LEGISLATIVE COUNCIL PANEL ON DEVELOPMENT

Assistance Schemes on Building Safety and Rehabilitation

Follow-up Actions Arising from the Discussion at the Meeting on 16 December 2019

The supplementary information requested by the Legislative Council Panel on Development on 16 December 2019 is set out below:

Building Maintenance Grant Scheme for Needy Owners (BMGSNO)

- (a) Whether the Administration would consider expanding the scope of beneficiaries under BMGSNO to cover those elderly occupiers of Home Ownership Scheme (HOS) flats who had transferred the ownership of their HOS flats to their children by reason of old age (i.e. 65 years old or above) with the implementation of appropriate measures to ensure that the Scheme would not be abused under the expanded scope.
- 2. Owners should take primary responsibility for the proper maintenance of their properties. That said, the Government recognises that some owners may have genuine difficulties in fulfilling their responsibility in maintaining their properties due to, inter alia, lack of financial means. It is against this backdrop that the Government launched the Building Maintenance Grant Scheme for Elderly Owners (BMGSEO) in 2008 with the objective of assisting elderly owner-occupiers aged 60 or above who meet the prescribed income and asset tests in maintaining their own premises. In view of the general public support for BMGSEO and the effectiveness of the scheme in achieving its objective, we proposed injecting an additional \$2 billion and introducing various enhancements (including expanding the scope of beneficiaries to other non-elderly needy owner-occupiers) to the scheme, which will be rechristened as BMGSNO.
- 3. As BMGSNO is designed to render financial assistance only to the most needy owner-occupiers, further expanding the scope of beneficiaries of BMGSNO to cover otherwise ineligible owners just because they own properties acquired from former owners who were eligible, e.g. their old-aged parents, would depart from the objective of the scheme. Such relaxation may also cause undue confusion and even abuse. As a matter of fact, acquisition of ownership from old-aged parents is not unique to HOS flat owners, and there is limited justification in drawing a distinction between HOS flat owners and non-HOS flat owners when deciding on the eligibility of beneficiaries under the scheme.

4. Notwithstanding that non-elderly and non-needy property owners may not be able to benefit from BMGSNO after acquiring the ownership of their HOS flats from their old-aged parents, there are also other building assistance schemes, such as the Common Area Repair Works Subsidy funded by the Urban Renewal Authority (URA) and the Building Safety Loan Scheme, which may assist them in maintaining their properties, subject to their fulfillment of the eligibility criteria under the respective schemes.

<u>Lift Modernisation Subsidy Scheme (LIMSS)</u>

- (b) Provide a breakdown of the additional funding in the estimated cash flow requirements from 2020-2021 to 2025-2026 to show the respective funding for (i) subsidy for lift modernization and the consultants' fees, (ii) administration fee of the URA, (iii) expenses for provision of supporting services to URA, (iv) expenses for the training scheme for increasing industry capacity, and (v) expenses of outreach social services.
- 5. The breakdown of the additional funding in the estimated cash flow requirements from 2020-2021 to 2025-2026 for (i) subsidy for lift modernization and the consultants' fees, (ii) administration fee of the URA, (iii) expenses for provision of supporting services to URA, (iv) expenses for the training scheme for increasing industry capacity, and (v) expenses of outreach social services is appended below –

Year	Estimated Number of Additional	ber of tional					
	Lifts to be Modernised	(i)	(ii)	(iii)	(iv)	(v)	(\$'000)
2020-21	100	44,000	600	1,400	7,900	44,200	98,100
2021-22	200	93,600	1,200	1,500	8,300	43,200	147,800
2022-23	300	150,600	1,800	3,000	8,700	103,700	267,800
2023-24	400	209,600	2,400	3,100	9,200	43,400	267,700
2024-25	500	278,500	3,000	3,200	9,600	47,700	342,000
2025-26	1 500	851,800	10,000	7,300	10,100	5,800	885,000
Total:	3 000	1,628,100	19,000	19,500	53,800	288,000	2,008,400

Development Bureau Electrical and Mechanical Services Department March 2020