinary GBS/GSE post, designated as AD/MBI, from 1 July 2011 to 31 March 2014 to head the new division. This supernumerary post will lapse on 31 March next year.

LATEST UPDATE AND PROGRESS

Requirements of the MBIS and the MWIS

4. Under the MBIS, building owners are required, within a specified timeframe, to appoint a registered inspector (RI) to carry out prescribed inspection and to appoint a registered contractor to carry out prescribed repairs found necessary of the common parts, external walls, projections and signboards of the building under the supervision of an RI once every 10 years. Under the MWIS, building owners are required to appoint a qualified person (QP) within a specified timeframe to carry out a prescribed inspection and to appoint a registered contractor to carry out a prescribed repair found necessary of the windows in the building under the supervision of a QP once every five years. Before serving statutory notices, BD will issue pre-notification letters to building owners/owners' corporations (OCs) advising them of the selection of their buildings as target buildings to allow them ample time to get prepared and plan ahead. Under the MBIS, upon receipt of a statutory notice, the owners/OC should appoint an RI within three months, and complete the prescribed inspection within six months from the date of the statutory notice. Any prescribed repair found necessary should be completed within 12 months from the date of the statutory notice. As for the MWIS, upon receipt of a statutory notice, the owners/OC should appoint a QP within three months, and complete the prescribed inspection and repair (if necessary) within six months from the date of the statutory notice. For both schemes, an extra three months will be allowed for owners of buildings without an OC to organise and arrange the required inspection and repair works. After the issue of statutory notices, the list of target buildings will be uploaded onto the BD's website.

5. BD has established a selection panel, which comprises representatives from professional institutions, relevant non-governmental organisations, property management professionals, District Councils and relevant Government departments, to tender advice on the selection of target buildings for the two inspection schemes. The target buildings selected each year will represent a mix of buildings in different conditions and age profiles in different districts. Moreover, to minimise disturbance to building owners, BD will synchronise the implementation of the MBIS and the MWIS, whereby buildings selected for the MBIS (i.e. buildings aged 30 years or above) will also be selected for the MWIS under the same cycle so that owners can carry out inspection and repair works under the two schemes concurrently.

Service Providers

6. Registration of RIs for the MBIS commenced on 30 December 2011. Over the past two years, BD has been taking active measures to encourage qualified building professionals to register as RIs, including arranging briefing sessions for members of the relevant professional institutes, inviting the institutes to disseminate the message to their members and to provide on their websites a hyperlink to BD's website for access to application forms for registration, and writing to all authorized persons (APs) and registered structural engineers (RSEs) inviting them to apply for registration. As of September 2013, a total of 532 applications for registration as RI had been received, of which 378 applications had been approved. On the other hand, there are currently about 16 300 QPs under the MWIS, comprising APs, RSEs, RIs, registered general building contractors and registered minor works contractors registered for the class, type and item of minor works in respect of windows. To facilitate owners in selecting a QP, BD has been actively exploring with relevant professional institutes, contractor associations and trade organisations on how best to provide relevant information to the public. The organizations have compiled lists of their members interested to provide services under the MWIS and the hyperlinks to the lists are uploaded to the BD's website for easy reference of the public. BD has also conducted briefing sessions for the trade to enhance their understanding of the statutory requirements under the schemes and the duties of RI and QP.

Facilitation Measures for Owners

7. We encourage owners to properly maintain their buildings on their own initiative apart from complying with statutory notices served by BD. Owners who plan to carry out building maintenance works may request BD to advance the issue of statutory MBIS and MWIS notices so that they may carry

out the inspections and repair works required under the two schemes in conjunction with their own maintenance programme. On the other hand, if a building has undergone repair works in the common parts and on the external walls in recent years under the supervision of an AP, or the building has repair works completed or being carried out under the Operation Building Bright, in general BD will not select the building for the MBIS and the MWIS within a certain period after the completion of the repair works. Nevertheless, buildings having repair works carried out in recent years may still be selected for the MBIS and the MWIS if BD has no record of their repair history. In such cases, upon receipt of a pre-notification letter, owners may contact BD and provide information about the repair works carried out in recent years. BD will consider deferring the issue of statutory notices to these buildings on a case-by-case basis depending on individual circumstances of the case.

Financial Assistance for Owners

8. To complement the launch of the MBIS, the Hong Kong Housing Society (HKHS) and Urban Renewal Authority (URA) jointly launched the Mandatory Building Inspection Subsidy Scheme (MBISS) in August 2012 to subsidise eligible owners the full cost of the first building inspection under the MBIS (subject to a cap). The MBISS started receiving application in October 2012. Under the MBISS, buildings are categorised into various groups according to the number of units, and each group has its respective cap limit. Background information on the MBISS is at **Enclosure 1**. As at end September 2013, HKHS and URA had received a total of 162 applications, among which 121 applications had been granted “approval-in-principle”, five applications were rejected owing to the failure to meet the eligibility criteria on rateable value and the rest were under processing. The amount of subsidy in each successful application will be determined when the actual cost of inspection is available upon completion of the inspection. The approved applications are in different stages of implementation, including preparing tender documents for selection and appointment of RIs and commencing inspection.

9. As for the repair works found necessary according to the inspection, the Government, together with HKHS and URA, will provide financial assistance under the various existing schemes, including the Integrated Building Maintenance Assistance Scheme (IBMAS) jointly administered by HKHS and URA, the Building Safety Loan Scheme administered by BD, and the Building Maintenance Grant Scheme for Elderly Owners administered by HKHS. A summary of these assistance schemes is at **Enclosure 2**. In line with the spirit of provision of ‘one-stop’ service, owners can simply complete one set of application forms under the IBMAS for making multiple applications covering

various types of grants/loans in the above schemes.

