



PUBLIC PROVISIONING FOR THE URBAN POOR

**AN ANALYSIS OF THE GUWAHATI
MUNICIPAL CORPORATION BUDGETS (2015–2017)**



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CONTRIBUTORS:

Dr. Abdul Rashid Agwan, Jawed Alam Khan,
Brishti Banerjee, Marina Joseph, Doel Jaikishen

W: www.yuvaindia.org

E: info@yuvaindia.org



@officialyuva



@officialyuva



yuvaindia84



@yuvaonline

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Tabish Shakil

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ABBREVIATIONS

AMRUT	Atal Mission for Rejuvenation and Urban Transformation	MPC	Metropolitan Planning Committee
BE	Budget Estimate	NULM	National Urban Livelihoods Mission
BSUP	Basic Services for the Urban Poor	PMAY(U)	Pradhan Mantri Awas Yojana (Urban)
CFC	Central Finance Commission	RAY	Rajiv Awas Yojana
DPC	District Planning Committee	SBM	Swachh Bharat Mission
DUD	Department of Urban Development	SCM	Smart Cities Mission
GDD	Guwahati Development Department	SFC	State Finance Commission
GDP	Gross Domestic Product	SJSRY	Swarna Jayanti Shahari Rozgar Yojana
GMC	Guwahati Municipal Corporation	UDD	Urban Development Department
HRIDAY	National Heritage City Development and Augmentation Yojana	UIDSSMT	Urban Infrastructure Development Scheme for Small and Medium Towns
IHSDP	Housing and Slum Development Programme	ULB	Urban Local Body
JNNURM	Jawaharlal Nehru National Urban Renewal Mission	UT	Union Territory
MoHUA	Ministry of Housing and Urban Affairs		

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GLOSSARY OF TERMS

Budget: An estimated income/receipts and expenditure of any government particular for a financial year. In India, annual budgets are prepared and presented at the levels of the Union, State and Local Governments. The Budget is also called the annual financial statement as per the provision of the Constitution of India.

TYPES OF GOVERNMENT SPENDING

Capital Expenditure: It includes the fund used to create some investments for future income and is not regular or recurring expenditure by nature. It also encompasses expenditure on buildings and related infrastructure, construction of irrigation and electricity projects, construction of bridges, purchase of vehicles, etc. and repayment of loans.

Capital Receipt: It covers the recoveries of loans given by the government in the past and earnings from disinvestment from the government-owned enterprises.

Gross Domestic Product: It is a monetary measure of the market value of all the final goods and services produced by a nation in a fixed period of time (annually, half yearly and quarterly).

Revenue Expenditure: Funds used to keep the administration running and regular/recurring nature of expenditure like salaries and other allowances, medicines, textbooks, etc. It includes expenditure on various government services and on interest payment.

Revenue Receipt: It presents the information regarding tax revenue, on-tax revenue, debt and non-debt receipts.

TYPES OF SERVICES/SECTORS AGAINST GOVERNMENT EXPENDITURE

Economic Services/Sector: Sectors like rural development, industry, commerce and trade, agriculture, banking and transport.

General Services/Sector: Related to own maintenance, general services-line, general administration, defense, and pension and interest payment.

Social Services/Sector: Focused on health, education and development of underprivileged sections like scheduled castes, scheduled tribes, women, children, persons with disability and minorities.

I INTRODUCTION

In India, urbanisation has contributed to high economic growth during the last two decades and urban areas account for 63 per cent of the country's gross domestic product (GDP). India's urban population has grown from 286 million in 2001 to 377 million in 2011, comprising 31.16 per cent of the country's population. It is expected that India will have 41 per cent of its total population living in cities and towns by 2030. Slum¹ population too has increased—from 52.37 million in 2001 to 65.49 million in 2011 (Sharma and Rajput, 2017). In Assam, the total urban population is 44 lakh and the slum population was reported to be around 2 lakh in 31 towns (Census of India, 2011).

Urban areas in our country, especially those inhabited by the poor, are characterised by severe constraints of basic services like potable water, drainage system, sewerage network, sanitary facilities, electricity, roads and effective solid waste disposal (Planning Commission, 2012–17). Public provisioning and the delivery of urban infrastructure and basic services are not sufficient to provide the urban poor with a decent quality of life. Currently, the Ministry of Housing and Urban Affairs (MoHUA) is the nodal ministry with regard to public provisioning for the urban poor. Earlier (at the Union Government level) there were two ministries for urban areas, namely, the Ministry of Housing and Urban Poverty Alleviation and the Ministry of Urban Development. They were merged to form the MoHUA in 2017. One of the key initiatives by the Union government for urban development was the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) with four major components, as initiated in 2005. Thereafter, the Government introduced Rajiv Awas Yojana (RAY), which was launched to provide housing for the poor. Additionally, Swarna Jayanti Shahari Rozgar Yojana (SJSRY) was also launched to promote urban self-employment through the

provision of subsidies and loans for skill development in partnership with state governments.

From 2014–15 onwards, the Union Government announced new schemes and renamed some of the old schemes. This includes Pradhan Mantri Awas Yojana (Urban) [PMAY(U)], Smart Cities Mission (SCM) for development of 100 smart cities, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), National Heritage City Development and Augmentation Yojana (HRIDAY) and National Urban Livelihoods Mission (NULM). In terms of the budgetary priorities for urban areas, the Union Government accounted for 1.7 per cent of the total budget in 2018–19.

The Department of Urban Development (DUD), Government of Assam, is the nodal department for town planning and the development of municipal areas. In terms of the budgetary priorities for urban areas, the DUD accounts for 0.43 per cent of the total state budget in 2018–19 (Department of Finance, Government of Assam).

The DUD has not given adequate budgetary priorities to the urban poor. The analysis reveals that the pace of fund utilisation has been slow at all levels of the government. The utilisation of funds is recorded to be low due to the following reasons—lack of power devolution to local municipal bodies, poor planning, inadequate and unskilled human resources and delay in the release of funds.²

For the holistic development of urban areas and decentralised planning, the 74th Constitutional Amendment Act 1992 was introduced as a landmark legislation, which gave constitutional status to the municipalities. In other words, state governments were obliged to adopt the new system of urban governance

1 | Though we prefer to use the word 'basti' in place of 'slum', we have kept to the latter terminology as it is more widely used.

2 | Report of the Comptroller and Auditor General of India on Local Bodies in Assam, 2017 (<https://cag.gov.in/audit-reports>)

in accordance with the provisions of the Act. In the process of conforming to the 74th Constitutional Amendment, state legislatures had to enact laws for devolving functions mentioned in the Twelfth Schedule of the Amendment. The state legislature of Assam

gave only eight functions or development activities to the Guwahati Municipal Corporation (GMC) out of the total 18 functions. The implications of devolution vis-à-vis budget allocation and utilisation by GMC have been discussed in detail in this paper.

