

13. INSTITUTIONAL FRAME WORK AND INSTITUTIONAL REFORMS FOR KANPUR

13.1 INTRODUCTION

Urban Areas are the engines of economic growth. The quality of civic infrastructure and civic services has a critical bearing on economic development of the city and State as a whole.

The 74th amendment to the constitution devolved the role of management and development of the city to the elected representatives of the city through the city's Urban Local Body (ULBs). Hence the ULBs are both the custodians of civil infrastructure and providers of civic services. Thus, ULBs are catalysts of economic growth of a city.

However, the management of a large city like Kanpur is a complex task and several institutions are involved in it, as shown below.

This chapter examines the institutional reforms and improvements that need to be made to these institutions.

13.2 AGENCIES INVOLVED IN PROVIDING URBAN SERVICES IN KANPUR

Government Departments

- Department of Urban Development GOUP
- Director of Local Bodies, GOUP
- Public Works Department
- State Pollution Control Board, Kanpur
- UP Tourism Department
- Superintendent of Police, (Traffic) Kanpur
- Archaeological Survey of India, Govt. of India's, Kanpur

Urban Local Bodies

- Kanpur Nagar Nigam (KNN)
- Kanpur Jal Sansthan (KJS)

Parastatal bodies

- UP JAL Nigam, Kanpur
- Kanpur Development Authority (KDA)
- UP Housing Board, Kanpur
- District Urban Development Agency (DUDA)

13.3 FUNCTIONS OF THE LOCAL BODIES

The UP Municipal Corporation Adhiniyam, 1959 as amended from time to time provides for majority of the function listed in the 12th schedule of the Constitution. These are:

- Urban planning including town Planning
- Regulation of land-use and construction of buildings
- Planning for economic and social development
- Roads and bridges
- Water Supply for domestic, industrial and commercial purposes
- Public health, sanitation, conservancy and solid waste management
- Fire services
- Urban forestry, protection of the environment and promotion of ecological aspects
- Safeguarding the interests of weaker sections of the society, including the handicapped and mentally retarded
- Slum improvement and up gradation
- Provision of Urban amenities and facilities such as parks, gardens, playgrounds
- Promotion of cultural, educational and aesthetics aspects
- Burials, burial grounds; cremations, cremation grounds and electric crematoriums
- Cattle Ponds; Prevention of cruelty to animals
- Vital Statistics including registration of births and deaths
- Public amenities including street lighting, parking lots, bus stops and Public Conveniences
- Regulation of slaughter houses and tanneries

13.4 KANPUR NAGAR NIGAM (KNN)

13.4.1 Functions of Kanpur Nagar Nigam (KNN)

The corporation is administered under the Uttar Pradesh Municipal Corporation Adhiniyam, 1959. The Act has been amended in 1994 by UP Act 12 of 1994 (w.e.f. 30 May, 1994), UP Act 26 of 1995 (w.e.f. 30 May 1995) and incorporates the amendments made in 74th CAA, 1992 including the functions given in 12th schedule of the constitution.

The duties and powers of the Corporation and Corporation authorities are detailed in Sections 114 of the said Act. The major functions being performed by Kanpur Nagar Nigam currently are:

- Public health, sanitation, conservancy and solid waste management
- Urban poverty alleviation
- Provision and maintenance of urban amenities and facilities such as parks, gardens, playgrounds.
- Provide and maintain the lighting of the public streets, corporation markets, and public buildings and other places vested in the corporation
- Maintenance of ambulance services
- Registration of vital statistics including births and deaths.

- Regulation of slaughter houses and tanneries
- Operation and Maintenance of burial grounds, cremation grounds, etc.

Though Water Supply and sewerage are also obligatory functions of Municipal Corporation as per the 12th schedule of 74th Constitutional Amendment Act (CAA), in the case of Kanpur they are looked after by Kanpur Jal Nigam and Jal Sansthan.

13.4.2 Organizational Structure:

The corporation is divided into two wings, viz. elected wing and the administrative wing. The corporation has an elected Mayor-in-Council System. The strength of the council is 110 in addition to the Mayor. The inner core area of Kanpur comprises of 67 wards out of total of 110 wards.

The previous Municipal Council which was headed by an elected mayor has completed its full term and as per provisions of the Act, the process of election has to be completed within six months.

The administrative wing of the corporation is headed by a Municipal Commissioner appointed by state government and supported by two Add. Commissioners also appointed by the state government.

The corporation is divided into six zones and each zone is headed by an Assistant Commissioner.

