

Summary Observations on the Built Heritage Conservation Fund
By Hong Kong Institute of Architects (HKIA)
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1) REVITALISATION SCHEME (R-Scheme)

- a) Review the difficulties in procurement/application faced by consultants
- i) Risk and cost of works of unknown magnitude and construction work nature (e.g. ground/structural investigation works and lab tests) should not be included in the consultancy fee
 - *Professional liability insurance is not normally able to cover such works without paying an exorbitant premium*
 - ii) Review the weighting of the stage payment schedule, or allow cost reimbursement, to accurately reflect consultants' workload/ expenditure
 - *In particular, Stage 2 only contributes 17% of the overall consultancy, but the surveys, investigation, impact assessments, and planning application to be completed in the stage costs up to 33% of the overall consultancy fee.*
 - iii) Consider allowing/requiring NPOs to conduct two-envelope tender procurement (instead of fee-only procurement) to control the quality of construction works
 - *BHCF may also consider requiring tenderers of the main contract to provide certification of craftsmen's experience, which will help ensure the quality of contractors being appointed for the works*
- b) Closely scrutinize/vet submitted proposals to safeguard historic buildings from adverse impact due to the proposed changes
- i) It is undesirable that some CHO-approved proposals by NPOs require an extensive structural upgrade that will create adverse heritage impact on the historic buildings, e.g.
 - *Roberts Block (Batch V): the need to recast the historic concrete slab due to the newly proposed "therapy" use, and*
 - *Fong Yuen Study Hall 1/F (Batch VI): potential structural/ footing/ MOE upgrade for obtaining PPE license for exhibition purpose*
 - ii) Since the proposed use is fundamental to NPO's operation mode, financial viability, and heritage interpretation strategies, it is difficult to change the proposed use should adverse heritage impact be identified in later work stages
 - iii) Technical constraints of R-Scheme buildings should be identified in advance by government departments and put into the resource kits.

- iv) NPO's proposals should be closely vetted by government technical departments before BCHF/CHO recommends the proposal and approves the CPP and TFS. The BHCF Committee should be alerted of proposals that may have a critical impact on fundamental issues (e.g. structural).
- c) Exercise greater oversight of proposals approved by BHCF and ensure that the non-profit nature of R-Scheme projects is maintained
- i) The fundamental objective of R-Scheme is for the general public's appreciation of heritage buildings and for non-profit initiatives, not for capital/commercial interest, and hence the roles of NPOs and the involvement of consultants should be regularly reviewed.
 - ii) Respect and oversight of proposals/forecasts vetted and approved by BHCF
 - iii) In case NPO refuses to continue an approved proposal (when it deviates too much from the original approved proposal), exit and re-tender mechanisms shall be established for operators without affecting the physical revitalisation works
- d) Evaluate operational and business-planning problems of past examples, and consider design intervention on heritage buildings to be less programme-specific
- i) The original rationale of R-Scheme from the Development Bureau is that the "design" should be tailored to suit the "operation" by an NPO. The fact that two examples (Fong Yuen and N Kowloon Magistrate) can be passed to the next NPO proves that some R-Scheme initial works are actually Fire Safety and BFA upgrades and can thus be reused by an independent NPO.
 - ii) Besides technical problems on architectural and conservation aspects, NPOs also face operational and business-planning problems (e.g Fong Yuen Study Hall, SC AD, and Har Paw Music)
 - iii) BHCF may consider if it is more appropriate that the design interventions be less programme-specific, allowing greater flexibility for future changes should the business model need to be revised in future
 - iv) If certain heritage buildings have to rely on the application of exemption or relaxation of statutory regulations to BD via Management Approach, we suggest such NPOs who are preparing to take over the premises could also undertake the previous Management Plans, so that a fresh application to BD can be avoided.
- e) Liaise with CHO to engage separate consultants to conduct enabling works that are identified as necessary for the revitalization of heritage buildings or sites, but too complex for NPOs to take up
- i) Heritage buildings that are listed in recent R-Schemes are increasingly located on challenging sites that require major advance works, such as slope upgrading works (e.g. Roberts Block), complex civil and drainage works (e.g. underground FS tank and pump of Old Tai Po Police Station),

or construction of major access roads / EVA (e.g. Haw Par Mansion). These would have usually been identified by ArchSD during its preliminary analysis of the site for R-Scheme toolkit preparation, and alternative solutions would not be likely to be financially viable.

- ii) Before launching an R-Scheme project, we suggest CHO to liaise with technical departments to resolve certain fundamental statutory constraints, and potentially engage separate consultants to carry out “must-do” enabling works prior to inviting NPO to submit proposals. This can remove the burden from NPOs who often lack experience in such complicated works.
- f) Engage BD/FSD/ArchSD to exchange methods and streamline the process of statutory compliance for adaptive reuse projects
- i) BD/FSD/ArchSD and the profession at large have gathered a wealth of experience over the years in adaptively reusing historic buildings for modern use while complying with the latest standards, and in handling approvals and liaisons with AMO and other authorities (e.g. Final Court of Appeal (Former Legco), Former French Mission Building, Heritage Discovery Centre etc).
 - ii) Referring to the current “Technical Committee on Building Safety and Health Requirements for Historic Buildings under the Buildings Ordinance” set up by BD, we recommend CHO could take the lead in forming a technical committee comprising members from BD / FSD / ArchSD and representatives of professional institutions with experience in heritage projects.
 - iii) The committee can provide a platform for a continual exchange of project experience, draw up guidelines of potential exemptions for each R-scheme project, allowing such lessons learnt by the Government to be passed to the vetting of designs submitted by the profession at large.
 - iv) The committee can also explore the possibility of formulating with BD a generic and prescriptive Management Approach with Compensatory Measures (e.g. people management to reduce fire risk, guides to help disabled persons, etc) so that any NPO preparing to take up such does not require a fresh application to BD for approval.

