

Application Notes
(AN-FSWS)



New Round Fire Safety Improvement Works Subsidy Scheme

Enquiry
3188 1188



保安局
Security Bureau



市區重建局
URBAN RENEWAL
AUTHORITY

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Introduction

According to the Fire Safety (Buildings) Ordinance (Cap.572) (“**Ordinance**”) which has come into operation since 1 July 2007, the fire safety measures of all composite and domestic buildings constructed by 1 March 1987, or with their plans of the building works first submitted for approval on or before that day, must be enhanced to a safety level meeting the modern standard, with a view to better protecting the lives and properties of the occupiers, users and visitors of the buildings from the risk of fire. The Fire Services Department (“**FSD**”) and the Buildings Department (“**BD**”) will issue “Fire Safety Directions” (“**Directions**”) to owners or occupiers of a building with regard to its fire safety measures to specify the required fire safety improvement works subsequent to an on-site inspection.

The Chief Executive announced in the “2017 Policy Address” that the Government planned to devote HK\$2 billion and partnered with the Urban Renewal Authority (“**URA**”) to implement the “Fire Safety Improvement Works Subsidy Scheme” (“**FSW Scheme**”) in July 2018. In view of the positive response by the public for FSW Scheme, the Government announced in the “2019 Policy Address” an injection of additional HK\$3.5 billion for implementing a new round of application to subsidise owners of more old composite buildings to undertake fire safety enhancement measures as required by the Ordinance.

1. Eligibility Criteria

1.1 FSW Scheme is applicable to buildings that meet the following criteria:

- (i) The building is not under single ownership and is a target composite building (commercial and residential) under the Ordinance;
- (ii) The 2017/18 average annual rateable value of domestic units in the building shall not exceed the limit stated in item 2(b) of Appendix I to the Integrated Building Rehabilitation Assistance Scheme (“**IBRAS**”); and
- (iii) The building owners have received Directions for the common parts of the building and / or its related Fire Safety Compliance Order issued by FSD and BD, but compliance letters confirming the completion of all fire safety improvement works required by the Ordinance had not been issued as of 11 October 2017.

2. Application Period and Methods

2.1 The completed Application Form and necessary supporting documents must be returned to URA on or before 30 October 2020 by any of the following methods:

- (i) **On-line application:**
Link: <https://www.brplatform.org.hk/e-application>
(The time of receipt of an on-line applications will be adopted as the submission time of that application)

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- (ii) Submission by post or in person to the office of URA which address can be found in Annex II to the Application Form of the Integrated Building Rehabilitation Assistance Scheme (For submission by post, the date of the stamp chop will be adopted as the date of submission of the application; for submission in person, the date of submission will be determined by the date of the receipt of the Application Form signed by URA)

3. Submission of Application Form and Supporting Documents

- 3.1 If building owners have formed an owners' corporation ("**OC**"), the OC shall be the Applicant who submit the application to URA.
- 3.2 If building owners have not formed an OC, all owners collectively shall be the Applicant who submit the application to URA. Please read the "Application Notes for building without Owners' Corporation" in Annex I to the IBRAS Application Form for the application requirements and details.
- 3.3 The Applicant is required to submit the following documents to URA within the application period:
 - (i) A duly completed and signed **IBRAS Application Form ("Application Form")**; and
 - (ii) A copy of the Certificate of Registration of OC / Certificate of Registration of a Society (if applicable);
 - (iii) Copies of the Directions for the common parts of the building and / or its related Fire Safety Compliance Order issued by FSD and BD;
 - (iv) (If building with an OC formed) Copies of meeting notices and minutes of the owners' meeting passing the following resolutions:
 - (a) To resolve on the application for "Fire Safety Improvement Works Subsidy Scheme";
 - (b) To authorise the OC to be the Applicant, and at least two committee members of the Management Committee or the Manager appointed in accordance with the Deed of Mutual Covenant of the building ("DMC") as the Applicant's Representatives to sign the Application Form and all other documents related to "Fire Safety Improvement Works Subsidy Scheme";
 - (c) To carry out fire safety improvement works for the common parts of the building in accordance with the Directions and/or the requirements stipulated in the related Fire Safety Compliance Order (the works must comply with the "Use of Subsidy" in Paragraph 4 of this Application Notes);
 - (d) To apportion all costs and expenditure relating to the fire safety improvement works among all owners of the building in accordance with DMC or the relevant provisions in the Building Management Ordinance (Cap.344);
 - (e) To resolve on paying for and joining URA's "Smart Tender" Note 1 (if applicable) for the fire safety improvement works (Please refer to "AN-ST" for details); and

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- (f) To authorise the Applicant to receive subsidies from URA under the FSW Scheme on behalf of all owners of eligible buildings.

