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CRISIL Risk and Infrastructure Solutions Limited

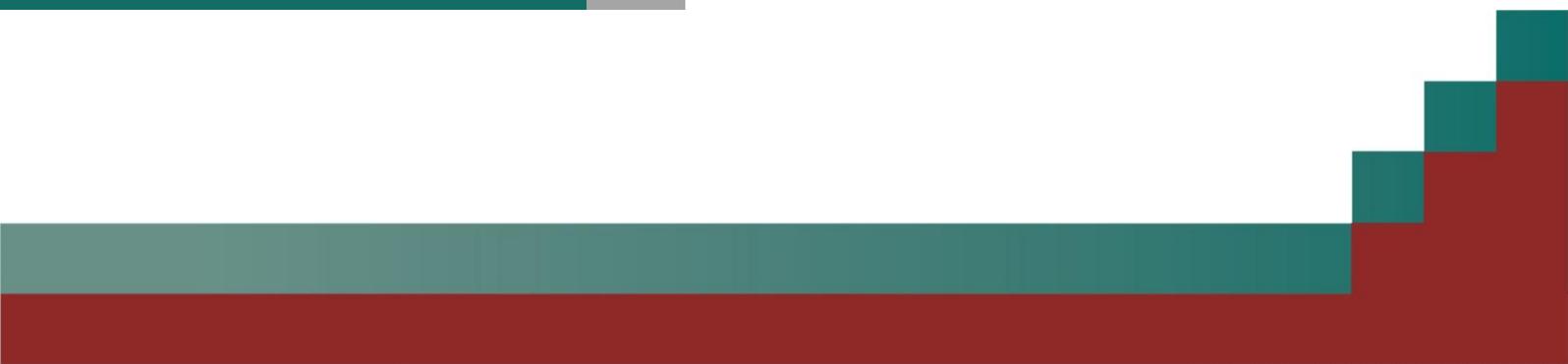
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**Ministry of Urban  
Development,  
Government of India**

**Capacity Building for Urban  
Development**

**Rapid Baseline Assessment  
Shimla City  
Draft Report**

October 2013





## Certification

<b>Report Prepared by</b>	<b>CRISIL Infrastructure Advisory Team</b>
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<b>Report Validated by</b>	<b>Request for validation has been sent to nodal officer<sup>1</sup></b>

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<sup>1</sup> Once the certificate is received from the ULB, the same shall be submitted to CBUD Cell

## List of Abbreviations

BPL	Below Poverty Line
BSUP	Basic Services to Urban Poor
CAA	Constitutional Amendment Act
CRIS	CRISIL Risk and Infrastructure Solutions
DCB	Demand Collection Balance
DPC	District Planning Committee
DPR	Detail Project Report
EWS	Economically Weaker Section
GIS	Geographical Information System
HIMUDA	Himachal Pradesh Urban Development Authority
HPMC Act	Himachal Pradesh Municipal Corporation Act
HPSEB	Himachal Pradesh State Electricity Board
HPTDC	Himachal Pradesh Transport Development Corporation
IDP	Interim Development Plan
IHSDP	Integrated Housing Development Project
IIAS	Indian Institute of Advanced Study
INR	Indian Rupees
IPH	Irrigation and Public Health
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
LIG	Low Income group
LPCD	Liters per Capita per Day
MIS	Management Information System
MLD	Million Liters per Day
MSW	Municipal Solid Waste Management
NGO	Non-Government Organization
NMMP	National Mission Mode Project
NRW	Non-Revenue Water
PWD	Public Works Department
SADA	Special Area Development Authority
SDA	Shimla Development Authority
SEHB	Shimla Environment Heritage and Beautification Society
SFC	State Finance Commission
SMC	Shimla Municipal Corporation
SWM	Solid Waste Management
TCP	Town and Country Planning

UFW	Unaccounted for Water
ULB	Urban Local Body
UTTA	Unified Traffic and Transportation Authority



# Contents

Certification .....	iii
List of Abbreviations .....	iv
Contents.....	vi
<b>1. Project Background.....</b>	<b>1</b>
1.1 CBUD Project.....	1
1.2 Rapid Baseline Assessment .....	1
1.3 Brief Approach and Methodology.....	2
1.4 Methodology.....	2
<b>2. Executive Summary.....</b>	<b>4</b>
2.1 General information.....	4
2.2 Municipal Governance .....	4
2.3 Municipal Financial Management .....	7
2.4 Urban Service Delivery .....	10
2.5 Urban Planning .....	14
2.6 Key Issues.....	15
2.6.1 Municipal Governance .....	15
2.6.2 Municipal Finance Management.....	15
2.6.3 Urban service delivery .....	15
2.6.4 Urban Planning .....	16
2.7 Capacity-Building areas .....	16
2.7.1 Municipal Governance .....	16
2.7.2 Municipal Financial Management .....	17
2.7.3 Urban Service delivery.....	17
2.7.4 Urban Planning .....	18
<b>3. City Profile.....</b>	<b>19</b>
3.1 Evolution of City .....	19
3.2 Population trends .....	19
3.3 Key Findings.....	21
<b>4. Urban Governance.....</b>	<b>22</b>
4.1 Municipal Corporation Shimla .....	22
4.2 Status of 74 <sup>th</sup> Constitutional Amendment Act .....	22

4.3	Status of MPCs and DPCs .....	24
4.4	Assessment of human resource development at ULB .....	24
4.5	Assessment of trainings and trainings programmes .....	25
4.6	Status of citizen’s charter .....	26
4.7	Status of e-governance implementation and the support required therein .....	26
4.8	Indicators .....	27
4.9	Key concerns/recommendations .....	27
4.10	Capacity building needs for urban governance .....	28
<b>5.</b>	<b>Municipal Financial Management .....</b>	<b>29</b>
5.1	Overview of Municipal Finances .....	29
5.2	Revenue Account .....	30
5.2.1	Revenue Expenditure .....	32
5.3	Capital account .....	32
5.4	Key Municipal Financial Assessment – Indicators .....	33
5.4.1	Key Highlights .....	34
5.5	Key Issues .....	34
5.6	Capacity Building Areas .....	35
<b>6.</b>	<b>Urban Service Delivery .....</b>	<b>36</b>
6.1	Water Supply .....	37
6.2	Sewerage .....	39
6.2.1	Issues .....	40
6.3	Solid Waste Management (SWM) .....	41
6.4	Storm Water Drainage .....	42
6.5	Roads and Streetlight .....	42
6.6	Housing and infrastructure for Urban Poor .....	43
6.7	Issues .....	43
6.7.1	Water Supply: .....	44
6.7.2	Sewerage .....	44
6.7.3	Solid Waste Management .....	44
6.7.4	Institutional Structure .....	44
6.8	Status of Projects under JNNURM and BSUP .....	45
6.9	Recommendation for capacity building .....	46
<b>7.</b>	<b>Urban Planning .....</b>	<b>47</b>
7.1	Urban Planning Functions and Reforms .....	47



7.2	Roles and responsibilities of ULB and parastatals.....	47
7.3	Status of master plans and land use plans .....	47
7.3.1	Landuse statement and key highlights of the master plan .....	48
7.4	Key concerns in Planning of Hilly areas.....	49
7.5	Recommendations .....	50
7.6	Capacity Building Areas .....	50
<b>8.</b>	<b>Annexures.....</b>	<b>52</b>
8.1	List of Reference in the report.....	52
8.2	List of Official Met (1 <sup>st</sup> May- 5 <sup>th</sup> May 2013) .....	52
8.3	Minutes of the meeting.....	52
8.4	Qualitative Questionnaire .....	56
8.5	Quantitative Questionnaire.....	77

## List of Tables

Table 1: Population Growth- Shimla .....	20
Table 2: Demographic Indicators .....	20
Table 3: Status of transfer of 18 functions under 74 <sup>th</sup> CAA .....	22
Table 4: Status of implementation of e-governance in SMC .....	26
Table 5: Governance Indicators .....	27
Table 6: Municipal Finance- Revenue Details- SMC .....	30
Table 7: Properties in Shimla Municipal Corporation.....	31
Table 8: DCB Statement for Property tax in Shimla Municipal Corporation .....	31
Table 9: Municipal Finance- Expenditure Details- SMC .....	32
Table 10: Municipal Financial Indicators .....	33
Table 11: Institutional Framework for Service Delivery in Shimla.....	36
Table 12: Service Level Indicators- Water Supply.....	38
Table 13: Sewage Treatment Plants in Shimla.....	39
Table 14: Service Level Indicators- Sewerage .....	40
Table 15: Service Level Indicators- Solid Waste Management .....	41
Table 16: Service Level Indicators- Storm Water Drainage.....	42
Table 17: Landuse- Draft Development Plan Shimla, 2021.....	48
Table 18: ULB Key contacts.....	77
Table 19: ULB Profile .....	77
Table 20: Workers details in ULB .....	77
Table 21: Land use break-up .....	77
Table 22: Financial Status.....	78
Table 23: DCB Statement of Property Tax .....	78
Table 24: Sources of water supply.....	79
Table 25: Storage reservoirs.....	79
Table 26: Sewerage Distribution .....	79
Table 27: Annual tariff for metered and unmetered connections .....	80
Table 28: Service level benchmarking .....	80
Table 29: Status of Projects under JNNURM/ UIDSSMT/ BSUP/ IHSDP .....	80
Table 30: Sewerage Network.....	80
Table 31: Sewerage connections.....	81



Table 32: Source-wise quantity of waste generation .....81

Table 33: Infrastructure for transportation of waste .....81

Table 34: Status of mandatory reforms under JNNURM .....81

Table 35: Status of optional reforms under JNNURM .....82

## List of Figures

Figure 1: Location Map of Shimla .....	19
Figure 2: Municipal Corporation Shimla .....	22
Figure 3: SMC Organizational Structure .....	25
Figure 4: Roads/ Pedestrian Network on the city.....	43
Figure 5: Existing Landuse Pattern .....	48
Figure 6: Shimla Planning Area and Urban Sprawl .....	49



# 1. Project Background

With growing population in urban areas in India, tremendous pressure has been put on key urban services and service delivery mechanism at city/town level. In order to overcome these issues at ULB level, Government of India (GoI) had launched Jawaharlal Nehru National Urban Renewal Mission (JNNURM) to augment the capacity building of ULBs by implementing the projects and reforms across the selected ULBs in India.

While there has been good progress in implementation of reforms at policy level at state and central level. However, Institutional strengthening and capacity buildings initiatives are yet to be initiated in most of the ULBs. Further, the service levels are not up to the mark in most of the ULBs. The need of the hour is to focus on capacity building aspects at ULB level to improve the service delivery mechanism and enhance the revenue improvement measures to make the ULBs self-sustainable.

## 1.1 CBUD Project

In order to give an impetus to reforms under JNNURM, the MoUD and Ministry of Housing and Urban Poverty Alleviation (MoHUPA) had launched a new project called “**Capacity Building of Urban Development**” (CBUD). The project had been launched with support from The World Bank. The project has following three components:

1. **Capacity Building for Strengthened Urban Management.** This component is aligned with the infrastructure and governance sub-mission of JNNURM and will thus support technical assistance across the several urban management topics.
2. **Capacities Building for Effective Urban Poverty Monitoring and Alleviation.** These capacity building initiatives are aligned with the basic services to the urban poor sub-mission. They reflect the need for building information systems, sharing experiences, and designing strategies on urban poverty alleviation.
3. **Implementation Support.** This component will support a national Project Management Unit (PMU) for providing overall technical and managerial support during the implementation of the Programme. The PMU will have a critical role in promoting and support the project.

Under the CBUD project, MoUD had initiated various studies such as preparation of CDPs, CSPs, training needs assessment, transport related studies, reduction of non-revenue water related studies, city and zonal support studies etc. In particular, the study on Rapid Baseline Assessment precedes all these studies.

## 1.2 Rapid Baseline Assessment

In order to provide a baseline for project implementation & broadly identify the capacity gaps and training needs, MoUD initiated the whole process with a Rapid Assessment of the status of the ULBs selected for participation in the CBUD project.

The Rapid Baseline Assessment has majorly two-fold objectives,

- **Firstly** to set up a baseline of the 30 cities. This baseline would be helpful for MoUD to monitor the progress in the city under the CBUD programme in mid and long term and
- **Secondly** to identify the capacity gaps in implementing the reforms and service delivery benchmarks and identifying areas of intervention and the support to be provided to utilities.

