

Institution Building for Devolution: Paper 5

HOUSING

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International Centre for Ethnic Studies

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Housing and Public Utilities

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**Project on
Institution Building: Administrative
Arrangements for Implementing Devolution**



International Centre for Ethnic Studies

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Administrative Support for Devolution: Housing and Public Utilities

1. Introduction

The establishment of Provincial Councils and consequent devolution of powers, offer a unique opportunity to restructure and strengthen the planning and administrative systems of the country. Making a conscious effort towards a strengthened political-administrative system closer to the people seems essential to realize the intended objectives of devolution of power by enabling people to achieve more durable benefits in the social and economic advancement exercising authority on matters having a direct bearing upon their immediate needs and long-term demands and aspirations.

The experience of the Provincial Councils System during the past ten years suggests that in the absence of a clear direction, planning framework and guidelines to follow the efforts taken by the provincial planning authorities appear to have taken a muddling through approach. As a result, most of the efforts have met with mixed results. Instances were also reported that some provincial authorities are opting to take an independent attitude divorced from the Centre, in dealing with matters pertaining specially to devolved provincial functions.

Among the areas which are devolved to Provinces (Devolved List) the subject of Housing and Public Utilities per se has no direct reference. However, there is reference to housing in the Provincial Councils Act No. 15, of 1987. Accordingly, the following functions are spelt out under the subject of "Provincial Housing and Constructions."

- Implementing, Coordinating, Supervising and Monitoring Provincial housing development programmes and projects (other than the projects of the National Housing Development Authority) including aided self-help housing projects, housing loans and provision of building materials.

- The implementation of the Protection of Tenants Act and the Rent Act within a Province.
- Construction activity in respect of the subjects in the List.¹

As far as the Public Utility Service Sector is concerned there is no direct mention of it, but, it has been conveniently interpreted by planners at both National and Provincial levels that "Public Utilities" are within the purview of the provincial authority for the reason that it is a legitimate function assigned to Local Government which is a devolved subject in the Provincial List.

In this background, this paper attempts to:

- examine and assess the adequacy of 'the coverage' of the subject area in relation to National and Sectoral goals and objectives;
- discuss the scope, magnitude and extent of coverage viewing the present and future development requirements and people's aspirations within the context of a more clear-cut demarcation of subject areas for devolution and decentralization;
- suggest a better approach to deal with housing and public utilities in a wider and more comprehensive context of an Urban and Environment related infrastructure development and management; and
- recommend measures by way of planning and administrative structuring, systems and tools to give effect to translating such measures into action and ensure successful implementation thereafter.

Provincial Councils Act No. 42 of 1987.

2. Housing

The subjects of housing (Public Housing) and Public Utility Services are vested in Local Government under the Municipal Council Ordinance, Urban Council Ordinance and Pradeshiya Sabha Act No. 15 of 1987. The Pradeshiya Sabha Act is silent about matters relating to housing, although Local Government Institutions i.e. Urban Councils and Town Councils are empowered under the Rent Board Act of 1957 and subsequent provisions affecting housing development activities within their areas. However, except in a few cases, there is no direct involvement although local government authorities are supposed to play a crucial role in determining the nature and the level of residential development in their areas. Such measures should include setting of standards and criteria, giving clear direction to individual builders, private and public sector developers to be following in settlement, development planning and designing and enforcement.

The experience of provincial authorities in shaping the housing (Settlement) development activities within the province is mainly restricted to a few areas. Identification or acquisition of land for special national housing programmes ('Jana Udana', electoral housing, self-help housing, etc.) implemented by the Centre (National Housing Development Authority), distribution of buildable land parcels among low-income families, resettlement of families affected by natural disasters or civil disturbance in the Northern and Eastern Provinces are some of such activities.

One issue worth examining in respect of housing is what would be the ideal role for the Province to play in housing? The cursory survey attempted by the author revealed that the Provincial authorities (Provincial Commissioner of Housing) have not paid attention to this issue but only conform to the implementation of provisions spelt out in the Provincial Councils Act.

There is an urgent necessity to re-examine the scope and extent that should be covered by the Province in respect of planning for housing (not in the narrow definition but in the wider context of housing) and settlement development taking into consideration the specific characteristics of demographic and

geographic features, socio-cultural diversity and the status of economic advancement of each province.