Note 1: For the resolutions required for joining Smart Tender, please refer to Paragraph 4.2.3 of “AN- ST”

The above resolutions must be passed in accordance with the Building Management Ordinance (Cap.344) and the DMC. (For buildings without an OC or those held by Civil Servants’ Co-operative Building Society (CBS) (as the case may be), please refer to “Application Notes for building without Owners’ Corporation” in Annex I to the IBRAS Application Form for the details of the resolutions required to be passed. The minutes of meeting shall be submitted to URA at the time of submission of the Application Form.) If the Applicant shall actually not be able to convene a general meeting of owners to resolve the above resolutions within the application period, the Application Form may be submitted to URA first by two representatives of the Applicants and a general meeting of owners for passing the relevant resolutions may be arranged later. The minutes of the meeting shall be submitted to URA within 6 months from the deadline of application (i.e., on or before 30 April 2021). Applicants shall note that failing to submit relevant minutes of meeting at the time of submission of the Application Form may result in delay in the processing of the application.

- (v) If the Applicant has started relevant works for the building, the Applicant must submit one copy of each of the following documents to URA before the closing date for application in order to set priorities for processing applications:

Progress	Necessary Supporting Document
1. Consultant appointed	Consultancy Service Contract
2. Contractor appointed	Works Contract

Note: The related contracts must be signed before 9 July 2018, otherwise, the procurement of fire safety improvement works contractor and consultancy services must be done through Smart Tender of URA.

- 3.4 If the documents set out in items 3.3 (ii) and (v) above are not submitted together with the Application Form, they shall be submitted to URA before the application deadline, otherwise the approval of the application may be affected. If the owners are forming an OC, submission deadline of the documents will be extended to 6 months after the application deadline to 30 April 2021.
- 3.5 After the closing date for application, all applications will be prioritised based on the factors adopted for the FSW Scheme.

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- 3.6 Applications shall be made based on DMC. If a building / estate having more than one OC / DMC intends to engage the same consultant / Authorised Person /qualified registered contractor to carry out the works as required by the Directions and / or the related Fire Safety Compliance Order, each Applicant is required to complete its own Application Form and the Applicants may choose to submit their Application Forms jointly as a joint application. URA will decide upon the priority in such joint application.
- 3.7 Each Applicant can only submit one Application Form for his building.
- 3.8 Upon receiving the Application Form, URA will acknowledge receipt thereof in writing.
- 3.9 The Applicant shall not make another application in the new round of FSW Scheme if it has already submitted an application in the first round of FSW Scheme and has been issued the notice of application result or Priority, unless its application has been revoked by URA in writing.

4. Use of Subsidy

The subsidy is only applicable to works carried out at the common parts of the building required for complying with the Directions and/or its related Fire Safety Compliance Order, which include:

- 4.1 Provision or improvement of the following fire service installations and equipment:
- (i) Automatic sprinkler system;
 - (ii) Fire hydrant and hose reel system;
 - (iii) Manual fire alarm system;
 - (iv) Emergency lighting;
 - (v) Automatic cut-off device for mechanical ventilating system; and
 - (vi) Other alternative fire service installations and equipment/measures approved by FSD
- 4.2 Improvement of fire safety construction measures:
- (i) Protection of exit routes and staircases with fire resisting construction;
 - (ii) Improvement of the exit to a street;
 - (iii) Provision or replacement of fire doors;
 - (iv) Improvement of staircase width;
 - (v) Provision of additional staircases;
 - (vi) Enhancement of existing lifts to become fireman's lifts;
 - (vii) Provision of fireman's lifts;
 - (viii) Improvement of the resistance of external walls and the protection of openings therein;
 - (ix) Provision of fire resisting construction separating different parts of the building;
 - (x) Provision of fire resisting enclosures to non-emergency services within the staircases; and

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(xi) Provision of smoke vents to basements.

