

15 June 2015

By Post and
email: ahychu@legco.gov.hk

Public Accounts Committee
Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong
(Attn: Mr. Anthony CHU)

Dear Mr. Chu,

Public Accounts Committee
Consideration of Chapter 1 of the Director of Audit's Report No. 64
Buildings Department's actions on unauthorised building works

Thank you for your three letters dated 27, 28 and 29 May 2015. We are pleased to provide below the information requested.

PAC's Letter of 27 May 2015

Implementation of Government policies on unauthorised building works (UBWs)

(a) The change in manpower, expenditure and actionable UBWs removed upon the Government's revised policy on UBWs

2. The Buildings Department (BD)'s revised enforcement policy on UBWs with effect from April 2011 is an integral part of the Government's multi-pronged approach to enhance building safety comprising legislation, enforcement, assistance to building owners, and publicity and public education. The initiatives complement one another to optimise the use of available resources and maximise the synergy amongst the stakeholders concerned, with the object of driving building owners to honour their due responsibility to properly maintain and repair their buildings, remove UBWs and not to carry out UBWs.

3. As shown in paragraph 2.7(a) and Table 1 of the Audit Report, there were successive increases since 2010-11 in both the manpower and expenditure in BD for various building safety enhancement and other initiatives, including implementation of the mandatory building and window inspection schemes; introduction of the minor works control system; carrying out large-scale operations against UBWs, building dilapidation and sub-divided flats (SDFs); manning the joint office on water seepage; expediting processing of new building plans; etc. From 2010-11 to 2014-15, the establishment of civil servants and the number of non-civil service contract (NCSC) posts in BD, against their actual strength at the end of the respective financial year, are as follows:

	Establishment of civil servants	Strength as at 31 March	No. of NCSC posts approved	No. of NCSC posts filled as at 31 March
2010-11	996	973	807	459
2011-12	1 173	1 144	511	454
2012-13	1 232	1 197	523	443
2013-14	1 322	1 294	528	397
2014-15	1 537	1 513	368	263

4. The annual financial provisions for BD, as set out in its Controlling Officer's Reports, from 2010-11 to 2014-15 are as follows:

	Financial Provision (Actual, \$ million)
2010-11	837.5
2011-12	872.1
2012-13	1,029.8
2013-14	1,106.3
2014-15	1,142.7

5. The manpower and financial figures in paragraphs 3 and 4 above are in respect of the operation of the entire department. For reasons set out in paragraphs 3 to 6 of our letter to you dated 20 May 2015 (GEN-24)^{Appendix 8}, such as adoption of the "Building Coordinator" approach and manpower re-deployed to conduct *ad hoc* special operations after major building safety incidents, the resources deployed *solely* for the enforcement actions against UBWs under the revised enforcement policy cannot be separately identified from the above aggregate figures.

6. As submitted in the Controlling Officer’s Reports and shown in paragraph 2.9 and Figure 2 of the Audit Report, the number of UBWs removed in each of the years from 2008 to 2014 are as follows:

	2008	2009	2010	2011	2012	2013	2014
No. of UBWs removed	47 593	42 425	25 751	17 879	13 581	14 972	22 866

As explained in paragraph 13 of our letter of 20 May 2015 (^{Appendix 8} GEN-24), the vast majority of UBWs removed were “actionable UBWs” and they were removed to comply with BD’s removal orders. However, BD is not able to provide a breakdown of the UBWs removed in a year categorised into “actionable UBWs” and “non-actionable UBWs” due to the current limitations of the Building Condition Information System (BCIS). With the completion of the programme targeting at UBWs on external walls of buildings by the end of 2010, which took 10 years or so, the number of UBWs removed from 2011 onwards was expected to drop and it did drop as the remaining UBWs were less easily identifiable and accessible, and their removal sometimes involved dispossession. Moreover, factors elaborated at the public hearings, such as the prevailing manpower situation and work priorities of BD, building owners’ inclination to remove UBWs voluntarily, the ease of inspection, etc. might further cause fluctuations to the number of UBWs removed from year to year.