The study targeted to cut across the four major interrelated aspects mentioned below:

1. **Municipal Financial Management;**
2. **Municipal Governance;**
3. **Urban Planning and Land use; and**
4. **Urban Service Delivery.**

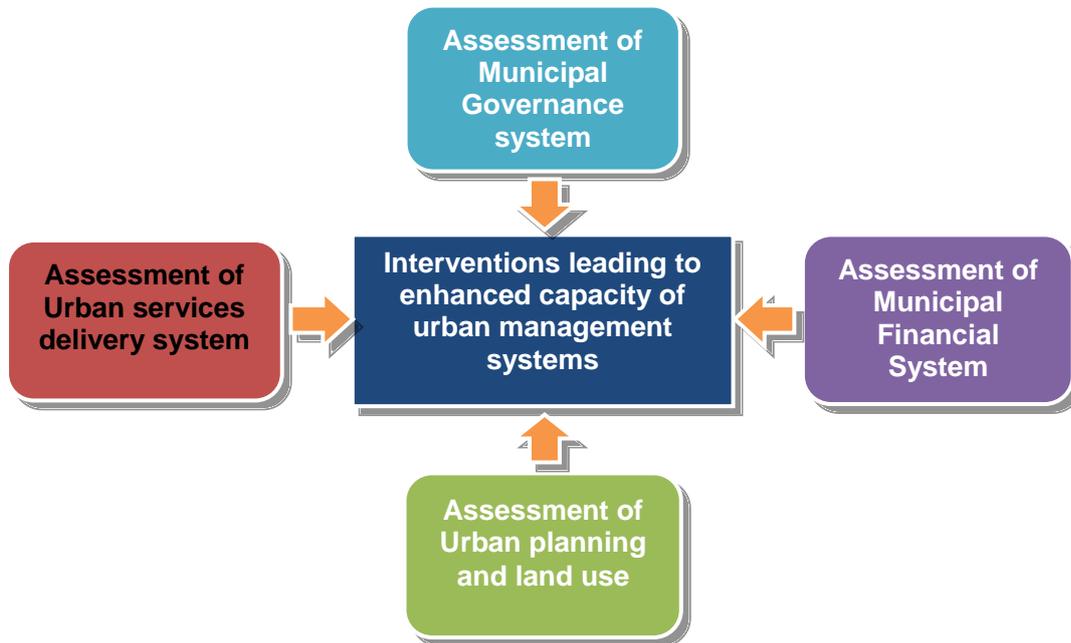
To undertake this study, MoUD appointed CRISIL Risk & Infrastructure Solution Limited (CRIS) as consultant to carry out rapid assessment for 30 selected ULBs across the county. As part of the study, CRIS followed the scope of work as defined in the ToR.

### 1.3 Brief Approach and Methodology

The progress of implementation of the reforms and poverty alleviation programmes were taken into consideration while studying each of the ULBs to gain an understanding on the quality and efficiency of Urban Management mechanisms and to further propose interventions to enhance the ULBs performance.

The four Functional Areas are interrelated and have significant impact on each other. Each of these Functional Areas was dealt individually before they were integrated to realize the overall Goal of the Project. A 'Part-to-Whole' approach was adopted to ensure clarity of tasks and activities proposed to strengthen each of the Functional Areas. The flowchart below illustrates the overall framework adopted to achieve the goal of the assignment at hand.

**Figure 1: Rapid Baseline Study – Process mapping**



### 1.4 Methodology

The following in brief step by step actions were taken to prepare the Rapid Baseline Report at City Level

- Kick off meeting with MoUD
- Desk Research
- Questionnaire formulation (qualitative and quantitative)
- ULBs/ parastatals visit and detailed discussion and data collection

- Report preparation, expert review
- Submission of the draft report to MoUD and City

## 2. Executive Summary

### 2.1 General information

Sr. No.	Particular	Details
1	Name of the City	Shimla
2	Key Economic Drivers	Tourism, Capital City and Educational Centre
3	Total Population (2011)	1,69,758 persons
4	Floating population (if any, in case of tourist cities)	75,000 per year
5	Total Slum Population	11,655 (7% of total population)
6	Decadal Growth Rate (2001-2011)	17.89%
7	Total Area of ULB	35.54 sq. km
	Forest Area	8.6 sq km
8	Density	4776.53 persons per sq. km
9	Literacy Rate	77.76%
10	Sex Ratio	916 females per 1000 males

### 2.2 Municipal Governance

#### General Information

Sr. No.	Particular	Details
1	Formation year of the ULB	1871
2	No. of wards	25 wards
3	Whether local body is in place	Yes
4	The city has following no. of citizen facilitation centres	The ULB has proposed to set up 4 CFCs (These are named as Sugam Centre and will be setup with the assistance of IT Deptt. Himachal Pradesh, for providing citizen services to the public).
5	The ULB has implemented the following acts <ul style="list-style-type: none"> <li>Right to Information (RTI)</li> </ul>	SMC has implemented the following <ul style="list-style-type: none"> <li>RTI</li> </ul>

Sr. No.	Particular	Details
	• Right to Service (RTS)	• Citizen Charter
6	Sanctioned Staff (as on 3-9-2011)	1280 person
7	Actual Staff (as on 3-9-2011)	1174 person
8	Staff on contract (as on 3-9-2011)	53 person
9	The recruitment of staff is governed by	Himachal Pradesh Services Rules
10	The recruitment rules are of the following year	1989
11	The state has created Municipal Cadre (yes/no)	Yes
12	The ULB has a training curriculum and has budgets for training (yes/ no)	No

**Transfer of functions (as part of 74<sup>th</sup> CAA)**

Sr. No.	12th Schedule Functions	Incorporated in the Act	Implementing Agency
1	Urban Planning including town planning	Yes	Town and Country Planning Department
2	Regulation of land-use and construction of buildings	Yes	Town and Country Planning Department
3	Planning for economic and social development	Yes	Town and Country Planning Department
4	Roads and bridges	Yes	State Transport department
5	Water supply- domestic, industrial and commercial	Yes	Irrigation and Public Health (I&PH)
6	Public health, sanitation, conservancy and SWM	Yes	Shimla Municipal Corporation (SMC)
7	Fire services	Yes	State Department
8	Urban forestry, protection of environment and ecology	Yes	State Forest Department
9	Safeguarding the interests of weaker sections society including the handicapped and mentally retarded Slum improvement and upgradation	Yes	Social, Justices and empowerment department
10	Slum Improvement / Up gradation	Yes	Shimla Municipal Corporation (SMC)
11	Urban poverty alleviation	Yes	Shimla Municipal Corporation (SMC)
12	Provision of urban amenities and facilities- parks, gardens and playgrounds	Yes	Shimla Municipal Corporation (SMC)
13	Promotion of cultural, educational, and aesthetic aspects	Yes	Shimla Municipal Corporation (SMC)
14	Burials and burial grounds, cremations, cremation grounds and electric	Yes	Shimla Municipal Corporation (SMC)

Sr. No.	12th Schedule Functions	Incorporated in the Act	Implementing Agency
	crematoriums		
15	Cattle pounds, prevention of cruelty to animals	Yes	Shimla Municipal Corporation (SMC)
16	Vital statistics including registration of births and deaths	Yes	Shimla Municipal Corporation (SMC)
17	Public amenities including street lighting, parking lots, bus stops and public conveniences	Yes	Shimla Municipal Corporation (SMC)
18	Regulation of slaughter houses and tanneries	Yes	Shimla Municipal Corporation (SMC)

#### Status of E-Governance Services

Module	Status	Remarks
Property tax	In Progress	Module Initiated but shall be integrated as a part of the implementation of e-governance project under NMMP.
Accounting	In Progress	Standalone module was initially implemented. Now not in use. SMC and shall be integrated as a part of the implementation of e-governance project under NMMP
Water supply and other utilities	Implemented	Bills have been computerized by I&PH
Birth and death registration	Implemented	Module was implemented on standalone basis but now it shall be integrated as a part of the implementation of e-governance project under NMMP.
Citizen's grievance monitoring	Partially Implemented	Module was implemented on standalone basis but now it shall be integrated as a part of the implementation of e-governance project under NMMP.
Personnel management system	In Progress	Module was implemented on standalone basis but now it shall be integrated as a part of the implementation of e-governance project under NMMP. Currently only salaries are transferred through ECS.
Procurement and monitoring of projects	Not Initiated	Proposed as a part of the DPR
E-procurement	Not Initiated	Proposed as a part of the DPR
Project/ward works	Not Initiated	Proposed as a part of the DPR
Building approval Plan	Not Initiated	Proposed as a part of the DPR
Health programmes	Not Initiated	Proposed as a part of the DPR
Licenses	Not Initiated	Proposed as a part of the DPR

Module	Status	Remarks
Solid Management Waste	Not Initiated	Proposed as a part of the DPR

Particular	Brief Details
Status of Citizen Charter	<p>The citizen charter covers the following services:</p> <ul style="list-style-type: none"> <li>• Municipal Solid waste management</li> <li>• User Charges for Door-To-Door Garbage collection Scheme</li> <li>• Procurement of various licenses including</li> <li>• Birth &amp; Death Registration and Procedure for Procuring the Certificate</li> <li>• Rate List For Investigation – Public Health Laboratory, MC Shimla</li> <li>• New water and sewerage connection</li> </ul>
Public Disclosure	<p>The various form of community participation are through</p> <ul style="list-style-type: none"> <li>• Ward Committees</li> <li>• RWAs</li> </ul> <p>The disclosure in the form of progress reports, programmes and projects is done through website and general meeting. SMC needs to strengthen its management systems in terms of procurement. Currently only tenders are posted online.</p>

## 2.3 Municipal Financial Management

### *Existing Status – Municipal Financial Management*

Sr. No.	Particular	Shimla Municipal Corporation
1	The accounting system in the ULB is (Single Entry/ Double Entry)	Double Entry Accounting System
2	Balance Sheets are prepared uptill the year	2011-12
3	Valuation of assets completed uptill the year	2011-12
4	The asset register is manage on a (real-time/ intermittent) basis	Intermittent
5	Double entry accounting system is practiced on (real-time/ intermittent) basis	Intermittent
6	The ULB has adopted the municipal codes of (NMAM/ State accounting codes/ others if any)	NMAM
7	Account codes are linked with budget codes (Yes/No)	No
8	Ledgers and other statements are maintained on (real-time/ intermittent) basis	Intermittent

Sr. No.	Particular	Shimla Municipal Corporation
9	Budget planning is done based on (past year's data/ based on actual requirements)	Past year data
10	Budget is prepared through a consultative process with various stakeholders	No. The discussions are held with various departments while formulating the budget
11	Trainings that are being provided to the staff for the new accounting system	Very limited training has been provided to the in house staff.
12	The ULB follows (post/ pre audit)	Post-Audit
14	The accounts have been audited uptill the following year	2011-12
15	For the following the ULB has a separate budget	<ul style="list-style-type: none"> <li>Urban Poor – Yes for urban poor they have a separate account</li> <li>Water and Sewerage has a separate head in the budget</li> </ul>
16	The ULB has	<ul style="list-style-type: none"> <li>Specific provision of Rs.96.80 lacs has been kept in the municipal budget for the year 2011-12 for urban poor.</li> <li>The funds earmarked are 5% of the budget.</li> </ul>
17	Does the ULB has exposure to Debt	<ul style="list-style-type: none"> <li>SMC does not have exposure to Municipal Bonds</li> <li>World Bank/ ADB and other multilateral agencies</li> </ul>
18	The officials have undergone following trainings	<ul style="list-style-type: none"> <li>Double Entry Accounting System –Training was imparted to the staff last year 2011-12</li> </ul>

### Existing Status - Municipal Finance

Sr. No.	Particular	Details
1	The ULBs Municipal Credit Rating has been	BB
2	Over the past five years the Revenue Account has been in (surplus/ deficit)	Deficit
3	The key source of revenue receipts for the ULB is	<ul style="list-style-type: none"> <li>Property Tax</li> <li>User Charges (Water Supply and Sewerage)</li> <li>Rental from Properties</li> <li>License Fees</li> </ul>
4	The key area of municipal expenditure is	<ul style="list-style-type: none"> <li>Establishment and Administrative Expenses</li> <li>Operation and Maintenance</li> </ul>

Sr. No.	Particular	Details
5	The ULB levies property tax based on (ARV/ Unit Area method)	Since 2013-14, SMC has moved to Unit Area Method.
6	User charges are determined on the basis of	User Charges are adopted on adhoc basis and are very low to meet the existing expenditure and hence ULB are unable to meet the burden of the