13.4.3 Revenue and Expenditure

The main sources of revenue of KNN are taxes (mainly property), license fees, rent of the municipal properties, interest, etc. The total receipt on revenue account including grants-in-aid has been estimated by KNN at Rs.193.25 crores and capital receipts are expected to be Rs.6.90 crores for the year 2006-07.

Against this the expenditure on revenue a/c is estimated at Rs.189.78 crores and outgo on capital account is estimated at Rs.958 crores. The opening cash balance as on 1.04.06 has been estimated Rs.5.68 crores which is expected to go up and close at Rs.6.47 crores at the end of the year i.e., as on 31.3.2007.

However, since the accounting is carried out on cash basis, the budget does not show payments not made. Thus KNN has outstanding liabilities of Rs 89.12 crores which include statutory payments like provident fund payment of the employees, pension to the employees for more than 14 months etc. the detail of these liabilities are attached at annexure

Hence, it may be concluded that the KNN is facing a serious liquidity problems and this has a cascading effect on morale, efficiency and in the ability of KNN to efficiently discharge its functions.

13.4.4 Property Tax

The property tax is one of the main items of internal revenue generation. It forms about 20% of total revenue of KNN and 50% of its internal revenue.

There are a total of 4.24 lakh properties in Kanpur, of which nearly 80% are residential properties as per details given below. In addition, there are another 10000-15000 new properties being added every year due to expansion of the city.

Details of Properties in Kanpur as on 31st June 2006

1.	Residential	3, 38, 114
2.	Commercial	77, 462
3.	Public Buildings	5, 810
4.	Industries	2,748
	Total	4,24,134

The number of assesses in Kanpur are however only 2.76 lakhs. This is explained by the fact that many institutional assesses hold several properties e.g. the labour commissioner holds about 29000 labour quarters, similarly Railways, HAL, IIT etc. Each hold multiple properties but are counted as a single assesses.

13.4.5 Reforms in Property Tax

Kanpur city introduced reforms in property tax in 1999-2000. It changed over from the earlier system based on 'Assessment of Rateable Value' (ARV) to a more transparent system based on the 'Unit Area based system' of tax assessment. This system not only does away with the subjectivity in assessment but is also amenable to self assessment.

However, despite best efforts in the last six years, it has not been possible to cover all properties under the 'Unit Area Assessment System'. Considerable time and energy of the officials of KNN has been directed towards improving the administration of the new property tax system.

In particular, the Nagar Nigam has been trying to tackle the following issues:

- To bring all properties under the ambit of property tax. This requires a proper inventory of all properties.
- To reassess the older properties on the new unit area based system in order to bring them in line with others and also increase the property tax collections. Since many of the older properties have been valued very low, their owners are loath to change to the new system which will increase their property tax.
- To update the Nigam's records for properties that have been rebuilt and in which considerable additional floor areas has been added and reassess the tax e.g. old bungalows giving way to multi storey flats.

The status of covering all assesses under the new unit area system is as follows:

• Total number of estimated assesses	2.82 lakhs
• Total number of assesses covered by property tax	2.74 lakhs
• Assesses covered under the unit area system	1.11 lakhs
• Assesses covered under the old system	1.63 lakhs
• Assesses still to be covered	0.08 lakhs

13.4.6 Actions plan to improve property tax administration

The following steps are being taken or proposed:

- Commission a fresh survey of all properties in the municipal boundaries, to have an up to date data base
- The survey is to cover not only location and type of property, but also a physical survey of the built area, date of construction, amenities available, whether rented or owner occupied etc.
- To update the GIS maps which were partly completed in 2000-01, but did not cover the entire city? To also load the survey data regarding properties on GIS, so that accurate and spatial data of properties is available. Some work in this direction has already started.
- To revise the rates of property tax by 10%, as provided in the Act. Public notices have been given and public comments/objections have been invited.

13.4.7 Likely impact of improving property tax administration

Based on experience of other cities which have undertaken steps to tighten property tax administration, it is expected that property tax receipts may double i.e. an increase of about Rs. 30 crore p.a. in 2-3 yrs time.

The improvement will be on account of:

- Change of old low ARV properties to unit area system
- Verification of self assessment by a survey
- Including properties hitherto not covered under the tax net
- Addition of new assesses as a result of new properties being added every year.

13.4.8 Improving management of the city

Several areas for improving urban management have been identified and these are detailed below:

13.4.9 Introduction of accrual accounting

Although the accounts of KNN are computerized and they are using the Tally software, accrual accounting is not being followed. We understand it is awaiting a notification from the GoUP.

