

Management of signboards by the Buildings Department

The Audit Commission ("Audit") conducted a review to examine the management of signboards by the Buildings Department ("BD").

2. Under the Buildings Ordinance (Cap. 123), the erection of signboards is building works and, prior to 31 December 2010, with the exception of exempted works,¹ requires the prior approval of plans and consent for the commencement of the works by BD. With the full implementation of the Minor Works Control System ("MWCS") under the Building (Minor Works) Regulation (Cap. 123N) from 31 December 2010, depending on the scale and potential safety risk of the works, the erection, alteration and removal of signboards (except for exempted works) are categorized² and regulated. Signboards (except those under exempted works or designated exempted works) erected without obtaining BD's prior approval and consent or following the requirements under MWCS are unauthorized building works. According to a territory-wide stock-taking exercise conducted by BD's consultants³ in 2011, there were about 120 000 signboards, most of which were considered by BD to be unauthorized. The existence of a large number of unauthorized signboards poses a persistent building safety risk. From 2013 to 2017, there were eight incidents involving fallen signboards which caused injuries to 11 persons (four such incidents in 2017 causing injuries to seven persons).

3. The Committee noted the following findings from the Director of Audit's Report:

- to ensure compliance with the statutory requirements and to deter abuse of MWCS by the prescribed building professionals/registered contractors, BD selected some minor-works submissions for desktop and/or site audit. However, BD did not compile management information on the nature and seriousness of all irregularities found in

¹ Under the Buildings Ordinance, building works carried out in a building are exempted works if they do not involve the structure of the building and such exemption does not permit exempted works to be carried out in contravention of any regulations.

² The works are categorized as: (a) three classes of minor works, which have to be carried out by prescribed registered contractors with or without the supervision of prescribed building professionals, depending on the class of the minor works; (b) designated exempted works, which can be carried out without obtaining BD's prior approval and consent or following the MWCS requirements; and (c) works which continue to be subject to prior approval and consent of BD and carried out by building professionals and registered contractors.

³ BD identifies dangerous or unauthorized signboards mainly from regular surveys conducted by both in-house staff and consultants, large-scale operations (i.e. clearance operations conducted either on a target street section selected by BD for each operation or for removal of large unauthorized signboards) and public reports.

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- desktop and site audits, and the audit results might not be fully and accurately recorded in BD's computer system;
- of some 5 000 minor-works submissions relating to signboards received by BD each year from 2015 to 2017:
 - (a) BD selected submissions for desktop (4% to 5%) and site (1% to 3%) audits each year, and around 28% and 20% of the selected submissions were "not in order"⁴ respectively;
 - (b) 10% to 17% of the submissions selected for site audits were withdrawn by the applicants, while BD did not have readily available information to demonstrate that the withdrawals were justified and no contraventions of the Buildings Ordinance were involved; and
 - (c) BD had not set any time target for completing desktop and site audits, and the audits on some cases had still not been completed as of April 2018 more than one year after receipt of the submissions;
 - under the voluntary Validation Scheme for Unauthorised Signboards ("Validation Scheme"),⁵ only 662 applications had been received and 274 signboards (which accounted for 0.3% of BD's estimated 86 400 eligible signboards) had been validated as at April 2018;
 - in October 2010, the Development Bureau briefed the Legislative Council that BD would be able to establish a comprehensive database of all signboards in Hong Kong to facilitate control and enforcement action. As of July 2018, such database was not yet established;
 - the number of dangerous, abandoned or unauthorized works-in-progress signboards (i.e. targeted signboards) identified by BD in-house staff in regular surveys had decreased from 272 in 2015 to 60 in 2017, and BD did not set internal targets (e.g. target number of

⁴ For a submission with irregularities found but not rectified or cannot be rectified, it will be input into BD's computer system as "not in order".

⁵ Taking into consideration that many of the existing signboards in Hong Kong are in active use by business operators and their existence carries considerable value for sustaining local commercial activities, BD has implemented the Validation Scheme since 2 September 2013. Unauthorized signboards that were erected before 2 September 2013 and meet the prescribed technical specifications for minor works are eligible for validation.

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signboards to be inspected and number of dangerous or abandoned signboards to be removed/repared) on inspection of signboards under regular surveys until August 2018;

- BD could not readily compile information on the time taken in issuing Dangerous Structure Removal Notices ("DSRNs") or removal orders⁶ for targeted signboards identified in regular surveys as it had not used its computer system to correlate the identified targeted signboards with DSRNs or removal orders issued;
- as of April 2018, there was slippage in completing large-scale operations from 2015 to 2017 ranging from 3 months to 2.3 years. For the large-scale operations conducted from 2015 to 2017, both the actual number of and the achievement rate of the target set for large unauthorized signboards with enforcement actions taken had decreased from 201 (actual achievement rate of 67%) in 2015 to 106 (actual achievement rate of 47%) in 2017;
- as of April 2018, confirmed dangerous or unauthorized signboards arising from 256 public reports had not been issued with DSRNs or removal orders. For 94 (37%) of these 256 public reports, the time elapsed was more than six months after conducting screening and/or inspection of the signboards;
- Audit conducted an ageing analysis of 670 DSRNs that had been complied with in 2017 and discovered that only 33 (5%) of them complied with the 14-day time limit set out in DSRNs. As of April 2018, 425 DSRNs issued for signboards had not been complied with, among which 247 DSRNs (58%) had remained outstanding for more than six months after their issuance;
- as of April 2018, there were 1 414 removal orders issued for signboards that had not been cleared, while 598 (42%) of them had remained

⁶ For a signboard which is dangerous or is likely to become dangerous, BD may issue a DSRN under section 105 of the Public Health and Municipal Services Ordinance (Cap. 132) requiring the owner of the signboard to remove such works or to do specified work to render the same safe within a specified period (normally 14 days). For an unauthorized signboard, BD may issue a removal order under section 24 or section 24AA (for minor works commenced under MWCS) of the Buildings Ordinance requiring the removal or alteration of the signboard within a specified period (normally 60 days). For a non-compliant DSRN or removal order, BD may instigate prosecution action by referring the case to BD's Legal Services Section and/or carry out the necessary default works and recover the costs incurred plus a surcharge from the owner.

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outstanding for more than one year after their issuance (ranging from more than 1 to 12 years), far exceeding the 60-day time limit set out in the removal orders;

- of the 214 non-compliant removal orders that had been referred to BD's Legal Services Section in 2016 and 2017, 132 (62%) orders were not referred to the Section until more than one year after their issuance (ranging from more than 1 to 10 years); and
- as of April 2018, of the 79 cases relating to signboards and having completed default works with outstanding costs (involving a total outstanding cost of \$3.7 million), BD had not issued demand notes to the signboard owners of 38 cases (48%) (involving a total outstanding cost of \$2 million, or 54% of \$3.7 million). Audit noted that default works for 31 (82%) of these 38 cases had been completed for more than six months, ranging from more than 6 to 32 months and averaging 12 months.

4. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses regarding the processing of minor-works submissions; features of the revamped computer system; the implementation of desktop and site audits, regular surveys and large-scale operations; measures to improve the implementation of the Validation Scheme, the enforcement actions against large unauthorized signboards and the follow-up actions on DSRNs and removal orders; the establishment of the comprehensive database of all legal or validated signboards in Hong Kong; and the manpower requirements for the enforcement actions against unauthorized signboards. The replies from **Director of Buildings** are in *Appendices 24* and *25*.

5. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by Audit.