7. It is noteworthy that, as we review the enforcement policy and progressively tighten up the control regime by including more UBWs into the “actionable UBWs” category, BD will expand its scope of priority enforcement work and also hopes that building owners whose UBWs were not but, following the review, have become “actionable” will clear the UBWs on their own volition without waiting until BD’s enforcement or prosecution action. The same consideration was made when we included rooftop-podium-lane UBWs irrespective of their public safety and environmental risks in the “actionable UBWs” category, and when the Government considered the additional manpower and financial resources that BD should be provided with for the revised enforcement policy. Unless and until all building owners honour their due responsibility to abide by the law, remove UBWs out of their own volition and do not carry out UBWs would Hong Kong be cleared of all UBWs. BD’s enforcement actions would therefore be on-going and no timetable for clearing all UBWs, including the rooftop-podium-lane UBWs, could be set.

Handling of public reports

(b) Problems leading to issue of removal orders on actionable UBWs more than 6 months after inspections in some 4 000 public report cases

8. BD staff strive to make every effort to carry out their statutory duties most expediently and cost-effectively. However, each UBWs case has its own special circumstances, settings and timing that will affect the assessment on the appropriate actions to be taken including whether and when to issue a removal order, taking into account first and foremost, public safety. Other factors may include BD's enforcement policy and operational guidelines, ease of access to the UBWs and the level of details obtainable therefrom, any change in the condition of the UBWs, any scheduled operation against the relevant building, undertakings from the building owners upon receipt of any advisory/warning letters, etc. Therefore, the period between initial inspection and the issue of removal order varies from case to case, and is not an appropriate parameter for appraising BD's case management and the gravity of the case. BD's time target for handling UBWs public reports at Appendix C to the Audit Report only provides an indicative timeframe for handling simple and straight-forward cases, and the actual timeframe would vary according to workload situation and complexity of individual cases.

9. The figures in paragraph 3.5 of the Audit Report should be read in context. There has been considerable surge in the number of public reports on UBWs received by BD in recent years (*viz.* a 59% increase from 25 804 cases in 2008 to 41 146 cases in 2014), and the most probable reason is the drastic rise in public awareness of the danger and safety risks UBWs could bring following the building collapse incident in Ma Tau Wai in 2010.

10. Given the specificity in the facts of each case as explained in paragraph 8 above, it would require considerable manpower and time to manually study the individual case records on the considerations taken into account in each of the 4 522 public reports for ascertaining the reasons, as requested, why the time target in issuing removal orders was exceeded. However, we have attempted to gather from colleagues' enforcement experience several common reasons that have led to exceedance of the target time for the reference of the PAC:

- (a) Non-emergency reports concerning buildings included or to be included in large scale operations (LSOs) will be dealt with during the respective LSOs, where all "actionable UBWs" in the same target building can be tackled in one go efficiently. About 60% of the said 4 522 reports pending issue of removal orders belong to this category;

- (b) The occurrence of major building safety incidents in recent years resulted in sudden upsurge of workload that necessitated BD to re-prioritise its work at hand;
- (c) BD staff had to make repeated and abortive visits at different times of days, as they had been refused, disputed or otherwise not given access by relevant building owners/property managers/occupants to the premises necessary for ascertaining the details of the UBWs, particularly for reports involving SDFs; and
- (d) Building owners, upon receipt of advisory letters, showed inclination to remove the UBWs voluntarily but eventually retracted, or passed on ownership of the premises to a third party.

11. From October 2014 to end-March 2015, BD has already dealt with 474 of the 4 522 public reports mentioned in paragraph 3.5 of the Audit Report. BD will continue to strengthen action by reprioritising its work to expedite the follow-up of the outstanding cases.

(c) Lessons learnt from Case 1 and measures to ensure staff compliance of BD guidelines

12. BD is reviewing the need for clarifying the verification criteria for new UBWs in the relevant guidelines, with a view to facilitating better understanding and more consistent judgment by BD staff in identifying new UBWs.

