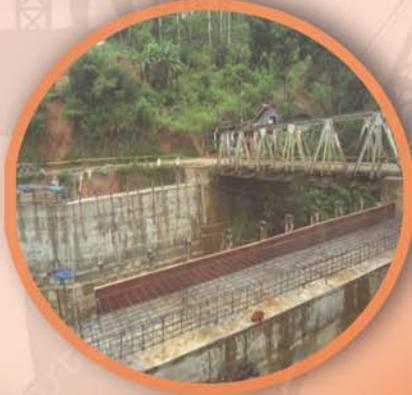




காரீயச சா஢ித லாரீதால - 2015
செயலாற்றுதக அறிக்கை - 2015
Performance Report -2015



திலாச னா ஓடிக்கீரீதீ அலாசாஸா஢ச

வீடமசைப்பா மற்றும் நிர்மாணத்தாறத அமசைச்சு

Ministry of Housing & Construction



Ministry of Housing and Construction

Performance Report

2015

2nd Floor, “Sethsiripaya”, Battaramulla

Message of the Hon. Minister



The year that is drawing to a close is one which a host of policy decisions and measures were taken in respect of the housing development of Sri Lanka. Subsequent to the Ranasinghe Premadasa era, deemed as the golden period of housing development of the country, the housing sector suffered a serious setback and was replete with inefficiency, irregularity and corruption. Though the noble objective of Late Hon. Ranasinghe Premadasa was to provide shelter for all Sri Lankans by the year 2000, his untimely demise in 1993 shattered the hopes of many thousands of people dreaming of a house of their own. The fact that the number of homeless families has reached 1.2 to 1.5 million by the year 2015 clearly illustrates the severity of housing problem in the country.

With the revolution that took place in the political sphere in the country at the beginning of the year 2015, the good governance government has once again accorded the highest priority for an expedited housing development programme. Accordingly, under the 100-day accelerated development programme, measures were initiated to grant a loan of Rs. 100,000 at a concessionary interest rate to construct 50,000 new houses through a community participatory approach. Our target was to construct 200 houses in each electorate of the country. External to this programme, action was also taken to extend housing grants not required to be repaid to selected families living in abject poverty. In addition, the government took a policy decision to designate 23 June every year as “National Housing Day”.

One of the standout achievements during this period was the special approval received from the cabinet of ministers for the reimplementing of the “Model Villages” programme. As an inceptive step towards this end, our target is to vest with people 38 model villages with 25 housing units each in 17 selected districts before the end of the year. The loan granted at a concessionary interest rate for the construction of a house with community participation at a plot of land of 15 to 20 perches in extent provided by the government is Rs. 250,000/=. This programme is expected to be further expanded in the year 2016 by constructing 200 “Model Villages” island-wide in the year 2016.

We were also able to conduct a range of programmes to mark World Habitat Day under the theme “open space for all”. One of the key programmes launched concurrent to Habitat Day was to select 1000 houses of which walls have not been plastered from each of the 25 districts and to provide cement and other building materials to the value of Rest.10,000 for the plastering of walls. Among other major programmes conducted during the habitat month were the updating of housing committees of all housing schemes, the restoring of old housing schemes in the Capital under the “Nagamu Purawara” programme and transferring the ownership to residents and the granting of freehold deeds to beneficiaries of housing schemes in the North and East and other areas of the country.

A sustainable construction policy which suits the needs of the country is in the process of being formulated and will come into force shortly. We were also able to arrest the decline of the State Engineering Corporation, the premier state sector engineering institution of the country due to

politicization over a number of years and revive its fortunes during the year. One of our aims is to post a noteworthy progress in this sector as well in the year 2016.

The Ministry of Housing and Construction will make a special contribution to the Hon. Prime Minister's programme for the construction of 500,000 new houses for the urban middle class during the next 60 months. Several institutions under the purview of our Ministry including the National Housing Development Authority, State Engineering Corporation, Buildings Department, Oceanview Development (Pvt)) Limited and Building Materials Corporation will play an active role in this project.

We have been encouraged by the recognition we have received from the public sector for the accelerated housing development in the country and are appreciative of the donations from foreign countries and grants received from the private sector donors. Our duty is to eliminate profligate spending and waste and render an effective social service through the housing and construction sector and our ultimate goal is to make every person an owner of a house of their own by the year 2025.

Sajith Premadasa
Minister of Housing and Construction

Message of the Deputy Minister

It is a great pleasure to have this opportunity to issue a message for the 'Performance Report 2015 of the Ministry of Housing and Construction which plays a pivotal role as a torchbearer of the massive and accelerated development process being implemented in the country

Among the programmes implemented during this period are the housing development programme for the provision of housing facilities for 50,000 families under the "Shelter for All" National Housing Drive, the model village programme comprising 38 villages for providing houses for nearly 1000 families and the programme for providing cement and other materials 25,000 low income households.

In addition, the Ministry of Housing and Construction and the institutions coming under its purview have implemented a host of programmes for housing and settlement development to coincide with the first ever National Housing Day of the country which fell on 23rd June and World Habitat Day which falls on the first Monday of October of every year.

Similarly, the national programme to be launched in the year 2016 for the construction of 500,000 houses focusing on the housing requirements of the middle class will offer a solution to the housing problems in the city of Colombo as well as other in other urban areas of the country.

Construction institutions under the purview of our Ministry play a crucial role amidst many obstacles and challenges in the construction of highways, buildings, tunnels and bridges, irrigation and water supply schemes thus becoming a major partner in the ongoing development process and contributing to the accelerated development initiatives.

I wish to take this opportunity to convey my thanks to His Excellency the President Maithreepala Sirisena, the Prime Minister Hon.Ranil Wickremeisnghe and the Minister of Housing and Construction Hon. Sajith Premadasa whose astute leadership guides us toward the right direction, in achieving our goals and the Secretary of the Ministry, the heads of all institutions and the entire staff for their unwavering commitment in pursuing our goals.

Indika Bandaranayke (M.P.)
Minister of Housing and Construction



Message of the Secretary

It is with a sense of joy and happiness that I issue this message to the performance report outlining the progress of development programmes implemented in the year 2015 by the Ministry of Housing and Construction as the focal point in the field of housing development in consonant with the policies of the new government.



Year 2015 was challenging in many ways. Hon. Sajith Premadasa assumed duties as the new minister in charge of the portfolio of housing and construction of the new government and Hon Indika Bandaranayake was appointed as his deputy and a full review was undertaken on the development programmes and activities carried out hitherto and measures were initiated to execute future programmes under a better management.

During the year under review, several housing programmes were launched specifically for the poverty stricken and low income communities with the objective of giving ownership of a house to every homeless family. Construction of new houses, renovating existing houses, restoring old multi-storied housing schemes were foremost among them. Further, the granting of title deeds to tenants of government owned houses given on rent contributed to the consolidation of ownership rights of a house.