OBJECTIVES

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| <p>I. Assessing the policies, programmes and budget for the urban areas made by the union and state governments</p> <p>II. To examine the extent of devolution of power to urban local bodies (ULBs) as per 74th Constitutional Amendment Act.</p> | <p>III. Assessing the status of planning and audits of ULBs</p> <p>IV. To analyse the trends in allocation of funds and utilisation by the GMC, taking into consideration the components most relevant to the needs of the urban poor and their implications for the goal of inclusion and participatory governance.</p> |
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METHODOLOGY AND DATA SOURCES

The paper is primarily based on desk research and secondary level data has been collated from the GMC budget books to fulfill the purpose of the study. The paper conducts a detailed analysis of receipts, income and expenditure of three recent Municipal Budgets (2014–15, 2015–16 and 2016–17) of the GMC, Assam. The study could not collect perceptions of the community, officials and elected representatives with respect to challenges faced by GMC in terms of its planning and budgeting. The study has also analysed the Comptroller and Auditor General audit reports

for local bodies for understanding the issues and challenges confronted by the municipal corporations in Assam. The paper assesses trends in the quantum of allocation and utilisation of funds with a focus on budget responsiveness to the urban poor and analyses specific components within the urban discourse across the city, which includes line items under the broad themes of livelihood, housing, urban planning, urban poverty alleviation, water, sanitation, slum development and upgradation.

II BUDGETARY PROVISIONS FOR URBAN INDIA BY THE UNION GOVERNMENT

In terms of the budgetary priorities for urban areas, the Union Government accounted for 1.7 per cent of the total budget in 2018–19. The overall budgetary allocation for 2018–19 under Demand for Grants Housing and Urban Affairs is INR 42,765.14 crore, roughly INR 25,349.73 crore (59 per cent) of which

is meant for the revenue section and INR 17,415.40 crore (41 per cent) for the capital section. The outlay for centrally sponsored schemes is INR 21,734.00 crore; for central sector schemes it is estimated to be INR 16,212.22 crore and for non-scheme sector it is INR 3,818.91 crore.

Year	Total Central Government Outlay	Ministry's Budget Allocation	% of Central Government Budget
2014–15	17,94,891.96	26,009.46	1.4
2015–16	17,77,477.04	24,841.77	1.4
2016–17	19,78,060.45	29,934.00	1.5
2017–18	21,64,734.78	40,617.84	1.8
2018–19	24,42,213.30	41,765.13	1.7

Table 2.1 | Budgetary allocation for Ministry of Housing and Urban Affairs against total central budget outlay (in INR crore)

Source: Departmentally Related Standing Committee on Housing and Urban Affairs, 2018–19

Looking at the budgetary allocation to the Ministry of Housing and Urban Affairs (MoHUA) against the total Government outlay, it was found to be 1.4 per cent in 2014–15, which increased to only 1.7 per cent in 2018–19. This clearly shows that the quantum of allocation for MoHUA has not proportionately increased with rapid urbanisation, though it rose in terms of allocated amounts, i.e., from INR 26,009 crore in 2014–15 to INR 41,765 crore in 2018–19.

Additionally, there is a huge mismatch between funds in the proposed budget versus the budget estimate (see Table 2.2 for reference). Across the years, it can be seen that MoHUA was not allocated the budget it proposed. In 2018–19, there is more than 100 per cent gap between the budget demands of the MoHUA and actual provision in the budget estimate.

Proposed/Budget Estimate	2014–15	2015–16	2016–17	2017–18	2018–19
Proposed Budget by MoHUA	34,991.54	69,474.33	68,446.81	74,138.37	86,099.97
Budget Estimate Presented by the Ministry of Finance	22,847.00	21,618.90	29,934.00	40,617.84	41,765.13

Table 2.2 | Funds in the proposed budget versus budget estimate (in INR crore)

Source: Departmentally Related Standing Committee on Housing and Urban Affairs, 2018–19

While analysing scheme-wise expenditure priorities under the MoHUA (see Table 2.3), it is clearly seen that the urban poor specific schemes like Pradhan Mantri Awas Yojana–Urban [PMAY(U)], Swachh Bharat Mission (Urban) [SBM(U)] and National Urban

Livelihoods Mission (NULM) have been given least priority, while infrastructure projects like Metro Rail and Smart Cities Mission (SCM) are placed on top priority.

Scheme	Budget Estimate 2018–19 (in INR crore)	Percentage Share in 2018–19
Mass Rapid Transit System & Metro Projects	15,000	35.91
Mission for Development of 100 Smart Cities	6,169	14.77
Pradhan Mantri Awas Yojana (Urban)	6,500	15.56
Atal Mission for Rejuvenation and Urban Transformation (AMRUT)	6,000	14.37
Swachh Bharat Mission (SBM)	2,500	5.98
National Urban Livelihoods Mission (NULM)	310	0.74
National Heritage City Development and Augmentation Yojana (HRIDAY)	161.50	0.39
National Capital Region Planning Board and Others	57.37	0.14
Non Scheme	3,811.86	9.13
Miscellaneous	1255	3.01
Total	41,765.13	100.00%

Table 2.3 | Share of schemes in total allocation of Ministry of Housing and Urban Affairs 2018–19 (in INR crore and %)

Source: Departmentally Related Standing Committee on Housing and Urban Affairs, 2018–19

Table 2.4 illustrates the status of fund allocation and release and actual utilisation by State/Union Territories (UTs) under six flagship programmes of the Central Government, namely, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Heritage City Development and Augmentation Yojana (HRIDAY), SCM, SBM, NULM and PMAY(U) since inception. Except for NULM, fund utilisation under the five other programmes remains unsatisfactory. For SCM, it is as low as less than 2 per cent.

The Departmentally Related Standing Committee has expressed concern regarding gross inadequacies against a total fund allocation of INR 48,548.64 crore for the six flagship programmes under the Ministry. The actual utilisation was only INR 7,850.72 crore (21.6 per cent) out of INR 36,194.39 crore released since the launch of these schemes. It is also evident here that the major shortfall was in the Mission for Development of 100 Smart Cities, wherein only less than 2 per cent of the given fund was utilised.

