

CHAPTER VI

IMPLEMENTATION OF SCHEMES

ULBs were assigned to implement various Central/ State sponsored developmental schemes during the periods covered under audit.

Various points noticed in connection with implementation of schemes are narrated below:

6.1 National Slum Development Programme (NSDP)

NSDP a Centrally sponsored scheme was introduced in the year 1996-97 with the objective of overall development of slum areas under ULBs by providing basic amenities like shelter, water supply, healthcare, sanitation, education and connectivity by construction of roads, etc.

6.1.1 Poor utilisation of NSDP Grants

There was an opening balance of Rs.21.71 crore with 56 ULBs under National Slum Development Programme at the commencement of 2003-04. They received Rs.14.56 crore during the year but the ULBs spent only Rs.17.17 crore (being 47 per cent) leaving a balance of Rs.19.10 crore (Appendix 17). The ULBs did not record any reasons for such slow implementation of the programme.

The above position reflects that ULBs did not assess and monitor the programme implementation, which resulted in poor absorption of NSDP grants, thereby undermining the Government efforts in providing basic amenities to slum dwellers.

6.1.2 Slum area not declared

Programme guidelines of NSDP require each ULB to declare its slum areas/pockets before execution of developmental works. In violation of the guidelines 22 ULBs incurred an aggregated expenditure of Rs. 14.79 crore for

implementation of the NSDP during the period from 2002-03 to 2004-05 (Appendix 18).

Due to non-declaration of slum areas by ULBs, it could not be ascertained in audit if benefits reached the targeted people.

6.1.3 Engagement of contractor

To ensure participation of the community in the development process, ULBs are required to implement NSDP departmentally with the guidance and advice of the Community Development Society (CDS) and Neighbourhood Committee (NHC), to be constituted for this purpose.

However, 28 ULBs engaged contractors for execution of works valuing Rs.13.72 crore under NSDP instead of executing the same departmentally involving CDS and NHC (Appendix 19).

Due to execution of works through contractors, loss to the ULBs by way of contractor's profit calculated at the rate of 10 *per cent* of the value of the works amounted to Rs.1.37 crore, thereby defeating the objective of involving the communities in the works.

6.1.4 Utilisation of grants beyond the purview of the NSDP

17 ULBs had incurred an aggregated expenditure of Rs.1.16 crore from NSDP grants towards garbage clearance, maintenance of roads, salary and administrative expenditure and procurement of materials/ equipment, electrification works etc. which were not within the scope of the scheme (Appendix 20).

6.1.5 No expenditure incurred for shelter less people

Although 10 *per cent* of the NSDP grants were earmarked for construction of shelter for people of slum areas who were shelterless, 24 ULBs did not take up any work for construction of shelter in violation of the guidelines during the year 2002-03 and 2004-05.

Thus, in these ULBs, shelterless beneficiaries were deprived from getting benefit of Rs.1.42 crore earmarked under the NSDP (Appendix 21).

6.1.6 Absence of Slum Development Committee

ULBs engaged in slum development activities must create Slum Development Committee (SDC), which would oversee all slum development programmes within the urban area. Test check revealed that five ULBs¹⁵ spent Rs. 1.09 crore during the period 2002-03 and 2003-04 without setting up of SDC. As a result the quality of works executed and the extent to which benefits reached the slum dwellers could not be ensured.

Taki and Garulia Municipalities did not even set up the CDS during the period 2002-03 and 2003-04 for performing various community development activities.

6.2 Basic Minimum Service (BMS)

The scheme of BMS was introduced in the year 1996 to improve the quality of life of all sections of society by providing seven basic services like safe drinking water, primary health, primary education, housing, supplementary nutrition, connectivity and streamlining public distribution system in a time bound manner.

6.2.1 Poor utilisation of BMS grants

Test check of implementation of the scheme during the year 2003-04 revealed that 53 ULBs had an opening balance of Rs. 8.89 crore and received Rs.2.94 crore during the year. The ULBs utilised only Rs.6.27 crore leaving a balance of Rs.5.56 at the close of the year (Appendix 22). The financial performance of twelve ULBs was between zero and 22 *per cent* only. The ULBs did not furnish any reason for such poor utilisation of grants.

¹⁵ Contai NA, Dhuliyān Rs.37.33 lakh, Garulia Rs.25.54 lakh, North Dum Dum Rs.17.46 lakh and Taki Rs.28.48 lakh.