The national construction policy drafted in accordance with the Construction Industry Development Act passed by the Parliament with the objective of making Sri Lanka's construction industry efficient and reliable has been submitted by now for public consultation. The policy provides for the delivery of qualitative and efficient service delivery while regulating all functions of the construction industry under one roof, strengthening construction institutions and becoming partners of the rapid development process being carried out in Sri Lanka.

Taking policy decisions for the advancement of the construction industry and housing development, we worked with commitment for the achievement of development goals extending necessary support and resources while employing sound management techniques. My thanks are due to the Minister Hon. Sajith Premadasa and the Deputy Minister Hon. Indika Bandaranayake for their able leadership and constant guidance for the success of all programmes.

I also wish to record my appreciation of the additional secretaries and all officials of the Ministry for their dedication to achieve success in all our endeavours, the heads and the entire staff of all institutions coming under the purview of the Ministry for their direct contribution and unwavering commitment to achieve the best possible results.

W.K.K.Athukorala
Secretary,
Ministry of Housing and Construction

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01. introduction

The development programmes of the Ministry were realigned in the year 2015 in line with the policies of the new government and to be consonant with the vision, “development of sustainable settlements and a reawakening of the construction industry”. Housing development is a very special field that reflects the positive outcomes of the general economic development process of a country. Several major programmes and infrastructure development projects were introduced and successfully implemented covering all geographical locations of Sri Lanka and their benefits are now being reaped. These programmes in general were implemented targeting all segments of society and in particular the low income communities, communities living in underserved urban settlements, the war displaced plantation communities and the middle class.

Concurrent to the 100 day programme of the new government, “Shelter for All” housing programme was launched. This programme is being implemented targeting 50,000 families who do not have a house of their own. The most salient feature of this programme is its genuine people’s participatory approach. In point of fact, it has been planned to implement this as a livelihood development programme for low income groups without confining it to the construction of a house.

The National Housing Development Authority initiated a programme in the decade of 80 for developing infrastructure facilities in villages where it had constructed houses in the past for uplifting the living standard of the people living therein. Another programme was launched parallel to World Habitat Day to plaster houses

island-wide which had not been plastered and this brought benefits to 25,000 low income families.

A new housing programme was instituted with the objective of providing houses to low income families without houses of their own and under this a project with 25 houses was implemented in each of the 25 districts.

The government has designed a programme for constructing 500,000 houses for the middle class and it has been planned to use suitable lands belonging to the National Housing Development Authority during the first phase of the project. It has been planned to implement the programme initially in the Kalutara, Gampaha, Kandy, Galle and Colombo districts.

The Janasevana Swashakthi Human Development Programme, an initiative for socioeconomic and cultural empowerment of people living in underserved urban settlements is being implemented in Colombo and the suburbs and as part of this initiative, skills and attitude development programmes and savings promotion programmes are implemented in Colombo and the suburbs with the aim of making them successful partners in economic development.

Concurrent to housing development, freehold deeds were granted to residents of government housing schemes and rehabilitate government housing schemes which are more than 30 years old to ensure secured shelter for people living in them.

The Construction Industry development Act was passed with the objective of making Sri Lanka’s construction industry regionally and globally competitive while enhancing its efficacy and the Institute of Construction Training and

Development was converted into the Construction Industry Development Authority. As prescribed in the Act, a national construction policy should be formulated and the draft of the policy has already been prepared.

In the development of a country, the field of construction plays a pivotal role and to the extent of the expansion of the construction industry, the labour market too will expand. The Construction Industry Development Authority is making a vital contribution to the creation of dynamic a labour force of high quality to equip the human resources in the industry to be on a par with emerging regional and global trends and meet the requirements of the local labour market.

Development of infrastructure facilities is of crucial importance in minimizing regional disparities in the economic development process. The State Engineering Corporation, State Development and Construction Corporation, Buildings Department, Government Factory and Building Materials Corporation which are the construction institutions of our ministry play a pivotal role in this regard.

Accordingly, details of the progress of the development programmes implemented by the Ministry and its affiliated institutions in the year 2015 becoming a partner in ensuring sustainable development process in Sri Lanka are included in this performance report of the Ministry for the year 2015.

02. Vision and Mission of the Ministry

Vision

“Development of sustainable settlements and a reawakening of the construction industry”