Scheme	Fund Allocated	Fund Released	Fund Utilised	% Fund Utilised vs. Fund Released
AMRUT	12,447.19	8,629.36	2,480.43	28.74
HRIDAY	700.00	247.15	33.59	13.59
Mission for Development of 100 Smart Cities	10,084.20	9,943.22	182.62	1.83
SBM(U)	7,690.52	5,847.92	2,223.22	38.01
NULM	2,600.83	1,514.85	850.34	56.13
PMAY(U)	15,025.90	10,011.89	2,080.52	20.78
Total	48,548.64	36,194.39	7,850.72	21.60

Table 2.4 | Status of allocations, funds released and actual utilisation in flagship programmes since inception (in INR crore and %)

Source: Departmentally Related Standing Committee on Housing and Urban Affairs, 2018–19

III

BUDGETARY RESOURCES FOR URBAN LOCAL BODIES IN ASSAM

Financial resources for urban local bodies (ULBs) are accumulated from their own revenue as well as grants from the central and the state governments under specific heads. Besides, ULBs raise funds through borrowing and from other sources.

The Department of Urban Development (DUD), Assam, does not have adequate data on revenue resources of ULBs. It could not compile the figures of actual receipts with respect to own revenues of all the ULBs in Assam for 2013–14, 2014–15 and 2015–16.

Under the transfers of State Finance Commission (SFC), no funds were released to the ULBs during

2015–16 as the Government of Assam had entrusted the 5th SFC to revisit its report in view of recommendations of the 14th Finance Commission. However, the SFC was not able to submit the final report by July 2016, resulting in non-release of funds for 2015–16.¹

Table 3.1 shows the status of amount to be devolved and the actual amount released by the Government of Assam in terms of devolution of funds to ULBs as per the recommendation of the SFC. In 2013–14 and 2014–15, a large amount of funds was not released to ULBs.

	Amount to be Devolved	Actual Released by Government of Assam	Short Released
2011–12	83.65	83.65	-
2012–13	91.27	91.26	0.01
2013–14	322.77	133.11	189.66
2014–15	351.75	169.07	182.68

Table 3.1 | Devolution of fund to ULBs by Government of Assam (in INR crore)

Source: Report of the Comptroller and Auditor General of India on Local Bodies, 2017

Similarly, minimal funds were released during 2015–16 under the state sponsored schemes and centrally sponsored schemes in comparison to the previous year. In sum, the reporting on budgetary resources for

ULBs in Assam has shown drastic decline in 2015–16. It clearly indicates that the DUD has poor capacity in terms of data preparation and data availability.

Guwahati Municipal Corporation	2011–12	2012–13	2013–14	2014–15	2015–16
Own Revenue	151.57	190.04	-	-	-
State Finance Commission (SFC) Transfers	189.68	149.59	133.11	169.07	-
Central Finance Commission (CFC) Transfers	31.97	44.28	-	39.74	46.57
Interest for Delayed Payment of CFC Grants	0.11	0.2	0.12	0.18	-
State Sponsored Scheme	16.13	4.14	8.22	12.29	0.91
Government of India Grants for Centrally Sponsored Schemes	24.09	33.41	25.57	11.03	15.17
Total	413.55	421.66	167.02	232.31	62.65

Table 3.2 | Total budgetary resources for ULBs of Assam (in INR crore)

Source: Urban Development Department of Assam, 2015–16

1 | Report of the Comptroller and Auditor General of India on Local Bodies in Assam, 2017 (<https://cag.gov.in/audit-reports>)

Name of Schemes	2011-12		2012-13		2013-14	
	Budget	Actual	Budget	Actual	Budget	Actual
SJSRY	Provision	Fund	-	-	-	-
IHSDP	Released	Budget	1.71	1.01	8.77	0.7
UIDSSMT	Provision	Fund	31.73	1.06	24.46	0
10 per cent Pool Fund for Special Projects	Released	Budget	14.79	6.84	19.61	12.79
Night Shelter for Urban Slum	Provision	Fund	2	0.6	1	0
CM's Special Package for Urban Areas	Released	1.5	1.5	1.5	9.45	0.31
Basti-Sudhar	0.3	0.3	1	1	0	0

Table 3.3 | Budgetary resources under central and state sponsored schemes in Urban Development Department of Assam (in INR crore)

Source: Report of the Comptroller and Auditor General of India on Local Bodies, 2017

Table 3.3 shows the status of budget provision and fund released under the major programmes like Swarna Jayanti Shahari Rozgar Yojna (SJSRY), Housing and Slum Development Programme (IHSDP), Urban Infrastructure Development Scheme for Small and Medium Town (UIDSSMT), 10 per cent Pool Fund for Special Projects, Night Shelter for Urban Slum, the Chief Minister's Special Package for Urban Areas and Basti-Sudhar. Largely, there is a mismatch in most of the schemes with regard to the budget provision and the actual amount released. It reflects that urban areas are not being given adequate priority in terms of budgetary allocation in both the centrally sponsored schemes and the state sponsored schemes.

From this it can be concluded that urban areas have not been given adequate priorities at the state level through centrally sponsored schemes, state sponsored schemes and devolution of funds through the SFC to ULBs. The SFC is constituted at an interval of every five years, to look into the resource position of the ULBs and make recommendations to improve their financial position, as required under the 74th Constitutional Amendment Act. Many of the recommendations of the 4th Assam SFC have been accepted by the Government of Assam. It did not fully implement the accepted recommendations of the SFCs and this has, in turn, adversely affected the financial powers and functions of the municipal bodies as well as deprived them from additional sources of revenue.

There is no approved staffing pattern for ULBs in the state. As a result, the staff strength of ULBs varies from unit to unit, depending on their size and paying capacity. However, the Urban Development Department (UDD) and Guwahati Development Department (GDD) submitted study reports on the staffing pattern of the ULBs and GMC to the 4th Assam State Finance Commission (SFC), in December 2011 and in February 2012, respectively. Accordingly, the staffing pattern of ULBs had been drafted by the Departments but approval from the Finance Department was awaited (October 2016). Appropriate human resources for ULBs carries significant implications for their ability to handle the funds received by them from various sources, as well as their accounting in a proper manner. It is also important, keeping in view the enhanced workload given to ULBs under different programmes, schemes and projects.

Apart from the budgetary support provided by the union and state governments, municipal institutions were given the constitutional status for carrying out their governance and development functions under the 74th Constitutional Amendment Act, 1992. The following section discusses the implementation status of the 74th Constitutional Amendment Act, 1992 in Assam, which helps throw light on the budgetary state of the ULBs in Assam.

IV IMPLEMENTATION OF THE 74TH CONSTITUTIONAL AMENDMENT ACT IN ASSAM

Under the 74th Constitutional Amendment Act, urban local bodies (ULBs) are supposed to function efficiently and effectively as autonomous institutions. They are also mandated for the preparation and implementation of projects related to economic

development and social justice, with regard to 18 subjects listed in the Twelfth Schedule of the Constitution. Across different states of the country, the devolution of power and resources to the ULBs differs significantly.