2) FINANCIAL ASSISTANCE FOR MAINTENANCE SCHEME ON BUILT HERITAGE (FAS)

- a) HKIA welcomes the proposed increased ceiling of grant to HK\$3M per application, and also the review to increase the consultancy fee cap to upwards of 20% and varying the payment schedule with reference to project scale
 - i) We welcome the review of the maximum consultancy cap currently set at 18%. In view of the increasing project scale (only HKD 2M is currently allowed to cover both the costs of construction and consultancy), project duration (an expected average of 3- 4 years from consultancy commencement to completion of site works currently) and project

complexity (AP, RSE, and building services consultants are almost always involved these days, besides the heritage consultant), even 20% may not be financially viable for consultants without compromising the quality of works.

- b) Consider flexibility/discretion in granting support for historical buildings that may have not been officially graded, e.g. rural village clusters, post-war buildings that are under review by AMO, etc, and for private owners of Declared Monuments (DMs)
 - i) AMO's maintenance funding for privately owned DMs is very limited (only a few million HK\$ to be shared amongst 100+ DMs each year) compared to HK\$6M per project granted by FAS, and there are more restrictions on the use of such funding than FAS.
 - ii) DM owners may want more say/control on the maintenance approach by engaging their own consultants instead of for AMO to take the lead, and more flexibility to combine self-funded works with other government-subsidized funds (e.g. in the case of schools) that may not be able to cover the cost of hiring contractors/ consultants experienced in heritage restoration.
- c) Suggest GPA and ArchSD to take a more proactive role to assist applicants who are NPO operators of government-owned Historic Buildings or DMs to apply for FAS
 - i) We welcome the recent practice of allowing NPO operators of government-owned Historic Buildings or DMs to apply for FAS. However, CHO and AMO often hesitate to offer the FAS grant to these works if they opine that such works should be conducted by the landlord (GPA) instead. We suggest GPA and ArchSD (Maintenance Branch) to take a more proactive role through helping NPO applicants in clarifying the scope and conspicuously expressing to CHO/AMO their support on the funding application.
- d) Consider setting aside a percentage fee to reimburse consultants of successful NPO applicants for their efforts at the Technical Feasibility Study Stage.
- e) Allow applicants to expand the scope at the submission of Technical Assessment Form 2 to address latent defects and hidden technical issues
 - i) It is observed that CHO/AMO officers tend to take a very narrow interpretation of the items listed in the Application Form (Form 1) after FAS approval. In recent projects, defects and inherent technical problems that must be resolved but could not be identified at Stage 1 have increasingly been found, e.g. structural issues of trusses (instead of simply replacing tiles) and underground water seepage (instead of simply repairing water repellent layer), etc. We suggest FAS should allow applicants to expand the scope at the time of Form 2 submission.
- f) Expand support to other government maintenance projects in the form of Conservation Management Plan (CMP) studies

- i) Maintenance projects to DMs or Historic Buildings being used by the Government, which are currently taken up by ArchSD's Maintenance Branch, do not require CMP nor background research, and do not encourage thinking of values. We suggest that BHCF may consider supporting CMP studies to be conducted by other consultants before important repair works are done on Government-use DMs or Historic Buildings. Such studies will also benefit the DM / Historic Building by acting as a useful guidebook/manual for the long-term upkeep of the buildings.

3) FUNDING SCHEMES FOR PUBLIC ENGAGEMENT PROJECTS AND THEMATIC RESEARCH

- a) Review the cost-effectiveness of Public Engagement Projects, specifically to consider supporting in-depth public education initiatives, and potential public engagement projects with HKIA in future
 - i) BHCF should consider the cost-effectiveness of the funding projects. HKIA, for example, with the support of BHCF organized *Co-Vitalize Our Heritage* in 2019, which consisted of over 80 public events with near 1000 participants. BHCF can consider increasing funding next time and re-launch similar events in collaboration with HKIA.
 - ii) BHCF should also focus on in-depth public education (eg: design charrettes, craftsmen workshops, student creative competitions, like *Co-Vitalize Our Heritage*, etc.) instead of standard heritage tours which can be done by most NGOs these days.
- b) Support and/or relaunch research which closes the gap in ongoing research projects, expands the public's understanding of heritage, and assists in AMO's assessment of built heritage
 - i) We hope BCHF can support future research initiatives that expand the public's understanding of heritage and assists in AMO's assessment of built heritage, such as:
 - modern architecture/post-war research initiatives
 - urban/district-scale historical studies
 - rural villages
 - other research-based NGOs
- c) Improve public access to the research output of funded thematic research
- d) Expand the eligibility of funding for private sector companies who are interested in research-based design, where the output is required to be made publicly available
- e) Assist in approving funding for the training of traditional craftsmen, and offer mechanisms to certify craftsmen's experience, which will help ensure the quality of contractors appointed for R-Scheme / FAS works, and provide a financial incentive to attract talent into the labour pool

- i) We believe that such certification could not only help sustain the traditional knowledge for future generations, but also help improve and safeguard the quality of workmanship for future heritage conservation projects
- ii) With assurance on one's know-how, employers will be encouraged to offer better wages to workers who have been certified, thereby providing a financial incentive and attracting talent into the labour pool

(End)