Examination of Estimates of Expenditure 2023-24

Reply Serial No.

## CONTROLLING OFFICER'S REPLY

DEVB(PL)066

## (Question Serial No. 1424)

Head:	(82) Buildings Department
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Buildings and Building Works
Controlling Officer:	Director of Buildings (Ms Clarice YU)
Director of Bureau:	Secretary for Development

Question:

According to the Matters Requiring Special Attention in 2023-24, the Government will, in collaboration with the Urban Renewal Authority, continue to implement Operation Building Bright 2.0 (OBB 2.0) to assist owners of old and dilapidated buildings to comply with the requirements under the Mandatory Building Inspection Scheme (MBIS) to protect public safety. In this connection, will the Government inform this Committee of the following:

- 1. The Buildings Department (BD)'s plan for existing buildings in 2023 is to carry out default works for 330 target buildings under OBB 2.0. Please provide a breakdown by District Council district of the numbers of buildings currently eligible for inspection and repair under OBB 2.0; and among them, the respective numbers of Category 1 buildings and Category 2 buildings.
- 2. Please provide the numbers of target buildings under OBB 2.0 which (a) have completed works under the MBIS, (b) are carrying out works under the MBIS, and (c) have yet to carry out works under the MBIS; and the estimated number of beneficiary households.
- 3. In 2023-24, will the Government consider reviewing the effectiveness of OBB 2.0 and expanding the scheme to cover more buildings. If yes, what are the amount of resources and the staff establishment involved for its implementation?

<u>Asked by</u>: Hon CHAN Hok-fung (LegCo internal reference no.: 13)

Reply:

1. Operation Building Bright 2.0 (OBB 2.0) is to provide financial and technical support to aged buildings with relatively low rateable value to comply with the requirements of Mandatory Building Inspection Scheme (MBIS). There are two categories of buildings under OBB 2.0. Category 1 buildings are those whose owners are prepared to take up the organisation of inspection and repair works of their buildings under MBIS. Category 2 buildings cover those with outstanding MBIS notices but the owners concerned have difficulties in co-ordinating the requisite inspections and repair works. The Buildings Department (BD) proactively selects Category 2 buildings on a risk basis and exercises its statutory power to carry out the requisite inspection and repair works in default of the owners, and seeks to recover the cost from them afterwards. Eligible owners of Category 2 buildings may claim subsidies under OBB 2.0 to cover all or part of such cost. It is estimated that around 5 000 buildings (including both Category 1 and Category 2 buildings) would benefit under OBB 2.0, but we do not have a breakdown of these buildings by District Council district as the actual outturn will depend on, amongst others, the response of eligible owners in the territory.

2. As of end-January 2023, the numbers of Category 1 buildings involved in eligible applications and those approved in principle, Category 2 buildings selected by BD, buildings with repair works yet to be carried out, buildings with repair works in progress, buildings with repair works completed under OBB 2.0 and beneficiary households involved are set out in the table below –

Number of Category 1 buildings involved in eligible applications	Number of Category 1 buildings in applications approved in principle	Category 2 buildings selected by			Number of buildings with repair works in progress		Number of buildings with repair works completed		Number of beneficiary households (with subsidies approved)	
			Cat 1	Cat 2	Cat 1	Cat 2	Cat 1	Cat 2	Cat 1	Cat 2
1 200	1 161	1 316 (1)	883	412	168	451	110	255	4 915	2 375

Cat 1: Number of Category 1 buildings Cat 2: Number of Category 2 buildings

3. The Government has been monitoring in conjunction with the Urban Renewal Authority (URA) which administers the scheme, the implementation progress and effectiveness of OBB 2.0. For the third round of applications for OBB 2.0 which commenced on 1 April 2023, the application criteria have been relaxed so as to benefit more buildings. Specifically, the building age limit has been lowered from 40 to 30 (for buildings with MBIS notices) and from 50 to 40 (regardless of whether the building has received an MBIS notice).

BD carries out the prescribed inspection and repair works in default of the owners of Category 2 buildings by mobilising its consultants and government contractors, and seek to recover the cost from owners afterwards. The work performed by BD under OBB 2.0 is carried out by the professional and technical staff of the Mandatory Building Inspection Sections as part of their overall duties. BD is unable to provide a breakdown of the resources and staff establishment solely for OBB 2.0.

Note <sup>(1)</sup>: Among these 1 316 buildings, default works for 198 building did not proceed further as the owners concerned subsequently decided to take forward the prescribed works themselves.

URA is responsible for administering the scheme under the "all-in-one" Integrated Building Rehabilitation Assistance Scheme and absorbs the associated administrative cost with its own resources. URA does not have a breakdown of the expenditure and manpower incurred solely for administering the OBB 2.0.

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