

# CHAPTER 12

## Urban Governance

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**12.1** With increased pace of urbanization, urban areas are becoming engines of growth, contributing to state's economy and development. It is in this context, that urban governance is critical for effective functioning and efficient management of ULBs. Good urban governance is important for efficient service delivery, strengthening finances, responding to citizen needs and grievances, sustainable development and to contribute to urban growth momentum.

### **Organizational Framework**

**12.2** In Chhattisgarh, there are two Municipal Legislations i.e., the Chhattisgarh Municipal Corporations Acts, 1956 and the Chhattisgarh Municipalities Act, 1961 governing the urban local bodies. The Urban Administration and Development Department (UADD) is the nodal department responsible for policy, legislation, coordination and monitoring and review of progress of development programmes in urban areas. The Director, Urban Administration and Development, the Head of the Department responsible for the implementation of policies, laws and programs. The State Urban Development Agency (SUDA), established to administer urban poverty programs, is also entrusted with general development functions. The UADD has four regional offices each headed by a Regional Joint Director for guidance and supervision of ULBs and to monitor implementation of development programs.

**12.3** There are other departments and parastatals with close relations with the ULBs and impacting their functioning substantially. They include:

- (i) The Town and Country Planning Organisation (TCPO) is responsible for the implementation of TCPO Act 1973 in all ULBs and for preparing master plans and their implementation. But TCPO is part of the Department of Housing and Environment and not UADD.
- (ii) The planning and execution of urban water supply projects are generally entrusted to the Public Health Engineering Department (PHED), which is a separate department of the government. The relations between PHED and ULBs is a matter of concern.

- (iii) The LFAD under the Finance Department is responsible for audit of all ULBs in the state.
- (iv) The RDA has jurisdiction over a few urban and rural local bodies and is responsible for implementation of master plan in its jurisdiction. It works closely with urban and rural local bodies.

**12.4** At the district level, the District Collector has supervisory role over the working of ULBs and monitors the implementation of development programs. As head of district administration, the District Collector facilitates coordination between ULBs and other Departments like Education, Health, Social Welfare, etc. The District Collector, as the chairperson of the DUDA, is responsible to supervise the implementation of urban poverty programmes.

**12.5** The ULBs in the state, as elsewhere in the country, have both deliberative and executive wings. The mayor/president heads the deliberative wing with elected councilors and nominated alderman. The Commissioner in case of M.Corp. and CMO in case of M.C and NP head the administrative wing. With acute shortage of staff, most ULBs in the state are unable to undertake the functions entrusted to them. There is a wide gap between staff requirement and sanctioned strength and those who are actually in position. The weak structure coupled with staff shortages is seriously affecting municipal governance and development. This is also eroding citizen's confidence in municipal capacity to provide services.

### **Functional Domain**

**12.6** Traditionally, ULBs are responsible for civic functions relating to public health and safety, health and education, welfare and recreation, planning, regulation of trades, provision of basic services like water supply, sanitation, street lighting and roads, construction of market places, naming streets and numbering houses, registration of births and deaths, control of epidemics, etc. The Municipal Acts list out these functions either in mandatory or optional. The 74<sup>th</sup> CAA enjoins upon the state governments to devolve eighteen core functions, included in the 12<sup>th</sup> Schedule of the Constitution on the ULBs. They relate to urban planning, regulation of land use, water supply, sanitation, environment slum improvement and poverty elevation, provision of urban amenities, vital statistics, regulation of slaughterhouses, etc. The Municipal Acts in the state have been amended to incorporate these functions. Some of these functions like water supply, sanitation, solid waste management, registration of births and

deaths, street lighting, etc. are mandatory functions and others like urban planning and regulation of land use, planning for social and economic development, roads and bridges, fire services, poverty alleviation, vital statistics, etc., are included in discretionary category in the Municipal Acts, as can be seen from **Annexure 12.1**.

