

# AN ASSESSMENT OF PUBLIC PRIVATE PARTNERSHIP (PPP) HOUSING SCHEME: A CASE STUDY OF TALBA HOUSING PROJECT MINNA, NIGERIA

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## ABSTRACT

*It is obvious that in Nigeria the need for housing is overwhelming and beyond the ability of government alone to deliver. The need to involve private partnership in governmental affairs has not left the housing sector out especially in provision of shelter to the urban populace. Public-Private Partnerships (PPP) provides a unique opportunity for government to partner with private companies on public infrastructure projects. The concept of PPP implementation in Niger state is analysed with the study of Talba Housing Estate Minna, Niger State Nigeria. The research was carried out through physical visits and interviews were conducted with the professionals engaged in the provision of the 500 housing units at the Talba housing estate in Minna the state capital. The study identified the poor structural quality in the provision of the housing scheme and the factors responsible for such poor delivery. The study concludes that poor supervision and technical deficiency of memorandum of understanding (MOU) could spell disaster for PPP arrangement in housing delivery.*

**Keywords:** Housing Quality, Housing Scheme, Project Partnership, Public-Private Partnership,

## 1.0 INTRODUCTION

Demographic rise in urban population necessitate the rising demand for housing. The availability of white collar jobs and social amenities are prevalent factors that influence migration into cities. The United Nation as quoted by John and Edward (2009) observed that by the turn of the century majority of people in the developing countries will live in urban centres. Many of these people in the developing world are however faced with living in non standard and poor quality homes. This has necessitated the need for more qualitative housing in the cities.

Shelter has often been referred to as one of the essential needs of man after food, and all Governments in Nigeria since 1960 have highlighted housing as one of its area of emphasis. The Shehu Shagari administration in 1979 initiated what can be termed as a laudable program, the mass

affordable housing; unfortunately the program could not be sustained by the government. However, since then mass housing has been seen to be the scheme that can provide housing units in numbers to meet the growing housing needs.

The implementation of the 2002 Housing Policy Reforms was another promising beginning, but a lot remains to be done (Akeju, 2007). This did not meet the demand for housing especially in urban areas where the schemes are mostly sited. The continuous failure of housing schemes necessitated the agitation that government should leave the provision of housing to the private sector which has over the years proven to be more prudent and efficient in service delivery. Typical examples can be seen in private educational and health institutions which have turned out to be more efficient than the public institutions.

Government over the time, has been seen not to be able to provide houses for the populace as such it has been advocated that what the government needs to do is to provide the enabling environment of security, enabling law and infrastructure, (*op cit*). This perhaps was thought to change the implementation of housing policies for the better. However, while these policies suffered the effects of misapplication and poor implementation, urban growth continues to escalate.

Another school of thought felt that government cannot lay off its hands completely especially in the provision of housing and as such a public private partnership (PPP) arrangement was looked upon to breach the gap. The public private partnership (PPP) in this case can be referred to as the partnership between the public sector (government) and the private sector (private developers) with the aim of delivering of goods and services to the members of a given community. The parties involved therefore, have to come to terms and an agreement on how the partnership is going to be formed and also each party has to know the benefits derivable by such an agreement.

Various studies have identified the significant considerations and contributions of PPP arrangement towards the enhancement of affordable housing provision (Akeju 2007, Gtz 2007, WAHP 2005, Uttam, Madhumita, & Subir, 2009) just as in infrastructures and services such as drugs, hospital facilities, water schemes, school facilities, scholarships and security. The European Commission (2003) observed that the increase of PPP in the provision of housing and other infrastructure are driven by limitation of funds to cover the investments needed by various governments and also the need to increase the quality and efficiency of the public services. The scheme offers opportunity to harness collaborative advantages while understanding variant differences. One of the thrust of the EU

observation on infrastructure and services provision through PPP arrangement is effective and qualitative services delivery. However it observes that partnership with the private sector through PPP arrangement should not be seen as a total miracle for the provision of infrastructure. Each system needs to be studied and the objective of each party in the partnership needs to be understood.

Studies have shown that PPP are not very easy and the success of any partnership depends upon the willingness of the actors involved to commit to the process and meet the entire requirement of a successful partnership (Belinda and Wendy, 2008) otherwise the terms of the model will be affected and consequently the quality of the project. The European Commission (2003) however, gave the following guidelines for a successful PPP arrangement.