No.	Subject to be devolved
1	Urban planning, including town planning
2	Regulation of land-use and construction of buildings
3	Planning for economic and social development
4	Roads and bridges
5	Water supply for domestic, industrial and commercial purposes
6	Public health, sanitation conservancy and solid waste management
7	Fire services
8	Urban forestry, protection of the environment and promotion of ecological aspects
9	Safeguarding the interests of weaker sections of society, including the handicapped
10	Slum improvement and upgradation
11	Urban poverty alleviation
12	Provision of urban amenities and facilities such as parks, gardens, playgrounds
13	Promotion of cultural, educational and aesthetic aspects
14	Burials and burial grounds; cremations, cremation grounds and electric crematoriums
15	Cattle pounds; prevention of cruelty to animals
16	Vital statistics including registration of births and deaths
17	Public amenities including street lighting, parking lots, bus stops and public conveniences
18	Regulation of slaughter houses and tanneries

Table 4.1 | Subjects to be devolved to ULBs as per 74th Constitutional Amendment Act

Source: Ministry of Urban Development, 1994

In Assam, the administration of ULBs is governed by the provisions of the Guwahati Municipal Corporation (GMC) Act, 1971; Assam Municipal Act, 1956 (amended upto 2012) and Assam Municipal Accounts Rules, 1961. There were 94 ULBs in the State of Assam, as on 31 March 2016, including one Municipal Corporation, 34 Municipal Boards and 59

Town Committees. The ULBs falling under the general areas are governed according to the provisions of the Assam Municipal Act, 1956, while areas falling within the Sixth Schedule Areas are governed by the rules framed by the respective Autonomous District Councils.

In terms of the governance structure, the Additional Chief Secretary is the administrative head of the Urban Development Department (UDD). The Additional Chief Secretary looks into matters relating to the administration of the ULBs (Municipal Boards and Town Councils). He/she is assisted by the Director, Municipal Administration, and Director, Town &

Country Planning. The Commissioner and Secretary, UDD, is responsible for allocation of funds as well as implementation of schemes at the State level. The Additional Chief Secretary, Guwahati Development Department (GDD), is the administrative head of the Department, to whom the Commissioner, GMC, reports.

STATUS OF DEVOLUTION OF FUNDS, FUNCTIONS AND FUNCTIONARIES

After the 74th Constitutional Amendment Act, most states of the country have made amendments in their municipal laws. However, fund, function and functionaries (3Fs) have not completely been transferred to the ULBs by the respective state governments after more than two decades of the Act. The reports of the Central Finance Commissions (CFCs) and the State Finance Commissions (SFCs), including the SFC of Assam, have been emphasising for complete transfer of the 3Fs to the ULBs.

Of the 18 subjects listed in the Twelfth Schedule of the Constitution of India, the following eight subjects are being implemented by the ULBs in Assam, as their traditional functions, which are as follows:

1. Water supply for domestic, industries and commercial purposes;
2. Conservancy and solid waste management;
3. Slum improvement and upgradation;
4. Provision of urban amenities and facilities such as parks, gardens and playgrounds;
5. Burials and burial grounds, cremations, cremation grounds and electric crematoriums;
6. Cattle ponds;
7. Public amenities including street lighting, and
8. Regulation of slaughter houses

Vital subjects like urban planning, including town planning, land use and construction of buildings, slum improvement and upgradation, roads and

bridges, urban forestry, ecology and environment; the registration of births and deaths, planning for economic and social development, urban poverty alleviation, etc. are yet to be transferred to ULBs in Assam.

The approach adopted by the state government of Assam regarding the devolution has been limited. The devolution of functions, funds and functionaries as listed in the Twelfth Schedule have not been completely devolved to ULBs. Largely, the functions, funds and functionaries were lying with the line departments and other agencies working parallel to the GMC within the municipal area. Thus, the devolution of the 3Fs to the GMC, in respect of the transferred subjects, was far below the desired level, which is gravely impacting the functioning of the GMC and also its residents, including the urban poor.

The Government of Assam had created a municipal window in the State Budget for devolution of funds and, every year, budgetary outlays, under plan and non-plan in the revenue account, was earmarked for municipalities against the transferred subjects. However, the earmarked amount was being spent through the functionaries of the line departments. Thus, the objective of creating the municipal window in the State Budget was not fulfilled, due to lack of effective action on the part of the Government to implement its decisions and promises regarding the devolution of the 3Fs to the ULBs.

DECENTRALISED PLANNING

To perform needs assessment and ensure peoples participation in and implementation of development work, a District Planning Committee (DPC) and ward committees have been constituted in each district. The DPC has to consolidate the plans prepared by the municipalities in a district. It should also prepare a draft development plan for the district as a whole. The DPC is to be constituted by members from amongst the elected members of the Zilla Parishad and the elected councillors of the municipalities in the district.

Four members are to be nominated by the State Government from the following list:

- i) A Minister in the Council of Ministers of the State, who shall be the Chairperson;
- ii) The Collector of the district, who shall be the Vice-Chairperson;
- iii) The Chairperson of the Zilla Parishad of the district; and
- iv) The Chairperson of a municipality in the district.

WARD COMMITTEES

Section 48A of the Assam Municipal Act 1956, provides for the constitution of the Ward Committee, consisting of one or more (but not more than four) wards within the territorial area of a municipality having a population of 3,00,000 persons or more. The tenure of the Ward Committee is coterminous with the tenure of the Municipal Board and on dissolution of the Municipal Board the Ward Committee shall automatically stand dissolved.

Metropolitan Planning Committees Article 243ZE of the Constitution of India says, 'There shall be constituted in every Metropolitan area, a Metropolitan Planning Committee to prepare a draft development plan for the Metropolitan Region as a whole'. The Constitution makes it mandatory for the States to set

up Metropolitan Planning Committees (MPCs) in the metropolitan areas of the country.

However, MPCs are yet to come up in the State of Assam. With regard to Standing Committees' formation of ULBs, the Assam Municipal Act, 1956 did not have the provision for the formation of any standing committee for the purpose of ensuring active involvement of members of Ward Committees in municipal administration and to further decentralise the development process. Although Section 20 of the Guwahati Municipal Corporation Act, 1971 provides for the constitution of a standing committee (for the GMC), no provision was made in the Act regarding the timeline for formation of the Standing Committee and its constituent members.

SOURCES OF REVENUE, DEVOLUTION OF FUNDS AND CONCERNS ABOUT THE INABILITY TO RAISE RESOURCES

The major sources of revenue of ULBs are:(i) collection from tax and non-tax sources as per the relevant Act of the state;(ii) resource transfers from the State in the form of devolution of shared taxes and duties; (iii) grants-in-aid from the Government of Assam and (iv) grants-in-aid from the Government of India under various centrally sponsored schemes and award of successive CFCs. The State Government also releases grants-in-aid and loans to the ULBs to compensate their establishment expenses. The ULBs in the state also receive grants and assistance from the State and Central Governments for implementation of various schemes and projects.