**12.7** Devolution of functions on ULBs has not taken place in full and even where functions have been transferred they are not accompanied by decentralization of funds and functionaries. As a result, as the 1<sup>st</sup> SFC has noted, the capacity of ULBs to perform the functions is restricted and limited. An analysis of status of performance of these functions by the ULBs reveals a wide gap between expectations of the Constitution and the actual performance by the ULBs. Water supply excluding capital works, solid waste management, sanitation, slum improvement, registration of births and deaths, etc., are being taken up by the ULBs fully and the remaining functions are being taken up either partly or never, as can be seen from **Annexure 12.2**. The functions not transferred to the ULBs are being performed or undertaken by other departments, parastatals or others like TCPO, PHED and RDA. For example, the water supply projects are entrusted to PHED which transfers them to ULBs, on completion for O&M, and urban planning is being performed by the TCPO.

**12.8** A major problem with the ULBs is the absence of full complement of officials in the areas of engineering, town planning, etc., thereby making it difficult for them to take up these functions. In the absence of town planning functionaries, urban planning, regulation of land use, etc., are being taken up by TCPO and in the absence of engineering staff, execution of infrastructure works are being entrusted to PHED and maintenance of existing infrastructure is becoming very difficult.

**12.9** Non-transfer of 12<sup>th</sup> Schedule functions to the ULBs goes against the spirit of the Constitution. Recognising the significance of empowering the ULBs, the 13<sup>th</sup> FC has suggested that the reform of assigning or associating the elected ULBs with city planning functions should be implemented speedily. But neither the functions were transferred nor the ULBs associated with the planning function by the TCPO. *The Commission recommends that all the eighteen functions under the 12<sup>th</sup> Schedule should be transferred to the ULBs immediately. This is critical to make them institutions of local self government. The Commission further recommends to put in place appropriate staffing pattern for different tiers of ULBs and to deploy full complement of officials as per norms.*

## Staffing

**12.10** The Commissioners and the Chief Municipal Officers (CMOs) are the critical functionaries in M.Corps and M.Cs and NPs respectively. Every municipality should be staffed with engineer, health officer, town planner, accountant, public health engineer, etc. But unfortunately, in most ULBs these functionaries are not in place. Of the total 16,844 sanctioned posts only 11,752 have been filled constituting about 70 percent leaving a gap of over five thousand vacancies, as can be seen from Table 12.1.

**Table 12.1 : Staffing Position in ULBs and Establishment Expenditure**

ULBs	Sanctioned Posts	No. of Employees					Estab. Expenditure	Percent of Estab. Expenditure
		Regular	Daily wage	Total	Vacant Posts	Percent of vacant Posts*		
M.Corps	11,504	8,220	1,450	9,670	3,284	28.54	17,804	67.47 Percent
MCs	2,823	2,170	880	3,050	653	23.13	3,519	53.49 Percent
NPs	2,517	1,362	1,124	2,486	1,155	45.88	2,948	47.19 Percent
Total	16,844	11,752	3,454	15,206	5,092	30.23	24,272	62.00 Percent

Source: Director, Urban Administration

\* Vacant posts exclude the persons working on a daily wage basis.

No doubt, some of these vacancies are being filled through daily wage or contract employees, who have neither training or orientation nor experience in local governance. In several ULBs, particularly NPs, posts of CMO are vacant for long periods and ad hoc arrangements are being made. For example, in Mungeli MC, a senior Revenue Inspector is holding charge for the last three years. In Saragoan NP, five CMOs were transferred in four years and the sixth is in position. The position in many other ULBs is not very different.

## Technical and Other Staff

**12.11** The ULBs suffer from staffing problems in technical, accounts and other areas as well. In several ULBs the posts of engineers are vacant and to meet the needs officials from the neighbouring ULBs or engineers from the Regional Joint Director's office are attached who visit occasionally to attend to urgent work. In some districts like Janjgir-Champa and Bilaspur, the services of engineers from other departments like Irrigation have been taken on deputation to tide over the problem. Similar shortages exist with accounts staff and those who look after accounts are untrained and ill equipped, in most cases. In the absence of an

accountant, the existing clerical or other staff looks after accounts. As there is no staff for tax collection, other staff including sweepers are assigned the work. There is wide spread urban poverty in the state, but no officials to deal exclusively with poverty issues and implement programs. In the absence of regular staff, daily wagers or placement staff undertake most of the functions and the problem is critical in smaller ULBs like the NPs, particularly the large number of them recently which have been upgraded. The other major problems of governance faced by the ULBs in the state include absence of clear administrative organization; problem of continuity, motivation, accountability, etc., due to large number of out-sourced personnel; and poor or improper maintenance of records including accounts and tax. Sanctioned funds are not being utilized as per timelines due to absence of staff capacity or other reasons. The inadequate and mostly untrained staff is the single most constraint in the ULBs seriously affecting governance and delivery of services.