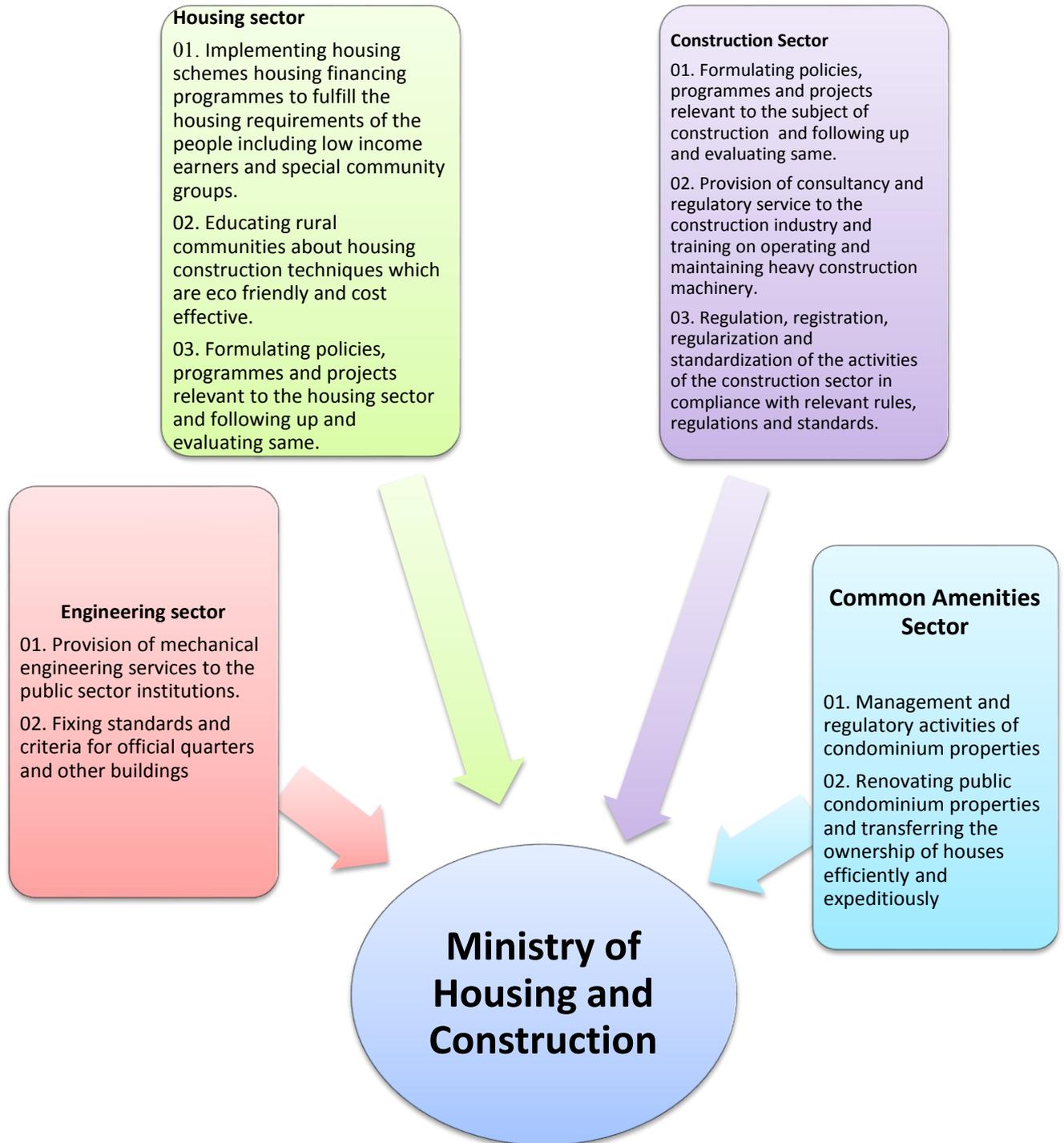
Mission

“Creating well planned, environment friendly and qualitative construction industry by equipping Sri Lankan entrepreneurs, professionals and the labour force with skills and resources and establishing settlements with basic facilities through people’s participation, contributing to economic development through the socioeconomic and cultural empowerment of low income earners”

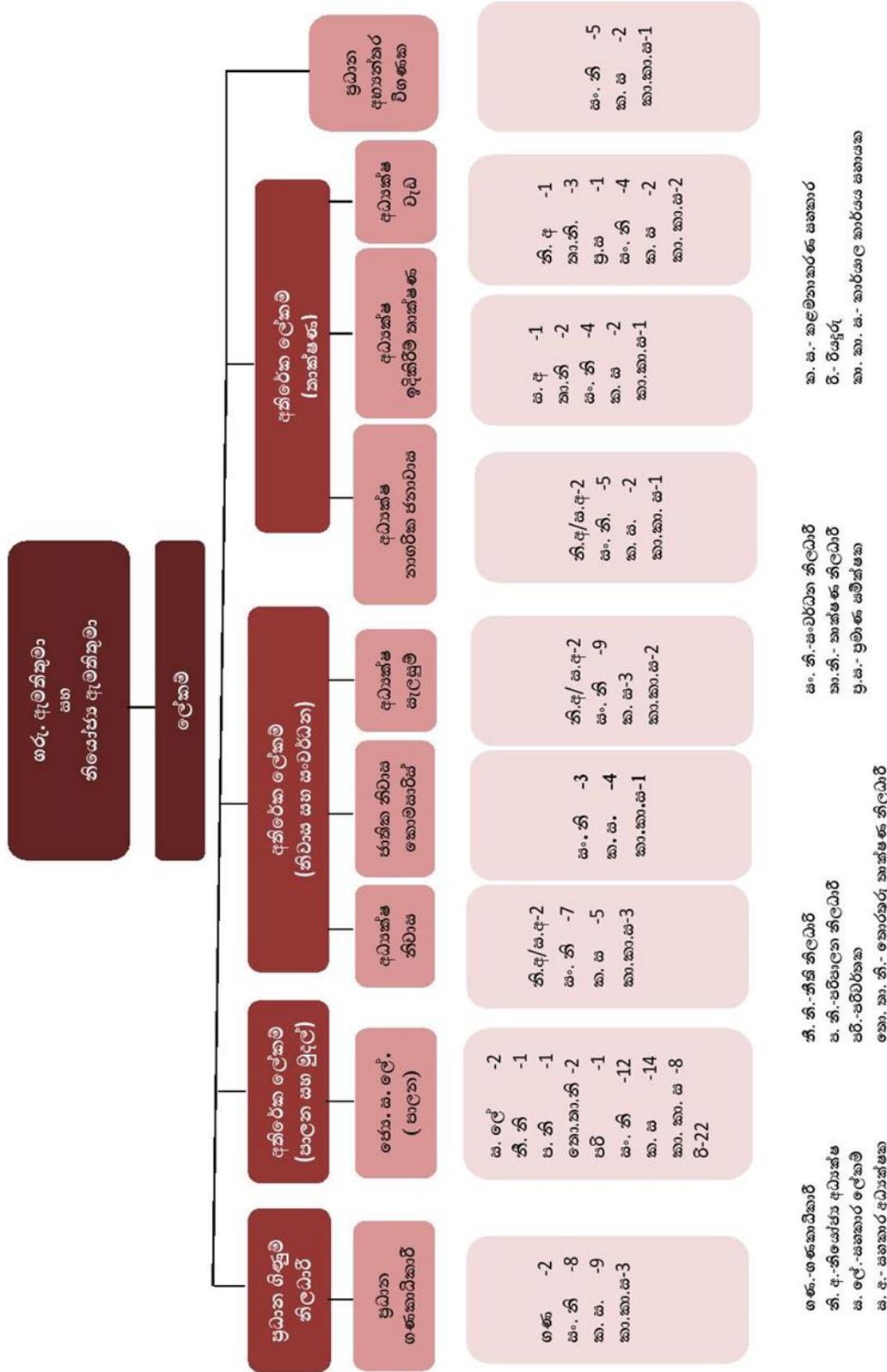
3. Scope of the Ministry and key subject areas

Formulating policies and development plans to realize the objectives of the housing and construction sector and making guidelines for the relevant institutions involved in the sector.

3.1. Key subject areas of the Ministry



4. Organizational Structure of the Ministry



5. Approved Cadre of the Ministry

S. No	Post	Salary scale	Service applicable	No. of approved posts
01	Secretary	SL4		01
02	Additional Secretary (Admin & Finance)	SL3	SLAS Special	01
03	Additional Secretary (Housing & Development)	SL3	SLAS Special	01
04	Additional Secretary (Technical)	SL3	SLES 1	01
05	Chief Financial Officer	SL3	SLAccS Special	01
06	Senior Assistant Secretary (Admin)	SL1	SLAS1	01
07	Director (Housing & Development)	SL1	SLAS 1	01
08	Director (Cons. Tech)	SL1	SLES 1	01
09	Director (Planning)	SL1	SLPS 1	01
10	Director (Engineering Services)	SL1	SLES 1	01
11	Director (USD)	SL1	SLES	01
12	Housing Commissioner	SL 1	-	01
	Chief Accountant	SL 1	SLAccS 1	01
13	Deputy Director /Asst Director (Housing & Development)	SL1	SLAS II/III	02
14	Deputy Director /Asst Director (Cons. Tech)	SL1	SLAS II/III	01
15	Deputy Director /Asst Director (Planning)	SL1	SLAS II/III	01
16	Deputy Director /Asst Director (Planning)	SL1	SLAS II/III	01
17	Deputy Director /Asst Director (Engineering Services)	SL1	SLAS II/III	01
18	Deputy Director /Asst Director (USD)	SL1	SLAS II/III	01