Based on the above information, the Province could prepare province specific planning guidelines to be followed in settlement planning and development projects, lay down design criteria and norms to suit the geographical peculiarity, environmental conditions and socio-cultural behaviour and aspirations of the people of the Province. In such an approach a number of strategies would be necessary such as consultations with the community, academic researchers and professional bodies, and introduction of new legislation or amendments to the existing laws (both National and Local Government) and strengthening of the enforcement machinery.

Development planning has a crucial role to play in the housing sector, from the view point of protection of the natural environment, historical sites and scenic places of beauty, checking over-stress on built environment and infrastructural facilities. This would require a wide range of planning and management actions and initiatives such as land use planning (Zoning), design guidance and control, legislation, monitoring and enforcement measures which are the main instruments extensively used to shaping housing and urban development to a desirable level in many countries elsewhere

There has been a serious negligence in planning regulation and control in settlement development in the country during the past two decades. There is ample evidence of housing development that has taken place in a haphazard manner irrespective of the suitability of land, topography, designated areas of conservation and reservations etc., mainly because of the absence of guidance or the control enforced by the authorities concerned. This is witnessed by the proliferation of slum and shanty settlements in urban areas. In the city of Colombo it is estimated that 60 percent of the total housing stock is considered substandard having no basic services within reach or at a passable level. These are termed as under served settlements needing a large amount of resources for investment to provide urban infrastructure and services at adequate levels or for re-developing

these areas as viable urban centres with necessary infrastructure and related services.

With the expansion of motorable roads and other access corridors into the interior areas, it is observed that multipurpose structures for both residential and commercial purposes are built along roadways, limiting the free movement of pedestrians and vehicles. Development control measures are not effectively enforced by the local authorities specially by Pradeshiya Sabhas as pradeshiya sabha areas are mistakenly viewed as having rural characteristics, and hence the application of development control measures is either excessive or not required. As a result, construction activities are going on unabated along public thoroughfares, encroaching on road reservations, obstructing scenic views by ribbon type of constructions, defying any regulation or control.

This situation needs to be arrested and in such an effort the provincial authority could play a decisive role in setting appropriate guidelines and standards in consultation with the national agencies e.g. Urban Development Authority, Road Development Authority, who are responsible for physical planning and development of infrastructure in the country as a whole.

National Perspective in Housing Sector Development

Housing, while serving a basic human need in shelter also paves the way for the improvement of family health, welfare and elevating the social status of a family in the society. It also constitutes a critically significant indicator in measuring success or failure of social and economic advancement efforts of the Government. Investment in housing has its social benefits coupled with multiple economic gains in terms of production of goods and services, and employment and income.

According to the Socio-Demographic Survey 1994,² of the total housing stock 42% are classified as permanent units, while

² Dept. of Census & Statistics, Government of Sri Lanka 1996.

52% are semi-permanent and the remaining 6% as improvised units. According to the present rural urban classification, 78% of these units belong to the rural sector. (Urban share of the population was enumerated as 21.5 in 1994).

The future projections in population growth and urbanization pattern reveal that the share of the urban population would increase to 30% by the year 2000 and 45% by 2015 and 65% by 2030.³ The projected total housing requirement is around 570,000 units during the period 1996-2005. The National strategy to provide the new housing requirement has been spelt out in this report. Accordingly the Province could draw up a provincial strategy for housing development in order to realize the goal of housing set out for the nation.

Housing Sector Goals and Objectives

The national objectives of housing sector development focus on the overall improvement in the quality of housing and on the systematic settlement development with infrastructure and services necessary to reach the goal of improved quality of life for the people.

The policy thrust in housing development envisages active involvement by individual families in building their own house and the organized private sector to involve itself in the construction of houses for sale or for rental purpose by harnessing various incentives, and facilities made available by the Government. In this enabling environment, the Government's direct participation in housing development is restricted to undertaking specific projects with a limited amount of financial investment to benefit target groups. Housing assistance to individual families includes providing easy availability of buildable blocks, building materials, technical support and financial concessions in terms of low interest loans.

³ Report of the Presidential Task Force on Housing and Urban Development, May 1998.

In the Six Year Development Plan (1999 – 2005) major thrust areas and strategies for housing sector development are identified.