1. The choice of PPP structure should be selected according to the project type.
2. The inherent strength and weakness of the PPP chosen should be studied before implementation.
3. The public sector (government) must transform its responsibility from service provider to manager.
4. The success of PPP depends largely on effective management and monitoring systems.

The provisions of qualitative housing are tied together with cost, while the private sector involvement in the provision of houses is sometimes tied to profit making. Obviously if this is not properly controlled, it can lead to poor quality of house developments.

The quality of housing has remained a subject of debate especially when the parameters that determine quality are themselves relative. In the context of this research however the stability of the structure vis-a-vis the quality of the materials used was the subject of consideration. The provision of 500 Talba Housing Estate through PPP could be seen

to have structural problems even before the structures were completed and as such the need to study the factors responsible.

### 1.1 THE CONCEPT OF PUBLIC PRIVATE PARTNERSHIP IN NIGER STATE

In Nigeria the Private sector has been active in the provision of amenities and infrastructure under communal services. The ushering in of the third republic was a milestone for a synergy between Government and the Private sector even though this was not devoid of political undertones.

Similarly in Niger State, the PPP was introduced to fast track physical development in the state especially in the urban centres. The state governor asserted that the PPP arrangement was to offer a long term, sustainable approach towards improving social infrastructure, enhancing the value of public assets and making better use of tax payers' money (Muhammad, 2008).

The concept of PPP in Niger state focuses more on the delivery of mass housing. However, the essence of such provisions is to make housing affordable to the civil servants and the residents of the state and as such the quality of the delivery is expected to be given much consideration. It is in-line with this that the State Government for the first time went into partnership with Puzzels Engineering and Construction Company limited. The Memorandum of Understanding (MOU) between the State Government and the developer was for the State Government to provide permits, registrations and approvals. The State Government was equally responsible for the provision of land, and infrastructure to the project site, while the developer (Puzzels Engineering and Construction Company limited) will design, construct and complete a modern Housing Estate comprising five hundred housing units of two and three bedrooms as illustrated in fig 1 and 2.