(d) & (e) Measures and time frame for addressing outstanding public reports and warning notices on rooftop-podium-lane UBWs

13. Rooftop-podium-lane UBWs, irrespective of their public safety and environmental risks, were added to the “actionable UBWs” category in April 2011. From then to end-2014, BD had issued removal orders against about 18 000 rooftop-podium-lane UBWs, of which about 11 000 have been recorded as removed. By end-May 2015, BD had dealt with 4 088 (16%) of the 25 313 public reports dated April 2011 to October 2014 on rooftop-podium-lane UBWs, and included about 20% of the subject rooftop-podium-lane UBWs of the 25 887 non-compliant warning notices (as at October 2014) in LSOs. The effort will continue.

Appendix 8

14. As reiterated in paragraph 12 of our letter of 20 May 2015 (~~GEN 24~~), despite the removal of most of the high-risk UBWs from 2001 to 2011, the problem remains so extensive and complex that it is impracticable for BD to aim at taking enforcement action against all UBWs in Hong Kong within a set

timeframe. Moreover, unless and until all building owners honour their due responsibility to abide by the law, remove UBWs out of their own volition and do not carry out UBWs would Hong Kong be cleared of all UBWs. BD's enforcement actions would therefore be on-going and no timetable for clearing all UBWs, including the rooftop-podium-lane UBWs, could be set. On enforcement, instead of devising a timetable for implementation, BD is taking a risk-based approach for issuing removal orders against UBWs in the "actionable UBWs" category in an orderly manner by taking immediate action against dangerous or in-progress UBWs while acting on public reports and LSOs on building basis for the rest.

(bb) Extension of time targets on handling public reports for clearing the backlog of outstanding removal orders

15. As mentioned in paragraph 9 above, there has been considerable increase in the number of public reports on UBWs in recent years probably as public awareness and concerns hike following the Ma Tau Wai building collapse incident. As resources are not unlimited, BD has to prioritise its commitments to make optimal use of the available resources. In the past, inadequate follow-up on a huge backlog of long outstanding removal orders has undermined the deterrent effect of BD's enforcement actions. BD has thus decided to redeploy more manpower to clear such backlog cases as a matter of priority. As a result, less urgent steps in the handling of public reports would have to be given a longer implementation time frame. Whereas, with public safety as our first and foremost consideration, the timeframe for inspection upon and screening of public reports would remain unchanged, so that cases requiring urgent action can be identified and attended to without delay. Thereafter, the Building Coordinators (BC) responsible for handling all building safety matters of individual buildings can be given some leeway as to when to issue advisory letters or removal orders etc. within a broad indicative timeframe.

(f), (g) & (n)(i)/(iii)/(iv) Enhancing registration of non-compliant warning notices and removal orders at the Land Registry

16. As an established practice, BD will, though it is not a statutory requirement under the Buildings Ordinance, register all removal orders at the Land Registry (LR). Among the 147 warning notices yet to be registered with LR and 985 returned by but yet to be re-forwarded to LR for registration, 38 and 137 warning notices have been sent or re-forwarded to LR by end-April 2015, i.e. only 957 warning notices (3.7%) have not been registered among the 25 887 non-compliant warning notices mentioned in paragraph 3.13 of the Audit Report. Except those to be substituted with removal orders under the current enforcement policy (such as those on rooftop-podium-lane UBWs – see paragraph 3.20(a) of the Audit Report) or require re-issue of notices due to

change in property ownership, BD will refer or re-forward the remaining notices to LR for registration.

17. Systemically, BD has tightened the monitoring of the registration situation with the establishment of the Progress Monitoring Committee, chaired personally by the Director of Buildings and attended by relevant directorate officers of the department, and will enhance its BCIS to facilitate the monitoring of the registration of statutory instruments. BD is also exploring with LR on the feasibility of providing computer data to BD on the registration of statutory instruments for automatic uploading into the BCIS.