4.3 The necessary professional services (e.g. appointment of consultant) and any associated or follow-up works arising from the works mentioned in paragraphs 4.1 and 4.2 above may also be subsidised. All works must comply with the legal requirements and be carried out by qualified registered contractors.

5. Target Beneficiaries and Level of Subsidy

5.1 Except as provided in paragraph 5.2 below, the Applicant may receive subsidy up to 60% of the cost of the fire safety improvement works and the consultancy fees, or the corresponding cap imposed on the relevant category of buildings (see the table below), whichever is less.

FSW Scheme – Maximum Subsidy Amount

Number of Storeys	Maximum Amount (HKD)
1 – 3	230,000
4 – 6	470,000
7 – 12	790,000
13 or more	1,260,000

5.2 As regards those buildings with qualified registered contractors already engaged for the fire safety improvement works before 9 July 2018, the independent consultant appointed by URA will assess the relevant documents provided by the Applicant (such as tender documents, works contracts and works progress reports) to determine the level of subsidy, which in any case will not exceed 60% of cost of works and consultancy fees, or the corresponding cap applicable to the relevant category of buildings (whichever is less).

6. Other Subsidies

6.1 If the building has received the statutory notice or pre-notification letter of mandatory building inspection issued by BD and the building meets the eligibility criteria of the second round of “Operation Building Bright 2.0” (“OBB 2.0”), the Applicant may also apply for subsidy under the second round of OBB 2.0 to cover those works related to the Mandatory Building Inspection Scheme. However, the relevant work items shall not duplicate with those approved under FSW Scheme or any other past or existing subsidy schemes administered by different institutions or departments. Please refer to the second round of “AN-OBB2.0(Bldg)2” for details.

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- 6.2 To encourage the formation of OCs by building owners for carrying out fire safety improvement works, any Applicant who is granted the Approval-in-Principle Letter (Approval Letter) in the new round of FSW Scheme with Certificate of Registration of its OC issued within the 12 months prior to the deadline of application specified in Paragraph 2.1 above shall be granted a subsidy of HK\$3,000 under the Owners' Corporation Formation Subsidy.

7. Procedures and Requirements for Approval

- 7.1 The successful Applicant for the FSW Scheme will receive an approval letter issued by URA. URA will earmark funds for such buildings and the Applicant should sign an agreement and take the initiative to organize the works in accordance with the arrangements, guidelines and requirements stipulated by the FSW Scheme.
- 7.2 Unless the consultancy firm and the qualified registered contractors have been appointed before 9 July 2018, or the consent of the implementation committee of the FSW Scheme has been obtained, the Applicant must appoint a consultancy firm and its Authorized Person/Qualified Person (collectively referred to as "Works Consultant") to organise the fire safety improvement works within the specified timeframe and appoint qualified registered contractors to complete such works via the fee-based URA's Smart Tender. All tender procedures shall comply with the requirements of Smart Tender, the Building Management Ordinance (Cap.344) and/or DMC (if applicable) and the FSW Scheme. Unless the prior consent of the implementation committee of the FSW Scheme has been obtained, the services provided by the consultancy firm must include the preparation of preliminary designs of improvement works before tendering of such works.
- 7.3 If the Applicant has already appointed a Works Consultant to organise the works before 9 July 2018, the Works Consultant shall sign a "Confirmation Letter for Probity and Anti-collusion Clauses" , a "Declaration Form for Ethical Commitment Clauses" and a "Non-collusion Clauses and Non-collusive Tendering Certificate", as well as a "Letter of Undertaking" including provisions relating to prohibition of acceptance of advantage and declaration conflict of interest acknowledging its agreement to observe URA's requirements for the application of the FSW Scheme, otherwise no funding will be granted for the works. The Applicant shall also use URA's Smart Tender to appoint the qualified registered contractors to complete the works.
- 7.4 If the Applicant has already completed the procurement for the works mentioned in Paragraphs 4.1 and 4.2 above (i.e. appointment of the Works Consultant and the qualified registered contractor to organise and carry out the works) before 9 July 2018, such procurement procedures must comply with the requirements stipulated in the Building Management Ordinance (Cap.344) and/or DMC (if applicable). In case the procurement procedure has failed to comply with such requirements and the Applicant has failed to arrange rectification thereof, no subsidy under FSW Scheme will be granted. Any additional

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expenses or losses resulted from the rectification of the procurement procedure, including but not limited to compensation for the termination of existing services, shall not be subsidised by the FSW Scheme and the Applicant shall be responsible for the same.