Introduction of accrual accounting is one of the mandatory reforms and the MoUD, GoI has already issued a 'Municipal Accounting Manual'. Since the

basics for introduction of accrual accounting already exist in Kanpur, we suggest the following measures;

- The manual issued by MoUD should be adapted for needs of Kanpur
- Accrual accounting should be introduced with immediate effect after providing handholding support and training to the staff.
- The task of converting existing accounts of last two years into accrual accounting system should be outsourced to facilitate quick switch over.

This could be best done by commissioning an appropriate consultant.

13.4.10 Use of GIS based Urban Information System to improve management

GIS is a very powerful tool in improving city management and for getting spatial information about trouble spots, frequent breakdown points, analysis of outstanding against various bills, etc.

GIS also provides ready information about the city e.g. for asset management, about capital expenditure, about municipal property management etc.

Although the beginnings of a GIS system were made in Kanpur about five years ago, it is yet to be completed and widely adopted. We suggest the following measures:

- The construction and updating of the entire GIS system should be outsourced to an expert agency
- The GIS should be based on ground verification and all data about properties, roads, street lighting etc. should be inputted. This is a detailed and painstaking task and sufficient time and money should be allocated for it.
- Arrangements should be made to regularly update the GIS on a yearly basis.
- Various applications should be developed and users trained in using this very powerful management tool.
- The MIS system should be integrated with the GIS system.

13.4.11 Introduction of e-governance on a city wide basis

E-governance would improve management efficiencies of KNN and also improve service levels to the citizens, both in terms of availability of information as also in terms of better grievance handling. Areas for e-governance, besides accrual accounting and GIS which have already been mentioned above are:

- Computerization of bill payment section. Payments to be received on line
- MIS on collection efficiency and outstanding to be available on GIS
- Property details, area and year of construction to be computerized to facilitate calculation of property tax
- Administration and issue of trade licences to be on line, including payment and reconciliation of licence fee
- Computerization of registration details and land records

- Computerization of birth and death certificates and on line issue of certificates
- Computerization of public grievances and redressal mechanism
- Introduction of file tracking system to track movement and of files and their efficient disposal
- Introduction of asset management system to track O&M of assets and their replacement
- Computerized management of O&M of street lights, transformers, traffic signals etc.

13.4.12 Non-Tax Revenues

Besides property tax, the other main source of own revenues comprises of a number of items of non-tax revenues. Total revenues from rentals and fees amounts to nearly Rs 24 crores in 2005-06. Some of the important ones are 'Rent from Municipal Properties' and 'Licence Fees'.

13.4.13 Rent from Municipal Properties

KNN owns several properties in the city, which have been rented out as shops, schools and for other trade purposes. Since majority of these properties have been rented out long ago, the rents received are very low. The increase in rentals is currently pegged to 12.5% every 5 years by a circular of GoUP. With a low base, this provision for increase is thoroughly inadequate to bring the rentals inline with the market value.

Hence on the one hand, the KNN is financially strapped while on the other hand old tenants continue to pay unrealistically low rents.

13.4.14 Reforms in rental laws

- The GO limiting the increase in rent to 12.5% every five years should be rescinded and KNN permitted to find ways of bringing up the rentals to market value
- The rent laws should be modified to bring about a balance between the interests of the landlords and tenants. Those who are paying below the declared circle rates should not be provided protection under the Rent Control Act. It may be noted that the circle rates are generally lower than the market value thereby providing a cushion in favour of the tenant.
- Similarly properties beyond a certain size should not be covered by the rent control Act. That is to say that instead of the value of rent being the determining factor for coverage under the Act, the criterion should be changed to one of Area (separate for commercial use and for residential use)
- Those who have sub-let their premises to someone else in order to gain financially from the low rent being paid by them, should be permitted to be evicted or asked to pay market rent.

- To cushion the impact of increase in rentals, the tenants may be permitted to increase the rentals in stages over five years, so that sufficient time is provided to adjust to the increased rentals
- Those who refuse to pay the revised rents should be evicted, and properties re-rented at market rates

KNN can also consider that in future, market complex are built on self financing basis with an escalation clause and the allottee has to pay the actual cost worked out after completion as per laid down principles.

13.4.15 Licence Fees

Currently KNN rules provide for levy of licence fees to carry on businesses (trade) of various kinds. While many of them have obtained a stay order from the court, there are many others who haven't. However, the inventory of those who need to pay licence fees and an estimation of the licence fees has not been carried out for quite some time.

Some of the activities which require licensing include taxis, tempos, rickshaws, shops, trading activities etc. These could be an additional source of increasing revenue for KNN.