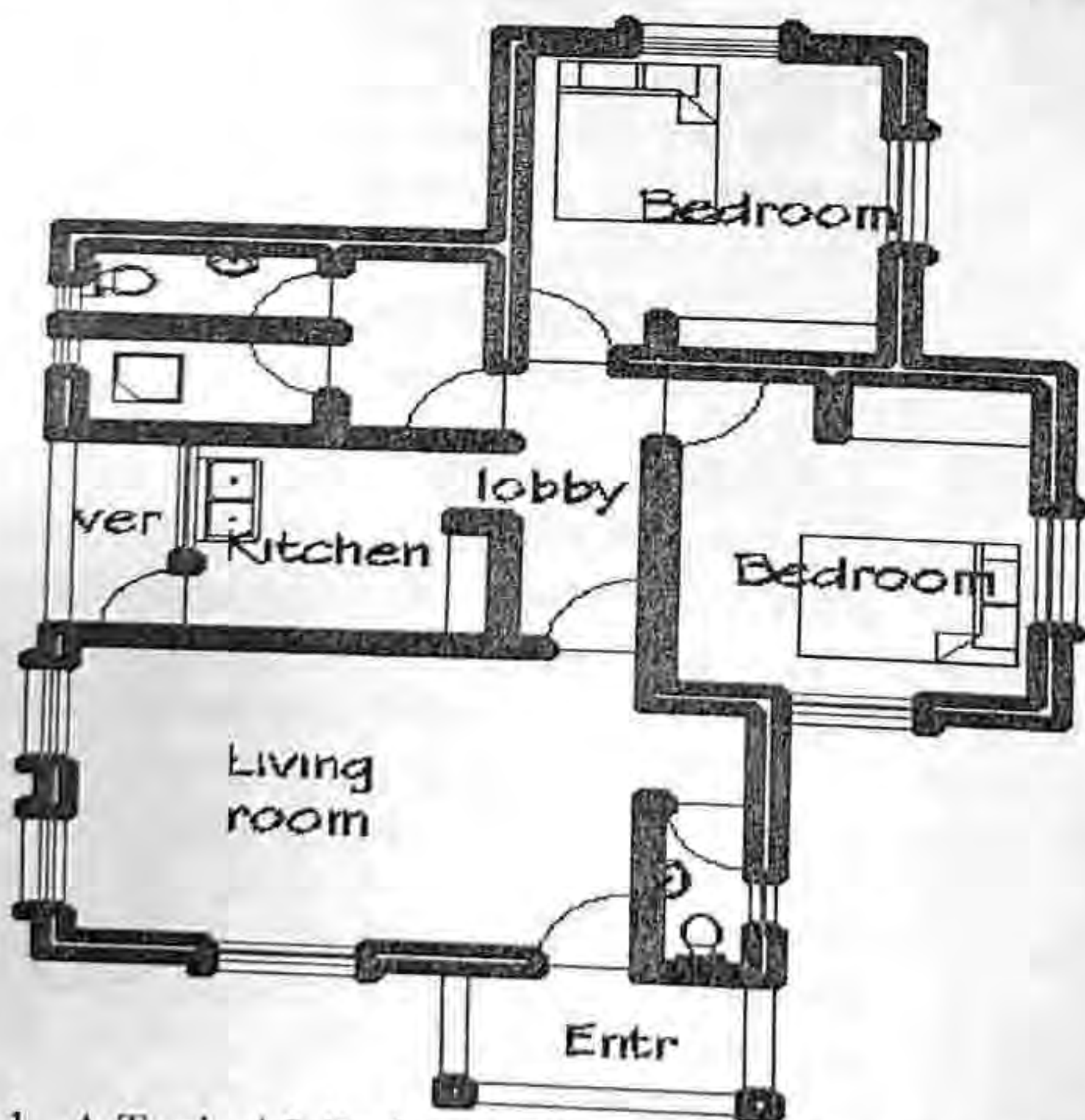


Fig 1. A Typical 2 Bedroom Floor Plan of the Talba Housing Estate Minna.  
Source : Author's Sketch 2010



Fig 2. A Typical 3 Bedroom Floor Plan of the Talba Housing Estate Minna.  
Source: Author's Sketch 2010

The 500 units of Talba Housing Estate are located at Gidan Mangoro, 10 kilometres away from the city centre along Minna Bida road. It is the first of the PPP housing programme embarked upon by the State Government with Puzzel Engineering and Construction Company limited. The

essence of which was to diversify and involve the private sector in the housing delivery. The project duration was initially given as two years however the project suffered some set back when structural failures were identified during the course of carrying out the works. See plate 1-4.



Plate 1; showing structural failures on the walls of 2 bedrooms. Source authors' field survey 2010



Plate 2 showing a structural failure of wall in 2 bedroom : Source authors' field survey 2010



Plate 3 showing a complete collapse of a section of the 2 bedroom: source authors field survey 2010



iv. To determine the rate of effectiveness of PPP in the provision of housing estate in Minna Niger state.

## 2.0 AIM

The aim of the study is to assess the concept of public private partnership in the provision of Talba Housing Estate in Minna.

Plate 4 showing a complete collapse of a section of the 3 bedroom: source authors' field survey 2010

## 2.1 OBJECTIVES

- i. To examine the memorandum of understanding (MOU) and ascertain the level of compliance of parties involved.
- ii. To examine the state of the housing estate and determine the quality of the structures in relation to building standards.
- iii. To examine how effectively a public private partnership can be harnessed towards housing delivery

## 3.0 METHODOLOGY

The research was conducted through critical site survey of the entire project site with the aim of getting firsthand information of what is being done. Professionals' were also interviewed to appreciate the level of their involvement and the expertise involved in the work, while PPP documents were studied to ascertain each party's level of commitment. The data collected was then collated to elucidate the quality of work and the expected finished works as agreed by both parties in the Memorandum of Understanding (MOU).

## 3.1 ROLES AND PARTICIPATION

The parties involved in the delivery of the 500 Talba Housing Estate are the private developer (PUZZEL GROUP) and the Government representatives which is a coalition of the Niger State Housing Corporation, Ministry of Lands and Survey, Niger State Ministry of Works and the Niger State Urban Development Board.



**Fig 3 showing the participants in the delivery of Talba Housing Estate:**

Source authors' illustration 2011

The Niger State Housing Corporation was responsible for the initiation of the PPP concept and the preparation of the MOU. The Corporation signed on behalf of the government while Ministry of Lands and Survey provided the site for the development. Niger State Urban Development Board gave the statutory approval for development and the Niger State Ministry of Works and Infrastructure Development provided the professional supervisory role in conjunction with the Niger State Housing Corporation. The Puzzel Group are the private developers whose responsibility is to execute the project.