- 7.5 The successful Applicant for subsidies under the FSW Scheme shall complete the fire safety improvement works in accordance with the schedule stipulated in the approval letter. Under normal circumstances, the Applicant shall appoint the Works Consultant and the qualified registered contractor and commence the works within 24 months from the date of issue of the AIP Letter.
- 7.6 The Applicant shall submit the required documents to URA at different stages of subsidy disbursement to allow URA to examine the progress and determine whether the works have been carried out in compliance with the relevant guidelines and requirements. If the Applicant fails to comply with the requirements stipulated in Paragraph 7.5 above and/or under FSW Scheme without any reasonable explanation, the approval letter granted to the building may be revoked and the funds reserved will be granted to the other eligible Applicants.
- 7.7 If the Works Consultant and the qualified registered contractor have not been appointed before 9 July 2018, the Applicant shall prepare the consultancy service contract and the works contract in accordance with the guidelines issued by URA and submit necessary supporting documents to URA, failing which the progress of verification and appropriation of funds could be affected. For the requirements for supporting documents, those stipulated in the approval letter and DIY tool-kits of Smart Tender shall prevail.
- 7.8 If the Works Consultant and the qualified registered contractor have not been appointed before 9 July 2018, the Applicant shall insert “Probity and Anti-Collusion Clauses”, “Ethical Commitment Clauses” and “Non-collusion Clauses and Non-collusive Tendering Certificate” including provisions relating to prohibition of acceptance of advantage, and the declaration of conflict of interest etc. in the tender documents and consultancy/works contracts.
- 7.9 Even if the Works Consultant and the qualified contractor have been appointed before 9 July 2018, the Applicant shall still submit a “Confirmation Letter to Comply with Probity Commitments and Anti-Collusion Clauses”, a “Declaration Form to Comply with the Ethical Commitments Requirements” and a “Non- Collusion Clauses and Non-Collusive Tendering Certificate”, as well as an undertaking letter with provisions relating to prohibition of acceptance of advantage and declaration of conflict of interest etc. signed by the Works Consultant/ qualified contractor. Otherwise, the works will not be subsidised.
- 7.10 Staff members or representatives of URA will assess the intended work items and the cost estimates, the quotations and the progress of works before and during the works. The Applicant shall assist and facilitate staff members or representatives of URA to carry out site inspection of common parts of the building.

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- 7.11 For the calculation of the subsidy amount, if the contract sum of the subsidised work items is greater than the estimate made by the independent professional consultant engaged by URA, URA shall determine the subsidy amount based on such estimate by its independent professional consultant. Otherwise, the subsidy amount shall be determined based on the contract sum of the subsidised work items.
- 7.12 If any works have been commenced/completed/concealed prior to 9 July 2018 such that on-site verification of completion of the works is impossible, the Applicant shall submit all documentary proofs for such works to URA for checking, or otherwise such repair items shall not be subsidised.
- 7.13 In case of any material variation to the contract terms or repair costs (whether it is an addition or an omission), the Applicant shall notify URA as soon as possible in writing and submit relevant documents for approval, otherwise the subsidy amount will be affected. Material variation refers to any changes in sum that is likely to exceed HK\$200,000 or 20% of the OC's annual management budget (whichever is the less), which require a resolution passed in an owners' meeting convened under the Building Management Ordinance (Cap.344).
- 7.14 In case of any disputes relating to the eligibility for application or release of subsidy, the decision of URA shall be final and conclusive.
- 7.15 Notwithstanding any contrary provision contained in this Application Notes, and whether or not the AIP Letter has been issued, URA has the right to reject the application, to stop payment of subsidies, to recover any subsidies released or to adjust the subsidy amount at any stage on reasonable grounds or in reasonable circumstances and the Applicant shall raise no objection.
- 7.16 All buildings participating in the FSW Scheme will be automatically registered for the "RenoSafe Scheme" operated by the Hong Kong Police Force to enjoy the various services offered under the "RenoSafe Scheme".