13.4.16 Actions required to improve Licence Fees

- Make an assessment of current coverage of licence fees and action required to reach full coverage
- Examine the possibility of introducing an amnesty scheme to hasten coverage by self declaration
- Make a task force to increase coverage of licence fee. If necessary, outsource the survey and increasing coverage. Incentive could be provided to the revenue collection staff as well.

13.4.17 Introducing Public Private Partnership to improve efficiency and reduction of cost

There are several areas of operation which are amenable to privatization, with the KNN taking on the role of the regulator. With this, the costs can be reduced, efficiency increased and KNN in the role of a regulator can ensure that the citizens of the city are getting a good quality service. Some of the areas amenable for Public Private Partnership are given below:

13.4.18 Door to door collection service for solid waste and introduction of user charge

Solid Waste Management is one of the major areas of costs of KNN and also accounts for maximum number of staff of the corporation. The following is suggested:

- Introduce door to door collection and levy of user charge
- Shift SWM on P-P-P basis, experiment with at least 4-6 contractors.
- The entrepreneur should be responsible for both providing the service and for collection of user charge. Community mobilization should be done by involving NGOs.
- The equipment for SWM may be provided by the KNN. This will ensure that the charges remain reasonable and in case of failure of a contractor to perform, starting with new contractors will be easier.

13.4.19 Improving parking and parking lots thru P-P-P

In order to streamline parking, introduction of parking lots has been included in the chapter on transport. The following is suggested:

- In order to maintain the parking lots and to provide proper parking service, parking is to be outsourced on P-P-P basis.
- Contractors can also be asked to pay certain royalty to KNN, which will be source of revenue
- If big, professional contractors can be made interested, construction of underground parking or multistorey parking may also be considered.

13.4.20 Outsourcing O&M of street lighting

The expenditure of KNN on street lighting is Rs 11 crore, of which about Rs 8 crore is on account of electricity charges and balance on O&M. Considerable savings are possible by P-P-P and outsourcing this function to some reputed contractor. Savings may be expected by way of:

- Savings in electricity by metering and exercising control on hours of lighting (currently electricity is charged on flat rate basis of Rs 850 p.m. per KWH)
- Savings in O&M by way of reduced repairs and replacement of burnt bulbs and light fixtures

13.4.21 Outsourcing of bill collection

Currently about 150 staff members are employed for property tax and other bill collection.

- There is a possibility of reducing this staff by outsourcing bill collection to a professional agency, who can issue bills, collect payments as also reconcile.
- The same agency can collect other bills as well e.g. telephone, electricity, water etc. Overall savings could be very substantial if we compute bill collection cost of each agency.
- In some cities, outsourcing the collection to cable operators has been very successful while in some other cities introduction of professional bill collectors has been successful.

- Bill collection could also be done through credit cards and banks.

13.4.22 Delegation of responsibility and power

Currently there are no clearly laid out rules/notification on responsibility and authority of different positions in KNN. An authority schedule has yet to be issued, laying out the authorities, both financial and administrative.

At present all executive powers vests in Municipal Commissioner. There are two Add. Municipal Commissioners but they have no administrative or financial powers delegated to them under the Municipal Corporation Act., 1959.

KNN has divided the city in six zones. Each zone is headed by a Dy. Commissioner. Though the functions have been allotted to them but no powers have been delegated. At present all the zonal offices are functioning from the KNN'S main building. These need to be shifted to the respective zones as soon as possible.

13.4.23 Action required

The state govt. may make by-laws under UP Municipal Corporation Act for delegation of both administrative and financial power to officers. This would not only give these officers a suitable status but also increase responsibility and accountability.

The major functions of central office shall be policy formulation, Planning, Direction, control and coordination of the activities of the zones.

13.4.24 Reduction of overheads

KNN employs nearly 4500 employees and nearly 50% of their expenses are accounted by the wage bill. Not only is the organization bloated and unwieldy, the large number adds to bureaucratic delays and feedback from various stakeholders suggests that KNN is viewed by them as an inefficient and corrupt organization. Much of this can change with many of the initiatives described above, including

SWOT Analysis-KNN



Organogram – Kanpur Nagar Nigam



13.5 KANPUR DEVELOPMENT AUTHORITY

The State Government established the Kanpur Development Authority (KDA) in 1974. It's the largest body of its kind in Uttar Pradesh (UP). It has been responsible since its inception for providing infrastructure related development to Kanpur City as the city expands. It operates primarily at the outskirts of the KNN area i.e. 8 km stretch beyond the KNN boundary. Today the organization has jurisdiction over an area as large as 300 sq. km, which includes 312 villages. As much as 12,000 hectares of land was obtained virtually free of cost as these belonged to the Gram Samaj.