**12.12** One disquieting feature of ULBs in the state is the short tenure of the municipal Commissioners/CMOs. On an average it appears the tenure of Commissioners/CMOs is less than a year. In Korba Municipal Corporation there were 14 Commissioners in as many years. In Mungeli MC, there were five CMOs in 2007, two in 2008 and third is continuing as in-charge CMO for over three years. In Pithora NP, there were 11 CMOs in 2006 and 2007. In Saragoan NP there were six CMOs after its constitution in 2008. Short tenure impairs effective planning and execution of projects and undermines ownership and accountability. Another problem is the appointment of in-charge persons who continue for longer periods before the appointment of regular persons. *The Commission feels that short tenure and the resultant break in continuity seriously affects the performance of the ULBs. The Commission, therefore, recommends that a three-year tenure for Commissioners and CMOs should be strictly adhered to.*

### **Municipal Cadres**

**12.13** One of the major problems of municipal administration in the State is the weak staffing pattern and absence of well-equipped cadres of officials in different functional areas to manage the urban growth. At present, there are three cadres in the areas of administration, engineering and health. But, due to a variety of problems, there has been no recruitment of personnel to these cadres over many years leading to heavy shortage. There is no administrative cadre for NPs. A junior cadre of CMOs should be created for NPs. Present ad hocism in the appointment of administrative heads of NPs is causing them harm. The

Commission was informed that the government proposes to create cadres in the areas of accounts and revenue. Several committees and commissions at the national level have highlighted this problem and recommended constitution of municipal cadres to professionalise urban governance and to improve municipal efficiency. Ministry of UD, GoI has updated detailed guidelines, in November, 2012, for the constitution of Municipal cadres. Several States have constituted municipal cadres. For example, Maharashtra has six cadres viz., Engineering Service (Civil/Electrical/Computer); Water Supply, Sewerage, and Sanitation Engineering Service; Audit and Accounts Service; Taxation and Administrative Service; Fire Service and Town Planning and Development Service. In Andhra Pradesh municipal cadres exist in areas administration, ministerial, town planning, engineering, public health, accounts, and community development. Madhya Pradesh Government recently created four cadres viz. executive, health, engineering and finance, for all the municipal bodies. The Government of Odisha proposes to constitute six municipal cadres in the areas of administration, revenue and finance, community development, public health and habitat, e-governance and municipal subordinate service. The cadres facilitate recruitment of municipal functionaries through a unified selection process and good quality of personnel.

*12.14 The Commission recommends rationalizing the existing cadres and constitution of new cadres in the areas of accounts, revenue and town planning to bring professionalism in urban management, with necessary statutory backing. It further recommends the constitution of a High Power Committee to examine and recommend within a specified period of time, appropriate measures to strengthen municipal organization and staffing norms for different tiers of ULBs keeping in view the population, finances, functional domain, etc.*

**12.15 For recruitment to all cadres of municipal employees the State Govt. should consider setting up under law a separate Municipal Recruitment Board.**

**12.16** At present recruitment to the ministerial services in the ULBs is made through district selection committees headed by Joint Director of Municipal Administration as Chairman, CMO of the local body concerned as member secretary and a seniormost. CMO in the district as a member. In the discussions during field visits, adoption of unfair practices, pressures and lack of transparency were alleged. *To overcome these criticisms and to ensure a transparent and accountable process. Recruitment Rules should be formulated and effectively implemented.*

### **Public Health Engineering Department (PHED)**

**12.17** As noted earlier, the execution of infrastructure projects relating to water supply are entrusted to the PHED across ULBs in the state, as noted earlier. It is the PHED that prepares the detailed project report along with estimates and after administrative and technical approvals initiate the tender process and later supervise execution. After completion of the projects, they are handed over to the concerned ULB for O&M. In the relations between the ULBs and PHED there appears to be several issues in project execution. They relate to lack of awareness on the part of ULBs about the details of project execution by PHED, delay in approvals, time and cost over runs, etc. As the funds for infrastructure projects are received by the ULBs in several cases as part loan, the ULBs find very difficult to mobilize the loan component with cost escalation. The PHED, on the other hand, squarely puts the blame for delays on the ULBs.