Technical Assistance for Owners

10. The Government, together with the HKHS and URA, also provide technical assistance to owners in need at various stages of the inspection schemes to guide them in carrying out inspection and repair works, including assisting them to organise themselves and offering support on tendering and appointment of RIs and contractors. Upon the issuance of pre-notification letters, the BD will, in collaboration with HKHS and URA, organise district briefing sessions for owners of target buildings to explain the details of the inspection schemes and assistance packages available. As at end September 2013, about 100 briefing sessions had been organised in various districts. BD, HKHS and URA also jointly provide an information kit to owners as handy reference materials, covering basic information on the two inspection schemes, the statutory requirements and procedures, the statutory duties of RIs and report channels, details of the various assistance schemes and application forms, guidance on anti-bribery and anti-rigging practices in tendering, standard templates for tendering procedures and answers to frequently asked questions. The information kit is made available to owners/OCs during the district briefing sessions, and at the public service centres of the supporting organisations and on their websites. In addition, owners successfully applying for subsidy under the MBISS are provided with a standard tender document and service agreement for the appointment of RI.

Publicity and Public Education

11. To enhance public awareness of the MBIS and the MWIS, BD has launched a publicity programme in two phases. In the first phase, an Announcement of Public Interest (API) was launched in mid-February 2012, which mainly served to publicise the registration of RIs. The API was broadcast on television and radio stations, as well as public transport vehicles including buses and trains. In the second phase, which began in early May 2012, BD launched a dedicated webpage on its website containing detailed information on the two inspection schemes and frequently asked questions for public reference. Other publicity materials including another set of API targeted at the requirements of the two inspection schemes, leaflets, general guidelines, newspaper supplements, posters and outdoor advertisements were launched in late June 2012 to publicise the full implementation of the schemes. Moreover, since the first phase, BD has all along been actively involved in seminars organised by various professional organisations, District Offices, District Councils, HKHS, URA, property management companies and individual housing estates, to promote the MBIS and the MWIS in the

community and answer residents' enquiries. BD has also invited the elderly to seminars through social welfare organisations in the community to strengthen the support to them. To publicise window safety in particular, BD published a new version of the booklet "Important Notes about Window Safety" in January 2013 and arranged distribution to OCs, mutual aid committees and property management companies; commissioned a series of mini TV programmes, which were broadcast in January 2013 and re-run in March 2013; and collaborated with the Consumer Council to publish an article on the MWIS in its CHOICE magazine in April 2013. We will continue to make efforts to take forward the above initiatives through a multi-channel approach on an on-going basis to sustain the publicity effect.

12. More details about the modus operandi of the MBIS and the MWIS and the Voluntary Building Assessment Scheme administered by HKHS are at **Enclosure 3**.

Summary of Progress

13. The present target is to select a total of 2 000 buildings aged 30 years or above and 5 800 buildings aged 10 years or above for the MBIS and the MWIS respectively. To spread over the workload of building professionals and contractors, the selection of target buildings will be conducted at quarterly intervals. Every quarter, the selection panel selects about 500 target buildings for implementation of the MBIS and the MWIS concurrently and another 950 target buildings for implementation of the MWIS only. As at end September 2013, a total of five quarterly batches of target buildings were selected. The progress is summarised in Table 1 below.

14. On the other hand, under the delegated authority from the Director of Buildings, the Independent Checking Unit (ICU) of the Housing Department (HD) implements the MBIS and the MWIS in accordance with the BO for domestic and associated non-domestic building blocks in Home Ownership Scheme courts, Tenants Purchase Scheme estates, and Public Rental Estates falling under land lots with divested properties. In the coming ten and five years, there will be about 1 100 building blocks falling under the MBIS and 834 000 residential flats falling under the MWIS respectively. Up to early September 2013, ICU had served pre-notification letters to two batches of target buildings including 39 residential blocks and 22 non-domestic blocks for the MBIS and about 50 000 residential flats for MWIS. The list of the third batch of target buildings was finalised in August 2013, involving 43 residential blocks and eight non-domestic blocks for the MBIS and about 40 000 residential flats for the MWIS, and pre-notification letters were issued in early November 2013. ICU plans to issue the first batch of statutory notices under

the two schemes in early 2014.

Figures as at end September 2013	Target buildings selected for implementation of MBIS and MWIS concurrently	Target buildings selected for implementation of MWIS only
Number of target buildings selected (a total of five quarterly batches)	2 500 (100%) [^]	4 750 (100%) [^]
Number of target buildings with pre-notification letters served	2 484 (99%) [^]	3 631 (76%) [^]
Number of target buildings with statutory notices served [#]	734 (50%) [^]	520 (20%) [^]
	MBIS Statutory Notices	MWIS Statutory Notices
Number of statutory notices served	9 387 (25%) ^{^@}	67 758 (20%) [^]
Number of statutory notices complied with and discharged	0*	1 382

Table 1: Summary of Progress of Implementation of MBIS and MWIS during the period from July 2012 to September 2013

Note:

- [^] The percentage in the bracket represents the actual achievement compared with the target.
- [#] The planned procedure is to serve statutory notices about six months and two months after the issue of pre-notification letters in respect of target buildings selected for MBIS and MWIS concurrently and target buildings selected for MWIS only. The percentage in the bracket represents the achievement vis-a-vis the target number of buildings that should have been issued statutory notices following the issue of pre-notification letters under the planned timeframe.
- ^{*} Given the longer lead time of MBIS inspections and repair works, no statutory notice has been discharged yet.
- [@] Under the MBIS, statutory notices are served on the common area, external walls and projections connected to individual premises of the target buildings. It was originally intended that separate notices would be issued to each projections of the buildings. In May 2013, BD revised the interpretation of the projections such that some of the projections would be regarded as part of the common area or external walls of a building for the purpose of issuing statutory notices. This has resulted in a reduction in the number of statutory notices issued and hence a lower percentage achievement on a notice basis as against the original target.