The major functions of KDA are:

- Overall development of city
- Making & implementation of Master Plan
- Planning for infrastructure for KDA colonies and its construction
- Zoning of the city
- Maintenance of KDA colonies till its handing over to Kanpur Nagar Nigam

13.6 KANPUR JAL NIGAM

This organization was formed in 1927 to undertake responsibility for the water supply and sewage disposal of the State. Later in 1975 this department was transformed into Uttar Pradesh Jal Nigam under the Uttar Pradesh Water Supply and Sewerage Act, 1975.

As per the order of the central government, Kanpur Jal Nigam is currently in the process of transferring the operation and maintenance of the assets created under Ganga Pollution Control Unit to Kanpur Nagar Nigam.

The Ganga Pollution Control Unit in Kanpur was formed to undertake the construction and execution of the assets that were created under the Ganga action plan phase I. Three sewerage treatment plants and different sewerage pumping stations were constructed to take care of the effluent flowing into the river Ganga.

Under the Uttar Pradesh Water Supply and Sewerage Act, 1975, UP Jal Nigam has to carry out the functions of preparation, execution, and promotion of water supply and sewerage schemes, state plans for water supply, sewerage and drainage and to establish standards for water supply and sewerage in the state.

The Ganga Pollution Control Unit of UP Jal Nigam in Kanpur currently has total staff strength of 269. Out of these, 200 employees are working for Ganga Pollution Control Unit, whereas the remaining 69 staff employees are contracted out. The grant provided by the state government is the main sources of funds for Kanpur Jal Nigam.

SWOT ANALYSIS – KANPUR JAL NIGAM



13.7 KANPUR JAL SANSTHAN

Kanpur Jal Sansthan was established in the year 1976 under UP Water Supply and Sewerage Act, 1975 to provide a specialized organization to focus on operating and maintaining water supply and sewerage services. It worked under Kanpur Nagar Nigam till 1979 as its part.

In 1979, water supply and sewerage works were taken out from the activities of the Nagar Nigam and entrusted to a local authority duly constituted under the above Act.

In order that the Jal Sansthan responded to the aspirations and requirements of citizens, it had the Mayor of the KNN as the Chairman of Jal Sansthan Committee. The committee comprised of following members besides the Mayor/ Chairman;

- General Manager,
- Jal Sansthan;
- Municipal Commissioner, Kanpur Nagar Nigam;
- Superintending Engineer, Jal Nigam Kanpur;
- Senior Accounts Officer, nominated by Jal Nigam;
- Joint Director, Medical and Health; Director, Local Bodies, UP Government Lucknow.

In the year 2003, Jal Sansthan was merged with Nagar Nigam with the condition that Chairman and General Manager will have same powers as before. At present they are working independently.

13.7.1 Financial Performance of Kanpur Jal Sansthan (KJS)

KJS has at present total of 1,77,009 water connections -both domestic and commercial. The total revenue from water tax, water user charges, sewerage tax, sewerage user charges and miscellaneous income for the last financial year i.e. 2005 - 2006 has been estimated at Rs. 3078.80 Lakhs. Against this, the expenditure of KJS is Rs. 2774.29 lakhs. However, KJS has not made provision for a liability of Rs. 845.25 lakhs on account of power and electricity charges for the year. This means that there is in fact an excess of expenditure over revenue of Rs. 540.74 lakhs

Analysis of the expenditure of Rs.2774.29 lakhs for the year 2005-06 clearly shows that more than 70% of the expenditure is on establishment. After meeting the essential cost of procurement of chemicals, chlorine and bleaching powder etc., there is hardly any amount left for prevent in maintenance or development works. Only break-down maintenance and emergency works on complaints are done to keep the system going. KJS in fact is doing crisis management and slowly making the organisation sick. The sewage system is very old. Hardly any capital expenditure has been incurred on improvement of system, replacement of worn out pipes in the

last 10 year due to paucity of funds. The system in the inner core areas is more than 100 year old. UPJN has now made the estimate for the replacement of the old system in inner core area of the city and included in the infrastructure improvement under JNNURM.