LSOs & Monitoring of Consultants' Performance

(h) & (l) Expediting completion of LSOs

18. The reasons for delay in completing the LSOs on rooftop-podium-lane UBWs (*viz.* LSOs 1 – 5) include:

- (a) Non-facilitative attitude by owners/occupants: By nature, rooftop-podium-lane UBWs are generally accessed via individually-owned units of which owners/occupants have exclusive use, often for habitation. BD staff and consultants often meet with strong resistance and hostility against access, enforcement and dispossession of the premises with rooftop-podium-lane UBWs. Time and efforts are thus required for them to negotiate with, counsel, and, only as the last resort should all other approaches fail, apply for court entry warrant or closure order against the owners/occupants. Further delay would occur if the aggrieved owners/occupants lodge an appeal with the relevant statutory tribunal against BD's operations, as the Buildings Ordinance prohibits any enforcement (except emergency) until the appeal is disposed of, withdrawn or abandoned;
- (b) Personnel change in BD and consultants' firms: As tabulated in paragraph 3 above, a large number of NCSC posts in BD have been converted to civil service establishment since 2010. At the same time, the vibrant industry situation in recent years has led to frequent staff turnover in consultant firms commissioned by BD. The personnel change in BD and consultant firms has to a certain extent affected the progress of the LSOs; and
- (c) Optimistic estimation of manpower requirements: The original estimate of completion dates of the LSOs were made by BD without the benefits of enforcement experience, with respect to the difficulties in cases involving dispossession (e.g. rooftop-podium-lane UBWs, UBWs in SDFs) and the manpower drawn to handle unforeseeable

building safety incidents. With hindsight, the estimate was too optimistic.

19. Having taken a series of initiatives in recent years to enhance the methods, manageability, internal tools, guidelines and division of work for monitoring consultants' performance (see paragraph 4.17(a) of the Audit Report), and with stabilised manpower as well as the benefit of actual experience, BD has reviewed the programmes for the LSOs and revised their estimated completion dates, as follows:

LSO	No. of Target Buildings	Major Non-conformities in Target Buildings	No. of Target Buildings with actions not completed (as at end-April 2015)	Revised Estimated Completion Dates
1	101	Rooftop-podium-lane UBWs	60 (59%)	December 2015
2	300	Rooftop-podium-lane UBWs	104 (35%)	April 2016
3	782	Rooftop-podium-lane UBWs	622 (80%)	December 2016
4	354	Rooftop-podium-lane UBWs	305 (86%)	April 2017
5	600	Rooftop-podium-lane UBWs	600 (100%)	March 2017
6	270	Rooftop-podium-lane UBWs & SDFs	270 (100%)	September 2016
7	116	SDFs in residential and composite buildings	47 (41%)	March 2016
8	338	SDFs in residential and composite buildings	200 (59%)	March 2017
9	30	SDFs in industrial buildings	7 (23%)	December 2016
10	30	SDFs in industrial buildings	2 (7%)	June 2016

(i)&(j) Past and current control of premature final payment to consultants, specifically on Consultancies A and C

20. As stipulated in Clause 3(A) of the Schedule of Fees (Annex 2) and Clauses 5.3.21 and 8.2 of the Brief (Annex 3) under BD's standard consultancy agreement (copy requested at **Appendix A**), the remainder of fees is payable "on receipt of invoice after the satisfactory completion of the agreement and all target buildings being delisted by the Director's Representative", and BD is to make the final payment upon the consultant's satisfactory delivery of all the assignments required under the agreement as signified by a completion letter issued by BD. BD confesses that the certification of final payment prior to completing the contractual work and formalities due to the exceptional circumstances for Consultancy A (see Note 24 of the Audit Report) and Consultancy C was unsatisfactory. Among the 3 LSOs mentioned in paragraph 4.7 of the Audit Report, only 2 out of 26 consultancies had been completed. The completion letters for the remaining consultancies have not been issued and the final payments have not been made. As an additional safeguard, BD has promulgated a new accounting requirement of stating the date of the relevant completion letter in every request to BD's Accounts Section for final payment to consultants.