**12.18** The Commission found that in the absence of technical capacity in the ULBs they cannot do much to overcome some of these problems. In the office of DMA, there is a technical cell with Chief Engineer and other staff. But, they are only involved in processing approvals and work as link between ULBs and the State government rather than providing any technical support to ULBs. The Commission understands that at present projects worth about Rs.1,000 crore are sanctioned or being executed or are in the pipeline. To ensure the execution of projects efficiently and on time, there is a need for proper and effective supervision and monitoring. The UADD also in their memorandum suggested the need for a project planning board for planning and execution of projects. *The Commission recommends the upgradation of the technical cell in the office of DUAD to a full-fledged Municipal Public Works Division with adequate staff to support large infrastructure projects and to extend technical support to the ULBs in project planning preparation, and implementation.*

### **Town and Country Planning Organisation (TCPO)**

**12.19** The TCPO plays a very significant role in urban planning and development. This important organization is part of Housing and Environment Department and not UADD. This is causing several problems of coordination between the ULBs and TCPO; more importantly in preparation and implementation of master plans, zoning regulations, etc. The preparation of master plans is the responsibility of TCPO and preparation and implementation of zonal plans is that of ULBs. Presently there are 116 Planning Areas in the State covering as many ULBs – all 10 M.Corps, all MCs and 75 of the 126 NPs. The Planning Areas for the

remaining ULBs are yet to be notified. Until 2012 master plans for only 14 planning areas, mostly of M.Corps., have been finalized and approved by the Government. Another 20 master plans are in various stages of finalisation. The Government outsourced the task of master plan preparation but it did not seem to be making much progress.

**12.20** The Town and Country Planning Act, 1973 has not been updated despite may changes in the planning process and technology. Every ULB should have a Building Officer to be responsible for the implementation of master plans, zonal regulations, building plan approvals and other town planning related functions. But unfortunately, many ULBs do not have these posts filled and their powers have been conferred on the municipal engineers or other engineering personnel. This has serious implications for the orderly growth of the city and implementation of building regulations. In short, it can be said that the town planning in most ULBs in the state is in disarray and requires streamlining and strengthening. *The Commission, keeping in view the enormity of the problem, recommends revision of TCPO Act, 1973; transfer TCPO from Housing and Environment Department to UADD; preparation / finalisation of master plans for all ULBs in consultation with concerned ULBs. This should be independent of the consultative process the master plan preparation entails; constitute Municipal Town Planning cadre; simplify building plan approval process; and expedite establishment of single window system for building plan approvals.*

**12.21** As we have noted earlier, encroachments and illegal constructions appear to be a common practice and this need to be addressed immediately. The Commission feels that there is a need for a regulatory mechanism to address such violations. The Commission recommends this subject may be included as one of the terms of reference of the proposed Urban Land Committee discussed later in this report.

**12.22** The State Govt. has enacted a legislation for the establishment of the **Chhattisgarh Municipal Revenue Regulatory Commission (CMRRC)** in 2011. Its mandate includes *inter alia* regulation of all taxes including PT, cess, charges and surcharges, levies, penalties, fees, duties, tolls, etc. Its scope is wide and covers all services including water supply and waste management, define benchmarks for service delivery, fix tariffs for different categories of ULBs, covers the rebates and concessions extended by the government, and has powers to review tariffs once in two years etc. Autonomy of this institution has been ensured. It is a forum for settlement of disputes and it is to facilitate enforcement of citizen duties and responsibilities. The CMRRC has a very wide canvass relating to the financial aspects of the



ULBs. Its constitution is also one of the reforms included in the reform framework of JNNURM and fulfils one of the mandatory conditions laid down by the 13<sup>th</sup> FC to access performance grants. This Commission has been informed that the process for constitution of CMRRC has been initiated. The UADD in its memorandum to the Commission has suggested widening the scope of CMRRC. *The Commission agrees with the suggestion in view of the significant role the CMRRC is expected to play in improving municipal finances through property tax reforms, recovery of O&M costs on services, regulation of service delivery and protection of citizen interests. The Commission has already recommended in its interim report that the CMRRC be constituted and made functional without further loss of time. We reiterate the recommendation.*