13.7.2 Suggestions for Improvement of Financial Position

- 1) The properties assessed by KNN for property tax are 2, 74,205. However KJS has levied water tax and sewage tax on 1,58,955 properties only there is, therefore a scope for KJS to improve its water and sewage taxes. Hence KJS needs to reconcile its data with KNN and bring the left over assessed properties into its tax to shore up its revenues.
- 2) With the completion of GIS by KNN annual Rateable value of the properties shall go up manifold, KJS should therefore, keep a close liaison with KNN to get the required information for working out the revised water and sewerage taxes. This will give a big boost to KJS
- 3) As per KJS own admission, water losses due to leakage are 30% after accounting for stand post supply and other emergency sources which account for another 20%. There are no metering arrangements and it is very difficult to assess areas of high losses. With the proposed renovations and replacement of leaky old pipes under JNNURM the effort should be made to take special care that the losses are reduced to the minimum, thereby increasing the profitability.
- 4) There is a general feeling that water supply of KJS is not consistent and its quality of water is not good. The citizens do not take connections even though system exists in their areas because of these factors. KJS is therefore, required to take measures to improve their acceptability and creditability in the eyes of general public.
- 5) KJS should persuade and educate the people to take house connections and try to reduce the stand posts supply. KJS need to expand its distribution system in Municipal area to improve its revenues since availability of water has increased due to commissioning of 200 mld WTP from Ganga Baggage.
- 6) At present the cost of water is Rs. 5.26/1000L while recovery is only Rs. 4.13/1000L. KJS is maintaining the hand pumps while there is no generation of Revenue. System needs to be strengthened to reduce leakage and it needs to be expanded particularly in areas where distribution system has not reached.

13.7.3 Strategies to improve performance of KJS

- Since power is one of the major operating costs of KJS, it should take steps to make efficient use of power by (i) improving the condition of the pumps in operation or by introducing variable frequency drives (ii) reduce transmission and distribution losses in the system which cause wastage of power
- Reduce the non-technical staff to a minimal. Computerization of operations, introduction of e-governance, outsourcing of bill collection etc. will help reduce non-technical staff

- Similarly assess the requirement of technical staff and recruit or contract the requisite manpower to improve the service levels
- Increase efficiency of staff by devising on the job training program
- Create a data abase of the water and sewerage net work and integrate it with the property GIS with a view to widen the tax net
- Carry out a study and implement a system of metering throughout the city. New improvements in water meters have made them very reliable and accurate, such smart meters should be used, as is being done in other cities like Hyderabad and Bangalore.
- Experiment with outsourcing O&M in a few zones with a view to improve reliability and reduce costs. The private party could also be responsible for collection of bills.
- Increase the coverage of water connections by (i) improving the pressure in the supply lines and (ii) by improving reliability of supply by installing standby generators to pump water on time and stick to supply timings
- Improve quality of water supplied by repair and replacement of old pipes, with a view to reduce contamination.

SWOT ANALYSIS – KANPUR JAL SANSTHAN



Organogram of Kanpur Jal Sansthan



13.8 U.P. HOUSING AND DEVELOPMENT BOARD

U.P. Housing and Development Board have been set up under the Act of 1965 in April 1966. It has been established to implement the various housing and development schemes in a planned way and to bring harmony by keeping in mind the state level and national level residential policy and programmes.

The main objectives of U.P. Housing and Development Board are to:

- Make the plan for all residence related activities in the urban areas and to get them implemented fast and in effective way;
- Receive grant and loan from central and state government, commercial bank, financial organizations, public bodies etc.
- Acquire the land and construct roads, electricity, water supply, and other urban facilities and to arrange and distribute the land and constructed houses according to the demand from registered people
- Make special arrangement for the houses for the backward class and scheduled caste and tribe, security workers and freedom fighters.

13.9 OVERLAP OF INSTITUTIONAL RESPONSIBILITIES

The multiplicity of organizations involved in providing urban services makes the management of affairs of the city highly complex. It becomes essential to define the roles and responsibilities of each of the Agencies very clearly. The inter-relationships of various departments play an important role in making available good quality of services to the community /citizens of the city. More-over overlapping of some of the functions requires a high level of coordination.

The following table indicates the service-wise planning, implementation and operation and maintenance function being carried out by various agencies involved in providing services in Kanpur Urban Area. It will be seen that many services are being provided by more than one agency resulting in avoidable delays at the time of handing over the assets who has to ultimately maintain them.