(m) Complaints against the BD consultants' promotion of own professional service to owners during LSOs

21. We have not received any complaints on our consultants which had identified UBWs in a target building and then promoted their professional services to the owners of the same building.

(k) Publication on website of the number, percentage and location of SDFs found in LSOs

22. SDFs do not necessarily involve UBWs or, as a matter of public concern, rental to multiple tenants. The focus of the relevant LSOs is on the UBWs commonly related to SDFs. BD will consider publishing on its website relevant statistics on LSOs targeting at SDFs.

Follow-up actions on removal orders

(n)(ii) & (y) Fixed penalty system for clearing outstanding removal orders against actionable UBWs and overdue penalty for the fixed penalty system for the Mandatory Window Inspection Scheme (MWIS)

***Note by Clerk, PAC:** Please see Appendices 11 and 12 of this Report for Annexes 2 and 3 of Appendix A respectively and Annex 1 of Appendix A not attached.

23. Given that the location, size, types, etc. of different UBWs vary, introducing a fixed penalty system for UBWs requires careful consideration. These will include, but are not limited to the following:

- (a) Fixed penalty is generally adopted for tackling minor offences (e.g. littering, illegal smoking) and, by design, issuing a fixed penalty notice must precede any prosecution instigated against the offender. This might limit the enforcement options which BD currently has against UBWs, particularly for cases imposing imminent public safety risk; and
- (b) The economic value to the owner for retaining certain UBWs, plus the cost of demolishing them, will depend on the location, size, types, etc. of the UBWs. It will be difficult to set a fixed penalty level with adequate deterrent effect against all UBWs.

24. A fixed penalty system has been introduced for MWIS since June 2012. With more experience to be gained, we will review its effectiveness and consider whether it should be extended to other enforcement areas, including UBWs.

25. As regards the overdue fixed penalty for MWIS, of the 442 fixed penalty notices issued since the full implementation of the MWIS in June 2012, 107 with a total overdue amount of \$160,500 had yet to be settled as at end-April 2015. If a building owner fails to settle the fixed penalty within the specified timeframe without disputing liability, BD may apply for a court order against the owner to settle the overdue amount. Non-compliance of the court order is liable to imprisonment.

(o) Target for clearance of removal orders

26. In March 2014, BD set the following target percentages for clearance of past removal orders by 31 March 2015:

Year of issue of Removal Orders	Percentage of Orders to be cleared by 31 March 2015
In or before 2007	100%
2008	80%
2009	75%
2010	55%
2011	40%
2012	35%
2013	20%

The targets for clearing removal orders issued from 2010 to 2013 had been achieved by 31 March 2015 (details at **Appendix B** and also available on the BD's website). The targets for clearing removal orders issued from 2010 to 2014 by 31 March 2016 are being set.

(p) & (q) Repeated prosecutions, per diem and fixed lump-sum fines

27. Of the 8 370 convictions for non-compliance of removal orders from 2010 to 2014:

- 273 had been prosecuted for more than once; and
- 3 842 were imposed with a lump-sum fine, and the remaining 4 528 cases also with daily fines for the period of non-compliance.

(r) & (s) Prosecution policy and priority, and the specific case at Nos 5a and 7 York Road, Kowloon Tong

Appendix 14

28. ~~GEN-10~~ comprises two documents: (1) "BD Handbook Instruction 5.8: Prosecution Policy for Prompt and Rigorous Action" (the guidelines referred to in paragraph 5.25 of the Audit Report); and (2) "Guidelines for Instituting Prioritized Prosecution Against Non-complied Statutory Orders". The former stipulates the minimum threshold for taking prosecution action, *viz.* meeting any of the nine criteria therein, while the latter sets out the circumstances to consider in determining the priority of prosecution. Neither of them is applicable to the said case which is not related to non-compliance of statutory orders.