19	Asst Secretary (Admin)	SL1	SLAS III	02
20	Accountant	SL1	SLAccS II/I,II/II	02
21	Chief Internal Auditor	SL1	SLAccS	01
22	Legal Officer	SL1	Departmental	01
23	Information & Technology Technical Officer	SL1	SLITS2/II	01
24	Administrative Officer	MN7	PMAS(Supra)	01
25	Coordinating secretary to the Secretary (a temporary post)	-	-	01
26	Translator	MN6	Translator Service	02
27	Budget Assistant	MN4	Associated Officer	01
28	Supplies Assistant	MN4	Associated Officer	01
29	Development Assistant	MN4	Associated Officer	25
30	Housing Development Assistant	MN4	Associated Officer	11
31	Development Officer	MN4	Associated Officer	19
32	Management Assistant	MN4	Associated Officer	43
33	Technical Officer	MT2	SLTS	05
34	Quantity Surveyor	MT2	SLTS	01
35	Driver	PL3	Drivers' Service	22
36	KKS	PL1	KKSS	22
Total number of posts				182

6. Structure of the Ministry



6.1 Administrative Division

“Extending support to all divisions of the Ministry in implementing the policies of the government and in discharging various functions for the wellbeing of the public by the Ministry of Construction, Engineering Services, Housing and Common Amenities and creating conducive working environment and managing human resources efficiently and effectively is towards that end is the responsibility of the Administrative Division.”

Key functions of the Administrative Division

1. Maintaining establishment activities of all officials serving in the Ministry.
2. All maintenance activities of the Ministry.
3. Carrying out procurement activities of the Ministry.
4. All administrative activities executed with the intervention of the Ministry in institutions affiliated to the Ministry.
5. Activities concerning the staff of the Ministry.
6. Providing facilities required for all divisions of the Ministry..
7. Updating the website of the Ministry
8. Conducting productivity activities.
9. Providing transport facilities for the activities of the Ministry.
10. Conducting training sessions for the officials of the Ministry.

6.2 Planning Division

“Assisting in guiding the institutions under the purview of the Ministry to achieve the progress in development activities as planned”

“Creating awareness amongst the relevant parties and the general public by disseminating information about the development activities carried out in the construction sector.”

“Identifying the developmental needs of the housing and construction sector and assisting to have the project proposals formulated by the affiliated institutions approved by the Ministry of Finance and Planning”

Key functions of the Planning Division

1. Coordinating the activities in respect of drafting the action plan of the Ministry and affiliated institutions in line with the vision and the mission of the Ministry.
2. Evaluating the progress of developmental activities of institutions under the purview of the Ministry as per the monthly and annual action plans.
3. Evaluating the progress of developmental activities on monthly and quarterly basis and referring the reports to the relevant institutions.
4. Preparing the Performance Report of the Ministry for the committee stage debate of the budget and presenting it to the Parliament.
5. Forwarding the project proposals of the Ministry and affiliated institutions to the National Planning Department and coordinating relevant activities.

6.3 Housing Division

“Formulating national policies, making plans and conducting follow-ups in the field of housing development and common amenities with a view to achieving the objectives of the housing sector offering guidance to institutions affiliated to the Ministry”.

Key functions of the Housing Division

1. Policy formulation

- Formulating policies required for the advancement of the housing sector
- Implementing policies relevant to the housing sector in collaboration with other public sector institutions.
- Developing underserved settlements and developing their communities
- Establishing district, divisional and village level housing committees.
- Implementing programmes associated with housing construction island-wide parallel to World Habitat Day and commemorating World Habitat Day.

2. Lands related duties

- Activities relating to acquisition of lands for housing development purposes
- Activities pertaining to disposal of lands for housing purposes
- Transferring legal ownership of lands/housing to their occupants under section 8(1) of the National Housing Development Authority Act.

- Regularizing illegal occupants of lands belonging to the National Housing Development Authority as per the decision of the cabinet of ministers.

3. Housing Development

- Implementing housing construction programmes and housing projects in accord with the requirements of the country
- Renovating multi-storied housing programmes
- Implementing housing loan programmes
- Submitting cabinet memoranda in respect of housing schemes
- Implementing housing programmes in collaboration with other public sector agencies
- Coordinating housing projects with local and foreign investors
- Developing underserved settlements and uplifting communities.

6.4. Technical Division

6.4.1. Engineering Services Division

Controlling the total construction cost by fixing reasonable and affordable prices for construction projects and assisting the institutions under the Ministry to select contractors for construction projects at reasonable prices employing a transparent process are carried out by this division.

Key functions of the Engineering Service Division

1. Granting approval of the standing technical committees in respect of

constructions of government institutions

2. Appointing procurement committees for institutions under the Ministry.
3. Granting approval of the Ministry for contract fluctuations.
4. Conveying the decisions of the ministerial procurement committee
5. Maintaining databases on contractors involved in the construction sector and prices relevant to the construction sector.

6.4.2. Construction Technology Division

“Steering the institutions under the purview of the Ministry to create an environmental friendly and qualitative construction industry”

Key functions of the Construction Technology Division

1. Guiding the institutions affiliated to the construction sector providing construction and engineering services for the advancement of the construction industry.
2. Preparing the labour force required for the construction industry
3. Guiding the affiliated institutions to equip professionals and construction craftsmen with knowledge and skills.

6.4.3. Urban Settlement Development Division

“Steering the construction of housing projects equipped with amenities primarily for urban low income earners and other people developing urban settlements are carried out by this division.”

Key functions of the Urban Settlement Development Division

1. Forwarding the development proposals submitted by the institutions affiliated to the Ministry to the National Planning Department through the standing project evaluation committee.
2. Monitoring and reviewing the progress of urban development settlement projects.

6.5. National Housing Commissioner’s Division

This division executes powers and functions proclaimed under the Ceiling on Housing Property Law No. 01 of 1973. It also carries out certain functions under the Rent Act No. 7 of 1972.

“Granting deeds to tenants and payment of compensation to owners of houses acquired by the government which are the main objectives set out by the above legislation are main responsibilities of this division”

6.6. Finance Division

“Provision of financial resources and consultancy services required for the attainment of objectives of the Ministry and institutions coming under its purview and giving instructions on systems and controls needed for more efficient and effective deployment of such resources”

1. Planning in respect of funds
2. Budgeting
3. Securing right amounts of funds at the right time
4. Releasing and spending money to achieve the targets of the Ministry
5. Reporting to the relevant parties about the expenditure and the financial progress on or before the due date.

6.7 Internal Audit Division

“Establishing sound financial administration and proper management to convert the expected goals of the institutions into reality”

Participating in the financial administration and management activities of the Ministry and institutions under its purview and assisting them by offering guidance and giving instructions to carry out such activities more systematically and efficiently.

