

Chapter-VI

Human resources of Urban Local Bodies

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6.1 Limited powers over human resources

Adequate and qualified manpower is essential for the empowerment of Urban Local Bodies (ULB). Fifth SFC also recommended that a uniform staffing pattern for all ULBs in the State should be established and common norms should be fixed in this regard. Interaction among ULBs should be encouraged so that best practices of particular ULBs may be followed by others. Regional seminars may also be organised for this purpose. The Directorate of Local Bodies should play a pivotal role in this regard. The broad framework of functions carried out by ULBs is depicted in **Table 6.1**.

Table 6.1: Broad framework of functions carried out by ULBs

Sr. No.	Wing/Section	Functions
1.	Administration	General administration, including meetings of Councils and Committees
2.	Revenue	Assessment and collection of various taxes, rent, advertisements and other property related activities
3.	Accounts	Preparation and maintenance of accounts, preparation of budget, etc.
4.	Public Health	Sanitation, street sweeping, solid waste management and other public health related activities
5.	Engineering	Construction/O&M of roads, drains, buildings, parks, playgrounds, water supply and street lighting, etc.
6.	Town Planning	Town planning activities such as issue of building licences, etc.
7.	Welfare	Implementation of schemes relating to Social and Economic development.

Source: Departmental information

Section 71 of Punjab Municipal Corporation Act, 1976 (PMC Act) and Section 38 of Punjab Municipal Act, 1911 (PM Act) provide the following powers related to human resources to the State Government:

- The Government may make rules for regulating the recruitment and the conditions of service of members of the Corporation/Municipal Services and the classification of such services and for the duties and functions of the members of such services.
- The Government may transfer any member of a Corporation/Municipal Services from a post in one Corporation/Municipal Service to a post carrying the same scale of pay in another Corporation/Municipal Service.

- The salary, allowances, gratuity, annuity, pension and other payments required to be made to the members of the Corporation/Municipal Services in accordance with the conditions of their service shall be charged from the Corporation/Municipal Fund in the prescribed manner.
- Creation of posts in a Corporation/Municipal Service and appointment of members thereto shall be made by the Government or by an authority empowered by the Government in this behalf after taking into consideration the requirements of the Corporation/Municipal Service and their financial capacity but no such member shall be deemed to have been appointed to any Civil Service or post under the State.
- The powers of punishment or dismissal of any officer rests with the State Government.

The assessment of manpower should be based on the functions undertaken by ULBs with a view that majority of the functions which are service oriented have to be discharged within a reasonable time period. This assessment could be done best by ULBs themselves considering various criteria such as the extent of geographical area to be covered, the extent and type of population, the number of existing properties, etc. Audit observed that ULBs neither had the powers to assess the staff requirement nor to recruit the required staff. These powers were vested in the State Government. The State Government assessed the requirement of staff based on consideration and requirements of the Corporations/Councils/Nagar Panchayats and their financial capacity, as discussed in subsequent paragraphs.

The Department stated (August 2021) that the Government or Directorate was having various powers related to human resources in respect of provincialised cadre employees. Whereas, such powers with regard to non-provincialised cadre employees, who were higher in numbers *vis-à-vis* provincialised employees, vested with the concerned Municipality. It was added that majority of the functionaries were under the administrative control of Municipalities. The powers with the Government were not absolute and were generally exercised in the best interest of ULBs to streamline their functioning. The reply of the Department showed that the full autonomy had not been given to the ULBs to enable them to function as self-government institutions in line with the provisions of 74th CAA.

6.1.1 Recruitment of staff

In accordance with the Acts governing ULBs, the State Government regulates the classification, method of recruitment, conditions of service, pay and allowances, discipline and conduct of staff and officers of ULBs. The Punjab Municipal Corporation Services (Recruitment and Conditions of Service) (Third Amendment) Rules, 2015 lists out the Appointing Authorities for various categories of posts as indicated in **Table 6.2**.

Table 6.2: Appointing authorities for recruitment of staff

Sr. No.	Name of the post	Appointing Authority
1.	Executive Officer (Class I, II & III)	Government
2.	Joint Deputy Director	Government
3.	Chief Engineer	Government
4.	Superintending Engineer	Government
5.	Municipal Engineer	Government
6.	Senior Town Planner	Government
7.	Town Planner	Government
8.	Assistant Divisional Fire Officer	Government
9.	Assistant Town Planner	Director
10.	Assistant Municipal Engineer	Director
11.	Junior Engineer	Director
12.	Legal Assistant	Director
13.	Station Fire Officer	Director
14.	Sub Fire Officer	Director
15.	Superintendent (Grade II)	Director
16.	Head Draftsman	Director
17.	Draftsman	Director
18.	Accountant Grade I & II	Director
19.	Senior Assistant/ Inspector	Director
20.	Senior Scale Stenographer	Director
21.	Chief Sanitary Inspector	Director
22.	Sanitary Inspector	Director
23.	Building Inspector (Technical)	Director
24.	Personal Assistant	Director

Source: Government notification

The Department stated (August 2021) that the control at the end of the Government had been retained in order to maintain uniformity of rules, guidelines for implementation by ULBs. The reply of the Department was not in line with the provisions of 74th CAA.