Besides these sources of revenue, the ULBs may also take loans from financial institutions for implementation of various schemes relating to urban development such as water supply and roads, etc. Under the provisions of the Acts in force, the collections of taxes on holdings, water tax, latrine tax, etc. are sources of tax revenue while building plan sanction fees, rents from shops and buildings, tolls and other fees and charges constitute the main sources of non-tax revenue.

The audit of ULBs conducted by the Comptroller and Auditor General found in 2017 that the Municipal Boards did not utilise the full potential of mobilising their own resources as relevant taxes and fees, as

prescribed under the Assam Municipal Act, 1956, were not levied. For example, the powers of registration of births and deaths have not been transferred to ULBs. As a result, the Municipal Boards could not levy registration fees on such services.

The monitoring of the enumeration and assessment of all types of properties by the ULBs are not being done regularly. The target for enumeration and assessment of properties was carried out by only 25 per cent ULBs. So far, no Property Valuation Cell was formed by the Government. Largely, Municipal Boards were imposing and collecting property tax based on the value of assets fixed even to 41 years before. No innovative measures have been made for an improved information base or an effective management information system, bill collection, tax collection to augment their revenue generation and increasing tax base, as had been adopted by some other States. Thus, the Government of Assam failed to play an effective role in mobilising revenue resources of the Municipal Boards (Comptroller and Auditor General of India, 2017).

It is also found that the revision of taxes, through the self-assessment (Unit Area Method), was not implemented by most of the Municipal Boards. There was a shortfall of 69 per cent in collection of taxes by the Municipal Boards during 2011–16 due to lack of planning, infrastructure and capacity building. The instances of short deposit and non-deposit of receipts on time by the collectors have indicated the lack of internal controls in revenue collection. Municipal Boards were utilising lesser proportions of their own resources on obligatory functions, resulting in non-provision of adequate civic amenities to citizens. The roles of the Municipal Boards and the Government of Assam, in mobilising resources for the Municipal Board were not effective. The monitoring and evaluation of the management of own funds and collection of revenues is also not working properly. Thus, the generation of revenue was inadequate, as 'own resources' accounted for only 12.91 per cent of total funds of Municipal Boards during 2011–16. Further, the management of own funds by the Municipal Boards was also not efficient. As a result, they were constrained to rely on government grants for carrying out their allocated functions and many could not be performed due to paucity of resources.

AUDITS

For the primary audit of all tiers of ULBs in the State, Director of Audit Local Fund, Assam, established under the Assam Local Funds (Accounts & Audit) Act, 1930 is responsible. The Directorate has the onus to (i) carry out the audits of local funds with the help of 20 circle offices, each of which is to be headed by an Assistant Director, to perform audit functions at the District level; and (ii) facilitate submission of audit reports of the administrative departments. There are 122 audit parties, comprising one Audit Officer and one or more Assistant Audit Officers. The audit is conducted in conformity with the Assam Audit Manual and other prescribed government rules and amendments, declared by the government from time to time.

Also, there is a provision of social audit to bring the activities of ULBs under close surveillance and to enable public access to the records and documents of

ULBs. Such immediate access to information would facilitate transparency and accountability in the day-to-day functioning of ULBs. The State Finance Department issued guidelines (May 2009) for social audit which, inter alia, included the following—the use of Ward Committees as important vehicles to spread awareness about the social audit; appointment of a Nodal Officer at the level of the Ward Committee who would register complaints and fix the date for social auditing; wide publication of the date of social audit through local newspapers, handbills, leaflets and notice boards, etc.; and presentation by the representatives of ULBs of the relevant data on revenue and expenditure of their organisations including bills, vouchers, muster rolls, measurement books, copies of sanction orders and other books of accounts and papers necessary for the purpose of social auditing. However, the State Government had not amended

(as of October 2016) the relevant Municipal Act to include a statutory provision for social audit.

As per the guidelines issued by the Ministry of Finance on implementation of the recommendations of the 13th Finance Commission, the State Government is required to appoint an 'Ombudsman', to act as an independent quasi-judicial authority for local self-government institutions at the State level, for conducting investigations and enquiries in respect of any complaints of corruption and maladministration against the functionaries of local bodies (both elected members and officials) and recommend suitable action, in accordance with the provisions of the Act. There was no provision in the Assam Municipal Act and GMC Act regarding setting up of an Ombudsman for ULBs. As a result, there was no scope for the Ombudsman to conduct investigation and enquire into aforesaid areas.

The Assam Lokayukta and Upa-Lokayukta Act, 1985 (Assam Act XX of 1985) was introduced to improve the standards of public administration through investigation of complaints against ministers, legislators and public functionaries, including those of ULBs. The institution was, however, headed by the

Upa-Lokayukta (since March 2001), as the post of Lokayukta had been lying vacant for the last 21 years (from March 1995 till March 2016).

Although the State Government had taken initiatives for creating awareness regarding the Lokayukta and Upa-Lokayukta Act, the Upa-Lokayukta received only seven complaints during the year 2015–16, out of which none was related to ULBs. Thus, there was a need to increase awareness among the people in the municipal areas about the existence and functioning of the anti-corruption mechanism, related to ULBs, to make it more effective and useful to the public.

With regard to the position of submission of plan and budget proposals by the Municipal Bodies/Town Councils to the Director Municipal Administration, out of the total ULBs in Assam, 54, 53, 32, 38 and 41 ULBs across Assam had not submitted budget proposals, during 2011–12, 2012–13, 2013–14, 2014–15 and 2015–16, respectively (Report of CAG on Local Bodies, Government of Assam, 2017). The funds were released by the Government, without assessing the requirements of the ULBs, thereby defeating the purpose behind planning.

V

ASSESSING THE MUNICIPAL BUDGET OF GUWAHATI

ANALYSIS OF OVERALL GMC BUDGET

The analysis of Guwahati Municipal Corporation (GMC) budgets covered the period from 2013–14 to 2016–17. The total quantum of estimated receipt budget is found to be INR 251.39 crore in 2013–14; an increase of budgeted amount to INR 472.89 crore was seen in 2014–15. However, the budgeted amount has declined to INR 225.47 crore in 2015–16 and further to INR 227.93 crore in 2016–17. There are two major sources of revenues from the central government to the GMC, namely the Revenue Grants Contribution and Subsidies and Grants and Contribution Jawaharlal Nehru National Urban Renewal Mission (JNNURM).

