



MANAGING URBANISATION IN INDIA-PROGRESS SO FAR AND CHALLENGES AHEAD

Role of State Governments

K.Phanindra Reddy
Secretary, GOTN
**Municipal Administration &
Water Supply Department**

TN Urban Demography

Most urbanised state in the country with 48.5% people in urban areas

ULB	No.s	Population	Area * Sq.Km	Density
Corporations	10	14251794	1676	8503
Municipalities	125	9075672	2605	3484
Town Panchayats	529	8167559	7012	1165

*Constitutes 8.7% of the area of the state

Urban Growth

- Major cities growing at around 1 to 1.5% --surrounding Municipalities, Town panchayats and Village Panchayats growing at 2.5% to even up to 14%, putting enormous pressure on the infrastructure
- Investment requirement of Rs.34000 Crs in the urban areas in Tamilnadu in the next five years
- The urban local bodies have spent around Rs. 10000 Crs in the last five years with huge flow of funds from the State Government, JNnURM, UIDSSMT and loans from TNUDF and TUFIDCO
- As per Mc Kinsey report - In per capita terms, India's annual capital spending of \$17 is only 14% of China's \$116 and 4% of United Kingdom's \$ 391.

Key Indicators of Quality of Life

As per the report of Mc Kinsey Global Institute

Key Indicator	Current	Service Std	Best in class
Water supply in lpcd	105	150	220
Sewage treated % Treated	30	100	100
Solid Waste Collected %	72	100	100
Share of public transportation % of total trips	30	50	82
Parks and open space in Sq.mtrs per capita	2.7	9	16
Slum population % to total population	24	0	0

Sources of Income-Property Tax

In Crs

ULB	Property Tax	No. of Assesseees	Per Capita PT
Corporations	575	1688316	3406
Municipalities	299	2627767	1138
Town Panchayats	347	2487937	1395

Wide variations in per household property tax indicate potential for improvement

Particularly in Municipalities

Absence of Scientific assessment and periodical revision

Profession Tax

ULB	Professional Tax Rs.Crs	No. of Assessee*s	Per Capita PT Rs.
Corporations	151	265607	5676
Municipalities	56	359218	1600
Town Panchayats	39	222420	1757

•No. of organizations

Assigned Revenue

Entertainment tax

27

Surcharge on Stamp duty

401

Vacant land tax

- Corporations – Rs.18 Crs
- Municipalities- Rs.12 Crs
- **Most of the lay outs are in Town Panchayats and Village Panchayats**
- **Need for continuous revision of boundaries**

Non Tax Revenue

ULB	NTR Cr\$	As a % of Total Revenue
Corporations	323	18.50
Municipalities	309	24.25
Town Panchayats	190	26.50

Potential to improve Non Tax Revenue

SFC Devolution

ULB	2011	2012	2013
Corporations	688	856	980
Municipalities	940	1170	1340
Town Panchayats	665	827	948
Total	2293	2853	3268

Average growth of 19%

XIII FC – During 2010-15

- General Basic Grant - Rs.1550 Crs
- General performance Grant- Rs.821 Crs

Water A/C

ULB	Income	Expenditure
Corporations	65	100
Municipalities	78	145
Town Panchayats	46	143

Need to improve levy and collection of user charges

Major sources of project based funding

- JnNURM, UIDSSMT
- External Aided Projects viz WB, KfW, JICA
- Integrated Urban Development Mission – Rs.750 Crs P.A
- Chennai Mega City Development Mission – Rs.500 Crs P.A
- Infrastructure & Amenities Fund Rs.1500 Crs

Per Capita Support

ULB	Population	State Support Rs. Crs	Per Capita Rs.
Corporations	14327383		
Municipalities	9075672		
Town Panchayats	8167559		
Total	31495025	9628	3057

Per capita support is approximately \$ 51 which is a multiple of the national average

Adding own revenue of Rs. 3590 crs, the per capita expenditure by the ULBs in TN is estimated to be \$ 70

Innovations

- **TNUDF - PPP in Infrastructure Finance**
- **Two Parastatals - CMWSSB and TWAD Board in Water Sector to transcend administrative boundaries and provide technical services apart from creating infrastructure and operating**
- **NTADCL- Industrial Water supply to cross subsidise domestic**
- **PPP in STP- Alandur**
- **TTRO for Industrial Water Supply through PPP- Tuticorin**
- **Sale of Secondary Treated Sewage – CPCL, MFL, GMR**
- **Out Sourcing SWM and Street light maintenance**

The Challenge

- Governance
- Capacity
- Project focus
- Rigidity in Schemes
- Lack of delegation



Thank You