Thrust Areas of Housing

- Adoption of a settlement development policy where future housing development is undertaken according to strict guidelines of a Settlements Development Plan.
- Provision of adequate infrastructure services in all new settlements.
- Granting of incentives to private sector developers to invest in housing development.
- Supporting financial institutions to increase home lending portfolio.
- Assistance to socially and economically disadvantaged groups in acquiring housing or improving their dwellings.

Strategies for Housing Development

National strategies desirable for adoption for achieving the sector goals are as follows:

- re-development of Urban prime lands for residential cum commercial purposes;
- fiscal incentives to encourage the private sector developer to invest in small to medium scale housing development;
- targeted housing assistance programmes to socially and economically disadvantaged groups;

- promotion of joint-venture housing development projects to increase the housing supply in urban areas; and
- support for infrastructure development to promote higher density residential development.

3. Public Utility Services

Provision of Public Utility Services is a statutory function of Local Government which is responsible for three types of functions namely; thoroughfares, public health and utility services. Sections 108-128 of the Pradeshiya Sabha Act spells it out in detail and reads as follows:

“A Pradeshiya Sabha may, within its limits either independently or in conjunction with any other local authority or any other person, establish and maintain for the benefit of the person inhabiting in or resorting to such areas, the following public utilities services:

- (a) water supply;
- (b) the lighting of streets, public places and public buildings;
- (c) the supply of electricity or power;
- (d) markets;
- (e) rest houses;
- (f) public baths and bathing places;
- (g) the manufacture and supply at cost price of squatting plates for latrines;
- (h) the provision of housing accommodation for the poorer classes; and
- (i) any other form of public service which a Pradeshiya Sabha is authorized to establish, maintain or provide under any other provision of this Act, or under any other written law.”

The manner of defraying of expenses of public utility services through the charge of rates is also spelt out in sections 109-113 of the same Act.

However, the subsequent parliamentary enactments which paved the way for establishing a number of parastatal bodies such as the National Housing Development Authority, National Water Supply and Drainage Board, Common Amenities Board, Ceylon Electricity Board, Roads Development authority, superseded these powers and functions and empowered them to take over utility functions almost in entirety. As a result the Local Government authorities were denied the function of performing their legitimate responsibilities in respect of public utilities pertaining to distribution, maintenance, supervision and development.

In a back of the envelope survey by the author to assess the role of the provincial administration in planning, development and management of utility services, it became clear that provincial authorities are yet to identify their specific role in this area. However, in some provinces, the national projects required the Provincial Councils to enjoy the role of a stakeholder right in planning from the initial stage of project preparation as a means to overcome numerous problems encountered in subsequent project implementation.

Further, active participation of the provincial authorities had been attempted in the planning and design of projects in non-traditional areas particularly, solid waste management, industrial effluents treatment, planning of sites for self-contained industrial parks, public vehicle parks, sewage collection and treatment and other similar activities which are considered new areas have a greater significance from the viewpoint of national interest.

The involvement of provincial authorities in these projects came about as a positive response to individual requests made by the central agencies. It is important to establish or introduce appropriate systems and mechanisms at the provincial level to take full control over the identification of provincial needs, formulation of objectives and strategies to achieve them and determining appropriate criteria for adoption depending on resource availability, affordability and technological sustainability, etc.

In terms of public utility services, local government in the past had effectively undertaken the provision of electricity, water, gas, sanitation, firefighting, etc. These areas may be examined individually to look for the best arrangement for the provision of such services. The provincial planning authorities could play this role as they would be having access to provincial data pertaining to physical and economic aspects. In formulating a provincial utility sector development plan, identifying planning objectives and targets, strategies to be adopted, projects and programmes to be implemented, financing modalities, demarcating roles between local authorities and parastatal bodies in terms of development, operation and maintenance are some of the areas where provincial intervention would be necessary to make activities effective.

The Province also could play a key role in establishing horizontal linkages between provincial bodies responsible for devolved subjects and national agencies responsible for non-devolved subjects. Similarly, the provinces could introduce necessary arrangements in the form of a consultative forum, at the provincial (or at the local authority) level to arrive at a consensus of opinion on matters of importance to residents, utility users, and other interested bodies and community organizations.