29. BD's enforcement policy and stance against UBWs is all along to require the owner to rectify the irregularities as soon as possible. BD normally does not initiate criminal investigation in respect of contraventions to the Buildings Ordinance, except where, *inter alia*, there is information showing that a registered person under the Ordinance is suspected to have taken part in the erection of UBWs or knowingly submitted misrepresented documents to BD, etc.

(w) & (x) Removal of UBWs: Prosecution, financial assistance and other forms of incentives for compliance

30. For UBWs yet to be removed notwithstanding the building owners having been issued with prosecution summons, the court may impose additional fines for each day during which the non-compliance has continued. BD may also consider instigating a second prosecution against such building owners; and when the UBWs constitute imminent danger or public nuisance, etc., arrange demolition or apply for court closure orders if necessary.

***Note by Clerk, PAC: Please see Appendix 13 of this Report for Appendix B.**

31. BD and our partner organisations run various financial assistance schemes to help building owners to carry out repairs and maintenance works, including removal of UBWs. These include:

- (a) The Integrated Building Maintenance Assistance Scheme (IBMAS), jointly administered by the Urban Renewal Authority and the Hong Kong Housing Society (HKHS)¹, provides “one-stop” service ranging from financial assistance (in the form of subsidy and loan) for formation of owners’ corporations, works in common areas and individual units, and technical support to property owners in need;
- (b) The Building Maintenance Grant Scheme for Elderly Owners (BMGSEO) implemented by the HKHS provides financial assistance to elderly owner-occupiers in need, each entitled to a maximum grant of \$40,000, to repair and maintain their buildings and improve building safety; and
- (c) The Building Safety Loan Scheme (BSLS) implemented by BD provides loans to individual owners of private buildings who are in need of financial assistance to carry out maintenance and repair works to reinstate or improve the safety conditions of their buildings and/or private slopes. The maximum loan amount is \$1 million per unit of accommodation.

We consider the above schemes adequate at present to meet the building owners’ needs in respect of removing UBWs.

(t) & (u) The “highly publicized” and “highly political” criteria for carrying out of default works; and recovery of overdue costs

32. In view of the resources and efforts involved, default works are only carried out sparingly under very exceptional circumstances for cases involving non-compliant removal orders. “Highly publicised” and “highly political” cases are those which may pose imminent threats affecting the interest and well-being of a large number of building owners/residents, amongst whom a consensus on carrying out rectification works is highly unlikely to be reached before the situation gets complicated. These cases would invariably require the personal attention of the BD’s directorate officers and they would need to be satisfied under BD’s guidelines that the default rectification works for the cases should be arranged by BD.

¹ Beginning from 1 July 2015, the URA will expand its services by receiving and processing all new IBMAS applications in the whole territory.

33. The total overdue amount from default works completed from 2009 to 2013 as at end-May 2015 was \$8.32 million, involving 90 cases. The action workflow of BD to recover these overdue amounts is set out in Appendix A of BD's "EB Division Manual Part IV Section 5 Instruction No. 3" (GEN-12). ^{Appendix 15} The Cost Recovery Monitoring Committee, chaired by the Director of Buildings and attended by other senior BD officers, convenes half-yearly meetings to closely monitor the progress of all critical cost recovery actions. Similar cost recovery monitoring meetings are held quarterly at the Sectional level.

Information system for supporting enforcement actions

(v) Enhancements of BCIS

34. The revamp of the BCIS, taking into account Audit's recommendations, underway includes the following enhancements:

- (a) To enable the capturing of dates of various LSO milestones, and generate management reports for monitoring the progress of LSOs, down to the level of each target building;
- (b) To generate customised management reports of the number of removal orders issued and "actionable UBWs" identified in each LSO target building; and
- (c) To explore with the LR on the feasibility of providing computer data to the BD on the registration of removal orders for automatic uploading onto the BCIS.

Others

(z) Preventing mislaying of files

35. BD attaches great importance to good file management practices. The following additional measures are taken to ensure proper handling and custody of files:

- (a) In addition to the barcode system in place to trace file movements among BD's different units and sections, BD is running a pilot project on the use of radio-frequency identification (RFID) technology for automatic identification and tracking of files; and
- (b) Regular re-circulation of internal reminders to all BD staff on proper file management.