6.1.2 Method of recruitment

As per provisions contained in the Punjab Municipal Corporation Services (Recruitment and Conditions of Service) (Third Amendment) Rules, 1975, recruitment for various category of posts in a service at the time of initial consideration shall be made by the appointing authority by absorption of persons already holding corresponding posts in the service of a Municipality provided they are found fit by an authority appointed by the Government in this behalf for becoming member of the service after taking into consideration their qualification and service record. The remaining vacancies and the vacancies which may occur thereafter shall be filled up in the following manner namely:

- ✓ Fifty *per cent* of the vacancies by direct recruitment; and
- ✓ Fifty *per cent* of the vacancies by promotion on seniority-cum-merit basis.

Provided that if no suitable candidate is available for appointment by direct recruitment or by promotion, the vacancies may be filled up by transfer or deputation.

The Government may from time to time by notification constitute a Selection Committee consisting of at least three officers of the Government and two non-officials who have sufficient experience in the functioning of ULBs and different Selection Committees for different categories of posts in a Service. Provided that at least one member of the Selection Committees shall belong to the Scheduled Caste.

6.1.2.1 During test-check of records of the Department of Local Government, Punjab (Department) Audit noticed that the Government of Punjab approved (October 2012) recruitment of vacant posts in different cadres/categories in Municipal Corporations/Councils/Nagar Panchayats, Improvement Trusts and PWSSB and decided that test for recruitment of these posts would be conducted through an independent agency. The Panjab University, Chandigarh was selected (March 2013) by three-member Committee for this purpose.

Accordingly, the Department invited (July 2015) applications to fill up 670 posts in different cadres/categories. The Hon'ble Punjab and Haryana High Court in a civil writ petition stayed (August 2015) the result of 32 posts of Executive Officers (Grade I & II), though the selection process was allowed to be continued. The written test for the purpose was conducted in November 2015. However, while the work of appointment was in progress, a vigilance case was registered (April 2016) and the recruitment process of 456 posts was cancelled (November 2016) by the Hon'ble Court with the directions to re-conduct the test of cancelled posts (March 2018); besides staying the result of 25 posts of Junior Draftsman.

Out of remaining 157 posts, only 84 candidates were selected for appointment under different cadres and no candidate was found eligible for selection in respect of balance 73 posts. However, the Department did not conduct re-test in respect of 456 posts, as per directions of the Hon'ble Court.

The Department stated (August 2021) that the recruitment in ULBs could not be made due to on-going court cases and efforts were being made to speed up the recruitment process. It was added that in order to meet the shortage of staff in respect of provincialised cadre employees, adjustments by way of giving additional charge, etc. was made by the Government so that urgent work in ULBs did not suffer. The reply of the Department was not convincing as in spite of shortage of staff, recruitment of only 84 posts in different categories was made during 2015-16 to 2019-20.

6.1.3 Powers over staff

The Second Administrative Reforms Committee (ARC) opined (October 2007) that the ULBs should have autonomy to recruit human resources and assess their performance measurement with suitable incentives and penalties.

It was, however, noticed that the powers to promote officials, initiate disciplinary action, impose penalties, etc. in respect of the provincialised cadre was with the State Government. In case of non-provincialised cadre, the ULBs exercised the power only with the approval of the State Government.

The Department stated (August 2021) that powers of promotion, disciplinary action, etc. were exercised by the Government/Director only in respect of provincialised cadre employees. The autonomy to recruit staff of non-provincialised cadre staff rested in ULBs and was being exercised by them. The reply of the Department in respect of provincialised staff was not in line with the recommendation of ARC.

6.2 Sufficiency and functioning of staff

6.2.1 Shortage of staff in Urban Local Bodies

The staff position under various categories of ULBs in the State during the period 2015-16 to 2019-20 is depicted in **Table 6.3**.