Public Utility Sector Goals and Objectives

Sri Lankan Society is in a stage of transition to an urbanized nation by the early years of the next millennium. More urban characteristics in the life styles and behavior of the population are evident in the statistics pertaining to the demand for telephones, electricity, piped water supply and a cleaner living environment free from garbage, effluents and emissions and other polluting agents.

The overall income levels of the population show a steady increase over the past few years and the average per capita income would reach the mark of US \$ 1000/= in a few years. This would reflect in a higher spending category of people whose desire and anticipation would be to consume public utility services beyond

the basic minimum cut off point. They would want water in the tap for 24 hours, electricity round the clock and higher levels of public amenities and recreational facilities.

In this scenario, it is essential that planners pay serious attention to examine the traditional service parameters in the light of present level and nature of demand and aspirations of a nation moving into a middle level income category, and re-define them to give appropriate meaning and functional validity.

The Report of the Presidential Task Force on Housing and Urban Development identifies the utility service requirement within the context of a fast growing economy and sets out recommendations for a systematic approach to development in three main areas namely Settlement Development, Urban Development and Environmental Infrastructure Development. The Environmental Infrastructure covers a wide range of services such as drinking water, sewerage and sanitation, surface drainage and flood management; open space and public parks; city and neighbourhood cleanliness; and disposal of solid waste and effluents.

Planning for the development of infrastructure to address these concerns requires a concerted effort by both national and provincial level authorities aiming also at methods and strategies for their sustainable operation and maintenance. The Local Government is empowered to determine and collect necessary resources for this purpose by way of user charges (tariffs) to meet the operation and maintenance of urban utility services. However, the existing institutional provisions and arrangements are found severely inadequate and there is poor capacity and commitment by the local government authorities to providing their constituents with urban services to the satisfaction of their enhanced needs and expectations.

In the operation and maintenance of utility services, individual local authorities may find that the management of such services is viable when amalgamated with adjoining areas, or tapping a source potential available in the adjacent areas. Where there is similar inter-provincial or inter-regional relations beneficial, the provincial planning authority could appropriately

devise methodologies to derive optimum benefits taking into consideration other relevant factors such as cost-effectiveness, affordability, technological feasibility etc. of the chosen strategy. Provision of basic utility requirements of the rural communities have received national concern. Drinking water, sanitation, electricity, access roads, surface drainage and matters pertaining to environmental health, community services are some of the areas receiving priority in the public investment plan with a larger goal of achieving improved living conditions for the rural people.

Such service delivery projects which are planned and implemented at present by the Centre without significant input from the provincial level have met with severe difficulties during the course of project implementation and subsequently with operation and maintenance. Ways and means of addressing this issue with the active involvement of beneficiary or user groups are being explored and the provincial authorities could play a very effective role in this effort. Further, the rehabilitation and reconstruction programme for the Northern Region launched by RAAN for example, could bring about effective results if appropriate linkages are established between the provincial (effective at the local authority level) level and the RAAN.

Demand Responsive Utility Sector Development

A Provincial System is expected to play the role of an effective link between the Centre (Government) and this periphery (Local Government) to cater to the demands and aspirations of the people in a most effective and efficient manner. There is ample evidence from countries in the Asian Region to conclude that with correct incentives and control, the local government is able to deliver urban infrastructure and allied services efficiently, servicing the aspirations of the user.

The local government authorities may require capital subsidies to invest in infrastructure development considering the high rate of demand. For example it is estimated that demand for public water connections are growing at a rate three times faster

than annual investment could cope. Domestic water supply connections installed by the National Water Supply and Drainage Board shows that the number of connections has increased at an average rate of 30% during the period 1996 and 1998. (Table 1). A several-fold increase in the present level of capital investment will be required to meet the demand for water supply connections. In the circumstances, alternative arrangements in financing capital investment are imperative which could include among other things, BOO/BOI arrangements for private – public partnership, community contributions to capital development, demarcation of areas for private sector operation.

The conventional approach to utility development is being continued with capital investment provided by the Government. There have been initiatives by the centre, to develop infrastructure and ancillary facilities for solid waste disposal and management, and collection and treatment of industrial effluents in the Western Province, with foreign aid financing. These projects have met with operational difficulties as there was little preparation from the beneficiary (local level) in terms of commitment to and acceptance of the project.