The allocation for JNNURM declined after scrapping the programme in 2015–16 and after that the Smart Cities Mission (SCM) for development of 100 smart cities, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), National Heritage City Development and Augmentation Yojana (HRIDAY).

These new schemes don't have exclusive provision for the poor as JNNURM, which used to have the component of Basic Services for Urban Poor (BSUP). In terms of Grant, GMC has also been receiving funds from the State and Central Finance Commission.

The BSUP component is a part of the total GMC budget, which includes the revenue expenditure on basic amenities as well as basic services for urban poor. From the analysis of the GMC budget, it seems that BSUP comes under a separate budgeting done for the urban poor which is different from the BSUP component of JNNURM. But it is important to note here that the separate budgeting for the urban poor does not target the budget heads covering many schemes and grants from the central governments. Table 5.1 gives the details of head of account-wise receipt from 2013–14 (budget estimate [BE]) to 2016–17 BE.

Head of Account	2013-14		2014-15		2015-16	2016-17
	Budget Estimate	Actual Expenditure	Budget Estimate	Actual Expenditure	Revised Estimate	Budget Estimate
Taxes Revenue	55.7	46.79	51.85	50.84	65.81	76.2
Details of Income from Municipal (Market Budget)	2.22	1.69	5.53	1.55	1.76	2.03
User Charges and Fees	7.36	5.29	7.31	6.14	10.19	11.83
General Administration Fee and Other User Charges	0.42	0.27	0.16	0.46	0.81	1.03
Revenue Grants Contribution and Subsidies (Gol)	27.54	8.08	30.9	4.9	34.46	29.15
Grants and Contribution JNNURM (Gol)	19.31	0.17	86.62	0	35.5	3.33
JNNURM (State Share)	0.5	0	9.88	0	1.23	1.42
Revenue Grants Contribution and Subsidies (Gol)	121.53	66.41	236.61	62.13	67.93	97.95
Bank Interest and Misc. Receipts	10	3	12	3.1	3.2	3.5
Rajiv Awas Yojana	0.76	0	25	0	0.26	0.5
D.D.P. (Kamrup Metropolitan Zilla Parishad)	6.04	0	7.03	4.28	4.32	1.0
Gross Total Receipts	251.39	131.69	472.89	133.41	225.47	227.93

Table 5.1 | Head of account-wise receipt (in INR crore)
Source: Municipal Budget of Guwahati, 2013–14 to 2016–17

Looking at total quantum of expenditure, it is found that INR 452.29 crore was budgeted on expenditure side in 2013–14; an increase was seen to the budgeted amount of INR 519.3 crore in 2014–15. However, the budgeted amount was reduced to INR 309.9 crore in 2015–16 revised estimate and further

increased to INR 346.6 crore in 2016–17 BE. Table 5.2 gives details of the heads of expenditure from 2013–14 (BE) to 2016–17 (BE). The share of revenue grants contribution and subsidies and grants and contribution JNNURM in the gross total receipts have shown decline from 2015–16 to 2016–17.

Head of Account	2013-14		2014-15		2015-16	2016-17
	Budget Estimate	Actual Expenditure	Budget Estimate	Actual Expenditure	Revised Estimate	Budget Estimate
General Administrative Expenditure	145.87	55.52	118.82	69.1	100.06	110.77
Other Administrative Expenditure	3.1	1.01	2.99	0.84	9.77	4.67
GMC Cost Centre-Wise Expenditure	98.3	28.19	116.82	30.26	93.42	86.82
JNNURM Urban Infrastructure and Governance	40.35	0.19	122.44	0.16	15.53	7.38
Other Development Expenditure	138.36	18.41	131.68	14.77	55.12	80.68
Devolution Fund under Assam Nagar Raj Act, 2007	0.1	0	4	0	0.8	18.5
Miscellaneous and Contingencies	0.72	0.48	2.07	0.48	3.08	3.08
Refund of Contractors Deposits, etc.	3.02	1.01	3.23	1.45	1.71	1.89
Acquisition/Purchase of Fixed Assets	8.19	4.73	4.15	4.35	6.58	6.58
Capital Work in Progress	0	0	4.5	0	7.5	7.5
Payment to Govt. Account – Provident Fund and Tax Deduction at Source etc.	14.28	8.87	8.59	10.01	16.36	18.74
Gross Total Expenditures	452.29	118.41	519.3	131.42	309.92	346.6

Table 5.2 | Head of account-wise expenditure (in INR crore)

Source: Municipal Budget of Guwahati, 2013–14 to 2016–17

Table 5.3 gives information regarding the gross total receipts by percentage of share in particular heads. It is evident that the share of Grants and Contribution JNNURM and Revenue Grants Contribution and Subsidies, both central schemes, drastically went down from 2015–16 to 2016–17. This reduction in resources has definitely impacted the developmental

schemes of the GMC. Revenue Grants Contribution and Subsidies is a major share in the total receipt which accounted for 51.2 per cent in 2015–16 and 42.97 per cent in 2016–17. Taxes revenue accounted for 24.7 per cent and 33.43 per cent in 2015–16 and 2016–17, respectively.

Head of Account	2015–16 (%)	2016–17 (%)
Taxes Revenue	24.7	33.43
Details Income from Municipal (Market Budget)	0.8	0.89
User Charges and Fees	2.9	5.19
General Administration Fee and Other User Charges	0.1	0.45
Revenue Grants Contribution and Subsidies (Gol)	6.7	12.79
Grants and Contribution JNNURM (Gol)	12.4	1.46
JNNURM (State Share)	0	0.62
Revenue Grants Contribution and Subsidies (Gol)	51.2	42.97
Capital Account Loan and Advance U/S 124	0	0
Inter Head Adjustment	0	0
Bank Interest and Misc. Receipts	0.6	1.54
Rajiv Awas Yojana	0.2	0.22
D.D.P. (Kamrup Metropolitan Zilla Parishad)	0.4	0.44
Gross Total Receipts	100	100

Table 5.3 | Share of head of account in gross total receipts (in %)

Source: Municipal Budget of Guwahati, 2015–16 to 2016–17

The share of General Administrative Expenditure and Other Administrative Expenditure accounts for a significant share in the total expenditure in 2015–16 and 2016–17, i.e., 34.54 per cent, 0.96 per cent and 32 per cent, 1.3 per cent, respectively. It shows that large percentage of expenditure were meant for salary, wages, travel allowances, rent and other office expenses.

GMC Cost Centre-wise Expenditure covers the activities related to different cells or departments of the GMC like conservancy, water works, electrical, health, veterinary, collection, market, building and hoarding and advertisement. These departments provide basic services to the people. The share of GMC cost centre-wise expenditure constitutes 21.45 per cent and 25 per cent in the total expenditure during these years.