### **Municipal Financial Indicators**

Sr. No	Indicators	Value
1.	Own revenues as a proportion of total revenue receipts (Rs 2653 lakhs/ Rs 3992 lakhs)	66%
2.	Per capita own revenues (2653 lakhs / 1.69 lakhs)	Rs 156.3
3.	Non-tax revenues as a proportion of own revenues (Rs 1285 lakhs / Rs 2653 lakhs)	48%
4.	Per capita property tax demand (Rs 897 lakhs/ Rs 1.69 Lakhs)	Rs 528
5.	Coverage for property tax net (13,313 properties assessed / 25,000 total properties)	53 %
6.	Property tax collection performance (Rs 668 lakhs / 897 Lakhs - Current ) (Rs 743 lakhs /1394 lakhs - Including Arrears)	74% (Current) 53% (Including Arrears)
7.	Water charges collection performance (Total Demand = 7.5Cr, Total Collection = 5 Cr)	67%
8.	Operating ratio (revenue expenditure/ revenue receipts) (Rs 4998 lakhs / 3992 lakhs)	1.18
9.	Per capita O&M expenditure (Rs 1121 lakhs/ 1.69 lakhs)	Rs 663
10.	Salary as percentage of Revenue Income (Rs 3342 lakhs / 3992 lakhs)	84%
11.	Salary as percentage of Revenue Expenditure (Rs 3342 lakhs /46.98 Lakhs )	71%
12.	Staff per 1000 population	7

Sr. No	Indicators	Value
	(Total Staff =1174 ; Total Population = 1.69 lakhs)	
13.	Debt Servicing Coverage Ratio ( $\leq 1.50$ ) - (O.S+D.S / D.S)	Not Applicable
14.	Debt Service Ratio (Max 25%) - (Debt/ Revenue income)	Not Applicable

## 2.4 Urban Service Delivery

### Functions Roles & Responsibilities

Services	Planning and Design	Construction	Operation and Maintenance
Bulk Water Supply	I&PH	I&PH	I&PH
Water Supply Distribution	SMC	SMC	SMC
Sewerage	I&PH / SMC	I&PH/ SMC	I&PH / SMC
Drainage	I&PH / SMC	I&PH/ SMC	SMC
Storm Water Drainage	I&PH / SMC	I&PH/ SMC	SMC
Main Roads and By Roads	I&PH / SMC	I&PH / SMC	SMC
Internal Roads	I&PH / SMC	I&PH / SMC	SMC
Street lighting	HPSEB/SMC	HPSEB/SMC	SMC
Fire services	SMC/ Fire Department	SMC/ Fire Department	SMC/ Fire Department
Open Parks	TCP	SMC	SMC
Transportation	HRTC/HPBMDA	HRTC/HPBMDA	HRTC/HPBMDA
Vertical Transport (Elevator)	PWD	PWD	Tourism Department
Housing	HIMUDA	HIMUDA	HIMUDA
Basic Services to urban poor	DoUD	SMC	SMC
Urban Forest	Forest Department	Forest Department	Forest Department
Public Convenience	I&PH / SMC	NGO	NGO

SMC- Shimla Municipal Corporation

I&PH-Irrigation and Public Health

HRTC- Himachal Pradesh Road Transport Corporation

HPTDC- Himachal Pradesh Transport Development Corporation

HPSEB- Himachal Pradesh State Electricity Board

HPBMDA- Himachal Pradesh Bus Stand Management and Development Authority

TCP-Town Country and Planning

HIMUDA- Himachal Pradesh Urban Development Authority

### Other Information

Sr. No.	Particular	Details
1A	The ULB has prepared infrastructure master plan for	The city hasn't prepared any infrastructure master plan
1B	The ULB has prepared CSP in the year	2011
2A	DPR prepared for following infrastructure services	<p>The ULB has prepared DPR for these sectors</p> <ul style="list-style-type: none"> <li>• Water Supply</li> <li>• Sewerage</li> <li>• Solid waste</li> </ul>
2B	The ULB is looking forward to support the preparation of the DPR for	They need support in preparation of DPRs for storm water drainage. DPRs have been prepared for Water Supply, Sewerage and SWM. Water Supply and Sewerage project faced a lot of implementation challenges and the project has been withdrawn.
3	Following are the safeguard (social and environmental) measures the ULB takes while planning for developmental projects	SMC does not have any specific measure adopted as the social and environmental safeguards. However, for each environment related project EIA clearance is taken.
4A	The ULB is aware and has put in place	SMC has put in efforts for undertaking a study of service level benchmarks and the support is provided by GIZ. As a part of this study it is envisaged that the the Information System Improvement Plan (ISIP) and Performance Improvement Plan (PIP) shall be prepared at a later stage. Currently SMC don't have these in place.
4B	The ULB has taken initiative for following to increase the performance of SLB indicators	<ul style="list-style-type: none"> <li>▪ To improve the SLB indicators, projects were undertaken under JNNURM for water supply, sewerage and SWM</li> <li>▪ SWM – door-to-door collection, transportation, treatment and disposal</li> <li>▪ Under the provision of BSUP, the basic infrastructure like road, light, water supply, sewer line provided to urban poor to improve the social environment</li> </ul>
5	The ULB has an internal legal department to deal with contractual issues (yes/no)	Yes.
6	The service delivery departments have attended following trainings/workshops	<p>There has been limited trainings imparted to the officials of SMC</p> <ul style="list-style-type: none"> <li>• Accounting reforms</li> <li>• Implementation of PPP projects</li> </ul>
7	The ULB is planning or has experience of undertaking following on the PPP	ULB has floated tenders for water supply on PPP basis; however this has received limited response from the bidders. Shimla being a hilly region and difficult terrain not many private players are interested to execute projects in Shimla.

**Service Delivery Indicators**

Sr. No	Indicator	Value	MoUD Bench Mark
	<b>Water Supply</b>		
1	Coverage of water supply connections (%)	70%	100%
2	Per capita quantum of water supplied (lpcd) <i>(Total water supply – 19.5 MLD; Population –1.69lakhs )</i>	110-115 lpcd	135 LPCD
3	Extent of metering of water connections (%) <i>(Total Metered connections = 24,000; Total connections = 40,000 )</i>	70% (approx.)	100%
4	Extent of NRW (%)	25%	20%
5	Continuity of water supply (hours per day)	1.5 Hrs/day	24 hours
6	Quality of water supplied (%)	Data not available	80%
7	Efficiency in redressal of customer complaints (%)	90%	100%
8	Cost recovery in water supply services (%) <i>(Total Amount Collected= 5 Crore, Total Cost Incurred= 12. Crore )</i>	42%	100%
9	Efficiency in collection of water related charges (%)	70%	90%
10	Cost per kiloliter of water produced (Rs/ kl) <i>(Total Annual Cost= 12.5 Cr; Total Water Supplied= 31 MLD)</i>	11.04 Rs/ KL	
	<b>Sewerage and Sanitation</b>		
1.	Coverage of toilets (%)	Not Available	100%
2.	Coverage of sewerage network system (%) <i>Only in 17 wards there is sewerage network and other wards are yet to be covered</i>	70%	100%
3.	Efficiency in collection of sewage (%) <i>Total Sewerage collected = 8MLD</i>	30%	100%
4.	Adequacy of capacity for treatment of sewage (%) <i>(Total Sewerage generated = 35 MLD Total Capacity of STP = 35.63 MLD)</i>	100%	100%
5.	Quality of treatment (%)	No treatment	100%
6.	Extent of recycling or reuse of sewage (%)	Not initiated but proposed as a part of the project under JnNURM	20%
7.	Efficiency in redressal of customer complaints <i>(As per discussions)</i>	75%	100%
8.	Extent of cost recovery in sewage management (%) <i>(Sewerage charges are collected along with water supply)</i>	42%	80%
9.	Efficiency in collection of sewage charges	17%	90%
	<b>Solid Waste Management</b>		
1.	Household level coverage of SWM services through door-to-door collection of waste (%) <i>The door to door collection has been initiated in 21 wards.</i>	85%	100%
2.	Waste collection efficiency (%) <i>Total Waste Generated = 107 MT; Total Waste Collected = 75-80 MT</i>	74%	100%
3.	Extent of segregation of waste (%)	Not Applicable	100%
4.	Extent of recovery of waste collected (%)	Not Applicable	80%

Sr. No	Indicator	Value	MoUD Bench Mark
5.	Extent of scientific disposal of waste at landfill sites (%) <i>SMC is yet to start the scientific disposal</i>	Nil	100%
6.	Extent of cost recovery for the ULB in SWM services (%)	12%	100%
7.	Efficiency in collection of SWM charges (%)	0%	90%
8.	Efficiency in redressal of customer complaints (%)	90%	80%
<b>Storm Water Drainage</b>			
1.	Coverage of storm water drainage network (%) <i>(Based on discussions)</i>	30%	100%
2.	Aggregate number of incidents of water logging reported in a year	Not Available	Zero
<b>Road and Transport</b>			
1.	Per Capita Road Length <i>(Total road length = 74.585 Km, Total Population=1,69,758)</i>	0.44 m	-
2.	Proportion of surfaced roads <i>(Total kutcha roads = 3.34 km, Total road length = 74.585 Km)</i>	95% (approx)	-
3.	O&M cost per kilometer of road (Rs per km)	Data not available	-

**Status of Projects under JNNURM/ UIDSSMT/ BSUP/ IHSDP**

Projects	Total Cost Approved	Funds released till date
	Rs in lakhs	
Water Supply	7236	43
Sewerage	5474	1233
Solid Waste Management	2654	481
Transport (Busses and Tunnel)	1769	1607
Basic Services to Urban Poor (2 projects)	2400	3
e-governance	1120	63
<b>Total</b>	<b>20654</b>	<b>3431</b>

**Urban Poor**

Sr. No.	Particular	Details
1	Does the city have a separate department for addressing issues and implementing programmes for the Urban Poor?	<ul style="list-style-type: none"> <li>SMC does not have any separate department, but under RAY, SMC has deployed an urban poverty and social development expert.</li> </ul>
2	The CBOs/ NGOs are active in participative planning for urban poor	<ul style="list-style-type: none"> <li>A number of CBOs and NGOs are active in planning for the urban poor.</li> </ul>
3	The ULB has done slum mapping for ___ out of ___ total no. of slum pockets	<ul style="list-style-type: none"> <li>SMC has initiated slum mapping for all the slum pockets under RAY and the process is underway.</li> </ul>
4	The ULB has prepared a Slum-Free Action Plan under RAY (yes/ no)	<ul style="list-style-type: none"> <li>No, they are keen to prepare the same. They have prepared pilot DPRs.</li> </ul>
5	What are the broad initiatives taken by ULB for urban poverty alleviation	<ul style="list-style-type: none"> <li>DPRs under RAY</li> <li>Slum Mapping</li> </ul>

Sr. No.	Particular	Details
6	The following projects are taken in collaboration with NGOs/ CBOs	<ul style="list-style-type: none"> <li>A pilot DPR has been prepared for 3-4 slum pockets and submitted to MoUD for approval</li> </ul>

## 2.5 Urban Planning

Sr. No.	Particular	Details
1.	Agency responsible for preparing master plan	Town and Country Planning Department
2.	Is the master plan of the city prepared, if yes till what planning period	Draft Development Plan Shimla, 2021 has been prepared
3.	Is DPC or MPC in place	Yes, DPC is in Place and operational
4.	Is MPC is in place	MPC is not applicable for Shimla as its population is less than 10 lakhs
5.	The following studies have been carried out by the utility	<ul style="list-style-type: none"> <li>City Development Plan, Shimla Municipal Corporation, 2006</li> <li>City Sanitation Plan, Shimla Municipal Corporation, 2011</li> <li>Development Plan of Shimla Planning Area, Government of Himachal Pradesh, Shimla</li> </ul>
6.	Is the previous CDP Implemented	<ul style="list-style-type: none"> <li>CDP has been partially implemented mainly JnNURM Projects only.</li> </ul>
7.	Any form of support envisage by ULB to prepare or monitor such studies discussed above	<ul style="list-style-type: none"> <li>Preparation of Revised CDP under CBUD Project.</li> <li>CSP preparation is supported by GIZ and funds are required for implementation of the same.</li> </ul>
8.	The status of key urban planning related reforms	<ul style="list-style-type: none"> <li>Bye-laws for reuse of recycled waste water: It is pertinent to mention that use of recycled water is very costly due to high pumping cost on account of hilly terrain. However treated waste water is used downstream. <i>This reform implementation requires support.</i></li> <li>Rain Water Harvesting: As per Section 10-D of TCP Rules, the provision of rainwater harvesting has been made mandatory in all the planning areas declared under TCP Act including all the ULBs.</li> <li>Streamlining building plan approval process: Model Building Bye-laws have been finalized by the State Government and circulated to all ULBs for adoption</li> <li>Earmarking of the land for EWS and LIG. H.P. Apartment Act has been amended to incorporate earmarking 10% developed land in all housing projects over 40 bighas for EWS/LIG on dated 26 May, 2010. Currently there is a provision of 10% in the Apartment Act and 5% in Housing and TP Act.</li> </ul>

## 2.6 Key Issues

### 2.6.1 Municipal Governance

- Transfer of functions in true spirit is yet to take place and the existing staff and officers need to be trained to provide these services. The legislative provisions have been made in the Act but the actual transfer of water supply, sewerage and other services is yet to take place.
- Most of the posts of officers and Head of Departments are being filled up on secondment basis from the HP State Government's departments; major transfers are from the Public Works Department and the I & PH Department of the HP State Government. Varying and short tenure periods of the technical officers affect work in the absence of proper knowledge transfer.
- At the corporation level, there is excess staff strength in the category of laborers, while the technical staff strength shows significant deficit. It is important to increase the technical capacity of SMC.
- For integrated area development, District Planning Committees (DPC) as required under the 74th CAA, have been constituted, but the same need to be strengthened. The DPC should consolidate the plans prepared for SPA with other plans prepared by panchayats in the district, taking into consideration the common interests of various stakeholders including spatial planning and the integrated development of infrastructure and environmental conservation.