Planning for Utility Sector Development

The utility sector needs to be viewed from a new perspective to suit the demands and aspirations of a population moving into the 21st century with higher levels of socio-economic gains. The utility sector needs to be redefined to give effect to the expanding scope covering a host of new areas and incorporated in the legislation while shedding away some services which are not relevant in the present context. For example, scavenging and night soil collection, which are in the Urban and Municipal Ordinances are not applicable in the present context, but requires dealing with industrial effluents and toxic waste material as added responsibilities. Similarly new requirements from the social point of view such as fire fighting and safety, places for leisure and recreation, have to be considered.

Table 1
Public Water Supply - Domestic Connections 1996-1998

District	Domestic Connections			increase in %	
	1996	1997	1998	1996-97	1997-98
Colombo	124423	150908	167349	21	11
Gampaha	16559	19183	19836	16	3
Kalutara	19117	23910	26067	25	9
Kandy	13026	13301	20727	2	56
Matale	7560	7880	7913	4	0.4
Nuwara Eliya	1900	2017	2106	6	4
Galle	6765	11625	12828	72	10
Matara	14427	16263	19259	13	18
Hambantota	12586	13808	16792	10	22
Jaffna	289	-	-	-	-
Mannar	140	140	194	0	39
Vavunia	262	525	-	100	-
Mullaitivu	-	-	-	-	-
Batticaloa	865	905	1046	5	16
Ampara	2863	3668	4965	28	35
Trincomalee	5183	7448	8351	44	12
Kurunegala	2541	3759	4103	48	9
Puttalam	4020	4663	5006	16	7
Anuradhapura	7802	8436	9017	8	7
Polonnaruwa	2235	3182	3660	42	15
Badulla	10094	10340	12162	2	18
Monaragala	1614	2078	2302	29	11
Ratnapura	9285	11659	12323	26	6
Kegalle	6246	7078	7957	13	12
Kilinochchi					
Sri Lanka	269844	322776	363963	20	41

Source: National Planning Department-Based on data by National Water Supply & Drainage Board

Utilities in its narrow sense tend to overlook very important services which are necessary for 'a convenient and comfortable living'. International conventions having concern over decent human habitats have set norms for the rest of the world to follow for creating better living environments. Planners responsible for utility sector development will benefit from additional knowledge and experience gained from elsewhere on the planning and operation of such services. Therefore exposure to utility sector planning including environmental and urban services should be made available to Utility Planners at all levels.

4. Provincial Plan for Environmental Infrastructure Development

A provincial plan could be formulated as a planning instrument for bringing appropriate developments in the infrastructure and utility sectors. This instrument could spell out sector related development problems and issues, desirable goals and objectives; strategies and approaches for objective realization and an indicative assessment of financial requirements.

Once the broad provincial plan is identified, it could be broken down into an investment plan covering a period of 4-5 years. This instrument also could include incentives and other financial and physical incentives that are offered to private sector developers.

The Provincial Utility Development Plan may be forwarded to the Government seeking financial assistance or offered to private sector developers, and local government authorities for consideration within their development programmes.

It is necessary to evaluate the Provincial Planning needs in the light of Environmental Infrastructure Planning and Development, which calls for a closer integration of physical and economic planning parameters. To make this exercise meaningful and relevant there should be a closer linkage between national (sectoral) planning authorities and mechanisms for constant interaction. The planning instruments such as the Six Year Development Plan and other sector development strategies must be consulted.

A consolidated infrastructure (Urban and Environmental) development plan has many advantages:

1. it avoids ad-hoc undertaking of infrastructure projects and subsequent difficulties in viable operation and maintenance;
2. it will give sufficient lead line for investigation and feasibility analysis for technical, and financial viability and social and political acceptability of such a development project;
3. there will be sufficient time to consider alternative ways of obtaining the results and adopting the environmentally friendly measures in the processes;
4. costs and time saving could be achieved by proper scheduling of various items of work which are coming under different agencies by offering consultation and subsequent coordination and monitoring of implementation. (This is essential in the construction stage of infrastructure which requires laying of water mains, cables for telecommunication, sewerage and drainage pipes, etc.);
5. the plan could be studied and followed up by national and local level planners for future development implications; or
6. duplication of efforts may be avoided and financial resources may be invested more efficiently;
7. the local government could where necessary introduce adequate by-laws to levy user-charges and take any other measures to ensure sustainable operation and maintenance of such infrastructure services.