Some of the development projects carried out in the year 2015



Granting loans in the Polonnaruwa district under “Shelter for All” credit scheme



Granting “Shelter for All” housing loans and masonry tool kits



‘Kalahagala’ housing project, Polonnaruwa



Construction activities of ‘Sahanagama’ model village, Hambantota



Donating cement, -Kurunegala



Donating cement- Anuradhapura district

7. Institutions affiliated to the Ministry

7.1 . National Housing Development Authority

The National Housing Development Authority was incorporated by the National Housing Development Authority, Act No. 17 of 1979 to undertake Housing Development activities in Sri Lanka. The Authority carries out its activities on an island wide basis through a network of 25 district offices and 02 metropolitan offices in addition to the head office in Colombo.

7.2 . Urban Settlement Development Authority

According to the Urban Settlement Development Authority Act No. 36 of 2008, this Authority is an institution established for uplifting the living standard of people living in underserved urban settlements by upgrading existing housings units to ensure a sustainable urban development by providing access for better housing facilities or minimum urban facilities.

7.3 Condominium Management Authority

The Condominium Management Authority established under the Common Amenities Board (Amendment) Act No. 24 of 2003 is the regulatory body on condominium construction and management. Further,

the main objective setting up of this Authority is to regulate the terms of the Apartment Ownership Act amended as per Act No. 45 of 1982 and Act No. 39 of 2003.

7.3 State Engineering Corporation

The State Engineering Corporation, a semi-government institution functioning under the purview of the Ministry of Construction, Engineering Services, Housing and Common Amenities was established under extraordinary gazette notification No 12841 dated 01 January 1962.

It is the flagship state sector institution of the construction sector. The Corporation's main functions include the provision of construction consultancy services, the provision of engineering services for constructions, provision of construction machinery, planning and designing, manufacturing precast and prestressed concrete accessories, provision of training and conducting research.

It was awarded ISO 9001:2000 quality certification in 2009 and more recently it received ISO 14001:2004 environmental management certification.

7.5 . Department of Buildings

The Department of Buildings which remained as a part of the Government Works Department at the inception was established as an "A" grade department in 1969. During that period provisions for the construction and maintenance activities of all government buildings and relevant services were allocated to the Department of Buildings and all such activities were carried out by the 27 District

Engineers Office of the Department through 598 permanent employees.

With the delegation of powers to the provincial councils under the 13th constitutional amendment in 1989, the Department of Buildings restructured itself as the head office in Colombo and 7 main engineering offices covering the entire island.

7.6 Government Factory

The Government Factory provides metal and carpentry products in the field of mechanical engineering for the public sector institutions and also provides workshop training in the field of mechanical engineering.

7.7 State Development and Construction Corporation

State Development & Construction Corporation (SD &CC) was incorporated on 01 October 1971 as an engineering institution under the State Industrial Corporation Act No. 49 of 1957 and is currently under the purview of the Ministry of Construction, Engineering Services, Housing and Common Amenities.

SD&CC has been playing a leading role in developing infrastructure facilities of the country by planning, designing and constructing bridges, roads, multi-storied buildings, irrigation structures, tunnels and water supply projects and is the foremost institution in bridge construction. It is also the only local construction organization capable of constructing tunnels.

The Construction Industry Development Authority has registered SD & CC as a

construction institution of C1 Grade and has also bagged the award for construction performance awarded by CIDA.

It has also been awarded ISO 9001:2008 quality certification and the Corporation carries out construction activities as per the set standards.

The Corporation manufactures precast concrete bridges, beams, electricity posts and all other precast concrete products required for engineering purposes. In addition, the maintenance of traffic signal systems of the Road Development Authority and the installation of new systems are carried out by this Department.

7.8 Construction Industry Development Authority.

The Institute of Construction Training and Development was converted into the Construction Industry Development Authority under the provisions of the Construction Industry Development Act No. 33 of 2014. The prime objective of this Act is to regulate, register, formalize and standardize the activities of the construction industry.

The Act has provided for the establishment of the National Advisory Council on construction, the establishment of the Construction Industry Development Fund, provides measures for the improvement and wellbeing of the industry related professionals, manufacturers, suppliers, contractors and craftsmen and for the settlement of disputes related to construction activities: to ensure public safety in the construction industry of Sri Lanka.

The objectives and functions outlined in the Act are carried out by the Authority.

7.9 Building Materials Corporation

Building Materials Corporation (BMC) was established in 1971 under the “Sri Lanka State Trading Corporations Act” No. 33 of 1970. Thereafter in September 1992, the corporation was converted into a limited liability public company under the “Conversion of Public Corporations or Government Owned Business Undertakings into Public Companies Act” No. 23 of 1987.

The Building Materials Corporation carries out its activities as the leading public sector entity that supplies building materials and equipments in the housing and infrastructure developments at competitive prices island-wide earning the highest confidence of the community whilst performing its social responsibility as a government agency.

7.10 Ocean View Development Private Limited

Ocean View Development Company was founded on 1st January 1996.

Bringing to the fore trust and responsibility as a public sector entity and efficiency as a private sector institution, it extends support

to the national policy of the Janaevana One Million Housing Program and it has been able to bring about a noticeable change to the housing market while catering to the housing needs of the country.

Some of the development projects implemented in the year 2015



Renovation project of “Sahaspura” multistoried housing complex



Athurugiriya Interchange of the expressway



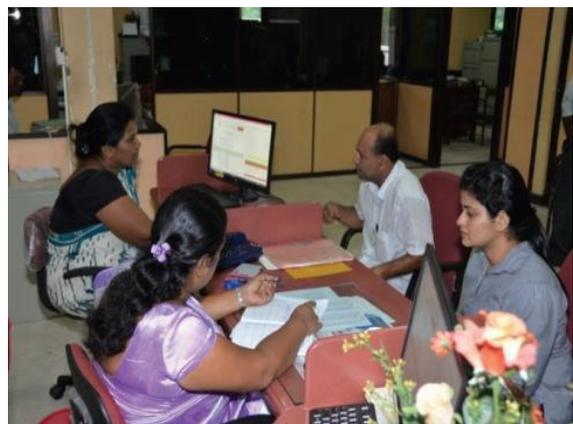
Renovation of ‘Hilda’ housing scheme



Restoration activities at Alokapura housing scheme



Training construction craftsmen OTC, Galkulama



Registration of contractors

8 Financial Provisions

The total financial provision allocated to the Ministry in the year 2015 and the progress of the financial provisions as at 31.12.2015 are tabulated below.