However the study showed that after the approvals were given and the site handed over to the developer, the government representatives did not put much emphasis on the supervision of the project. Three architects and three quantity surveyors were the only personnel engaged to supervise the entire five hundred units on a normal supervision which entailed once in a month visits to the project site rather than have all professionals on residency supervision.

It was thought that since the developer is to source for the funds will not compromise on the quality as standards will be maintained in order to be able to sell the houses when completed. The private developer however did source for the funds and for the limited time of two years provided for the completion of the

project had to engage various subcontractors in carrying out the works. With this it became difficult for the government representatives to cope with the speed of the developments especially in quality control coupled with the fact that MOU was found not to incorporate daily site supervision of the project by the Government representatives.

The sub contractors were more interested in cutting down the cost of erecting the structure and as such a lot of compromises were made in the standard of materials utilised for the project. It was observed that the structural element of foundations, and walls started failing before the project was completed and the roofs were seen to be blown off at the beginning of the first raining season. The following were the findings from the site.

#### **4.0 FINDINGS AND DISCUSSION OF RESULTS:**

##### **4.1 THE STRUCTURAL QUALITY OF THE BUILDINGS**

A thorough observation of the Estate revealed that the houses are sub-standard due to poor workmanship and supervision leading to the failure of most buildings (plates 1-4). There are a total of 500 houses comprising of 200 number 3 bedrooms and 300 number 2 bedrooms. As at time of this research in 2011 all buildings have been roofed and at different levels of finishing. It was discovered that the first fifty one units of 3 bedrooms were

located at the entrance into the Estate and are of better conditions while all the 2 bedrooms are located behind and are

affected by various defects. The arrangement of the houses is illustrated in figure 4.



Fig 4 Site Layout, showing the Location 2 Bedrooms and 3 Bedrooms. Source Adopted From NSHC Blue Print 2010.

The 3 bedroom blocks located at entrance were constructed by the main contractor while the others behind were given to subcontractors and those were the ones that had major structural problems.

Table 1 Defects to the various house types during examination

Types Of Defects	No Of Houses Affected		Total	%
	3 Bedroom	2 Bedroom		
Foundation settlements leading to major structural failure	149	114	256	51.2
Disassembling and partial collapse of walls of all types (structural, decorative and partition walls)	39	114	153	30.6
Disintegrating and absence of Damp proof course slab	149	114	256	51.2
Supply and Waste pipes of low quality which were found broken	200	114	314	62.8
Poor roof structure (irregular strut spacing, few tie members and purlins wide apart)	200	114	314	62.8

Source: Author (2011)

The alarming rate of structural failures which affected over 50% of the project necessitates the reconsideration of the MOU earlier signed by the Government and the Developer. The State

Government had to raise funds to repair and make good all the defects observed. Various remedial actions were carried out as illustrated in fig 5.