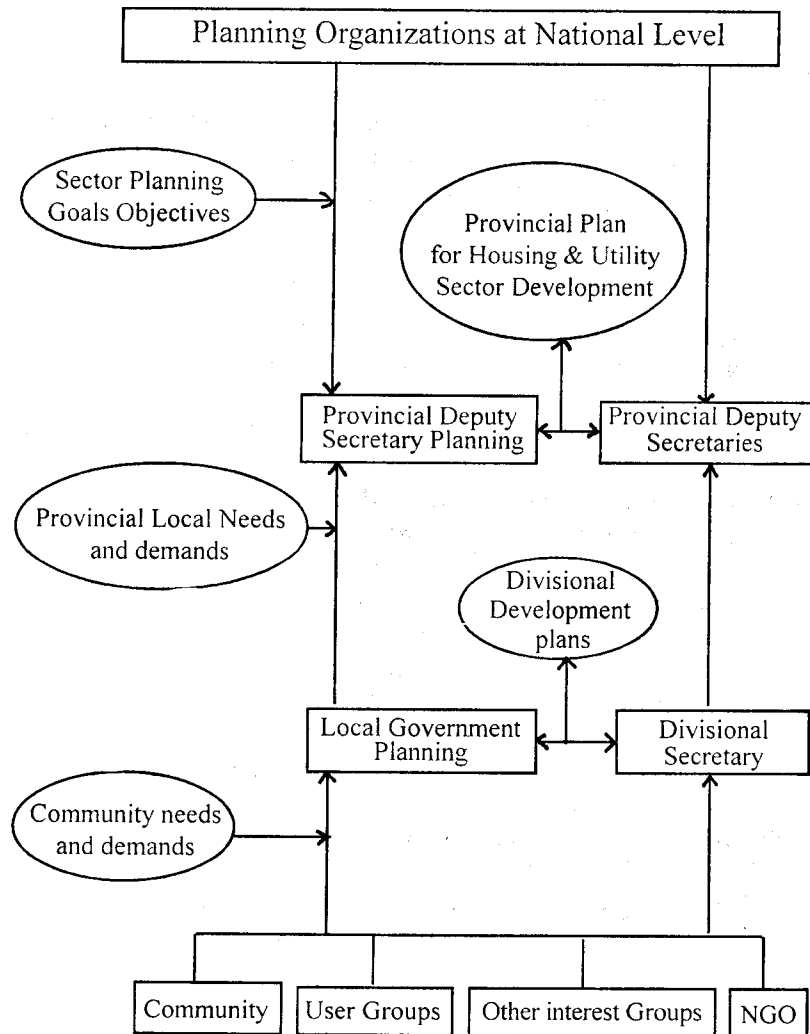
5. Recommendations

1. The provincial planning structures must be strengthened and adequately equipped with manpower to take over utility

sector planning, development, control and regulations. Preparation of a Provincial Plan for Housing and Utility Sector development should be considered as a key instrument in the provincial planning process.

2. Appropriate administrative arrangements must be introduced to bring about a closer interaction between the planning authorities at the national and the local level. Also horizontal linkages between and among the provincial level institutions responsible for Housing and Urban/ Environmental Infrastructure development must be identified. (A schematic plan with vertical and horizontal linkages is shown in the annex).
3. Local Government must be equipped with technically qualified manpower who could take innovative action in the development and provision of utility services to the satisfaction of the user and also to meet the demands from other economic and service sectors. Also strengthening of management capabilities of the local government by recruitment of staff to planning, financing, and law enforcement categories cannot be underestimated.
4. A consultative forum at the provincial level must be set up to deliberate on development strategies and policies, and to facilitate decision making with the interaction among various stakeholders in the decision making process. This process should have linkages with beneficiaries or user groups and have appropriate institutional provisions for their voice to be heard in the development planning process.
5. A well representative institutional mechanism for planning and programme coordination must be established at provincial offices. By this way, the development activities of the Government, the Provincial authorities, and the Local Government can be integrated and thus implementation delays could be avoided.

Planning Structures and Instruments for Housing and Utility Sector Development



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