### 2.6.2 Municipal Finance Management

- The ULB budget is in deficit over the last few years, however there has been a positive trend in the income of SMC, but expenditures have also risen at much higher rate and over all the SMC is in deficit for the last few years.
- The ULB expenditures are high comparative to income and hence dependence highly dependent on the state government to meet its revenue expenditures.
- Decision-making and fiscal powers have still not been devolved from the state government to the ULB.
- SMC needs to augment its sources of revenue including property tax, water charges and other charges, etc.
- Low/delayed cost recovery results in loss of revenue, which puts the burden on municipal finances. There is a lack of administrative procedures to ensure financial data flow. The tariffs have been very low; supply of water itself is a huge burden on the ULB.
- Cost recovery mechanisms are not adequately tapped to be able to meet O&M expenditure.

### 2.6.3 Urban service delivery

#### Key Issues/ Findings

##### *Water Supply:*

- The existing distribution system is very old. Due to an increase in population, the system is inadequate to cater to present and future demand.
- The depletion of water sources due to decrease in forest cover is responsible for the widening gap between the demand and supply.
- Water tariffs are very low and production cost is high.

**Sewerage**

- Rehabilitation of the sewerage network including the main line is required to prevent leakages and provide linkages to the new network and main transmission line leading to STPs.
- Augmentation of sewerage network for the areas of Dhalli, Tutu, New Shimla and special Areas of Ghanahatti, Kufri and Shoghi is needed.
- SMC is losing revenue of Rs. 280 lakhs annually due to non-enforcement of sewerage charges on users.

**Solid Waste Management**

- Since 2010, there is a system of levying user charges on various categories of waste generators; fine-tuning this system seems to be a more efficient and acceptable solution than introducing a new system.
- To recover the costs of street-sweeping, alternative sources like cess on property tax could be used.

**2.6.4 Urban Planning**

- Shimla is facing the problems typically faced by any hilly region like soil erosion, flooding of foothills, scarcity of buildable land, emergence of linear urban corridors, inaccessibility of certain areas, uneven development of urban system. The Ridge and southern slopes are more amenable for development due to gradual slopes and sunny side. Thus all major developments are located on southern slopes of Shimla
- Development pattern of Shimla is governed by its topographical constraints like steep slopes, elongated hilly spurs, forest areas, and zones of perpetual sunshades. Due to extremely limited vehicular accessibility and dependence on pedestrian movement, development of Shimla is concentrated in limited area
- Lack of proper planning, negligible use of modern tools and techniques, and lack of planning professionals plagues Shimla.
- There is a lack of institutions to provide training, specifically in urban management.
- Transportation is a big area of concern for Shimla which includes horizontal as well as vertical transportation systems.
- Planning Department is at the crossroad and stagnant. The Department has everything such as adequate legislative support, head office with field networks, increasing responsibilities and mandate but lack of skilled manpower. There is poor enforcement of zoning regulations.
- The high growth of population coupled with the floating population is exerting heavy pressure on existing infrastructure and also leading to encroachments, unauthorized constructions, construction activities not incompatible with traditional culture and heritage of the city

**2.7 Capacity-Building areas****2.7.1 Municipal Governance**

- The capacity-building strategy should aim at effective institutionalization and sustainability of the program. This would include:
  - Training need assessment to identify areas of improvement
- Training of the existing staff must ensure the following aspect:
  - Technical and management aspects for the functions transferred to the ULBs
  - Assets maintenance
  - Implementation of Reforms

- There is need for developing a complete organizational plan, role responsibility, framing of HR policies such as leave, transfer, and promotions policies etc.
- Training needs assessment, identification of trainings, training institutions and preparation of IEC materials for SMC officials at all levels on a regular basis. In addition prepare training modules and impart the trainings to elected representatives.

## 2.7.2 Municipal Financial Management

### **Support is required in;**

- Reengineering the business processes of the Finance & Accounts Department of SMC. Deployment of qualified staff to the accounts department and train the staff on double entry accounting system, data entry of the receipts and payments and bank reconciliations,
- Adopting accounting and budgetary standards as per the directive of C&AG – Accounting and Budget Formats for Local Bodies
- Developing cost effective mechanisms – integrate with other Information Technology (IT) initiatives and leverage core technology infrastructure
- Exploring cost recovery mechanisms
- Framing of a policy to revise the rents and lease of municipal properties and define the parking charges.
- Trainings to be imparted on the following subjects :
  - a. Contract preparation and management
  - b. Implementation and management of large-scale infrastructure projects
  - c. Adoption and implementation of accounting and budgetary standards as per the directive of C&AG – accounting and budget formats for local bodies

### **Studies to be carried out:**

- Carry out of diagnostic studies to improve the revenues from various sources;
- Detailed study on the water sector and property tax to identify the grey areas for improving the coverage and collection efficiency

## 2.7.3 Urban Service delivery

### **Planning**

- SMC needs extensive support in implementation of projects for water supply and sewerage.
- Support is required in overall detailed survey for identifying the water losses and further to prepare the action plan to control the water losses in the system.
- A detail study needs to be done to adopt the metering system for bringing efficiency in the water supply system.
- Specific training needs to be imparted on the tendering process and procurement. Being a hilly region, they have limited exposure to new techniques for implementation also.
- A special training on implementations of SWM projects on PPP basis needs to be imparted.

### **Operation and Maintenance**

- A complete training program needs to be designed for SMC to undertake operation and maintenance for various assets that are getting created as a part of JnNURM and other programs.

- Support the department in budget preparation for O&M cost for newly created assets. Also, provide the best practice to reduce the O&M cost on water, sewerage and solid waste management.
- Creating awareness on usage of water, handling of sewerage water and solid waste management method to the public through posters, paper advertisement, banners, TV clippings and one minute videos.
- There is a need to have dedicated training and capacity-building for the reduction of NRW, and steps to ensure rainwater harvesting be encouraged.

#### **2.7.4 Urban Planning**

- Support is envisaged to assist in setting up institutions which could enable the following activities:
  - Planning for urban areas, for e.g., the Shimla Urban Planning Authority (SUPA) may be constituted. SUPA should prepare the regional Master Plan/Detailed Development Plan for the Shimla Planning Area.
  - Imparting training to the planning professionals from the existing staff as well as have some additional technical staff for assistance
- Support is required to develop
  - Tourism activities for a sustainable economy
  - Ensuring the beauty and maintaining the status of Clean and Green Shimla \
- Exposure visits to similar hill regions be arranged for developing effective transportation systems.

## 3. City Profile

### 3.1 Evolution of City

Shimla was discovered by the British in 1819, and became a favourite destination of British officials in summer as a hill station and convalescent centre. Municipal Committee came into existence in 1851 and was responsible for establishment of Town Hall and Gaiety Theatre. Shimla was declared the Summer Capital of Government of India in 1864. In 1871, the Government of Punjab also decided to use Shimla as its summer capital. In 1904, the Kalka-Shimla railway line was commissioned. After Partition in 1947, offices of Punjab Government were shifted from Lahore in Pakistan to Shimla. In 1966, with reorganization of territory into Punjab, Haryana and Himachal Pradesh, Shimla became capital of Himachal Pradesh. Since then Shimla became a popular hill station and the most preferred tourist destinations in Himachal Pradesh.

Being a Capital city of the state and administrative headquarters of the district, Shimla draws many people to the city for administrative works and for job purpose. Notably Shimla is one of the most popular hill station and tourist destinations in India and accounts for almost a quarter of all tourists arriving in Himachal Pradesh. Shimla has inherited enormous wealth of built environment created over 180 years of existence. The British created many admirable buildings such as the Auckland House, Chapslee, the Christ Church, GPO and Kirk, Gorton Castle, Ravenswood, etc. which form the part of heritage plan. National Highway (NH) 22 connects Shimla with major cities such as Delhi, Chandigarh and Ambala, while NH 88 links Shimla with Kangra and Hamirpur in Himachal Pradesh. Apart from the national highways, state roads provide connectivity to other major tourist destinations like Manali, Kullu, Chamba and Dharmashala. Shimla has railway access through a narrow gauge line, connecting Shimla with Kalka town. Shimla airport located 23 Km from the city has flight connectivity to Delhi, Chandigarh and Kullu. Shimla is also known for better schooling facilities and is hub of schools. It is the base of the Himachal Pradesh University. Shimla is also home to the Indian Institute of Advanced Study (IIAS) that carries out academic pursuits in areas such as Indian culture, religion and the social and natural sciences.

Figure 1: Location Map of Shimla



### 3.2 Population trends

As per 2001 Census, Shimla was the only Class I City in Himachal Pradesh. The total population of Municipal Corporation of Shimla (MC Shimla) in 2001 was 1.44 lakhs. As per Census 2011 the

population of Shimla has increased to 1.69 lakhs. The total area under jurisdiction of SMC also has increased from 19.55 sq. km to 35.54 sq km. At present, Shimla City is divided into 25 wards. MC Shimla covers the urban core and urban fringes, while Shimla Planning Area (SPA) represents the settlements and rural hinterland having potential for urbanisation.

**Table 1: Population Growth- Shimla**

Census Year	Population	Increase	Growth Rate (%)
1971	55,326		
1981	70,604	15,278	27.61
1991	1,09,860	39,256	55.60
2001	1,44,000	34,140	31.08
2011	1,69,758	25,758	17.89

**Table 2: Demographic Indicators**

S. No.	Indicator	Case - Shimla
1	Population Density	4,777 persons per sqkm
2	Decadal Population Growth Rate (2011)	17.89%
3	Literacy Rate	77.76%
4	Sex Ratio	916 females per 1000 males (Males-93,364 Female-76394 (Census 2011))
5	Workforce participation rates	38% (52809 main workers and 1595 marginal workers(Census 2001))
6	Occupational structure	Not available
7	Migration trends	Not available
8	Vulnerable population (SC / ST)	SC Population -21,889 ST Population – 1,709 (Census 2001)
9	Household information	1. No of house hold – 38,219 Census 2001 2. Size of HH-5, Census 2001
<b>Slum Characteristics</b>		
10	% Slum Population	7% (slum population 11655; total population 169758) (year 2009)
11	% Houses in Slums	5% (2331 slum settlements (2009); 51645 (total no. of households -2009))

### 3.3 Key Findings

- About 87% of population is below 45 years of age which has very high potential for economic growth. The floating population of annually Shimla is around 75,000 as per City Sanitation Plan 2011.
- Shimla, being the traditional educational center since British times, has an average literacy rate of 77.7%, higher than the national average of 59.5%.
- About 98% of workers in 2001 were other workers involved in horticulture, trade & commerce, transport, storage and communication, and all other service industries.

## 4. Urban Governance

As per the HP Municipal Act, 1994, the key responsibility of providing basic urban services in Shimla lies with the Municipal Corporation Shimla. These services include water supply, sewerage, solid waste management, land-use planning, construction and maintenance of internal roads, street lighting, and primary health and education facilities. All these services mentioned in Section 12 of 74th CAA have been transferred to SMC, except for fire service and urban forestry.

### 4.1 Municipal Corporation Shimla

Shimla Municipal Corporation [the official name is “Municipal Corporation Shimla” or “Shimla Municipal Corporation”] is one of the oldest municipalities of India and has passed through many slings and arrows during its last one hundred and forty five years of existence. Shimla was first constituted as a municipal committee in 1851 and became class I municipality in 1871. In 1874, it was brought under the Punjab Municipal Act, 1873. After Shimla becoming part of Himachal Pradesh on reorganization of Punjab, pursuant to the Himachal Pradesh (Development and Regulation) Act, 1968, the Shimla Municipal Committee was converted into a corporation in 1969. With the promulgation of the Himachal Pradesh Municipal Corporation Act, 1994, the government revised the delimitation of wards into 21 and conducted election. In 2012, the ward boundaries have been extended to 25 wards.

**Figure 2: Municipal Corporation Shimla**



### 4.2 Status of 74<sup>th</sup> Constitutional Amendment Act

The Government of Himachal Pradesh had signed a tripartite memorandum of agreement (MoA) under JNNURM in 2006 for the effective implementation of state- and ULB-level reforms during the period of JNNURM. Lot of efforts have been made in the last few years for the implementation of this reform. The state government has transferred or ensured integration of all functions to the ULBs. The status of the 18 functions under the Himachal Pradesh Municipal Corporation Act is follows.