Observations and Challenges in the Implementation of the MBIS and the MWIS

15. We have a number of observations on the MBIS and the MWIS during their first year of implementation. The present target which was set at the time of commencement of the schemes is to select 2 000 and 5 800 buildings each year for carrying out the MBIS and the MWIS respectively. The planned procedure is to serve statutory notices about six months and two

months after the issue of pre-notification letters in respect of target buildings selected for the MBIS and the MWIS concurrently and target buildings selected for the MWIS only. However, BD has encountered major difficulties in meeting the planned progress. As of September 2013, in respect of the two categories of buildings, BD had served statutory notices to 50% and 20% respectively of the target number of buildings that should have been issued statutory notices in accordance with the planned timeframe.

16. The progress is lagging behind owing to two key reasons. First, there was an under-estimation of workload associated with the implementation of the schemes. While it was estimated that the average number of household units in each target building involved in both schemes would be 35, operational experience of the past year shows that the actual average numbers of units per building are 49 and 59 for the MBIS and the MWIS respectively. Such increase in the number of units has correspondingly led to a tremendous increase in workload in terms of the statutory notices to be issued and the documents and reports of inspections and repairs to be processed, as well as the related enforcement work against defaulted notices, issuance of fixed penalty notices under the MWIS and audit checks on submissions received. As an example to illustrate the huge increase in workload, the original estimate of 200 000 MWIS statutory notices to be issued annually has now been revised to 350 000 notices, representing an increase of 75%.

17. Secondly, since the full implementation of the schemes, BD has experienced an overwhelming volume of public enquiries and requests for ad-hoc on-site briefing sessions from the affected building owners of individual target buildings and estates upon issuance of pre-notification letters. During the period from July 2012 to September 2013, BD received as many as 17 000 verbal and written enquiries about the schemes from owners/OCs, the general public as well as Legislative Council and District Council Members. During the same period, on top of the standard district briefing sessions for owners of target buildings as mentioned above, BD had upon invitation attended some 100 residents' meetings and seminars arranged or organised by district organisations or OCs to explain the schemes and answer residents' enquiries. It demands a considerable amount of manpower resources to attend to these enquires and briefings, the quantities of which are well above original estimation. While additional manpower resources were secured to cater for the full implementation of the MBIS and the MWIS in 2012, owing to the two factors above, the workload arising from the schemes has posed a great challenge to BD.

18. The significant number of public enquiries and requests for briefings received reveals that there is a strong need for dedicated support to

owners at the time when the MBIS and the MWIS were newly introduced. In fact, according to feedback received so far, there is concern that given the novelty and complexity of the schemes as well as a general lack of acquaintance with the schemes in the community at this early stage of implementation, the current scale of the schemes is causing a great impact on the society and the cost of the professional services for building and window inspections and repairs is on the rise. It is also observed that the current demand for building professionals, practitioners and skilled construction workers is intense due to the concurrent rolling out of a number of major infrastructure projects in Hong Kong as well as various measures to boost housing supply and the need to allow reasonable time for building owners and OC to get familiar with and prepared for the arrangements.

19. Taking into account the resources implications, the need to minimise the impact on building owners and the prevailing market condition, we consider it necessary to adjust downwards the annual number of target buildings under the schemes during this transitional period. This will enable BD to better utilise its available resources to manage the heavy workload arising from the implementation of the schemes while consolidating experience and lessons learnt including exploring possible streamlining measures to improve efficiency of processes. At the same time, with a smaller pool of target buildings undergoing the schemes at a time, BD and the supporting organisations will be able to provide more focused support to owners and allow the community more time to understand the new schemes and get prepared. This is particularly important when owners of many old buildings have yet to acquire the necessary knowledge, skills and experience in organising building maintenance. BD is formulating a revised target for the two schemes taking into account operational experience gained which will be included in the department's performance targets in its Controlling Officer's Report for 2014-15. With the accumulation of more experience, we will review the implementation target on an annual basis to ensure they meet the needs of the prevailing circumstances.

CREATION OF A PERMANENT ASSISTANT DIRECTOR POST IN BD

Re-organisation

20. BD conducted a comprehensive review of its organisation structure and staff deployment in 2010 in the light of the then upcoming multi-pronged approach to enhance building safety and to meet operational needs of the department. As the new initiatives for enhancing building safety mainly focused on existing buildings, it was considered that the setup and functions of

various divisions and sections in BD should be re-engineered and re-organised. On 1 July 2011, the re-organisation was effected with the establishment of the new MBID led by AD/MBI created on a supernumerary basis until 31 March 2014. The organisation charts of BD before and after the re-organisation are at **Enclosure 4** and **Enclosure 5** respectively.

21. After the re-organisation, BD adopted a “Building Co-ordinator” approach whereby a single professional officer was designated to handle all the general building safety problems, including handling and taking general enforcement against reports of building dilapidation and different categories of UBWs for the same building. In case of special issues requiring more specialised scrutiny and distinctive statutory processes, such as slope safety improvements, upgrading of existing fire safety measures or prescribed inspections under the MBIS and the MWIS, the building co-ordinator will liaise with and consult the specialist sections, such as the Slope Safety Section, FSS and MBID.

22. Under the revised approach, the six district sections under the two Existing Buildings (EB) Divisions adopt the “Building Co-ordinator” role for all non-MBIS target buildings within their respective districts, whereas the two MBI sections serve as the “Building Co-ordinator” for all the MBIS target buildings. The EB Divisions also handle mandatory window inspection for those target buildings subject to the MWIS only. The new approach not only improves efficiency in the day-to-day operation of BD as the same team could gather all information and would have a better grasp of the overall conditions of a building under its responsibility, but also provides greater convenience to building owners as they only have to liaise with one single contact point in BD on building safety issues concerning their buildings. This arrangement was made also taking into account the suggestions received from stakeholders in the community.