Table 13.1 Institutional Responsibility Matrix

Institution's Responsibility			
Sector	Planing	Implementation	Operation and Maintenance
Land use/ Master Plan/Building Byelaws	K.D.A.	K.D.A.	K.D.A.
Water Supply	UPJN/KDA/UPHB for colonies developed by them/DUDA for slum area.	KJS/UPJN/DUDA for Slum	KJS/UPJN
Sewerage		KJS/UPJN	KJS/UPJN
Roads / Bridges / Flyovers / RoB / Multilevel Parking	PWD, KDA, KNN	KNN/KDA/PWD/ Housing Board/ UPSIDC	KNN/KDA/PWD UPSIDC/Housing Board
Traffic Control and Management Systems City Public Transportation	SP Traffic, RTA, KNN	KNN/Traffic Police	KNN/ Traffic Police / RTO
Street Lighting	KNN	KNN	KNN
Storm Water Drainage	KNN, UPJN	KNN / KDA	KNN
Solid Waste Management	KNN	KNN	KNN
Parks/Playground/Golf Course / Beautification of Road Intersections / Urban Forest	KNN, Forest, KDA, UPHB,	KNN/KDA/ Housing Board/ Forest	KNN/KDA/ Housing Board / Forest
Air, Water and Noise Pollution Control	SPCB	Pollution Control Board	Pollution Control Board
Slum Development	CDO,KNN, DUDA	DUDA/ KDA	DUDA
Urban Poverty Programme	KNN, DUDA	DUDA / DIC	DUDA / DIC
Housing for EWS		KDA/ Housing Board/ DUDA	KDA/ Housing Board/ DUDA
Public Conveyance		R.T.O.	R.T.O.
Heritage Building Conservation	KNN, Archaeological Department	Archaeological Department/ KNN	Archaeological Department/ KNN

13.10 KEY ISSUES

The critical issues that emerge from the existence of multiple Agencies include:

- Spatial and functional fragmentation
- Overlapping functions
- Multiple accountability lines
- High service delivery gaps and
- Increasing Urban poverty

13.10.1 Lack of clarity in local functions

The Constitution 74th Amendment Act, 1992 envisages that the functions listed in 12th schedule of the Constitution is entrusted to elected municipalities. This is with a view to minimize ambiguities and overlapping functions between local bodies and other authorities. However, in practice, several agencies are responsible for the functions and in some cases local bodies have no role.

13.10.2 Inter-institutional conflicts

The large number of departments, institutions, agencies and officers undertaking similar, related and overlapping functions or the functions not clearly defined lead to conflicts in operation. Moreover the various agencies over the same or overlapping jurisdiction and are not in a position to understand and evaluate the backward and forward linkages associated with these functions.

13.10.3 Municipal-Parastatal Coordination

There is a lack of coordination between urban local bodies and parastatals in areas such as inter-municipal, inter district and inter-state roads, Storm water drainage and sewerage, common amenities like whole-sale markets, truck terminals, bus stations, garbage dumping yards, landfill sites. The real problem is noticed in plan implementation. No clearly defined mechanism exists to take up such works in an integrated manner taking into account the geographical factors.

13.10.4 Managerial Coordination Issues

There are many managers connected with metropolitan service delivery and infrastructure management. All these make the task of metropolitan management highly complex and difficult. In addition to general coordination between urban and rural local authorities, there are several inter-departmental and inter institutional coordination issues, which arise in day to day administration of the metropolitan area.

13.10.5 Jurisdictional Issues

It is very difficult to arrive at a common boundary for all services. The geographical Area required for internalizing the costs and benefits of a service like urban transport, water supply, storm water drainage etc.

If such matching is not ensured, there will be perennial problems of service revenues falling short of service costs, mounting inter-institutional conflicts, increased cost of public administration, lack of integrated development and imposition of high social cost on the public.

Thus it is important that the jurisdictional issues are sorted out carefully. While it is important to keep the costs of metropolitan administration low, exploitation of development potential of the metro area and its contribution to national wealth and income should be the primary consideration for metropolitan spatial organization.

13.10.6 Grievance Redressal

The Grievance Redressal mechanism in the city is weak and the people are made to run from pillar to post for grievance redressal. There is also no proper platform to provide information to the citizens on all services. Lack of awareness and information is affecting the citizen's access to grievance redressal mechanisms. Though citizen's charters are established for the

service providing agencies, majority of the public is not aware of the duties and rights under the same.

13.11 INSTITUTIONAL STRATEGIES

There is a need to address the institutional and other challenges to provide good governance to the city. Unless the roadblocks are removed, economic development is hampered and efficient service delivery becomes difficult. This adversely affects the community particular the ‘poor’.