❖ Overall financial progress of the Ministry

	Estimated provisions	Net (gross) provision	Actual expenditure
Recurrent expenditure	638,960,000	643,190,000	628,675,474
Capital expenditure	4,385,690,000	5,716,690,000	5,691,112,092
	5,024,650,000	6,359,880,000	6,319,787,566

❖ By programmes

Programme 1 – Operational Activities

	Estimated provisions	Net (gross) provision	Actual expenditure
Recurrent expenditure	538,460,000	537,460,000	522,945,474
Capital expenditure	14,400,000	15,400,000	12,638,466
	552,860,000	552,860,000	535,583,940

Programme 2 – Development activities

	Estimated provisions	Net (gross) provision	Actual expenditure
Recurrent expenditure	100,500,000	105,730,000	105,730,000
Capital expenditure	4,371,290,000	5,701,290,000	5,677,899,526
	4,471,790,000	5,807,020,000	5,783,629,526

Advance to public officers account

Item No 123011
 123012

	Maximum debit limit	Maximum credit limit	Maximum debit balance limit
Approved limits	15,000,000	7,000,000	50,000,000
Balance at the beginning of the year (01.01.2015)		23,645,514	
Total debits during the year			
123011	7,690,540		
123012	16,429,120	24,119,660	
		47,765,174	
Total credits during the year			
123011	8,394,882		
123012	16,982,978	(25,377,860)	
Balance at the end of the year (31.12.2015)		22,387,314	

9. Progress of the Ministry during the year

9.1. Administrative Division

* Staff of the Ministry

With the restructuring of this Ministry which existed as the Ministry of Construction, Engineering Services, Housing and Common Amenities at the beginning of year 2015 as the Ministry of Housing and Samurdhi, a staff consisting of 88 officials including 42 staff officers belonging to the Rural Development and Divi Neguma Divisions affiliated to the then Ministry of Economic development came under the administration of the Ministry. Accordingly the overall staff of the Ministry rose to 246.

Efficiently managing the available human and physical resources of the Administrative Division, all establishment functions including the handling of personal files, promotions, transfers and retirements and the conducting of efficiency bar examinations of the above staff were carried out by the Administrative Division without any delay. In addition, Assistant Directors, Development Assistants and Economic Development Officers of the Ministry of Economic Development numbering over 20,000 deployed at District Secretariats and Divisional Secretariats were absorbed into this Ministry and all administrative responsibilities in respect of those officers came under the purview of this Ministry and the Administrative Division executed all administrative duties of these officers efficaciously despite the severe strain on the available human resources.

Following the General Election held in August 2015, the Ministry was re-designated as the Ministry of Housing and Construction and with the removal of the subject of Samurdhi from the scope of the Ministry, the 88 officials attached to the Ministry at the beginning of the year 2015 were transferred to the Ministry of Social Empowerment and Welfare. Hence the staff of the Ministry decreased to 162 by the end of the year.

Vacancies in the staff of the Ministry

The post of Additional Secretary (Housing and Development), National Housing Commissioner and Assistant Director (Housing) which are staff grade posts of the Ministry fell vacant during year 2015 and they could be filled during the year 2015 itself. Further, The Ministry was able to fill during 2015 the posts of Assistant Director (Urban Settlement Development) and translator which remained vacant from year 2014.

However, owing to the shortage of officers of the special grade in the Sri Lanka Accounting Service, the post of Chief Financial Officer could not be filled during this year and the posts of Quantity Surveyor could not be filled due to the amendment of qualifications in the recruitment procedure being submitted for approval. The vacancy in the post of Information and Communication Technology Officer too could not be filled.

Further, 07 posts became vacant due to the deaths, transfers and retirement of officers of primary and secondary grades. Accordingly, the total number of vacancies at the end of year 2015 was 24.

Cabinet Memoranda and Parliamentary Questions

During the year 2015, the Ministry submitted 51 cabinet memoranda in respect of administrative, operational and development activities covering the subjects of housing, Samurdhi and construction coming under the scope of the Ministries in charge of Housing Constructions and Samurdhi and main subject areas coming under the purview of the institutions affiliated to such Ministries. In addition, the Ministry took measures to forward observations. In addition the 14 Cabinet Notes were forwarded and made observations with regard to 12 cabinet memoranda.

Similarly, 26 parliamentary questions were asked in year 2015 in regard to matters coming under the scope of the Ministry and its affiliated institutions and the Ministry provided answers to all of them.

Responding to public requests

As the housing development was the key function of the Ministry, the majority of requests received from the public were relating to housing and there have also been instances where complaints received on establishments issues of employees and problems of trade unions. Requests have also been made through the Presidential Secretariat, Prime Minister's Office and Public Petitions Committee.

The Ministry intervened without delay to deal with all such requests and for institutional and trade union issues, action has been taken to offer solutions through discussions held with the relevant parties under the patronage of the Ministry

Training and Productivity activities

The Ministry caused officials of various categories including those of staff grades to participate in identified training programmes such as public administration, accounting, establishments activities, productivity activities, personality development and capacity development and arrangements were made in 2015 to conduct two attitudinal and capacity development programmes for the entire staff of the Ministry.

The Ministry made arrangements to provide practical training during 2015 to 15 trainees who have been following courses on Information Technology in public sector institutions.

9.2. Planning Division

Annual action plan & progress review meetings

Every year an annual action plan is prepared incorporating activities associated with development programmes and activities connected with projects of the Ministry and institutions under its purview and estimates thereof and for the year 2015 as also the action plan of the Ministry and its affiliated institutions was prepared.

During 2015, ten progress review meetings were held to observe the implementation of development programmes in line with the annual action plan and assess their progress and it enabled the provision of necessary instructions and guidance for the effective and efficacious execution of development programmes particularly in the housing sector.

* **Progress Reports and Project Proposals**

During the course of 2015, four quarterly progress reports were compiled in the year 2014 and were forwarded to the relevant institutions. Similarly, the Department of Project Management and Supervision Department too is monitoring the progress of the development programmes and 04 progress reports based on its observations were prepared and presented by the Ministry.

With the objective of seeking approval of the Department of National Planning for development programmes and projects to be implemented by the institutions under the purview of the Ministry in the year 2016, the Ministry submitted 21 project proposals formulated in respect of housing and construction sector to the Department of National Planning in order to secure funds from the Treasury.

* **Report containing the progress of the Ministry and future plans**

Every year, the report containing the progress and future plans of the Ministry is submitted to the Committee Stage debate of the budget and this year too the Ministry was able to submit this report on time setting out the progress, project proposals and plans of the Ministry and institutions coming under its purview.

* **Securing aid for development projects**

In order to enlist the support of the Japanese government and the Japanese International Cooperation Agency for the massive housing development programme to be implemented by the Ministry island-wide, the Hon. Minister

held a discussion with the ambassador of Japan on 18.09.2015. The response from the ambassador was encouraging and attention was also focused on securing aid for special development projects in the Hambantota district.

9.3. Housing Division

* **World Habitat Day**

World Habitat Day was declared consequent to a resolution adopted at the annual sessions of the United Nations in 1985 and for the past 28 years since 1986, the day has been celebrated under various themes associated with the housing and settlement sector.