**Table 3: Status of transfer of 18 functions under 74<sup>th</sup> CAA**

Sr. No	Transfer functions of	Details
1	Urban planning	These two functions were transferred to ULBs prior to the JNNURM programme. The function of building plan approval is vested in the Single Umbrella Committee (SUC) at SMC. Land-use laws are being dealt under TCP Act, 1977, in all 31 planning areas and 34 SADAs of HP. Similarly, the Apartment Act have been incorporated vide notification dated 28-02-2011 has simplified regulatory regime and is incorporated by TCP Department in the Interim Development Plan (IDP) Shimla. For heritage area in Shimla, the SUC will act upon the recommendations of the Heritage Committee
2	Regulation of land-use and construction of buildings	

Sr. No	Transfer functions of	Details
		headed by the Director (TCP).
3	Socio-economic planning	This function is being undertaken by the Social Welfare and Justice Department by providing funds on the basis of lump sum allotment with further planning done by ULBs for its proper utilization.
4	Roads and bridges	The state government is providing annual financial support to ULBs in the state for maintenance of the roads/footpath and bridges.
5	Water supply	The function has been transferred to ULBs, which work in co-ordination with the Irrigation and Public Health (I&PH) Department of the state, which looks after the source level infrastructure, including capital costs and repairs. All schemes regarding lifting of bulk water supply to ULBs are executed and maintained by the I&PH Department. The state government has notified SLBs for water supply for all the ULBs, specifying the targets to be achieved by 2012.
6	Public health, sanitation, and SWM	This function except that of hospitals/dispensaries lies with ULBs. The hospitals and dispensaries within ULBs are being maintained by the State Health Department. The state government has notified SLBs for sewerage and SWM for improving public health in all the ULBs, specifying the targets to be achieved by each ULB by 31 <sup>st</sup> March 2013.
7	Fire services	State government is of the opinion that specialized services such as fire services should remain with the respective state departments due to lack of capacity and technical expertise and financial constraints at the level of ULBs to handle such functions. A coordination committee has been constituted between SMC and the Local Fire Officer-in-Charge under the Chairmanship of the Commissioner, SMC.
8	Urban forestry	Urban forestry function was vested with the ULBs till 2006, after which it was transferred to the State Forest Department, considering that finances and manpower required for tasks such as forest management were better handled through a dedicated state department. Now, a decision in this regard has been taken by the state government and notified by the Forest Department, Government of HP, vide No. EFE-BF(12)-2/99-I dated 14-06-2011, through which 842.68 hectare forest has been transferred to SMC.
9	Safeguarding the interests of weaker sections	All of these functions were transferred to the ULBs prior to the JNNURM programme. The function of safeguarding the interests of weaker sections is performed by the state government through the Social, Justices and Empowerment Department. The ULBs are maintaining labour hostels and 'Rehan Baseras' to safeguard the interest of weaker sections of the society.
10	Slum improvement/up-gradation	This function is with the ULBs. In ULBs, 386 slums have been identified and to improve the slums two housing project Ashiana – I and Ashiana –II and 8 IHSDP projects have been sanctioned under JNNURM.
11	Urban poverty alleviation	This function is with the ULBs and is being implemented by providing infrastructure such as shops, stalls, and other facilities to weaker sections to earn livelihood.
12	Provision of urban amenities such as parks and playgrounds	The ULBs are maintaining parks within their limits as per the available resources. The playgrounds are being maintained by the Youth Services and Sports Department of the state government. The maintenance of public toilets and other sanitary functions lies with ULBs.
13	Promotion of cultural,	This function is under the Art, Language and Culture Department of the state government. A tie-up with SPICMACAY is proposed through SMC, to

Sr. No	Transfer functions of	Details
	educational, and aesthetic aspects	promote the interest of students in Indian traditions and culture.
14	Burial grounds and crematoria	This function is with the ULBs. The ULBs maintain roads, paths, streetlights, and water supply of burial grounds and crematoria.
15	Cattle pounds	This function is with the ULBs.
16	Registration of births and deaths	This function is being executed by the ULBs and is maintaining/keeping the records updated.
17	Public conveniences including street lighting, parking lots, etc.	The function of street lighting is completely transferred; parking lots and public conveniences are with ULBs barring few of them. Bus stops are being maintained by the State Transport Department.
18	Regulation of slaughter houses	The function is under the control of ULBs.

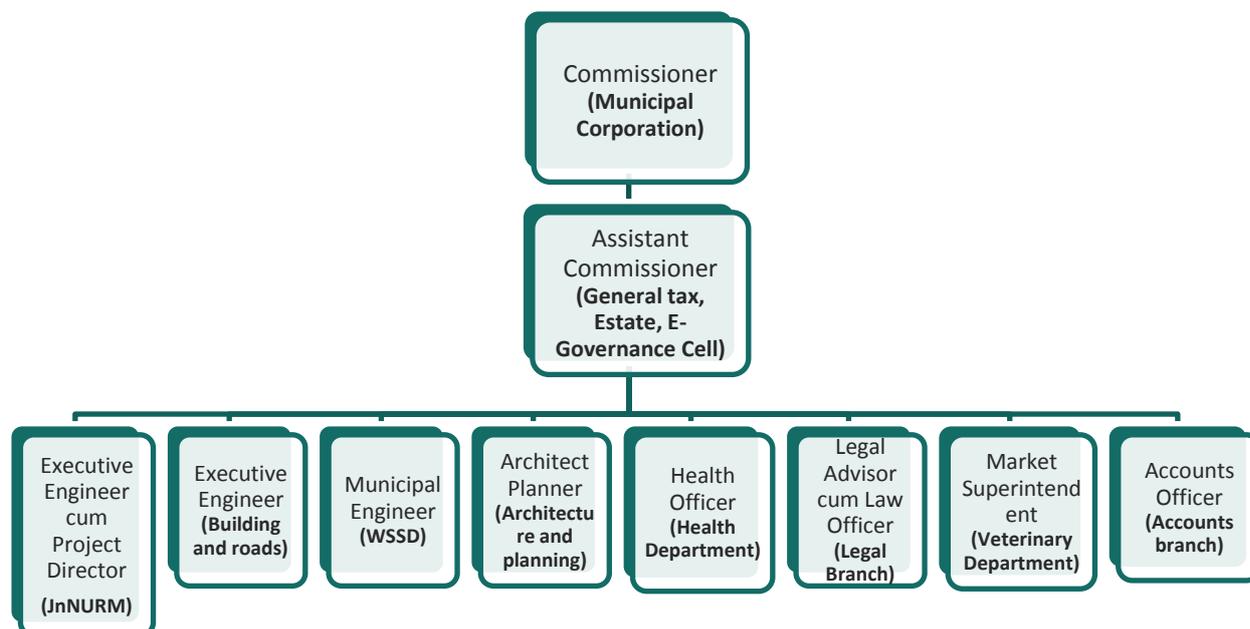
### 4.3 Status of MPCs and DPCs

Municipal elections are being regularly. District Planning Committees have been constituted in the state as per the provisions of the Himachal Pradesh Municipal Corporation Act, 1994. The Government of HP is in process of amending the municipal acts to further empower ULBs and grant them greater functional and administrative autonomy besides the contemplated reforms. The functional and administrative autonomy along with accountability has increased resulting in improved and efficient service delivery to the public.

### 4.4 Assessment of human resource development at ULB

The corporation's executive wing is headed by the Municipal Commissioner appointed by the state government for a particular period of time. The Commissioner is assisted by a Joint/Assistant Commissioner also appointed by the state government. The Joint Commissioner also acts as the Collector under the provisions of the HP Public Premises Act, 1971. In addition, the municipal corporation has its own permanent cadre of the officers who look after independent branches (departments). All the Heads of Departments (HOD) report to the Joint Commissioner. The overall structure of the corporation is given below.

Each of the HODs is assisted by a separate hierarchy of officers and labourers in the respective branch. There are, in addition to the officers mentioned above, 47 staff positions in the corporation; however, the total filled-up posts are 1280. At the same time, 106 posts are vacant. Thus, though at an aggregate level, the filled up posts are 16% higher than the sanctioned posts, 10% of the total sanctioned posts are vacant. This is due to the fact that some of the positions have been filled up in excess to the total number of sanctioned posts, while other positions lack the required sanctioned staff strength.

**Figure 3: SMC Organizational Structure**

The Municipal Corporation Shimla has an elected body of 28 councillors, out of which 25 are directly elected by the public of Shimla town and 3 are nominated by the Government of HP amongst the prominent citizens of the town who excel in the field of social service, academics, and other activities. The tenure of the councillors is five years. The last elections were held in May 2012. The Mayor and Deputy Mayor are elected directly by citizens. They both have the same tenure of five years, after which new elections are held by the house.

#### 4.5 Assessment of trainings and trainings programmes

The corporation has prepared a detailed project report for capacity building and has proposed the need for several training programmes, especially for accounting, e-governance, and other services. The DPR has been submitted to MoUD for approval. Following are the key aspects desired by SMC:

- Training programmes for all levels of officers
- Capacity building support for physical infrastructure
- Exposure visit to other cities

SMC is sensitizing and training the municipal staff. The Himachal Pradesh Institute of Public Administration conducts training on almost all the subjects related to ULBs. Staff members have been sent for training, and 30-35 people have already been trained on various subjects in 2011-12. Human resource management has been introduced and lot of emphasis is being given to their training, capacity building, etc. Performance review is being carried out periodically and accountability is being fixed.

## 4.6 Status of citizen's charter

The citizen's charter initiative is a response to the quest for solving the problems that a citizen encounters, day in and day out, while dealing with the organisations providing public services. The basic objective of the citizen's charter is to empower the citizen in relation to public service delivery. Six principles of the citizen's charter movement as originally framed, were: (i) Quality of services; (ii) Choice: Wherever possible; (iii) Standards: Specify what to expect and how to act if standards are not met; (iv) Value: For the taxpayers money; (v) Accountability: Individuals and Organisations; and (vi) Transparency: Rules/Procedures/Schemes/Grievances.

In case of Shimla, the citizen's charter ensures the implementation of relevant provisions of the following:

1. Himachal Pradesh Municipal Corporation Act, 1994
2. Municipal Solid Waste Management as per the MSW (Management & Handling) Rules, 1998
3. Implementation of Provisions of Food Safety and Standard Act, 2006
4. Implementation of Birth & Death Act, 1969
5. Management of Public Health Laboratory

The citizen's charter covers the following services:

- Municipal Solid Waste Management
- User Charges for Door-to-Door Garbage Collection Scheme
- Food Licence
- Birth and Death Registration and Procedure for Procuring Birth and Death Certificate
- Rate List For Investigation - Public Health Laboratory Municipal Corporation, Shimla

## 4.7 Status of e-governance implementation and the support required therein

A DPR for the implementation of e- governance has been prepared by Municipal Corporation Shimla, and the same has been approved by the Government of India has for a project cost of Rs. 11.20 crores. This DPR covers all public services as well as complete internal computerization of MC Shimla. The DPR on e-governance under NMMP envisages a state-level municipal portal for accessing the information related to municipalities. After successful implementation of this e-governance solution in MC Shimla, the same will be rolled out in other ULBs of the state. The ULB has completed 8 modules out of the total 18 modules such as user administration, property tax, accounting, water billing, birth & death registration, rent and lease, licences and bank reconciliation, and others are proposed in the DPR.

**Table 4: Status of implementation of e-governance in SMC**

Module	Status
Property tax	Implemented
Accounting	Implemented
Water supply and other utilities	Implemented
Birth and death registration	Implemented

Module	Status
Citizen's grievance monitoring	Implemented
Personnel management system	Implemented
Procurement and monitoring of projects	Not completed – Proposed as a part of the DPR
e-Procurement	Not completed – Proposed as a part of the DPR
Project/ward works	Not completed – Proposed as a part of the DPR
Building plan approval	Not completed – Proposed as a part of the DPR
Health programmes	Not completed – Proposed as a part of the DPR
Licences	Implemented
Solid waste management	Not completed – Proposed as a part of the DPR

The corporation has proposed to set-up four **Citizen Facilitation Centre** to deposit various bills, tax, and fees in its office. The IT Department of State Government is in the process of setting up Lokmitra Kendras in urban areas of Himachal Pradesh through which the municipal services will be delivered to the people.

## 4.8 Indicators

**Table 5: Governance Indicators**

Indicators	Case - Shimla
Transparency/ Disclosure	The various forms of community participation are through: <ul style="list-style-type: none"> <li>■ Ward Committees</li> <li>■ RWAs</li> </ul>
	The disclosure in the form of progress reports, programmes, and projects is done through the website and general meeting.
	SMC needs to strengthen its management systems in terms of procurement. Currently, only tenders are posted online.