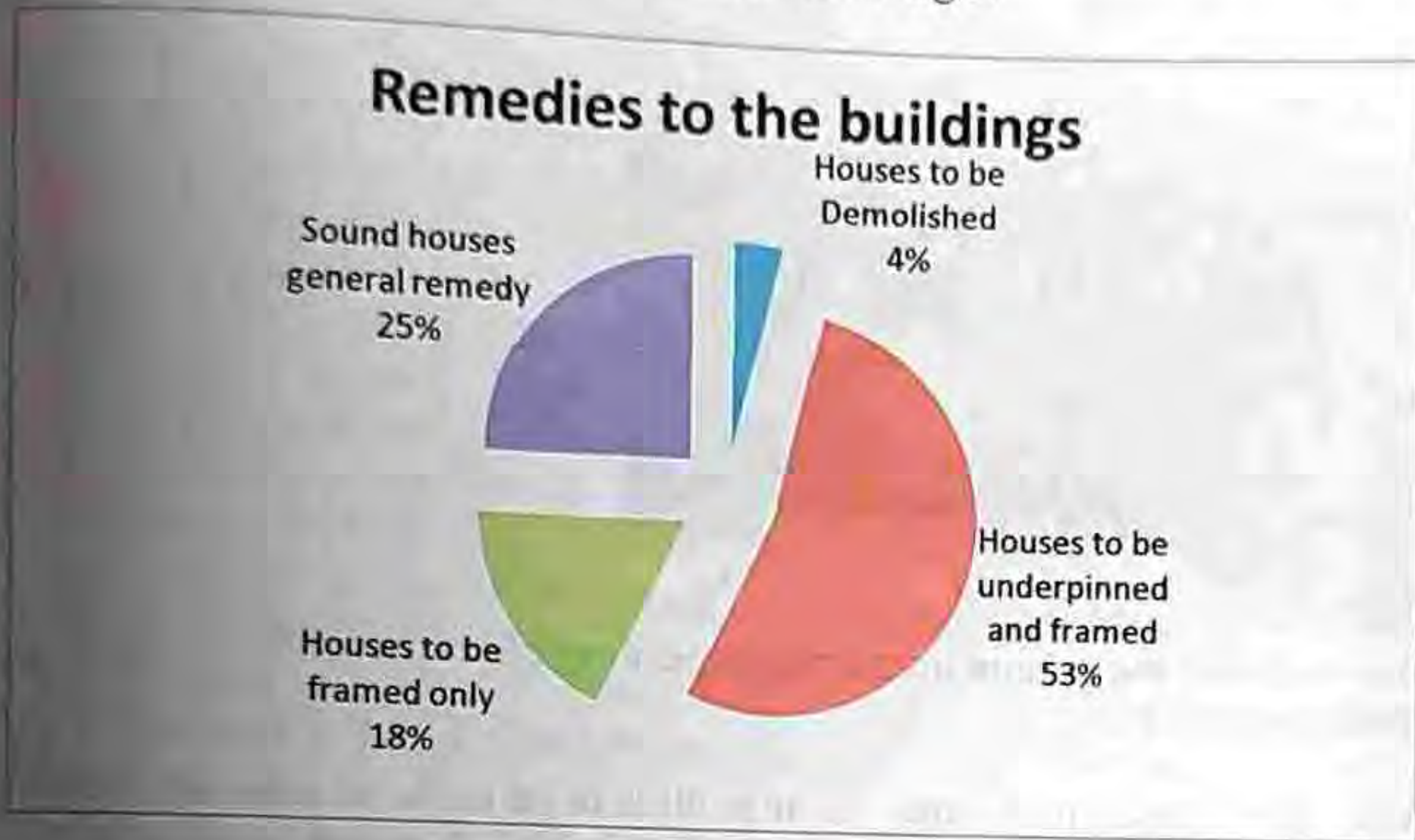


Fig 5. Showing remedies proffered in the correction of the structural failures: source field survey 2011.

The structural remedies also included the change of roof design from simple gable roof to hip roof design, while other remedies were the framing, underpinning and some were completely demolished. These corrections are illustrated in plate 5, 6 and 7



Plate 5 showing 2 bedrooms before repairs were carried out: source authors' field survey 2011



Plate 6: showing 2 bedrooms after repairs were carried out: source authors' field survey 2011





Plate 7. showing the outline of the column frames before painting was carried out.  
Source authors' field survey 2011

The plates show that aside from the underpinning and the structural framing with columns and head beams the roof design were also changed in the 2 bedrooms from the simple gable roof to hip roofing system.

#### 4.2 OBSERVATIONS

The research reveals that fundamental issues regarding the quality of constructions were not clearly outlined in the MOU. The MOU did not also define the responsibilities of the sub contractors. Equally there was poor supervision from the part of client who was represented by the relevant ministries and agencies. The fact that the State Government had to inject money to make good the defects means financial agreements were not clearly defined.

#### 5.0 CONCLUSION: COST AND QUALITY OF HOUSING DELIVERY

Considering the level of defects ranging from the foundation to the roofing and the percentage of housing units involved it can then be deduced that the Total Construction Cost upon completion would have risen and

if profit is to be made on sales the unit cost will also rise up. It equally revealed one of the major problems overwhelming the Nigerian Construction Industry which is insufficient coordination and ineffective communication between involved parties in construction projects. This has often led to abandoned projects.

#### 5.1 RECOMENDATIONS

Adequate caution must be taken at the consummation of building project to ensure quality control and consideration from inception to completion. Professionals involved in supervision must subject the process to effective adherence to the desired quality to avoid hike in construction cost due to remedies to building failures. Above all, the MOU must be explicit in the role of partners especially in ensuring the desired quality of construction during the mass production of housing units. The designs for constructions of this nature should be subjected to critical criticism to ensure quality of design even before construction to avoid redesigning during construction.

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