JNNURM urban infrastructure and governance has accounted for 8.84 per cent and 2.1 per cent as share of expenditure in the total expenditure in 2015–16

and 2016–17. The head of expenditure called 'other development expenditure' includes construction and development works such as market complex, bus stand, road, drains, footpath, over bridge, park, toilet, water supply, community hall, cremation ground, library, fencing and beautification areas. Other development expenditure also includes the expenditure meant for urban forestry, e-governance and repair of office building and it accounts for 21.85 and 23.3 per cent of the total expenditure in 2015–16 and 2016–17, respectively. Most of the expenditure under other development expenditure is part of the services related to basic amenities.

The devolution of the Fund under Assam Nagar Raj Act, 2007 has the share of 4.3 per cent and 5.3 per cent in 2015–16 and 2016–17, respectively. The devolution of fund is transferred to wards as local development fund. Additionally, these budget heads provide ample scope for citizens to get involved in planning and implementation of projects prepared under the devolution fund.

Head of Account	2015–16 (%)	2016–17 (%)
General Administrative Expenditure	34.54	32
Administrative Expenditure Others	0.96	1.3
GMC Cost Centre Wise Expenditure	21.45	25
JNNURM Urban Infrastructure and Governance	8.84	2.1
Other Development Expenditure	21.85	23.3
Loans Advance	0	0
Devolution Fund under Assam Nagar Raj Act, 2007	4.3	5.3
Miscellaneous and Contingencies	0.72	0.9
Interest and Finance Charges	0	0
Refund/Repayment of Loans	0	0
Refund of Contractors Deposits Etc.	0.28	0.5
Acquisition/Purchase of Fixed Assets	1.53	1.9
Capital Work in Progress	1.74	2.2
Payment to Govt. Account - CPF/GIS/TDS Etc.	3.8	5.4
Transfer of Capital Fund to Revenue Fund	0	0
Gross Total Expenditures	100	100

Table 5.4 | Share of head of account in gross total expenditure (in %)

Source: Municipal Budget of Guwahati, 2015–16 to 2016–17

Table 5.5 assesses the status of revenue realisation (actual collection) against budget allocation by GMC in 2013–14 and 2014–15. The GMC has been able to realize 52 per cent and 28 per cent revenue receipt against the budget estimates during these years. In case of tax revenues, the percentage of realisation has been 84 and 98 per cent, respectively; user charges

and the fees realised have been 71 per cent and 83 per cent against the budget estimates. Poor realisation can be seen in case of revenue grants contribution and subsidies (Gol), grants and contribution JNNURM (Gol), JNNURM (state share) and revenue grants contribution and subsidies (Gol).

Head of Account	2013–14	2014–15
Taxes Revenue	84	98.05
Details Income from Municipal (Market Budget)	75.99	28.1
User Charges and Fees	71.79	83.98
General Administration Fee and Other User Charges	65.11	298.67
Revenue Grants Contribution and Subsidies (Gol)	29.34	15.85
Grants And Contribution JNNURM (Gol)	0.88	0
JNNURM (State Share)	0	0
Revenue Grants Contribution and Subsidies (Gol)	54.64	26.26
Capital Account Loan and Advance U/S 124	0	0
Inter Head Adjustment	0	0
Bank Interest and Misc. Receipts	30	25.83
Rajiv Awas Yojana (HUPA)	0	0
D.D.P. (Kamrup Metropolitan Zilla Parishad)	0	60.82
Gross Total Receipts	52.39	28.21

Table 5.5 | Status of revenue realisation against budget allocation (in %)

Source: Municipal Budget of Guwahati, 2013–14 to 2014–15

Table 5.6 shows 26.18 per cent and 25.31 per cent fund utilisation in 2013–14 and 2014–15, respectively. Components like the JNNURM Urban Infrastructure and Governance and Other

Development Expenditure have shown poor utilisation of funds. There has been no fund appropriated to the Devolution Fund under Assam Nagar Raj Act, 2007, in 2013–14 and 2014–15, respectively.

Head Of Account	2013–14	2014–15
General Administrative Expenditure	38.06	58.15
Others Administrative Expenditure	32.67	27.99
GMC Cost Centre-Wise Expenditure	28.67	25.9
JNNURM Urban Infrastructure and Governance	0.48	0.13
Other Development Expenditure	13.31	11.22
Loans Advance	0	0
Devolution Fund under Assam Nagar Raj Act, 2007	0	0
Miscellaneous And Contingencies	66.64	23.13
Interest and Finance Charges	0	0
Refund/Repayment of Loans	0	0
Refund of Contractors Deposits, Etc.	33.3	44.85
Acquisition/Purchase of Fixed Assets	57.75	104.92
Capital Work in Progress	0	0
Payment to Govt. Account - CPF/GIS/TDS, Etc.	62.14	116.51
Transfer of Capital Fund to Revenue Fund	0	0
Gross Total Expenditures	26.18	25.31

Table 5.6 | Status of fund utilisation (in %)

Source: Municipal Budget of Guwahati, 2013–14 to 2014–15

From Table 5.7, it can be seen that the percentage share of expenditure for the urban poor in total expenditure was 4.4, 5.3, 7.7 and 5.6 per cent during the respective years. It shows that adequate budgetary priority was not given to the urban poor by the GMC. Overall, there has been fluctuation in terms of percentage share of expenditure for the urban poor in total expenditure across the years. But it did

not capture the expenditure done for the urban poor from JNNURM, Urban Infrastructure and Governance, JNNURM (State Share), Revenue Grants Contribution and Subsidies (Gol) and Revenue Grants Contribution and Subsidies (Gol) and depicts the percentage share of expenditure for urban poor under the BSUP programme and other small interventions in total expenditure of GMC from 2013–14 to 2016–17.

Financial Year	Total Expenditure (In Crore)	Expenditure for Urban Poor (In Crore)	% Share of Expenditure for Urban Poor in Total Expenditure
2013–14	452.29	20.00	4.42
2014–15	519.30	27.50	5.30
2015–16	430.60	33.44	7.77
2016–17	346.60	19.72	5.69

Table 5.7 | Share of basic services for urban poor in total expenditure (in %)

Source: Municipal Budget of Guwahati, 2013–14 to 2016–17

Table 5.8 illustrates component-wise analysis of revenue expenditure on basic services for the urban poor. Allocation has not been made under electricity charges at Harijan Colony and health and sanitation across the years. As we can see from the table,

conservancy, construction of drains, water supply, ward level developments and other services were given some amount of allocation. However, large amount was provided for the street lights.