## 4.9 Key concerns/recommendations

- Transfer of functions in true spirit is yet to take place and the existing staff and officers need to be trained to provide these services. The legislative provisions have been made in the Act but the actual transfer of water supply, sewerage and other services is yet to take place.
- Most of the posts of officers and Head of Departments are being filled up on secondment basis from the HP State Government's departments; major transfers are from the Public Works Department and the I & PH Department of the HP State Government. Varying and short tenure periods of the technical officers affect work in the absence of proper knowledge transfer.
- At the corporation level, there is excess staff strength in the category of laborers, while the technical staff strength shows significant deficit. It is important to increase the technical capacity of SMC.
- For integrated area development, District Planning Committees (DPC) as required under the 74th CAA, have been constituted, but the same need to be strengthened. The DPC should

consolidate the plans prepared for SPA with other plans prepared by panchayats in the district, taking into consideration the common interests of various stakeholders including spatial planning and the integrated development of infrastructure and environmental conservation.

#### **4.10 Capacity building needs for urban governance**

- The capacity-building strategy should aim at effective institutionalization and sustainability of the program. This would include:
  - Training need assessment to identify areas of improvement
  - Establishment of local government training Institutions, which would enable ULBs in the state for capacity building of elected representatives and officials to understand financial management, development and preparation of bankable projects, civic engagement and improved service delivery.
- Training of the existing staff must ensure the following:
  - Technical and operational aspects of functions transferred to the ULBs
  - Asset management
  - Implementation of Reforms
- There is need for developing a complete organizational plan, role responsibility, framing of HR polices such as leave, transfer, and promotions policies etc.

## 5. Municipal Financial Management

This section provides an understanding of the finances of Municipal Corporation Shimla. The financial statements have been analyzed for a period of six years starting from FY 2006-07 to FY 2011-12. This period of analysis also coincides with the period during which the recommendations made by the 3<sup>rd</sup> State Finance Commission (SFC) have been made.

The corporation has three standing committees, namely, the General Functions Committee; the Finance, Contracts and Planning Committee; and the Social Justice Committee. The Finance, Contracts, and Planning Committee is liable to perform functions relating to:

- Finances of the corporation,
- Preparation of budget,
- Scrutinizing of proposals for increase of revenue including taxes, examination of receipts and expenditure statement, sales and leases of corporation properties, recovery of loans, examination of schedule of rates,
- Consideration of all proposals affecting the finances of the Corporation and any other function relating to the development of the municipal area

The corporation has also implemented the double-entry accounting system and are using on a day to day basis. SMC has framed the 'Shimla Municipal Corporation Accounts Manual' on the guidelines prescribed in NMAM. The accounts of the corporation are being maintained under the accrual-based double-entry system. Five staff members from the Accounts Department have been trained in the double-entry accounting system.

### 5.1 Overview of Municipal Finances

The total revenues (revenue and capital income) of SMC increased from Rs. 31.68 crores in FY 2006-07 to Rs. 68.76 crores in FY 2011-12. The compounded annual growth rate (CAGR) in revenues during this period was 17%. The total expenditure increased from Rs. 24.78 crores to Rs. 57.37 crores over the same period, implying a CAGR of 18%. The corporation's revenue account has been in a deficit since the past four years, and the overall surplus is on the account of capital surplus. SMC has not even been able to meet its expenditure. In fact, some times, to pay the salaries of the employees, it had to withdraw money from the fixed deposits of Provided Fund of the employees.

**Table 9: Municipal Finances**

Items	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	CAGR
	<i>Actuals (Rs in crores)</i>						
Revenue Account							
Income	24.76	28.96	27.61	35.47	34.38	39.92	10%
Expenditure	20.59	21.86	28.00	56.20	35.68	46.98	18%
Surplus/ (Deficit)	<b>4.17</b>	<b>7.09</b>	<b>(0.38)</b>	<b>(20.73)</b>	<b>(1.30)</b>	<b>(7.06)</b>	

Source: Shimla Municipal Corporation

## 5.2 Revenue Account

### Revenue Receipts

The revenue receipts increased from Rs. 24.76 crores in FY 2006-07 to Rs. 39.92 crores in FY 2011-12, thus showing a CAGR of 10%. The own sources (tax and user charges and fees) of revenue over the review period accounted for 66% of the total revenue receipts. SMC receives compensation in lieu of abolition of octroi, from the state government. Tax revenues are in the form of property tax.

**Table 6: Municipal Finance- Revenue Details- SMC**

Revenue item	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
<b>Amount in Rs. Lakhs</b>						
Tax Revenues	816	585	525	680	758	897
Fees & User Charges	782	851	883	1029	1141	1274
Rental from Municipal Properties	156	161	158	264	191	203
Assigned Revenues	418	1012	1036	1042	1136	1285
Revenue Grants and Contribution	71	80	56	329	0	54
Others	233	207	104	202	213	279
<b>Total</b>	<b>2476</b>	<b>2896</b>	<b>2761</b>	<b>3547</b>	<b>3438</b>	<b>3992</b>

Fee and user charges collected by SMC are towards supply of water, parking fee, revenues from advertisement, compounding fee, and other miscellaneous fee. Revenues from the water charges increased from Rs. 5.09 crores in FY 2006-07 to Rs. 7.98 crores in FY 2011-12. The water charges have increased at a CAGR of 9%, which is low compared to the expenditure growth rate of 18%.

The water production cost per kilolitre of water is Rs. 50. This includes bulk water purchase from I&PH and cost incurred in the distribution of water. Vis-à-vis this cost, the consumers are charged Rs. 7.5 per kilolitre, indicating a subsidized supply of 85%.

### Property Tax

**Method of Assessment:** The Tax Department, SMC, is responsible for the assessment and collection of municipal taxes as per the procedure laid down in chapter-VIII of the HP Municipal Corporation Act, 1994. The method of assessment of lands and buildings for municipal taxes is laid down in chapter-VIII of the HPMC Act, 1994. As per the provisions of the said chapter, the lands and buildings are assessed on the basis of annual rent or where the annual rent is not determinable; the assessment is arrived at 10% of the cost of construction and cost of land. 10% statutory rebate is allowed for annual repairs and maintenance charges.

**Working Procedure:** To determine the rateable value of the lands and buildings, the owners or occupiers of such lands and buildings are served the requisition u/s 101 of the HPMC Act, 1994, to furnish on Form-C the information with regard to the name of the occupier(s) of their buildings, rate of annual rent payable by each occupier, measurement of each floor of the building, year of construction, and the cost of erection. The Tax Inspectors also visit their respective areas personally at least once a year to find out the said information from the owners and occupiers.

**Shift to Unit Areas Method from 2013-14:** New property taxation method, i.e., unit area method, on Delhi pattern is proposed to be adopted in Municipal Corporation Shimla from this year, as required under the reforms of JNNURM. Necessary process is already going on in this behalf. This method will be easy, effective, and transparent as compared to the present system. Besides, it is hoped that after

this system is adopted, the income on account of property taxes will also increase. The taxpayers will file their property taxes return every year themselves simultaneously tendering the payment thereof. The state government has constituted the Property Tax Board (PTB) to assist ULBs in putting in place an independent and transparent procedure for assessing and enumerating all properties in ULBs. These amendments have been commenced w.e.f. 20-02-2012. The property survey record of 50000 properties (approx) of MC limit is in progress and is likely to be completed by September 2013.

Assessment of property tax system at ULB: The third largest component of the revenue income of the corporation is the tax revenue, which increased from Rs. 8.16 crores in FY 2006-07 to Rs. 9.79 crores in FY 2011-12, showing a CAGR of 4%. The property tax revenue has increased from Rs. 6.92 crores in FY 2006-07 to Rs. 8.97 crores in FY 2011-12, thus showing a CAGR of 5%. It is to be noted that during the first three years, the total demand of property tax dropped from Rs. 6.92 crores in FY 2006-07 to Rs. 5.25 crores in FY 2008-09. Other important element of tax revenues is the sewerage tax, which increased from Rs. 0.5 crore in FY 2006-07 to Rs. 0.79 Crore in FY 2011-12, thus showing a CAGR of 9%. As per the HP Municipal Corporation Act, 1994, the sewerage tax is levied on the commercial properties only.

**Table 7: Properties in Shimla Municipal Corporation**

Particular	2009	Remarks
Total No. of Households	40,000	The door to door survey in new areas is under progress. The same shall be completed by July 2013 and then the total number of properties can be estimated.
Commercial Properties	5,374	
Others Properties	393	
<b>Total</b>	<b>45,767</b>	

Source- Shimla Municipal Corporation

Demand-collection balance statement - Property tax: It may be noted from the table below that the current collection efficiency in 2011-12 has been of the order of 75%, which requires further improvement as property tax is the major source of revenue for the corporation. On an average, about Rs. 4.5 crores, i.e., 35% of the total demand, has been outstanding arrears year-on-year basis.

**Table 8: DCB Statement for Property tax in Shimla Municipal Corporation**

Particular	2007-08	2008-09	2009-10	2010-11	2011-12
<i>In Crores</i>					
<b>Demand</b>					
Arrears	4.21	4.61	4.71	4.94	4.97
Current	6.41	6.49	7.41	8.31	8.97
<b>Total Demand</b>	<b>10.62</b>	<b>11.11</b>	<b>12.12</b>	<b>13.26</b>	<b>13.94</b>
<b>Collection</b>					
Arrears	0.80	0.72	0.58	0.73	0.75
Current	4.65	4.91	5.60	6.30	6.68
<b>Total Collection</b>	<b>5.45</b>	<b>5.63</b>	<b>6.18</b>	<b>7.03</b>	<b>7.43</b>
<b>Rebate +Remissions/ Cancellations</b>	<b>0.55</b>	<b>0.58</b>	<b>0.71</b>	<b>0.80</b>	<b>0.77</b>
<b>Total Balance</b>	<b>4.62</b>	<b>4.73</b>	<b>4.95</b>	<b>4.99</b>	<b>5.54</b>

Particular	2007-08	2008-09	2009-10	2010-11	2011-12
<i>Source- Shimla Municipal Corporation</i>					

### 5.2.1 Revenue Expenditure

**Establishment expenditure:** The establishment expenditure forms more than 70% of the total expenditure of the Corporation. The Act specifies that the establishment expenditure shall not exceed 1/3<sup>rd</sup> of the total expenditure of the Corporation.

**Table 9: Municipal Finance- Expenditure Details- SMC**

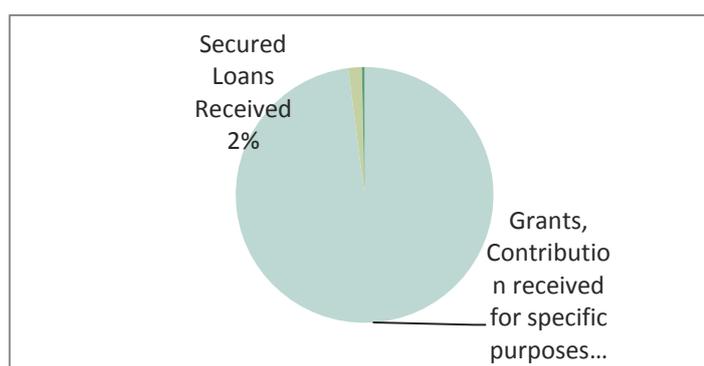
Expenditure	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Establishment Expenses	1514	1601	2129	2513	2781	3342
Administrative Expenses	112	80	84	100	85	194
Operations & Maintenance	363	399	515	2817	700	1121
Interest & Finance Charges	70	58	4	1	0	0
Others	0	49	67	189	1	41
<b>Total</b>	<b>2059</b>	<b>2186</b>	<b>2800</b>	<b>5620</b>	<b>3568</b>	<b>4698</b>

**Operations and maintenance expenditure:** The O&M expenditure is the second largest contributor to the revenue expenditure of the Corporation. It increased from Rs. 3.63 Crores in FY 2006-07 to Rs. 11.21 Crores in FY 2011-12, thus showing a CAGR of 25%. The major components of the O&M expenditure have been the expenditure on bulk water purchase (40%), roads and bridges (17%), electricity consumption for street lights (13%), and power and fuel expense (for pumping) (8%).