Mandatory Building Inspection Division

23. The MBID comprises two MBI sections and the FSS. Each section is headed by a Chief Professional Officer. The MBI sections are responsible for implementing the MBIS and the MWIS and carrying out a large scale operation (LSO) for removal of UBWs on the target buildings. Professional officers of the two MBI sections also serve as the Building Co-ordinators to deal with all the general building safety issues in respect of the MBIS and LSO target buildings, including building dilapidation and UBWs. On the other hand, tasked to implement the Fire Safety (Commercial Premises) Ordinance (FS(CP)O) and Fire Safety (Buildings) Ordinance (FS(B)O), the FSS oversees fire safety improvement works of old buildings in the territory and it is

placed under the MBID on the consideration that MBIS covers buildings aged 30 years or above and its scope largely overlaps with those falling within the application of the FS(CP)O and the FS(B)O regarding the fire safety improvement works. This arrangement enhances synergy amongst the three sections in tackling building safety issues with aged buildings. At present, the three sections under the MBID have a total of 196 civil service posts of professional and technical staff.

Need for a Permanent AD Post

24. The multi-pronged package of measures on building safety implemented since 2011 entails a substantial increase in workload on the part of BD in terms of both volume and complexity. On the enforcement front in particular, apart from the much expanded scope of “actionable” UBWs under the revised enforcement policy, there are four new statutory control regimes being implemented by BD, namely, MBIS, MWIS, Minor Works Control System (MWCS) and Signboard Control System (SBCS), and a number of new LSOs progressing in full steam including the removal of UBWs and enforcement against irregularities of building works associated with sub-divided flats. Against the backdrop of a rapidly ageing building stock in Hong Kong, all of these new control systems and operations require high level steering and close monitoring to ensure timely resolution of all the complex problems. In view of the vast scale and complexity of the new package of measures, the current directorate support of BD has to be maintained to launch, monitor and review its implementation and sustain our efforts to enhance building safety in the long term.

25. AD/MBI manages the MBID and takes full responsibilities in providing steer, formulating operational strategies and assuming a co-ordination role in implementing the MBIS and the MWIS; and in administering the BO to ensure the safety of MBIS target buildings and the FS(CP)O and the FS(B)O to improve fire safety measures in target premises and buildings in the territory. At present, there are approximately 15 000 and 25 000 buildings of ages eligible for selection as target buildings under the MBIS and the MWIS respectively. Likewise, there are currently about 14 000 premises and buildings, including prescribed commercial premises and specified commercial buildings, and composite buildings and domestic buildings, eligible for selection as target buildings under the FS(CP)O and the FS(B)O.

26. The MBIS and the MWIS are on-going initiatives that involve a fundamental change of concept under the building control regime with a focus on “prevention is better than cure”. By requiring building owners to inspect and repair their buildings on a regular basis, the two schemes are instrumental in

tackling the long-standing problem of building neglect at source and fostering and instilling a preventive maintenance culture in the community in the long run. The MBIS and the MWIS are one of the largest building safety initiatives of BD. The scale of the schemes is unprecedented in terms of the size of the building stock and the numbers of owners and practitioners in the building industry involved. Together, the MBIS and the MWIS involve thousands of target buildings to be inspected and hundreds of thousands of statutory notices to be issued each year on a recurrent basis.

27. The large number of public enquiries and requests for support received from owners during the first year of implementation demonstrates the complexity of the schemes. Common issues of concern include the availability of adequate service providers in the market for conducting building inspections and repairs, qualification of service providers, regulation of service providers to guard against malpractice and misconduct, selection criteria for target buildings for taking part in the schemes, the interface of the schemes with other enforcement programmes of BD and that of other departments, and the provision of financial and technical assistance to owners, etc. Such huge amount of complicated issues requires dedicated directorate leadership to ensure smooth implementation and timely refinements in response to changing needs, as well as effective liaison among different parties to resolve cross-departmental and cross-organisational issues promptly and maximise synergy.

28. Specifically, directorate input is particularly important in setting the vision and steering the policies on not just the MBIS and the MWIS but also their interface with other operations relating to the enforcement against UBWs, building dilapidation and dangers; monitoring closely the enforcement strategy and modus operandi of the schemes and making refinements where necessary to ensure that the policy objectives and targets are achieved; taking the lead in co-ordinating the work both within and outside BD, including HD and the Fire Services Department on joint enforcement programmes and the Judiciary on the fixed penalty information system for the MWIS; collaborating closely with HKHS and URA on the provision of financial and technical assistance to building owners; formulating strategy in enhancing understanding of the general public and stakeholders on the two schemes and how to comply with the statutory requirements; and institutionalising policies on public education and publicity to foster a building safety and maintenance culture in the long run.

29. Having regard to the permanent nature of the MBIS and the MWIS, their massive scale and complexity, the need for close co-ordination both within and outside BD, as well as their strategic importance in the building control regime through tackling building neglect at root, we need to make the AD/MBI post permanent upon the expiry of the supernumerary post on 31 March 2014.

The job description of the proposed AD/MBI post is at **Enclosure 6**.

Grading of the AD Post

30. Based on operational experience gained in the past years, we consider that the professional knowledge and competencies required of the AD/MBI post, including staff management, direction setting, media skills as well as experience and knowledge of the work, fit with the repertoire of officers from both the Building Surveyor (BS) and Structural Engineer (SE) grades. Same as the supernumerary post, we propose that the permanent AD post be created as a bi-disciplinary post that can be filled by members of both grades.