Table 6.3: Staff position under various categories during 2015-2020

Year	Category	Sanctioned Strength	Men-in-position	Vacancy	Percentage of shortage
2015-16	A	463	259	204	44.06
	B	2,131	1,240	891	41.81
	C	7,898	4,546	3,352	42.44
	D	27,470	20,877	6,593	24.00
Total		37,962	26,922	11,040	29.08
2016-17	A	475	283	192	40.42
	B	2,147	1,236	911	42.43
	C	7,864	4,349	3,515	44.70
	D	27,336	20,520	6,816	24.93
Total		37,822	26,388	11,434	30.23
2017-18	A	475	265	210	44.21
	B	2,154	1,275	879	40.81
	C	7,813	4,060	3,753	48.04
	D	27,309	19,933	7,376	27.01
Total		37,751	25,533	12,218	32.36
2018-19	A	473	264	209	44.19
	B	2,165	1,251	914	42.22

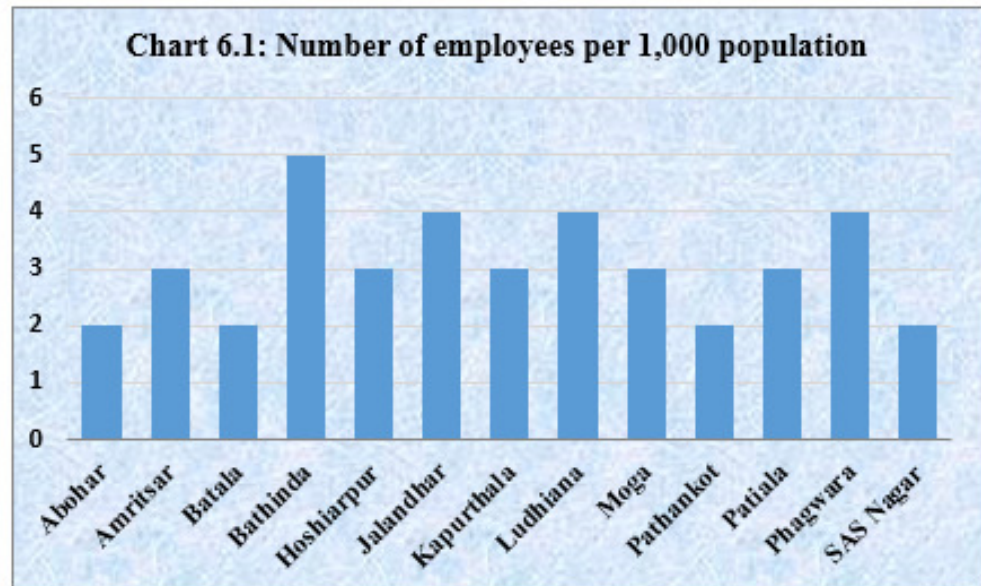
Year	Category	Sanctioned Strength	Men-in-position	Vacancy	Percentage of shortage
	C	7,810	3,927	3,883	49.72
	D	27,158	19,281	7,877	29.00
Total		37,606	24,723	12,883	34.26
2019-20	A	473	267	206	43.55
	B	2,161	1,238	923	42.71
	C	7,798	3,718	4,080	52.32
	D	27,102	18,620	8,482	31.30
Total		37,534	23,843	13,691	36.48

Source: Departmental information

Table 6.3 shows that there was shortage of staff ranging from 29.08 per cent to 36.48 per cent amongst various cadres/categories during 2015-2020. It was further noticed that:

- In 13¹ Municipal Corporations, the staff in different categories was short by 42.84 per cent.
- In five ULBs², 34 officers/officials under different cadres were posted in excess of the sanctioned strength and such excess staff could be deployed against the vacant posts in other ULBs. But no efforts were made by the Department in this regard.

Working strength in terms of number of employees per thousand population in 13 ULBs is shown in **Chart 6.1**.



Source: Departmental data

¹ (i) Abohar; (ii) Amritsar; (iii) Batala; (iv) Bathinda; (v) Hoshiarpur; (vi) Jalandhar; (vii) Kapurthala; (viii) Ludhiana; (ix) Moga; (x) Pathankot; (xi) Patiala; (xii) Phagwara and (xiii) SAS Nagar (MCs Abohar, Batala and Kapurthala came into existence after the audit period i.e. March 2020).

² (i) Batala; (ii) Jalandhar; (iii) Ludhiana; (iv) Patiala; and (v) SAS Nagar.

Chart 6.1 shows that out of 13 ULBs, for every thousand people, four³ ULBs had only two employees, five⁴ ULBs had three employees, three⁵ ULBs had four employees and one⁶ ULB had five employees. Evidently, the ULBs lacked adequate manpower to carry out efficient delivery of services. Thus, acute shortage of staff in the ULBs could hamper smooth/effective functioning of the ULBs.