## 5.3 Capital account

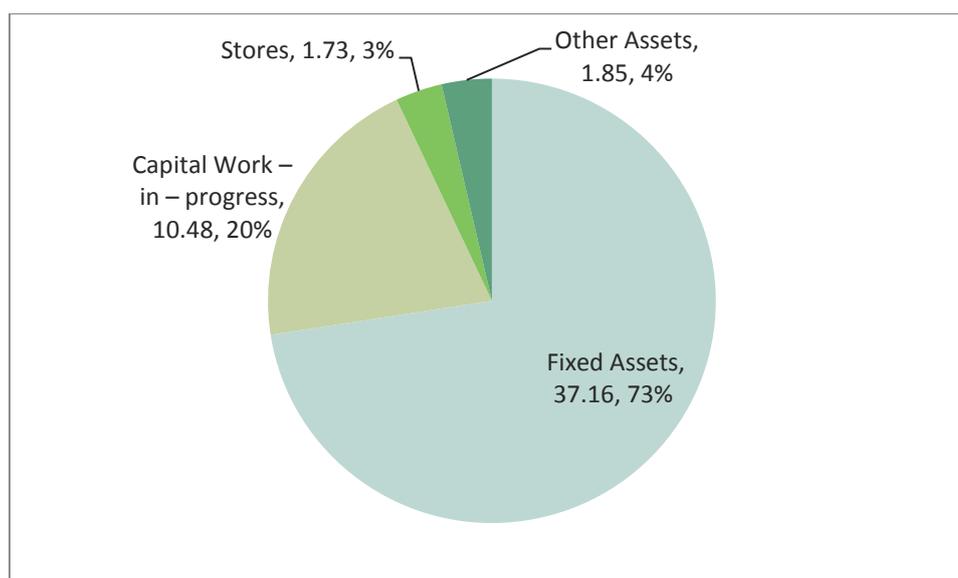
### Capital income

The major sources of capital income have been the grants from the Central Government and the State Government, unsecured loans and deposits received. In 2011-12, of the total grant amount of Rs. 115.12 Crores received by the Corporation in last five years, the grant received for water supply project is Rs. 15.92 Crores and that for sewerage project is Rs. 24.66 Crores. Of this, Rs. 36.50 Crores if from the Union Government and Rs. 4.08 Crores is received from the State Government.



### Capital expenditure

The capital expenditure of the Corporation increased from Rs. 4.19 Crores in FY 2006-07 to Rs. 10.18 Crores in FY 2011-12. This is because of the fact that the Corporation is implementing 7 projects under JNNURM amounting to Rs 182 crores; 3 of this projects are underway and the balance are yet to start whose expenses would reflect in the coming financial year.



## 5.4 Key Municipal Financial Assessment – Indicators

**Table 10: Municipal Financial Indicators**

S. No.	Indicators	Case of Shimla
<b>Revenue generation</b>		
S. No.	Indicators	Value
1.	Own revenues as a proportion of total revenue receipts (Rs 2653 lakhs/ Rs 3992 lakhs)	66%
2.	Per capita own revenues (2653 lakhs /1.69 lakhs)	Rs 156.3
3.	Non-tax revenues as a proportion of own revenues (Rs 1285 lakhs / Rs 2653 lakhs)	48%
4.	Per capita property tax demand (Rs 897 lakhs/ Rs 1.69 Lakhs)	Rs 528
5.	Coverage for property tax net (13,313 properties assessed / 25,000 total properties)	53 %
6.	Property tax collection performance (Rs 668 lakhs / 8.97 Lakhs - Current ) (Rs 743 lakhs /1394 lakhs - Including Arrears)	74% (Current) 53% (Including Arrears)
7.	Water charges collection performance (Total Demand = 7.5Cr, Total Collection = 5 Cr)	67%
8.	Operating ratio (revenue expenditure/ revenue receipts) (Rs 4998 lakhs / 3992 lakhs)	1.18
9.	Per capita O&M expenditure (Rs 1121 lakhs/ 1.69 lakhs)	Rs 663
10.	Salary as percentage of Revenue Income (Rs 3342 lakhs / 3992 lakhs)	84%
11.	Salary as percentage of Revenue Expenditure (Rs 3342 lakhs /46.98 Lakhs )	71%
12.	Staff per 1000 population (Total Staff =1174 ; Total Population = 1.69 lakhs)	7
13.	Debt Servicing Coverage Ratio (<=1.50) - (O.S+D.S / D.S)	Not Applicable
<b>Debt management</b>		

S. No.	Indicators	Case of Shimla
14.	Debt overdue as a proportion of total outstanding debt	Not Applicable
15.	Debt serviceability	Not Applicable

### 5.4.1 Key Highlights

- Corporation's revenue account has been in a deficit since past four years.
- The revenue income has increased with a CAGR of 10%, while the revenue expenditure at a CAGR of 18%
- The own sources (tax and user charges and fees) of revenue over the review period accounted for 66% of the total revenue receipts.
- One of the major reasons for the gap in revenue income and expenditure is the low levels of water tariff and relatively very high water production costs. The bulk purchase of water is the largest contributor to the O&M expenditure and water is being sold with a subsidy of 85%, thus, increasing the O&M expenditure significantly, but keeping the revenue levels low. Hence, in spite of the freedom provided by the act to the Corporation to decide the tariffs, the Corporation is unable to recover its cost significantly.
- The most emphasized issue of losing the income from Octroi has been addressed by the State Government, and the grant in lieu of Octroi, i.e. the developmental grant received from the State Government is in accordance with the figures projected by the SFC.
- The total demand of property tax has grown with a CAGR of 5%, however, the demand had dropped from Rs. 6.92 Crores in FY 2006-07 to Rs. 5.25 Crores in FY 2008-09.
- The revenue grants distributed by the State Government to the local government institutions are only 0.12% of the total own revenues of the State, which is extremely lower than that recommended by the SFC at 2.75% of the State's own tax and non-tax revenues. Additionally, SMC has received only 18% of the aggregate amount of the grants distributed by the State Government which is low as compared to its population share at 25%.
- The establishment expenditure formed more than 70% of the total expenditure each year except for the FY2009-10. It contributed 66% at an aggregate level which is remarkably high than the provision of HP Municipal Corporation Act 1994 that allows a provision of 1/3<sup>rd</sup> of the total expenditure on establishment.
- The O&M expenditure forms 28% of the total expenditure at an aggregate level. 40% of the O&M expenditure is on purchase of bulk water. The Corporation, except for the year 2009-10, has not paid the liable amount on purchase of bulk water to I &PH.
- At present scenario, the cost recovery of the Corporation is 88%; if the actual payables to I&PH Department on account of bulk water purchase are considered, the cost recovery comes down to 67%; if the total water production cost is to be paid by the Corporation, then the cost recovery comes down to only 42%; however, if bulk water is provided to the Corporation at 100% subsidy, then the Corporation is able to recover its entire cost.

### 5.5 Key Issues

- The ULB budget is in deficit over the last few years, however there has been a positive trend in the income of MC Shimla, but expenditures have also risen at much higher rate and over all the SMC is in deficit for the last few years.
- The ULB is highly dependent on the state government for funds and even to meet their expenditures.

- Decision-making and fiscal power have still not been devolved from the state government to the ULB.
- MC Shimla needs to augment its sources of revenue including property tax, water charges and other charges, etc.
- Low/delayed cost recovery results in loss of revenue, which puts the burden on municipal finances. There is a lack of administrative procedures to ensure financial data flow. The tariffs have been very low; supply of water itself is a huge burden on the ULB.
- Cost recovery mechanisms are not adequately tapped to be able to meet its own expenditure.
- Dedicated efforts need to be made to ensure that SMC taps all possible revenue streams to meet its own expenditures.

## 5.6 Capacity Building Areas

### ***Support is required in;***

- Reengineering the business processes of the Finance & Accounts Department of SMC. Deployment of qualified staff to the accounts department and train the staff on double entry accounting system, data entry of the receipts and payments and bank reconciliations,
- Adopt accounting and budgetary standards as per the directive of C&AG – Accounting and Budget Formats for Local Bodies
- Develop cost effective mechanisms – integrate with other Information Technology (IT) initiatives and leverage core technology infrastructure
- Explore cost recovery mechanisms to increase tariffs once in every three years
- Framing of a policy to revise the rents and lease of municipal properties and define the parking charges.
- Trainings to be imparted on the following subjects :
  - d. Contract management and contract preparation.
  - e. Implementation and management of large-scale infrastructure projects
  - f. Adoption and implementation of accounting and budgetary standards as per the directive of C&AG – accounting and budget formats for local bodies

### ***Studies to be carried out:***

- Carry out of diagnostic studies to improve the revenues from various sources;
- Detailed study on the water sector and property tax to identify the grey areas to improve the coverage and collection efficiency.

## 6. Urban Service Delivery

As discussed in the earlier chapter, most of the functions have been transferred to Corporation with respect to urban service delivery, however, parastatals and other state government departments are still involved in some facet. The table below provides the institution wise responsibility.

**Table 11: Institutional Framework for Service Delivery in Shimla**

Services	Planning and Design	Construction	Operation and Maintenance
Bulk Water Supply	I&PH	I&PH	I&PH
Water Supply Distribution	SMC	SMC	SMC
Sewerage	I&PH / SMC	I&PH/ SMC	I&PH / SMC
Drainage	I&PH / SMC	I&PH/ SMC	SMC
Storm Water Drainage	I&PH / SMC	I&PH/ SMC	SMC
Main Roads and By Roads	I&PH / SMC	I&PH / SMC	SMC
Internal Roads	I&PH / SMC	I&PH / SMC	SMC
Streelighting	HPSEB/SMC	HPSEB/SMC	SMC
Fire services	SMC/ Fire Department	SMC/ Fire Department	SMC/ Fire Department
Open Parks	TCP	SMC	SMC
Transportation	HRTC/HPBMDA	HRTC/HPBMDA	HRTC/HPBMDA
Vertical Transport (Elevator)	PWD	PWD	Tourism Department
Housing	HIMUDA	HIMUDA	HIMUDA
Basic Services to urban poor	DoUD	SMC	SMC
Urban Forest	Forest Department	Forest Department	Forest Department
Public Convenience	I&PH / SMC	NGO	NGO

SMC- Shimla Municipal Corporation  
I&PH-Irrigation and Public Health  
HRTC- Himachal Pradesh Road Transport Corporation  
HPTDC- Himachal Pradesh Transport Development Corporation  
HPSEB- Himachal Pradesh State Electricity Board  
HPBMDA- Himachal Pradesh Bus Stand Management and Development Authority  
TCP-Town Country and Planning  
HIMUDA- Himachal Pradesh Urban Development Authority

## 6.1 Water Supply

As may be noted from the table above, I&PH and MC Shimla departments are responsible for water supply in Shimla. I&PH is responsible for providing bulk water supply and treatment of water, whereas MC Shimla is responsible for city level water distribution, pumping, metering, and billing for domestic and commercial connection.

The water supply system in Shimla, which pumps water (around 1470 metre head) from the nearby streams, is about 135 years old. At present, the city relies on six key water sources for its daily water needs. The combined designed capacity of the sources is 61 MLD, but the present yield is limited to 37-38 MLD only. During lean periods, i.e., May–June, the quantum of water available at source reduces to 30-31 MLD. During normal periods, the water supplied from the reservoirs is approximately 38 MLD and post losses, 28-30 MLD is available to the resident population for daily use. During lean periods, only 23-25 MLD is available for usage after transmission losses. This translates into an average per capita water availability in the range of 100-115 LPCD during normal and lean periods (after transmission losses). The demand for water during normal days in Shimla is around 38 MLD and during tourist season, reaches as high as 50 MLD. The city receives water supply daily in the morning for around 1-1.5 hours. The total demand of water for Shimla city with a population of 1,69,758 and a floating population of 75,000, comes to about 34 MLD, considering 135 LPCD of water supply. During lean periods, water is supplied every alternate day. In some of the areas, the supply is only every 3-4 days.

The city has an old distribution network of cast iron (CI), galvanized iron (GI), and mild steel (MS) pipes with a network length of about 150 km. The present coverage of the distribution system is about 70% of the city area. The non-revenue water (NRW) is about 20-25%.

### Water Connection Charges and Tariff

As on 2010, MC Shimla has provided 24,000 metered water connections in the city (includes domestic and commercial) against 40,000 registered properties. The new water connections for domestic use are charged Rs. 2500 per connection, whereas for commercial use, it is Rs. 5500 per connection. The water charges are levied on telescopic volumetric basis. The details of rates specified (FY 2011-12) by the corporation are provided in the box below. These rates were increased by 10% from April 2011 onwards.