Head of Account	2013-14	2014-15		2016-17
	Actual Expenditure	Budget Estimate	Revised Estimate	Budget Estimate
Electricity Charges at Harijan Colony	0	0	0.00	0.00
Health and Sanitation	0	0	0	0.00
Conservancy	0	3	1.00	1.00
Construction of Roads, Footpaths, Etc.	0	2	1	1.00
Water Supply	0	0.5	0.50	0.50
Construction of Drains	0	1	1	1.00
Survey Work for Infrastructure Deficiencies	0	0.1	0.10	0.10
Construction of Boundary Wall and Others	0	0.5	0.5	0.50
Street Light	0	25.72	15.00	15.00
Ward Level Developments and Others	0.0	0.6	0.8	0.6
Sub Total	0.0	33.4	19.9	19.7

Table 5.8 | Component-wise analysis of revenue expenditure on basic services for the urban poor (in INR crore)

Source: Municipal Budget of Guwahati, 2014–15 to 2016–17

VI CONCLUSION AND RECOMMENDATIONS

The analysis of the Municipal Budget leads us to the following conclusions:

- i. Budgetary priorities for the urban poor at the Union and State levels are found to be poor. However, it is also a fact that this data remains unavailable since granular data on budgetary expenditure for the urban poor is not maintained. The rate of utilisation of funds has been low due to poor planning, inadequate and unskilled human resources and delay in the release of funds.
- ii. The Urban Development Department (UDD) of Assam could not provide consolidated figures of actual receipts in respect of own revenues of all the urban local bodies (ULBs) in Assam. Thus, it lacked monitoring of own revenue resources of ULBs. ULBs have not submitted budget proposals regularly to the UDD. Funds were nevertheless released by the Government, without taking into account the actual requirements of ULBs, thereby diluting the budgeting process.
- iii. The Assam State Finance Commission (ASFC) recommended the devolution of funds during 2011–12 to 2015–16, out of which the Government of Assam had released the funds to ULBs. Thus, there was short release of funds to the ULBs which affected implementation of various welfare activities for overall economic development.
- iv. It was found that urban areas have not been given adequate priorities at the State level through centrally sponsored schemes, state sponsored schemes and devolution of fund through the SFC to ULBs. The Government of Assam did not fully implement the accepted recommendations of the SFCs. This not only adversely affected the financial powers and functions of the Municipal Boards but also deprived them of additional sources of revenue.
- v. In Assam, out of 18 subjects listed in the Twelfth Schedule of the Constitution of India, only eight subjects were transferred and implemented by the ULBs as on March 2016. However, Guwahati Municipal Corporation (GMC) could transfer four functions (as of March 2016).
- vi. The percentage share of expenditure for the urban poor in relation to the total expenditure of the GMC reflects fluctuation from 2013–14 to 2016–17. From the analysis, percentage share of expenditure for the urban poor in total expenditure has been 4.4, 5.3, 7.7 and 5.6 per cent during the respective years from 2013–14 to 2016–17.
- vii. While budgeting for the poor, allocation has not been made under sub-heads of electricity charges, health and sanitation across the years. Only conservancy, construction of drains, ward level developments and water supply was given some amount of allocation. However, large allocation was made for street lights. Additionally, devolution funds have been transferred to wards for preparation of local development plans.
- viii. In the consecutive Municipal Budgets of Guwahati there is no separate budgeting being done for Scheduled Caste and Scheduled Tribes, women and children.

KEY RECOMMENDATIONS

UNION GOVERNMENT

- Due to rapid increase in urbanisation, policy and budgetary priorities for the urban poor should also be increased at the Union level. Schemes for urban development initiated in 2015–16 [like PMAY(U), SCM, SBM(U), AMRUT etc.] should earmark funds for the urban poor and granular data on budgetary expenditure for the urban poor should be maintained. The rate of utilisation of funds should be in the Central schemes by strengthening the planning processes, taking on adequate and skilled human resources and expediting the release of funds.

STATE GOVERNMENT

- Core services like education, health, basic amenities and poverty alleviation should be transferred to ULBs with adequate budgets. However, more importantly, ULBs need to have a systematic reform in planning processes and devolution of functions and functionaries to them.
- The share of municipal own sources of revenues in total receipt needs to be increased through reform in tax base, tax rate and strengthening the tax administration.
- The Government of Assam should support ULBs in the state for augmenting collection of revenue and manage own resources effectively with regular assessment and levy of taxes and fees as per statutory provisions and regular revision of rates of taxes and fees.

MUNICIPAL CORPORATION

- The share of the urban poor in the total municipal budget is relatively stagnant because the GMC did not take into consideration other grants (SFC & CFC grants) as well as financial allocation under urban welfare schemes like SBM(U), PMAY(U), AMRUT, SCM and NULM. The scope of budgeting for the urban poor should be broadened in Municipal Budgets.

- ULBs should promptly collect revenues by adopting innovative measures such as setting-up of an improved information base or an effective management information system, quick bill collection, settlement of outstanding dues through special drives like holding of tax adalats, etc. should be explored at the municipal level by delegating autonomy to the municipal bodies.
- Maintenance of a comprehensive database of properties, tax payers, licenses and tenants to facilitate preparation of realistic budgets and periodic monitoring and evaluation of assessment and collection of taxes and dues.
- Constitution of a Municipal Corpus Fund in each Municipal Corporation and Municipal Boards (second-tier) for the purpose of local area planning and further it will facilitate people's participation in the budgeting and planning processes. Additionally, preparation of annual financial statements by the respective Municipal Boards/Municipal Councils is required.
- The Municipal Budget book should be accessible to people and the presentation of budgets at the municipality level should be reader-friendly, which in turn will reflect people's participation in budget making and implementation. There is a need to link financial data with physical data and pro-poor budgeting should be prioritised on the basis of similar data.
- The municipalities must clearly specify the methodologies and assumptions behind developing a Municipal Budget. The interest of weaker sections of society including the Scheduled Caste and Scheduled Tribes, women, children and persons with disability should be taken care of exclusively in the budget.

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ABOUT YUVA

Youth for Unity and Voluntary Action (YUVA) is a non-profit development organisation committed to enabling vulnerable groups to access their rights. YUVA encourages the formation of people's collectives that engage in the discourse on development, thereby ensuring self-determined and sustained collective action in communities. This work is complemented with advocacy and policy recommendations. Founded in Mumbai in 1984, currently YUVA operates in the states of Maharashtra, Madhya Pradesh, Odisha, Assam and New Delhi.

At the community-level, through an integrated 360-degree approach, YUVA delivers solutions on issues of housing, livelihood, environment and governance. Through research, YUVA creates knowledge that enhances capacity building. Through partnerships in campaigns, YUVA provides solidarity and builds strong alliances to drive change.