The poor utilisation of BMS grants reflects that the implementation of the scheme by ULBs was tardy thereby depriving the inhabitants of the areas of access to improved basic services.

6.2.2 Engagement of contractors

To ensure participation of the community in the development process, ULBs are required to implement BMS scheme departmentally.

In violation of the above guidelines, eight ULBs¹⁶ engaged contractors for execution of works valuing Rs. 1.47 crore under BMS. This defeated the objectives of active involvement of the community, besides resulting in a minimum avoidable expenditure of Rs. 14.71 lakh towards contractors' profit included in the schedule of rates.

6.2.3 Diversion of BMS grants

Nine ULBs¹⁷ diverted an aggregated expenditure of Rs.62.82 lakh from BMS grants for repairs of road/shisu uddayan, land development, excavation of *khal*, which were not within the scope of the scheme.

6.3 Swarna Jayanti Sahari Rozgar Yojana (SJSRY)

The Swarna Jayanti Sahari Rozgar Yojana (SJSRY), a scheme sponsored by Government of India and State Govt. (75:25 basis) was launched in the year 1997 with the objective of providing gainful employment to the unemployed or under employed urban poor through setting up of self employment ventures or wage employment.

The SJSRY comprised two special schemes viz.

- (i) The urban self employment programme (USEP)

¹⁶ Bansberia Rs.19.34 lakh, Birnagar Rs.0.92 lakh, Gangarampur Rs.42.44 lakh, Garulia Rs.21.55 lakh, Kalna Rs.26.87 lakh, Rampurhat Rs.4.52 lakh, Raniganj Rs 9.81 lakh and Taki Rs.21.65 lakh.

¹⁷ Alipurduar Rs.10.82 lakh, Chandrakona Rs.1.48 lakh, Gangarampur Rs.12.99 lakh, Haldibari Rs.3.15 lakh, Kaliaganj Rs.8.43 lakh, Mathabhanga Rs.15.47 lakh, Rampurhat Rs.4.52 lakh, Raniganj Rs.1.34 lakh and Taki Rs.4.62 lakh.

- (ii) The urban wage employment programme (UWEP)

6.3.1 Utilisation of SJSRY grants

Details of grants received from Government for implementation of SJSRY and utilisation thereof during the year 2003-04 of 55 ULBs revealed that there was an opening balance of Rs.2.82 crore and an amount of Rs.6.56 crore was received during the year. The above ULBs utilized only Rs.3.90 crore being 42 *per cent* of available fund leaving a balance of Rs.5.48 crore (Appendix 23). The financial performance of 25 ULBs ranged between zero and 38 per cent. The ULBs did not furnish any reasons for under utilisation of available funds.

Considering the availability of funds and the percentage of huge population below poverty line, the utilisation of funds was even below 50 *per cent* of available fund.

6.3.2 Irregularities in implementation of SJSRY

On scrutiny of records made available to audit, the following irregularities in implementation of SJSRY in ULBs were noticed.

- (i) Under the programme, under-employed and unemployed urban youths are encouraged to set up small enterprises relating to servicing, petty business and manufacturing which have a lot of potential in urban areas. For this purpose, beneficiaries are trained under the programme to develop their skills at a unit cost of Rs.2000 per trainee. On completion of the training programme, each beneficiary undertakes a project at a maximum cost of Rs.50000 and 95 per cent of project cost is sanctioned as composite loan (including 15 *per cent* subsidy) by the bank.

Test check in audit revealed that Uttarpara-Kotrang and Kharagpur municipalities imparted training to 400 (2002-04) and 700 (2002-03) beneficiaries respectively but did not initiate appropriate action for availing loan in order to enable the beneficiaries to undertake the project work.

Due to inaction on the part of the ULBs, the main objective of the programme viz. self employment remained unfulfilled.

On the other hand Bhadreswar Municipality recommended 114 cases to the bank, which rejected 94 cases on the ground that applicants did not have technical knowledge or that the mode of employment sought for by them was not viable. The inadequacy of training imparted to the aspirants and the unrealistic/unviable employment proposals put forth deprival of the eligible beneficiaries of the assistance from Government for self employment.

Jhargram Municipality transferred Rs.1.00 lakh to the bank during the year 2002-04 representing subsidy to be paid to the beneficiaries along with loan amount. The amount remained unutilised as of March 2005.