8. Release of Subsidy

- 8.1 The Applicant should apply to URA for release of subsidies in phases (up to 4 phases) according to the progress of works, for payment of the costs of work items for improving the common parts of the building covered by the FSW Scheme. The amount of subsidy to be released by URA in each phase will be calculated according to the percentage of the completed eligible work items covered by the FSW Scheme. Consultancy fee can be included in the above subsidy release application during the contracting period. The Applicant shall give a written undertaking and distribute the subsidies to individual owners in accordance with the funding allocation form provided by URA. The Applicant should refund the extra

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works expenses paid by eligible owners prior to the Applicant's application for subsidy for the relevant works payable by them.

- 8.2 The subsidy may be revoked if the Applicant shall eventually fail to provide URA with the compliance letters from FSD and BD certifying that the building has completed the Directions which set out the fire safety improvement works required and that they have been completed to the requirements in the Directions.
- 8.3 In general, URA will release the subsidy within 30 days after receiving all required documents.

9. Notes

- 9.1 URA is a public body under the regulation of the Independent Commission Against Corruption (ICAC) and the Office of The Ombudsman, Hong Kong. Any incident suspected to be related to corruption shall be reported to ICAC immediately.
- 9.2 URA is a public body as defined in the Prevention of Bribery Ordinance (Cap. 201) and all staff members of URA are subject to the said Ordinance and are not allowed to solicit and accept any forms of advantages (monetary or otherwise) from customers, contractors, suppliers, registered inspectors or any other person. For the appointment of registered inspectors, project consultants and contractors for the building repair works, staff members of URA shall only provide general guidance and are prohibited from taking part in any form of actions leading and influencing the Applicant in the selection of registered consultants, project consultants and contractors (excluding the services arranged by URA under Smart Tender).
- 9.3 The Application Form and this Application Notes are not legally binding on URA. URA is not liable to any person for any loss or damages which may be incurred or sustained by relying on any information contained in the Application Form and this Application Notes.
- 9.4 URA reserves the right to modify the above contents at any time without prior notice. The web version shall prevail should there be any changes. Please refer to "Building Rehab Platform" (<https://www.brplatform.org.hk>) for the latest version.
- 9.5 Any wilful misrepresentation or omission may lead to disqualification and court proceeding. The Applicant is reminded that it is a criminal offence to obtain any pecuniary advantage by deception.

Enquiry Hotline: 3188 1188

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List of Abbreviations

Application Notes for Building (Applicable to Owners' Corporation / Owners' Organisation / Representatives of all owners)

Abbreviation	Application Notes
AN-CAS	Application Notes for Common Area Repair Works Subsidy
AN-LIMSS(2)	Application Notes for Second Round Lift Modernisation Subsidy Scheme
AN-OB2.0(Bldg)2	Application Notes for Second Round Operation Building Bright 2.0 (Applicable to Owners' Organisation of Category 1 Building)
AN-FSWS	Application Notes for New Round Fire Safety Improvement Works Subsidy Scheme
AN-ST	Application Notes for Smart Tender Building Rehabilitation Facilitating Services
AN-MBISS	Application Notes for Mandatory Building Inspection Subsidy Scheme

Application Notes for Individual Flat Owner

Abbreviation	Application Notes
AN- OBB2.0(OO)	Application Notes for Operation Building Bright 2.0 (Applicable to Owner- Occupier)
AN-LIMSS(2)(EOO)	Application Notes for Second Round Lift Modernisation Subsidy Scheme (Applicable to Elderly Owner- Occupier)
AN-HRIL	Application Notes for Home Renovation Interest-free Loan
AN-BSLS	Application Notes for Building Safety Loan Scheme
AN-BMGSNO	Application Notes for Building Maintenance Grant Scheme for Needy Owners