Other Manpower Resources

31. In addition to the AD post, about 190 non-directorate civil service posts comprising professional and technical posts and other support staff will be created^{Note} in various divisions of BD in 2014-15 to enhance the delivery of the multi-pronged package of measures on building safety including the MBIS and the MWIS.

Alternatives Considered

32. After the re-organisation on 1 July 2011, BD comprises six divisions including the newly established MBID, each headed by an AD tasked with different responsibilities. A brief description of the schedule of responsibilities of the AD in other divisions in BD is at **Enclosure 7**.

33. We have critically examined the possibility of redeployment within the existing directorate setup to absorb the additional duties. However, all the other existing ADs are already hard pressed and are fully committed to their duties. The various new building control systems together with the new LSOs being implemented under the schedule of the existing ADs are long-term measures to enhance building safety in Hong Kong. It is operationally not feasible for them to take up further additional responsibilities without affecting the quality of their work and services delivered.

Financial Implications

34. The proposed creation of the GBS/GSE post will bring about an additional notional annual salary cost at mid-point of \$1,739,400. The full annual average staff cost, including salaries and staff on-cost, will be

^{Note} Some of the posts are to be converted from existing contract posts.

\$2,272,000. We will include the necessary provision in the 2014-15 draft Estimates to meet the cost of the proposal and reflect the resources required in the Estimates of subsequent years.

ADVICE SOUGHT

35. In order to ensure adequate directorate support for the implementation of the MBIS and the MWIS and other building safety initiatives, Members are invited to support the creation of the proposed directorate post. We aim to seek recommendation of the Establishment Subcommittee and the approval of the Finance Committee in January and February 2014 respectively for the staffing proposal above.

**Development Bureau
November 2013**



Use of Subsidy

- ✓ Confines to the expenses on the **first Prescribed Inspection for common parts conducted by a Registered Inspector** according to relevant statutory requirements and the Code of Practice for MBIS & Mandatory Window Inspection Scheme (MWIS)
- ✓ If the actual cost of building inspection does not exceed the subsidy cap and the owners receive Pre-notification Letters or Statutory Notices on the MBIS and MWIS at the same time, any remaining subsidy may be used to employ the same Registered Inspector to conduct Prescribed Inspection for windows in common parts.

Areas NOT covered by the Subsidy

- ✗ Other expenses such as the Detailed Investigation, Prescribed Repair and window inspection & repair in individual private units
- ✗ Application for subsidy solely for inspection of MWIS items or individual items in non-common parts alone are not eligible



How to Apply

Application forms for the MBISS can be obtained from any one of the Property Management Advisory Centres of HKHS or Service Centres of URA. The forms can also be downloaded from the website of HKHS (www.hkhs.com) and URA (www.ura.org.hk).

* For buildings requiring the Prescribed Repair after the inspection, eligible owners can apply for the Integrated Building Maintenance Assistance Scheme with the HKHS or URA. For details and application, please call **3188 1188** for information.

We Provide Assistance

Mandatory Building Inspection Subsidy Scheme



For details and application, please call

3188 1188

Purpose of Subsidy Scheme

Full implementation of the Mandatory Building Inspection Scheme (MBIS) was commenced on 30 June 2012. Owners of buildings aged 30 or above are required to carry out inspections of their buildings, including common parts, external walls, projections and signboards, once every 10 years. To assist owners in complying with the statutory requirements, the Hong Kong Housing Society (HKHS) and Urban Renewal Authority (URA) launch the Mandatory Building Inspection Subsidy Scheme to provide financial assistance to eligible owners.

This leaflet sets out the general information of the subsidy scheme for reference only. Applicants should refer to the Application Notes for details. HKHS and URA reserve the right to amend the eligibility criteria and/ or details of the subsidy.

Eligibility

- ✓ Private residential or composite (commercial & residential) buildings aged 30 or above excluding residential buildings not exceeding 3 storeys; and
- ✓ Received Pre-notification Letters or Statutory Notices on the MBIS issued by the Buildings Department; and
- ✓ Of an average Rateable Value per residential unit not exceeding \$120,000 p.a. for properties in the urban areas (including Shatin, Kwai Tsing and Tsuen Wan); or \$92,000 p.a. for properties in the New Territories; and
- ✓ Buildings not in single ownership



Application Requirements

Buildings with Owners' Corporation (OC)

- Application for subsidy resolved in Management Committee Meeting or OC General Meeting; and
- Authorised member(s) of Management Committee to sign the relevant documents.

Buildings without OC

- Application resolved in Owners' Meeting; and
 - Authorised representative(s) (DMC manager / property management company / owner) to sign the relevant documents
- (The resolution and authorization shall obtain consensus from 100% owners or in accordance with relevant Deed of Mutual Covenant).

Applicant is required to employ the Registered Inspector for the Prescribed Inspection according to the Buildings Ordinance and application form must be submitted before the employment of Registered Inspector.



Subsidy Amount

The subsidy cap is determined according to the total number of units of the building covered by each Statutory Notice for common parts to the OC or co-owners.