The United Nations has designated the first Monday of October every year as World Habitat Day and the event is celebrated worldwide and this year's World Habitat Day fell on 05th October 2015. The theme of this year's World Habitat Day was "Public Space for All". With the objective of celebrating this international day as a more productive programme in the housing and settlements sector, an array of development programmes centered on the city of Colombo but covering the entire island was implemented bringing to a focus the basic needs of the people.

Thus, the period from October 05 to 12 was declared as "Habitat Week" with the aim of passing the benefits of World Habitat Day to beneficiaries of housing programmes.

Accordingly, the Ministry of Housing and Construction, the focal point in Sri Lanka for the United Nations Human Settlements Programme, the UN agency responsible for implementing World Habitat Day worldwide celebrated World Habitat Day at the

Maligawatta Housing Scheme, Colombo 10 on Monday 05th October 2015 under the patronage of the Minister of Housing and Construction Hon. Sajith Premadasa. Underpinning the theme “Public space for all”, measures were taken for the beautification of housing schemes and upgrade its facilities.

In addition, a raft of diverse programmes was implemented across the island to mark World Habitat Day. One such programme implemented island-wide was to select 1,000 houses which had not been plastered from each district and to supply building materials worth Rs.10,000/= and plaster 25,000 houses in 25 districts.

Awareness programmes, drawing competitions, training programmes associated with various industries, shramadana campaigns, beginning of constructions of new projects were among the other initiatives conducted during this week. An encouraging sign at this year’s World Habitat Day celebrations was the voluntary participation of entrepreneurs by way of donations.

* **National Housing Day**

National housing programme implemented with the participation of recipients of houses was launched on 23rd June 1979 and it later evolved into an island-wide national housing programme of such magnitude it became the forerunner in introducing participatory housing approach to the world. Appreciating the national importance of the day, the declaration 23rd June every year, as National Housing Day took place this year. This year’s National Housing Day celebration was held at Tissamaharama under the patronage of the Hon. Prime Minister..

* **Formulating “Habitat III” national report**

Habitat III, the third United Nations Conference on Housing and Sustainable Urban Development is due to be held in 2016. The conference held once in 20 years will be held with the participation of the heads of state and ministers of housing and urban development of all member countries.

As a member of Habitat, Sri Lanka has been an active participant in Habitat summits. The theme of the 1996 summit was “Adequate shelter for all” and “sustainable human settlements development in an urbanizing world”.

As the Sri Lanka’s agency of United Nations Conference on Housing and Sustainable Urban Development, it is the prime responsibility of the Ministry of Housing and Construction to report the progress on the formulation of the national report indicated above and various parallel programmes implemented in Sri Lanka during the past 10 years. Habitat III report is in the process of being compiled.

* **Implementing Housing Programmes**

National Housing Development Authority and Urban Settlement Development Authority are the two premier institutions implementing housing programmes under this Ministry. Accordingly, “Shelter for All”, model village programme, plastering programme, “Sampath Sevana” programme, Indian housing aid programme are the most prominent among housing programmes implemented this year..

From the abovementioned special housing programmes, the number of houses targeted to be constructed this year was 111,686 and of them 76,824 was completed by the end of the year representing 66% of the target..

Under “Shelter for All” housing programme, out of 50,000 expected to be completed, the Ministry was able to complete the work of 41,180 housing units.

Under the “Model Village” housing programme implemented this year targeting landless and homeless families, the work of a total of 40 villages each comprised of 25 housing units could be started and of them 38 were government funded and the remaining two were private sector funded. The completion of the programme will see the addition of 1000 new housing units to the housing stock of the country.

“Plastering programme” was among the most significant of housing programmes launched this year. Under the programme, 1000 family units were selected from each district of the island and were given cement and other building materials for the renovation of their houses. The number of families benefited from the programme this year was 28,673 which were well above the target of 25,000 families set for the year. The total amount spent for the project this year was Rs 250 million..

Further, under the continued housing programme, out of 10,116 housing unites expected to be completed during the year, the Ministry was able to complete 6492 which as a percentage was 64%.

*** Granting title deeds**

The disposal of legal ownership of lands/houses is carried out as per section 8(1) of the National Housing Development Authority Act and out of 3000

land/housing deeds planned to be granted this year, the Ministry was able to gant 2947 title deeds denoting a percentage of 98%. In addition, 3244 deeds of lease too were granted this year.

*** Issuing condominium certificates and establishment of management corporations and committees**

The Condominium Management Authority affiliated to the Ministry issues condominium certificates in respect of condominium properties and registers management corporations and committees of condominium properties.

Accordingly, the Authority was able to issue 31 full, semi and provisional condominium certificates during the year out of 114 targeted for the year. In addition, the registration of management corporations, renewal of registration and reactivation of dormant management corporations also recorded an impressive growth this year with total such corporations and committees established reaching 451 out of 603.

9.4. Technical Division

*** National Construction Policy**

The construction industry makes a significant contribution for the economic growth of a country. Hence the need for a national construction policy with a view to develop the construction sector to ensure the sustainability of the construction industry and to develop the industry to make it globally recognized and regionally competitive has been a long felt need.

The National Construction Policy should be formulated in concord with the Construction Industry Act No.33 passed by Parliament in 2014. The Construction Industry Act has provided for the establishment of a National Advisory Council on Construction with 07 executive grade officers representing ministries directly connected with the construction sector and 15 experts representing professionals' organizations and from among persons who have achieved eminence in the fields of construction, environment, science, labour relations and public health or occupational health nominated by the Minister.

The prime objective of establishing the National Advisory Council on Construction is to formulate the national construction policy and its implementation mechanism, make representations on any need for the development of the construction industry and make recommendations on any regulation to be made under the Act. The inaugural meeting of the National Advisory Council on Construction for a comprehensive discussion on the draft national construction policy was held on 19.10.2015 at the Ministry of Housing and Construction. For public consultations, the draft national construction policy has been released to the printed media in all three languages. Further, the draft policy has also been posted at the official website of the Construction Industry Development Authority (www.cida.lk) with a view to securing views and proposals from all stakeholders of the construction industry.

*** Appointing Procurement Committees and providing consultancy services**

Procurement committees were appointed in 2015 in all departments coming under the purview of the Ministry and the

Ministry provided consultancy services in regard to the appointment of procurement committees for construction projects and for carrying out all activities relating to procurement. Further, granting approval for contract variables and granting approval of the standing technical committee of this Ministry for the quotations of construction projects awarded directly to public sector institutions as per cabinet decisions have been done with due diligence. In addition, as in previous years, this year too, the Ministry was able to provide technical expertise and consultancy services required for the construction sector.

The Ministry also contributed to amend publications of the Construction Industry Development Authority. Procurement activities relevant to the ministerial procurement level of institutions under the Ministry too were carried out.