(aa) Updates of BD Guidelines

36. BD reviews all its operational guidelines from time to time as necessary. In the light of the various recommendations in the Audit Report, BD will review the relevant guidelines (~~GEN 5 to GEN 12~~) by the end of 2015 and introduce amendments as necessary. *Not attached*

(cc) Summary of improvement measures in response to the Audit Report and the enquiries during public hearings

37. A list summarising the improvement measures taken/to be taken by BD in response to the Audit Report and the enquiries of the Committee during the public hearings is at **Appendix C**.

PAC's Letter of 28 May 2015

Tackling UBWs of structural or higher fire safety concern and with outstanding removal orders

38. The number of outstanding removal orders related to UBWs associated with structural or higher fire safety concerns had reduced to 6 835 as at March 2015, comprising 1 782 orders with structural concern, 4 971 orders associated with fire-safety concern, and 82 relating to both. Compliance inspections are being carried out as soon as practicable to further assess the safety conditions of the 1 864 cases associated with structural concern. Prosecution and/or default works will be arranged as appropriate. BD has tightened the monitoring of outstanding removal orders related to UBWs associated with structural or higher fire safety concern through the Progress Monitoring Committee.

PAC's Letter of 29 May 2015

Existing policy and implementation plan to regulate UBWs in the New Territories, and their differences from those in the urban areas

39. New Territories Exempted Houses (NTEHs) have a long history and the regulatory framework for these houses has all along been different from that for buildings in urban areas. Notably, NTEHs which meet the specifications stipulated in the Buildings Ordinance (Application to the New Territories) Ordinance are exempt from specific provisions of the Buildings Ordinance and the regulations made under that Ordinance. Having regard to the current regulatory regime for control of NTEHs, the actual situation on the ground and

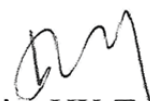
**Note by Clerk, PAC: Please see Appendix 16 of this Report for Appendix C.*

the views of various parties and also taking reference from the past experience and strategy in tackling UBWs in the urban areas, the Government announced an enhanced enforcement strategy against UBWs in NTEHs in 2011. The Development Bureau briefed the Legislative Council Panel on Development on 28 June 2011 on the enhanced enforcement strategy (CB(1) 2530/10-11(05)) which has been implemented since April 2012.

40. In gist, the enhanced enforcement strategy is founded on the principles of safeguarding building and public safety, acting in accordance with the law, categorisation for control and management, and prioritisation for progressive enforcement. BD accords priority to tackle those UBWs which pose obvious hazards or imminent danger to life or property; and to contain the proliferation of the problem, also those under construction, newly completed, or constituting serious contravention of the law and imposing higher potential risks. For other UBWs constituting less serious contravention of the law and imposing lower potential risks, BD has introduced a reporting scheme to gather useful data and statistics for risk assessment and formulate progressive enforcement plans. From April 2012 to end-2014, BD had inspected over 16 500 village houses and identified the first round targets for proactive enforcement actions. As at end-May 2015, BD had accepted around 12 000 reporting forms received under the Reporting Scheme for UBWs, and the relevant UBWs can be temporarily retained during the first round of enforcement unless becoming to pose imminent danger.

41. We hope the above is useful and will enhance to PAC's understanding of our enforcement work, and is helpful for preparation of the PAC report. Our department would be most grateful for PAC's comments and suggestions based on which we could enhance the efficiency and effectiveness of our enforcement work against UBWs. Should you have any queries, please do not hesitate to contact the undersigned at telephone no. 2626 1628.

Yours sincerely,



(Edwin HK TANG)
for Director of Buildings

c.c.	Secretary of Development (Attn. Arsene YIU)	Fax no. 2899 2916
	Secretary for Financial Services and the Treasury (Attn. Ms Jenny CHOI)	Fax no. 2147 5239
	Director of Audit (Attn. Albert TW WONG, JP)	Fax no. 2147 5239