20 units or below	up to \$ 25,000
21 to 49 units	up to \$ 35,000
50 to 200 units	up to \$ 60,000
201 units or above	up to \$ 100,000

Summary for Integrated Building Maintenance Assistance Scheme

(Information for reference only, please refer to Application Notes for details)

	Subsidy for Owners' Corporations (OC)		Loan and Grant for Individual Owners			
	Owners' Corporation Formation Subsidy	Common Area Repair Works Subsidy	Common Area Repair Works Interest-free Loan	Home Renovation Interest-free Loan	Government funded and administrated by:	
					Buildings Department	HK Housing Society
					Building Safety Loan Scheme	Building Maintenance Grant Scheme for Elderly Owners
Building Eligibility	Private residential/composite building	<ul style="list-style-type: none"> Private residential / composite buildings aged 20 years old or above; Fulfill the requirement of Rateable Value Limit for the domestic unit 			Private residential/composite/commercial/industrial building	Domestic unit in Private residential/composite building
Application Criteria	-	<ul style="list-style-type: none"> Application resolved in Management Committee meeting 	<ul style="list-style-type: none"> Application resolved in an OC general meeting; Approval-in-Principle granted to the OC; Domestic unit solely or jointly owned by individual 	<ul style="list-style-type: none"> Only property in Hong Kong; Domestic unit solely or jointly owned by individual 	-	Owner-occupiers at age 60 or above meeting the eligibility criteria
Subsidy/Loans/Grant Amount	Maximum subsidy at \$3,000	Maximum subsidy at 20% of approved works cost or \$3,000 / unit, whichever is the lower, capped at \$1.2 M / OC (Smaller buildings with less than 50 units will enjoy higher subsidy, please refer to the Application Notes)	<ul style="list-style-type: none"> Interest free loan up to \$100,000 / domestic unit Repayment up to 60 months 	<ul style="list-style-type: none"> Interest free loan up to \$50,000 / domestic unit Repayment up to 60 months 	<ul style="list-style-type: none"> Low interest loan up to \$1 M/unit Repayment up to 36 months 	Maximum \$40,000 per owner per unit (within 5 years)
		<ul style="list-style-type: none"> 50% AP / consultant fee subsidy up to \$20,000 50% Public Liability Insurance / Third party risks insurance premium subsidy up to \$6,000 p.a. for 3 consecutive years 				
Special Grant & Relieve	-	Eligible owner can apply for maximum \$10,000 grant		Eligible owner can apply for maximum \$10,000 grant	Eligible owner can apply for Interest-free loan & up to 72 months extended repayment period	-

**Supplementary Details of Mandatory Building Inspection Scheme,
Mandatory Window Inspection Scheme and
Voluntary Building Assessment Scheme**

**Mandatory Building Inspection Scheme (MBIS) and the Mandatory
Window Inspection Scheme (MWIS)**

Technical requirements

Under the MBIS, an inspection shall cover (a) external elements and other physical elements; (b) structural elements; (c) fire safety elements; (d) drainage system; and (e) identification of unauthorised building works (UBWs) in the common parts and on the exterior of the building. Under the MWIS, an inspection shall cover all the windows in the common parts of a building and within individual premises of the building. The Buildings Department (BD) has issued the Code of Practice for the MBIS and the MWIS specifying the technical standards and procedural requirements for a registered inspector (RI) and qualified person (QP) to carry out inspection of buildings and windows and for a registered contractor to carry out the necessary repair works under the MBIS and the MWIS. It also provides guidance on how the requirements of the Buildings Ordinance (BO) and the related regulations are considered to be complied with.

Handling UBWs Identified during Mandatory Building Inspections

Under the MBIS, RIs have to report to BD UBWs identified in the common parts of the building, on the exterior other than the common parts of the building (such as external wall, roof or podium, yard or slope adjoining the building) or on the street on which the building fronts or abuts that the RI inspected. BD will deal with such UBWs in accordance with the prevailing enforcement policy. It will take priority enforcement actions against UBWs constituting an obvious hazard or imminent danger to lives and properties, UBWs that are newly constructed and other UBWs that are actionable items under the enforcement policy, requiring owners to demolish the same.