There is need, therefore, to restructure the governance framework, remove the roadblocks and streamline the lines of accountability. The governance reforms become all the more critical in the context of Kanpur, which has got the dying city reputation to become more competitive and to become an investment destination. The city should offer high quality services and promote inclusiveness and citizen friendly governance institution. Only when it is environment friendly and is well governed, the vision of the city can be realized. The institutional strategies required include:

- Spatial integration of KNN surrounding municipalities and their service providing agencies for better planning and delivery of services. (Kanpur Metropolitan Area).
- Establishing clear lines of accountability of service delivery agencies Constituting autonomous service delivery agencies in different structures like water supply, sanitation, sewerage, transport, roads, solid waste management etc. with KNN playing the role of a regulator.
- Performance based memorandum of understanding (MOU) between the Municipal Corporation (KNN) and various service delivery agencies, focusing on targets and outcomes.

13.11.1 Institutional Implementation Mechanisms

Within the overall framework, institutional and implementation mechanisms need to be worked out. These include:

- Establishing a Reform monitoring Unit as an ‘Overseeing Body’ to monitor the reforms under way and being proposed.
- Strengthening local Government capacities by outsourcing project management and M & E function
- Establishing appraisal mechanism for institutions and processes.

13.11.2 The Institutional and Governance Reform Strategies

- Strengthening decentralization – 74th CAA, 1992
- Evolving inclusive governance mechanisms
- Institutional integration
- Evolving partnerships for service delivery
- Evolving coordination mechanisms to overcome spatial and functional fragmentation.

13.12 A POSSIBLE AGENDA FOR STATE LEVEL INSTITUTIONAL REFORMS

13.12.1 General

- Implement the devolution of power to citizens of the city as prescribed in 74th CAA, 1992
- Development of a State Urban Development and Poverty Reduction Strategy.

13.12.2 Governance

The strategy performance cell should be established and its main job should be to keep track of new technology, best practices, and innovations in relation to improvement of municipal services in India and abroad. It may carry out experiments with the help of the local bodies in big cities like Kanpur, Lucknow, Allahabad, Agra, Varanasi etc and develop new ideas for improvement in municipal services.

- Development of a model citizen charter
- Guidelines for E-Governance
- Guidelines for out sourcing of services
- Developing partnerships in service delivery
- Simplification of planning regulations
- Develop framework for solid waste management
- Rationalization of stamp duty

13.12.3 Pro-Poor Strategies

- Preparation of Municipal action Plans for poverty reduction by ULBs
- Making available affordable water supply connection to below poverty line families
- New people friendly street vendor policy
- Notification of slums

13.13 CONCLUSION AND RECOMMENDATIONS

- Due to involvement of multiple agencies in providing urban services, there is a clear overlap of institutional responsibilities causing various problems. In view of the circumstances GOUP may consider issuing clear directions that Kanpur Nagar Nigam is the prime agency in providing urban services within the municipal area and any other agency that needs to take up urban development work within the KNN area shall obtain written permission of KNN before commencement of the work. These directions shall be in line with the constitution 74th Amendment which envisages that the functions listed in 12th Schedule of the constitution be entrusted to elected municipalities.
- While framing unit area rates for assessment of ARV of the properties, the market value of such properties needs to be kept in view but in

practice circle rates notified by District Magistrate which are much lower as compared to market rate are used. It is true that the property tax may work out much higher as compared to existing tax amount and it may not be possible to bridge the difference and implement the same. However, KNN needs to calculate the Unit Area rates as per provisions of the Act and bring to the notice of the government the true amount of tax and existing amount of tax for their guidance in the matter as to how to bridge the difference in amounts. Similar will be position regarding user charges levied with no relation to the cost of services.

In our view, true values need to be brought to the notice of the public and put for open debate. The matter needs to be discussed with various citizens' forum for their full participation in finding the solutions to these problems for improving the financial position of the service provider so that quality service is available to the citizens as most of the services have direct impact on the health of citizens.

The other alternative could be to constitute a statutory Regulatory Authority who shall mediate between service providers and beneficiaries and whose decision shall be binding on both the parties. Such type of regulatory bodies in the case of electricity, telecom, etc. already exists.

- Various suggestions for improvement of financial position of KNN and KJS need to be considered by them and immediate necessary action needs to be initiated for early results.
- KNN needs to ensure that the GIS is got completed within the time allowed to the GIS company and implementation part should start as a parallel activity as soon as property data starts pouring in.
- Various task force/ service delivery agencies needs to be constituted along with reform monitoring unit. Performance based MoU between KNN and various service delivery agencies focusing on target and outcome need to be entered into as early as possible.
- KNN has initiated to introduce e-governance in their day-to-day activities. It should be ensured that it is awarded and implementation is expedited and completed within time allowed to the contractor.