(ii) No administrative and departmental work is allowed to be charged on SJSRY. In spite of this, Baduria Municipality and Chandannagar Municipal Corporation charged expenditure of Rs.1.93 lakh and Rs.0.92 lakh respectively on this account during the year 2003-04 and 2004-05 in violation of scheme guidelines.

(iii) Kharagpur Municipality and Uttarpara Kotrang Municipality had a closing balance of Rs.14.33 lakh and Rs.2.18 lakh respectively as on March 2004 whereas complete utilization of fund was reported to State Urban Development Authority for the same period, which shows incorrect reporting resulting in overstatement of expenditure to that extent.

(iv) The Urban Wage Employment Programme (UWEP) was not at all taken up by Chandannagar, Kharagpur, Baduria and Uttarpara-Kotrang during the period 2002-03 to 2004-05. Thus, beneficiaries were deprived of getting benefit of this component.

(v) Contai Municipality executed works departmentally valuing Rs.10.75 lakh under UWEP during 2003-04. The estimate of the works included 10 per cent as contractors' profit which resulted in excess expenditure of Rs.1.07 lakh.

(vi) During the year 2002-03 and 2003-04 Taki Municipality paid advance of Rs. 7.33 lakh under urban wage employment programme to the councillors

for execution of work in violation of Government order. As of March 2005 the Municipality could adjust only Rs. 3.82 lakh. Test check revealed that no administrative approval was obtained for execution of work and Community Development Society was also not involved which was in violation of Government norms for the implementation of the scheme.

6.4 Eleventh Finance Commission

Eleventh Finance Commission (EFC) recommended local body grants to augment the Consolidated Fund of the state governments to supplement the resources of the municipalities on the basis of recommendations of the State Finance Commission. The recommendation was made with a view to maintaining civic services like primary education, primary health care, safe drinking water, street lighting, sanitation and maintenance of cremation and burial grounds in urban areas. The scheme was launched in the year 2000-01.

6.4.1 Utilisation of EFC grants

Test check of utilization of EFC grants by 61 ULBs during the year 2003-04 revealed that out of the available fund of Rs. 29.60 crore, an amount of Rs.17.34 crore was utilized leaving an unspent balance of Rs. 12.27 crore (ULB wise details shown in Appendix 24). The utilisation of available funds by Baidyabati Municipality was as low as 6 *per cent*.

Poor utilization of funds indicates lack of proper planning by the ULBs to utilise resources for improvement of intended civic services.

6.4.2 Diversion of fund

Four ULBs¹⁸ diverted an amount of Rs.84.01 lakh during the year 2002-03 and 2003-04 for construction of office building and payment of wages for casual labour which did not fall under the objective of the scheme.

¹⁸ Bansberia Rs.15.77 lakh, Nabadwip Rs.43.90 lakh, Santipur Rs 18.57 lakh and Siliguri Rs.5.77 lakh.

6.5 Member of Parliament Local Area Development Schemes

Under the Member of Parliament Local Area Development Schemes, launched in the year 1994, each member of Parliament has the choice to recommend works for implementation in their constituencies. The selection of the works should be developmental in nature based on local need.

6.5.1 Utilisation of grants

Test check of grants under MPLAD scheme in 24 ULBs for the year 2003-04 revealed that they had an opening balance of Rs.1.12 crore and received an amount of Rs.4.50 crore. During 2003-04, an amount of Rs. 3.58 crore only was utilized. The utilization by three ULBs varied between zero and one *per cent* of the fund available (Appendix 25).

Poor utilization of grants by the ULBs indicates inefficiency in monitoring the implementation of the scheme, thereby depriving the local inhabitants from the benefits of developmental works.

6.5.2 Irregular expenditure

The works under the scheme were to be implemented either by Government or by reputed non-government organization. Engagement of private contractors was prohibited.

Test check revealed that seven ULBs¹⁹ executed work valued at Rs.1.23 crore during 2002-03 and 2003-04 violating guidelines of the scheme.

¹⁹ Bhadreswar Rs.26.57 lakh, Bidhannagar Rs.3.42 lakh, Contai Rs.38.20 lakh, Kalna Rs.8.24 lakh, Katwa Rs.9.42 lakh, North Dum Dum Rs.25.98 lakh, Suri Rs.11.39 lakh.