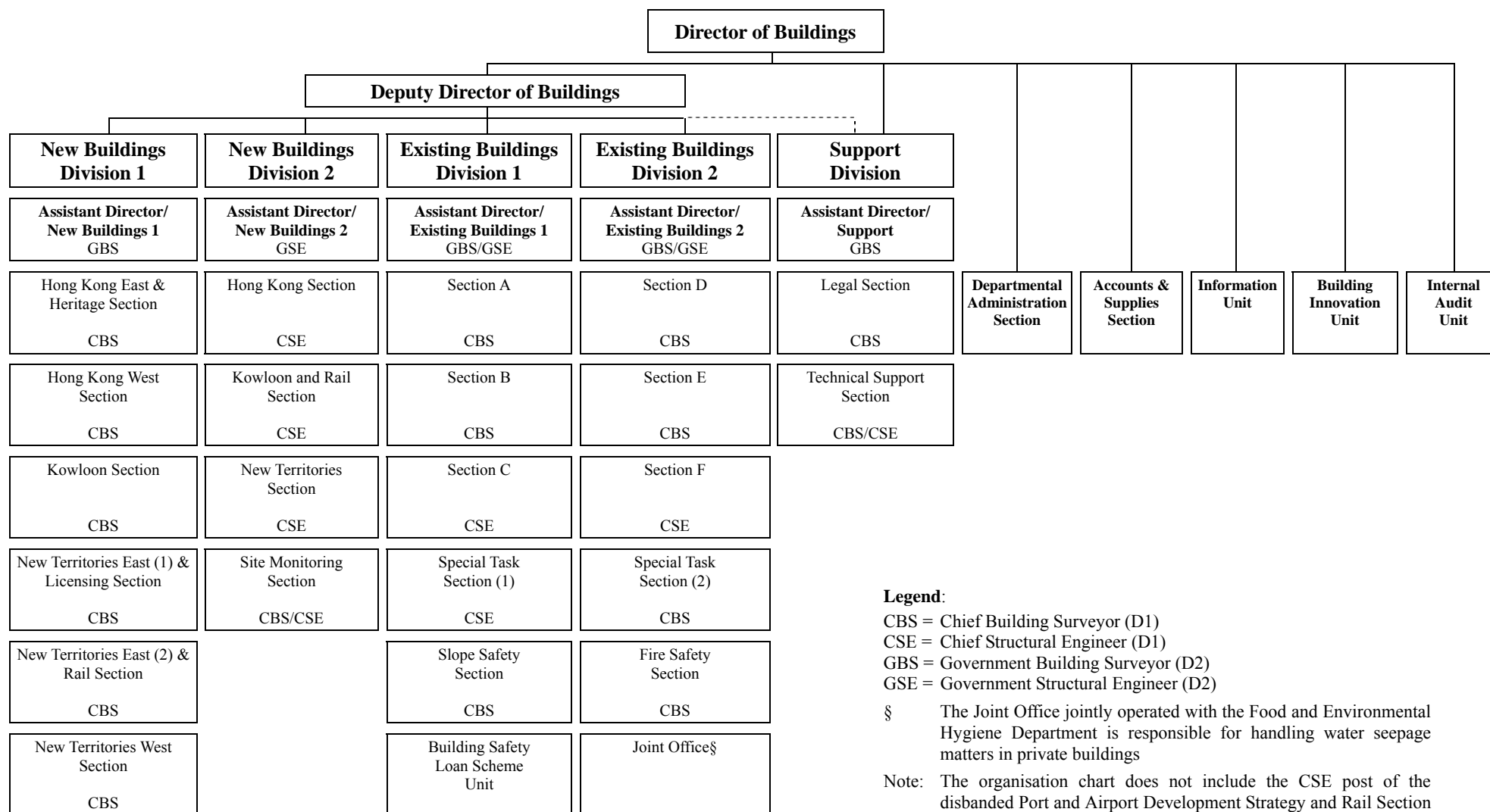
Regulation of Service Providers

BD ensures proper regulation of service providers through a number of measures. It has established an inspectors register and regulatory mechanism under the BO, as well as Inspector Registration Committees to scrutinise the professional standards for registration as RIs. It also conducts random detailed audit checks of inspection and repair submissions from RIs and QPs and will impose appropriate sanctions for irregularities identified. Enquiry/complaint channels are provided in publicity materials for members of the public to report malpractices to BD for investigation.

Voluntary Building Assessment Scheme (VBAS)

The Hong Kong Housing Society (HKHS) has launched the VBAS to give recognition to well-managed and properly maintained buildings. Buildings certified by the VBAS will be recognised by BD for having fulfilled the requirements under the MBIS and the MWIS (in respect of windows in common parts only) within the respective inspection cycles. All private domestic and composite buildings (domestic and commercial) of any age may join the VBAS, which covers building safety items, building management, building maintenance, environmental protection and other value-added items. The standards and requirements of the VBAS in building safety are on par with those under the MBIS and the MWIS. HKHS started to recruit and train VBAS assessors in May 2012, and started receiving applications for building certification from July 2012 in line with the rollout of the MBIS and the MWIS. Up to the end of September 2013, there were two applications received for the VBAS involving 37 building blocks comprising over 6 600 domestic units and over 90 non-domestic units. Engagement of VBAS assessors is in progress.

Organisation Chart of Buildings Department (Before re-organisation)



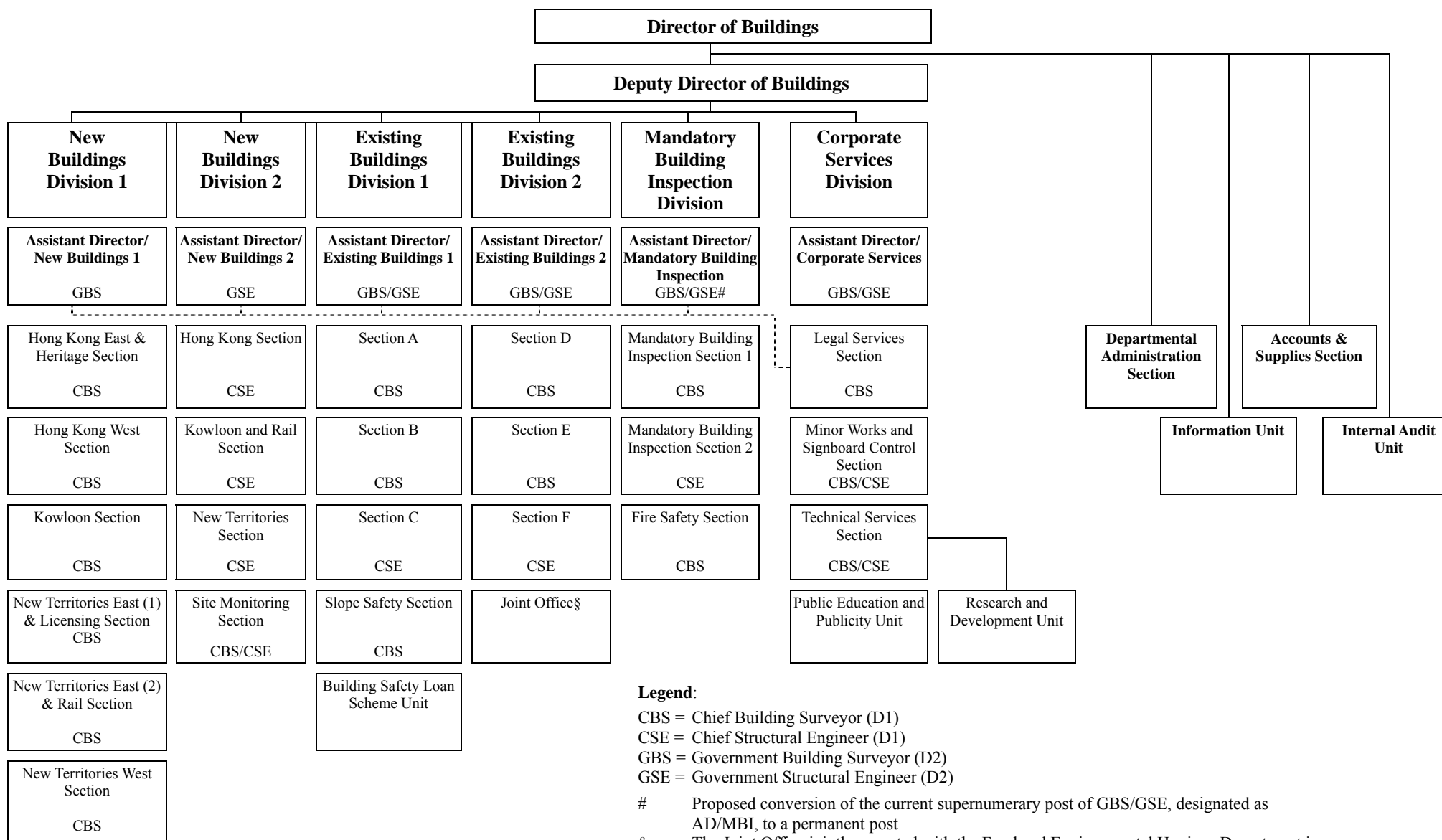
Legend:

- CBS = Chief Building Surveyor (D1)
- CSE = Chief Structural Engineer (D1)
- GBS = Government Building Surveyor (D2)
- GSE = Government Structural Engineer (D2)

§ The Joint Office jointly operated with the Food and Environmental Hygiene Department is responsible for handling water seepage matters in private buildings

Note: The organisation chart does not include the CSE post of the disbanded Port and Airport Development Strategy and Rail Section which is temporarily on loan to the Planning Department

Organisation Chart of Buildings Department (After re-organisation)



Legend:

CBS = Chief Building Surveyor (D1)

CSE = Chief Structural Engineer (D1)

GBS = Government Building Surveyor (D2)

GSE = Government Structural Engineer (D2)

Proposed conversion of the current supernumerary post of GBS/GSE, designated as AD/MBI, to a permanent post

§ The Joint Office jointly operated with the Food and Environmental Hygiene Department is responsible for handling water seepage matters in private buildings

Proposed Job Description
Assistant Director/Mandatory Building Inspection

Rank : Government Building Surveyor/
Government Structural Engineer (D2)

Responsible to : Deputy Director of Buildings

Major Duties and Responsibilities –

1. to manage the Mandatory Building Inspection Division which implements the Mandatory Building Inspection Scheme (MBIS) and Mandatory Window Inspection Scheme (MWIS), and administers the Buildings Ordinance (Cap. 123) to ensure the safety of MBIS target buildings and the Fire Safety (Commercial Premises) Ordinance (Cap. 502) and the Fire Safety (Buildings) Ordinance (Cap. 572) for the upgrading of fire safety measures in target buildings in the territory;
2. to develop and formulate operational strategies and procedures for, and oversee the enforcement of, removal of UBWs in MBIS target buildings, including the large scale operations on the removal of UBWs in MBIS target buildings; and joint enforcement programme with the Fire Services Department to upgrade fire safety measures in the existing old buildings;
3. to develop and formulate enforcement policies and legislative proposals relating to the MBIS/MWIS;
4. to advise the Development Bureau and other government agencies on matters relating to the MBIS/MWIS, and control of UBWs in MBIS target buildings as well as the upgrading of fire safety measures in existing old buildings;
5. to explain the Department's policies and operations relating to the MBIS/MWIS, control of UBWs in MBIS target buildings as well as the upgrading of fire safety measures in existing old buildings to the Legislative Council, Ombudsman, District Councils, professional institutions, media and general public; and
6. to assist the Director of Buildings and Deputy Director of Buildings in setting the policies and strategies on MBIS/MWIS and upgrading of fire safety measures in old buildings and management of the Department.

**Schedule of Responsibilities of the Existing Assistant Directors
of Other Divisions in Buildings Department**

(a) New Buildings Division 1 and New Buildings Division 2 (NBDs)

The divisions comprise different district sections. The two Assistant Directors (ADs) of NBD 1 and NBD 2 are mainly responsible for policies related to new private building developments through scrutinising building proposals, ensuring that new building developments as well as alteration and addition works to existing buildings are carried out in accordance with the Buildings Ordinance and the regulations thereunder and that the general building planning, design, structural engineering aspects and construction comply with the required standards and monitoring site safety of construction works.

(b) Existing Buildings Division 1 and Existing Buildings Division 2 (EBDs)

The divisions comprise different district sections and units. The two ADs of EBD 1 and EBD 2 are responsible for policies related to control of unauthorised building works (UBWs), safety of existing buildings, special operations and functions including enforcement against unauthorised works-in-progress, clearing backlog orders, slope safety, illegal rooftop structures; overseeing the Building Safety Loan Scheme and the Joint Office with Food and Environmental Hygiene Department in handling water seepage reports; developing and formulating operational strategies and procedures for large scale operations against UBW removal, building investigation and repair of defective buildings, removal of UBWs on rooftop, podiums and in yards and lanes of non-MBIS buildings, and the enhanced enforcement against UBWs associated with sub-divided flats and UBWs in New Territories Exempted Houses.

(c) Corporate Services Division (CSD)

The AD is responsible for the operations of the Legal Services Section, Technical Services Section, Minor Works and Signboard Control Section and Public Education and Publicity Unit. The

CSD is responsible for prosecutions, litigations and legislative matters relating to building development and control; providing corporate services and support to other divisions (e.g. office automation and information technology, registration of building professionals and contractors, training and development, emergency service, outsourced consultancy, and contract management); enforcement policies and operational procedures relating to the new Signboard Control System as well as enhancement of the Minor Works Control System; and public education and publicity.