*** Implementing projects in the construction development sector**

The State Engineering Corporation, State Development and Construction Corporation, Buildings Department and the Department of Government Factory coming under the purview of this Ministry implement construction projects under the guidance of the Ministry.

Three storey building of the Comemrc Faculty of the Kelaniya University, five storey building of the Modern languages Faculty of the Kelaniya University, the Athurugiriya interchange of the express way, and Halugama bridge along the Haputale Boralanda road are some of the

construction projects vested in people this year and the construction work of many other projects have been commenced island-wide and are being carried out at present.

Tasks to be performed at the ministerial level such as guiding the relevant institutions, extending assistance to carry out construction projects without any hindrance and allocating funds for all abovementioned projects were successfully carried out by the Ministry during the year.

9.5. National Housing Commissioner's Division

The granting of deeds to the residents of houses vested in the Commissioner under the Ceiling on Housing Property Law No 1 of 1973 is carried out by the National Housing Commissioner's Division and in the year 2015, 38 deeds were formally granted to residents of such houses.

In granting deeds for tenants under the Ceiling on Housing Property Law, the estimated value of the house was charged from each tenant and the amount so charged was credited to the Housing Fund in 2015.

However the post of National Housing Commissioner fell vacant on four occasions during the year owing to the

resignation and transfer of officers appointed to the post during 2015 and it served as an impediment in achieving the targets set for the year

9.6. Internal Audit Division

As per the annual audit programme of 2015, though 30 audit reports were planned to be completed, only 11 could be completed and 19 could not be completed. The main contributory reason for this was the absence of experienced staff knowledgeable in audit activities. However, as per the annual audit plan, preliminary investigations of 05 audit queries were completed during the year.

However, during the year 2015, this division was able to complete 04 preliminary inquiries out of 06 planned for the year as per the annual audit plan.

Further, 04 audit and management committee meetings with one for each quarter was conducted and at these meetings steps were taken to resolve problems in the ministry and its affiliated institutions through negotiations and consultations.

Some of the development projects carried out in 2015



World Habitat Day Celebration 2015



Construction of three storey building for Commerce Faculty of Kelaniya University



Construction of Boralanda-Haputale bridge



Renovating C7 canal, Walawe, Sevanagala



Construction of Management Building of Jaffna University



Pe-aruru Project

11. Challenges faced by the Ministry in 2015

* Expansion of the scope of the Ministry

In terms of gazette notification 1897/15 of 18 January 2015, this Ministry that existed as the Ministry of Construction, Engineering Services, Housing and Common Amenities was renamed as the Ministry Housing and Samurdhi and in addition to the institutions already affiliated to the Ministry several new ones were placed under its purview. Divinegauma Development Department, Building Materials Corporation, Rural Development Training and Research Organization and National Building Research Organization and Sri Lanka Engineering Research and Development Organization are the institutions newly placed under the scope of the Ministry. Additional to the subjects that were already under the obligation of the Ministry, a number of new subjects came under its purview and consequently the Ministry was entrusted with a significantly expanded role and responsibilities.

Further, an array of development projects and responsibilities associated with the abolished Ministry of Economic Development which were yet to be completed were assigned to the Ministry. On account of this, there was an upsurge in the duties and functions of all divisions of the Ministry compared to previous year and made a severe strain on routine duties of each division.

* Expansion of the staff of the Ministry

With the abolition of the Ministry of Economic Development, nearly 80 officers who performed various duties relating to the main subject areas of that Ministry such as rural development and Divineguma were absorbed into this Ministry. As a consequence, the staff of the Ministry witnessed a significant increase. As the Ministry did not have sufficient space to accommodate all newly absorbed officers, the Ministry of Housing and Samurdhi had to be established in three premises. This caused many difficulties to the Ministry in carrying out daily duties.

In addition, Assistant Directors, Development Assistants and Economic Development Officers of the Ministry of Economic Development numbering over 20,000 deployed at District Secretariats and Divisional Secretariats were absorbed into this Ministry and all administrative responsibilities in respect of those officers came under the direct purview of this Ministry. As the Establishments Division of the Ministry was not equipped with sufficient number of officers to handle the establishment related duties of these newly assigned officers, the resource of the Division, both physical and human, were pushed to the limit.

However, the Ministry as able to successfully dealt with all such activities and it was one of the most daunting challenges faced by the Ministry during the year.

Following the General Election held in August 2015, the scope of the Ministry was once again amended and the aforesaid additional staff was absorbed into the Ministry of Home Affairs and the Ministry of Social Empowerment and Welfare. Hence the staff of the Ministry marked a significantly decrease by the end of the year.

*** Establishments shortcomings of institutions newly added to the Ministry.**

In view of Issues such as shortcomings in the staffs of Divineguma Development Department, Rural Development Training and Research Institute and Building Materials Corporation Limited and the non –approval of recruitment procedures, the Establishments Division of the Ministry had to invest significant amount time and energy to find solutions to such issues.

*** Not filling vacancies in permanent posts**

The post of Chief Financial Officer and the post of Information and Technology Officer approved for the Ministry remained vacant this year too due to the shortage of officers of the Sri Lanka Accounting Service and the Sri Lanka Information and Technology Service. Similarly, due to the post of National Housing Commissioner falling vacant 04 times during the year, the activities of that division were severely hampered and the post of quantity surveyor too remained vacant owing to the amendments needed to be made in the relevant recruitment procedure.

Further, due to transfers and retirements of officers the Development Officers Service and the Public Management Assistant Service belonging to the Combined Services, vacancies of Development Officers and Management Assistants vacancies existed

throughout the year and this resulted in the severe disruption of day to day activities of the Ministry.

❖ Challenges faced in implementing housing programmes

Throughout year 2015, a number of housing development programmes centered on “Shelter for All” national housing drive were implemented and due to delays in securing the required financial provisions from the Treasury, the projected progress could not be achieved during the stipulated timeframe.

Further, in view of the paucity of experience of beneficiaries as well as new officials attached to institutions on the participatory approach implemented after a lapse of several decades, a host of problems were encountered in the commencement and implementation of housing programmes.

Consequent upon the delays in the selection of suitable lands and beneficiaries for the model village programme under the “Shelter for All” housing drive, the programme could only be started during the tail end of September 2015 and then there was a spell of inclement weather throughout the country and as a result the work of all villagers could not be completed by the end of 2015. .

*** Challenges faced in the construction sector**

The institutions under the purview of this Ministry which implement construction projects, primarily receive construction projects through cabinet approvals and the majority of them are projects in the state sector. Compared to the previous year, there was a decline in the number of construction projects received by the Ministry.

One of the major challenges faced by the construction sector during the year was the failure to complete projects within the set timeframe on the back of delays in releasing required funds by client organizations, delays in obtaining the required approvals and the change of clients resulting in two different clients at the beginning and end of the project. Further, inclement weather conditions that prevailed throughout the year also contributed to the less than anticipated progress in construction projects.