The Department stated (August 2021) that every effort would be made to ensure that ULBs did not lack adequate manpower to carry out delivery of services in an efficient manner.

The Principal Secretary stated (August 2021) that a proposal of recruitment of 1,000 posts had been submitted to Punjab Public Service Commission and ULBs had been directed to recruit Group D staff on contractual basis keeping in view the revenue being generated by them.

6.2.2 Functioning of the Municipal Commissioner/Executive Officer

The Municipal Commissioner/Executive Officer was the executive head of the Municipality. In terms of the provision under Section 47 of PMC Act, the Government shall, by notification in the Official Gazette, appoint a Class I Officer of the Government with a minimum service as such of ten years as the Commissioner of the Corporation. Further, Section 3 of PM (Executive Officer) Act, 1931 read with Section 5(a) of PM Act provide that the Committee shall, by resolution to be passed by not less than five-eighths of the total number of members constituting the Committee for the time being, appoint a person within three months from the date of notification with the approval of the State Government as Executive Officer for a renewable period of five years. The Punjab Municipal Service (Recruitment and Conditions of Service) Rules, 1975, provided that the appointing, punishing, appellate authority in case of Executive Officer (Class-I, II and III) would be the State Government. Audit noticed that the provisions *ibid* were being complied with in the State of Punjab.

6.3 Capacity building

Special training programmes for the staff of ULBs may be helpful in the enhancement of their working knowledge and capabilities. The State Government should also take steps to create teams consisting of qualified technical experts in the field of finance, accounting, engineering and urban planning, etc. which could regularly undertake field visits and impart hands on training to the staff.

³ Abohar, Batala, Pathankot and SAS Nagar.

⁴ Amritsar, Hoshiarpur, Kapurthala, Moga and Patiala.

⁵ Jalandhar, Ludhiana and Phagwara.

⁶ Bathinda.

Audit observed that no Training need analysis had been done for the staff by any of the test checked ULBs. It was further noted that while no training for capacity building was imparted during 2015-16 and 2016-17, 182 officers/officials ranging between 0.75 *per cent* and 1.44 *per cent* of total men-in-position (excluding Group D employees) were nominated for capacity building training programmes during 2017-18 to 2019-20. The expenditure incurred on such training/courses was met directly from the grants released by MoUD.

It was further noticed that no mechanism existed to evaluate the impact of the training imparted to the staff of ULBs on the discharge of their functions. In the absence of any such evaluation, Audit could not ascertain whether the training imparted helped the participants in improving their skills and whether the course design needed revision.

Thus, non-providing adequate training to the staff as per requirement resulted in non-acquisition of enhanced skills by the personnel.

The Department stated (August 2021) that serious efforts would be made to arrange training programmes for staff of ULBs so as to enhance their skills. It was added that the course design of training programmes would be revised as per the present circumstances.

6.4 Conclusions

The ULBs were having minimal access to human resources, as is evident from the following:


- The ULBs neither had the powers to assess the staff requirement nor to recruit the required staff. These powers were vested with the State Government. The State Government assessed the requirement of staff based on consideration, requirements and financial capacity of the Corporations/Councils/ Nagar Panchayats.
- The State Government had the powers to regulate classification, method of recruitment, conditions of service, pay and allowances, initiate disciplinary action on staff of ULBs, transfer of staff across ULBs, etc.
- There was shortage of staff ranging from 29.08 *per cent* to 36.48 *per cent* amongst various cadres/categories during 2015-2020. In 13 major ULBs (Municipal Corporations), for every thousand people, four ULBs had only two employees, five ULBs had three employees, three ULBs had four employees and one ULB had five employees. Evidently, the ULBs lacked adequate manpower to carry out efficient delivery of services.
- Training to staff for capacity building was deficient, as only 0.75 *per cent* to 1.44 *per cent* of total men-in-position (excluding Group D employees) were nominated for capacity building training programmes during 2017-18 to 2019-20.

6.5 Recommendations

In the light of the audit findings, the State Government may like to consider:


- (i) *empowering autonomy to ULBs to assess, recruit and manage human resources commensurate with their needs and functions; and*
- (ii) *ensuring adequate manpower to ULBs, besides imparting need-based training to staff to enable them to carry out efficient delivery of services.*

Chandigarh
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(PUNAM PANDEY)
Principal Accountant General (Audit), Punjab

Countersigned

New Delhi
The 28 February 2022


(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