<p><b>For domestic water connections:</b></p> <p><b>Within MC limit:</b></p> <p>Up to 30000 litres: Rs. 7.50 per thousand litres</p> <p>Above 30000 litres up to 75000 litres: Rs. 10.73 per thousand litres</p> <p>Above 75000 litres: Rs. 16.12 per thousand litres</p> <p><b>Outside MC limit:</b></p> <p>Up to 30000 litres: Rs. 26.81 per thousand litres</p> <p>Above 30000 litres up to 75000 litres: Rs. 32.19 per thousand litres</p> <p>Above 75000 litres: Rs. 42.90 per thousand litres</p> <p><b>Minimum charges to be paid by the consumers if consumption is less than 8000 litres per month:</b></p> <p>Within MC limit: Rs. 64 per month</p> <p>Outside M.C. limit: Rs. 215 per month</p> <p><b>For commercial connections</b></p> <p><b>Within and outside the M. C. limit:</b></p> <p>Up to 30000 litres: Rs. 32.19 per thousand litres</p> <p>Above 30000 litres up to 75000 litres: Rs. 42.90 per thousand litres</p> <p>Above 75000 litres: Rs. 59.00 per thousand litres</p>
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**For construction purpose**  
**At the rate of Rs. 59 per thousand litres**  
**Minimum charges to be paid by the consumers if consumption is less than 8000 litres per month:**  
**For commercial use: Rs. 257 per month**  
**For construction purpose: Rs. 471 per month**  
**For government institutions, government hospitals, dharamshalas, and religious places:**  
**At the rate of Rs. 32.19 per kilolitre subject to an increase of 10% every year**

Approximately 40% of the installed meters are faulty due to which tariff is charged on average basis rather than actual.

I&PH supplies bulk water to MC Shimla at the rate of Rs.12.85/KL. The O&M cost incurred by MC Shimla for supplying to the consumers is Rs. 6.50/KL. Thus the total cost incurred by MC Shimla is Rs. 19.35/KL. Against this cost, the cost recovery is only Rs. 6.82/KL. The annual O&M cost incurred for water supply is Rs. 13 Crores and recovery is only Rs. 5 Crores.

**Table 12: Service Level Indicators- Water Supply**

S. No	Indicator	Value	MoUD Bench Mark
	<b>Water Supply</b>		
1	Coverage of water supply connections (%)	70%	100%
2	Per capita quantum of water supplied (lpcd) (Total water supply – 19.5 MLD; Population – 1.69lakhs )	110-115 lpcd	135 LPCD
3	Extent of metering of water connections (%) (Total Metered connections = 24,000; Total connections = 40,000 )	70% (approx.)	100%
4	Extent of NRW (%)	25%	20%
5	Continuity of water supply (hours per day)	1.5 Hrs/day	24 hours
6	Quality of water supplied (%)	Data not available	80%
7	Efficiency in redressal of customer complaints (%)	90%	100%
8	Cost recovery in water supply services (%) (Total Amount Collected= 5 Crore, Total Cost Incurred= 12. Crore )	42%	100%
9	Efficiency in collection of water related charges (%)	70%	90%
10	Cost per kiloliter of water produced (Rs/ kl) (Total Annual Cost= 12.5 Cr; Total Water Supplied= 31 MLD)	11.04 Rs/ KL	

### Issues related to Water Supply System

- Varying quantum of water availability at source
- Water supply is erratic; especially during summer. High influx of tourists and other floating population affects the water supply to local residents.
- Proximity of water supply network to sewer lines is a critical issue. This is evident from the fact that Hepatitis A and E cases, which are caused due to contamination of water are on the rise.
- High Unaccounted for Water (UFW) due to distribution losses (old and leaking distribution system) and illegal water connections.
- Poor metering system and low water charges collection efficiency

- Shortage of manpower ,poor maintenance of water sources and infrastructure, water theft and illegal connections
- Ineffective land zoning and building regulations

## 6.2 Sewerage

Providing sewerage services to Shimla city is the responsibility of the MC Shimla. However, I&PH Department has been involved in planning, construction, operation & maintenance of trunk infrastructure for sewage collection, treatment and disposal system, while the Corporation has been involved in providing sewerage connections to the consumers, connecting these to the main sewers, billing the consumers and collection of charges. The Corporation has now planned an integrated sewerage project with the objective of rejuvenating the entire system (including transmission as well as collection network) and improving the service levels.

Corporation also has initiated a capacity building project specifically for sanitation sector with associate partners CDD (Consortium of DEWATS dissemination) and BORDA (Bremen Overseas Research and Development Association) being funded by European Union.

### ○ Coverage (On-site sanitation systems and sewerage connectivity)

There are only 11,000 sewerage connections in Shimla city as compared to 26,000 water connections, thus coverage of mere 30%. All the newly merged areas are not served by the sewerage connectivity. The network of new sewerage system in Shimla is about 179 km. Special Areas, which are now merged in SMC, are without any sewerage network which reduces the coverage to merely 30%.

Approximately 65-70% of the city area *is* served by the sewerage system The survey undertaken reveals that 69% of the population has access to the sewerage system, while 29% and 3% of the total population discharges their wastewater into septic tanks and open drains respectively. Only 12,500 properties out of the total 40,000 properties are connected to the sewerage network. The sewer network grid is incomplete due to the missing connections between the hierarchies of sewers. The sewerage network in the core city area collects only black water whereas the grey water is discharged directly into the adjacent open drains.

Old network in the old parts of city are not properly linked to the newly laid network, causing loss in capturing sewage. Many of the houses have septic tanks and soak pits installed at their premises. Additionally, the sewage system does not capture the grey water generated in the premises. This keeps the sewerage system capacity under-utilized. SMC charges a tariff at 15% of the total water bill amount to the consumers. This percentage has been reduced from 50 % to 15 % from the FY 2013-14 by the Corporation. The reduction will cause a significant reduction in the revenues of the Corporation.

### ○ Treatment Plants

I&PH has constructed 6 Sewage Treatment Plants (STPs) with total capacity of 35.63 MLD through funding. I&PH have given operation & maintenance of these STPs on management contracts. The total sewage received by six plants is only about 8 MLD for treatment.

**Table 13: Sewage Treatment Plants in Shimla**

S. No	Name of Sewage Treatment Plant	Capacity (MLD)	Locations
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S. No	Name of Sewage	Capacity	Locations
1	Lalpani	19.35	Near Baragaon on Shoghi Bypass
2	Sanjauli Malyana	4.44	Below Malyana Village on Shoghi Sanjauli Bypass
3	Dhali	0.76	Below Dhali Churat Road
4	Snowdown	1.35	Near Barmoo Village below Snowdown
5	North Disposal	5.80	At Golcha below Annadale
6	Summer Hill	3.93	At Gadog Village Summer Hill
	<b>Total</b>	<b>35.63</b>	

The treatment capacity is highly under-utilized due to the following reasons.

- Missing links between the new and the old network
- Absence of connectivity to the grey water
- On-site sewage disposal practices in many areas
- **Recycling and reuse of treated water**

Presently, the treated sewage disposed in nallahs is used by downstream people for cultivation. The recycling and reuse of treated sewage for non-potable purpose in the city is not feasible due to requirement of separate distribution network and pumping requirement as all STPs are located downhill side.

**Table 14: Service Level Indicators- Sewerage**

S. No	Indicator	Value	MoUD Bench Mark
	<b>Sewerage and Sanitation</b>		
1.	Coverage of toilets (%)	Not Available	100%
2.	Coverage of sewerage network system (%) <i>Only in 17 wards there is sewerage network and other wards are yet to be covered</i>	70%	100%
3.	Efficiency in collection of sewage (%) <i>Total Sewerage collected = 8MLD</i>	30%	100%
4.	Adequacy of capacity for treatment of sewage (%) <i>(Total Sewerage generated = 35 MLD Total Capacity of STP = 35.63 MLD)</i>	100%	100%
5.	Quality of treatment (%)	No treatment	100%
6.	Extent of recycling or reuse of sewage (%)	Not initiated but proposed as a part of the project under JnNURM	20%
7.	Efficiency in redressal of customer complaints <i>(As per discussions)</i>	75%	100%
8.	Extent of cost recovery in sewage management (%) <i>(Sewerage charges are collected along with water supply)</i>	42%	80%
9.	Efficiency in collection of sewage charges	16.43%	90%

### 6.2.1 Issues

**Interconnectivity between old and new sewer system:** The new sewerage system is connected to the STPs, whereas the connectivity between the old network and new sewerage

network is not well established. This is due to lack of adequate information regarding the layout of old sewerage network. Also, due to lack of connectivity of old network with transmission lines, requisite quantity of sewage does not reach the STPs and the STPs are not fully utilized to its design capacity.

**Absence of sewerage network coverage:** All the Special Areas including those recently included in Shimla Municipal Corporation like Dhalli, Tutu, New Shimla, and Special Areas of Ghanahatti, Kufri and Shoghi is surviving on private septic tanks for sewage disposal. No planned sewerage network has been provided in these areas

**Under-utilization of treatment capacity:** The total sewage quantity reaching to the treatment plants is only 8 MLD as compared to the treatment capacity of 35 MLD, hence the coverage of sewerage needs to be improved.

### 6.3 Solid Waste Management (SWM)

SWM in Shimla is managed by the Corporation. The Corporation has created Shimla Environment Heritage and Beautification Society (SEHB) in 2009 for managing MSW at the ward level, and is headed by the Municipal Commissioner of Shimla, with CHO as its Member secretary and all Ward Councilors as its members. The society began its operations on 29<sup>th</sup> April 2010 and initially covered 25 wards in Shimla.

The city at present generates about 107 MT of waste per day at an average rate of 0.35 Kg per capita per day. The average waste collection efficiency is estimated to be about 51 percent based on the waste amount being collected and transported to Darni ka bagicha as per July 2011. With the increase in population, the waste generation is projected to increase to 125 tons by 2015. For collection and segregation of garbage two types: yellow and green bins have been supplied to households/commercial establishments and other institutions etc. on payment of Rs. 50 as security deposit and Rs. 50 as membership charges towards Door to Door (D2D) scheme. The yellow bins are meant for non-biodegradable waste and green bins are meant for bio-degradable waste that is required to be handed over to the authorized representative of the SEHB Society as per the collection schedule fixed for the locality. But despite this, the segregation of waste is extremely poor and the waste reaching the processing/disposal site is mixed.

**Table 15: Service Level Indicators- Solid Waste Management**

S. No	Indicator	Value	MoUD Bench Mark
	<b>Solid Waste Management</b>		
1.	Household level coverage of SWM services through door-to-door collection of waste (%) <i>The door to door collection has been initiated in 21 wards out of 25 wards</i>	85%	100%
2.	Waste collection efficiency (%) <i>Total Waste Generated = 107 MT; Total Waste Collected = 75-80 MT</i>	74%	100%
3.	Extent of segregation of waste (%)	Not Applicable	100%
4.	Extent of recovery of waste collected (%)	Not Applicable	80%
5.	Extent of scientific disposal of waste at landfill sites (%) <i>SMC is yet to start the scientific disposal</i>	Nil	100%
6.	Extent of cost recovery for the ULB in SWM services (%)	12	100%
7.	Efficiency in collection of SWM charges (%)		90%
8.	Efficiency in redressal of customer complaints (%)	90%	80%

There is still scope for tremendous improvements in some of the indicators, particularly with respect to scientific disposal and cost recovery in the provision of the MSWM services. The efficiency of collection of municipal solid waste has been reported to be 78% is estimated assuming the total waste generation in the city to be 75-80 tons a day.

## 6.4 Storm Water Drainage

The Kufri- Dhalli- Sanjauli-Ridge-Tutu spinal is a drainage divide of Shimla city. The tributaries on southern side go to the Yamuna and those on northern side to the Satluj. Shimla has 13 major nallahs, which are natural drains for rain water and off late for waste water too. The average annual rainfall over Shimla is about 1650 mm. The rainwater runoff finds its own course to the open streams or nallahs. Public Works Department is responsible for storm water drains besides construction and maintenance of culverts and bridges on the PWD road network.

The issue in storm water drainage are

- choking of Nallahs due to disposal of debris and garbage into the drains;
- silting of drains due to constant blockages;
- dislocated and damaged condition of the old lining of the drains; encroachment of Nallahs;
- free access to dispose wastewater from nearby habitation and establishments into the natural drains;
- no cleaning of the natural drains and no clearance of excess floral growth on the drains;
- unpleasant odour of the dirty water flowing in the drains;
- absence of check dams to conserve rain water;
- low coverage of road side drains;
- irregular and insufficient roadside drains sizes causes overflow of run-off water, which is very detrimental to the black top roads;
- poor maintenance of road side drains; indiscriminate laying of services pipes and lines along the drains by other department and agencies;

**Table 16: Service Level Indicators- Storm Water Drainage**

S. No.	Indicators	Case- Shimla
1	Coverage of storm water drainage network (%) <i>(Based on discussions)</i>	30%
2	Aggregate number of incidents of water logging reported in a year	Data not document by ULB
3	Proportion of roads with pucca drains	65%

## 6.5 Roads and Streetlight

Mobility in Shimla is unique in every way than any other city. The hilly terrain of Shimla warrants the horizontal as well as vertical movement. With “Fine Roads” (roads restricted for general entry), horizontal and vertical movements are compelled within limited space for vehicles to move. While horizontal movement is primarily by arterial roads that are open to traffic movement, vertical mobility options are limited to a lift between Mall road and Cart Road and by pathways /staircases connecting various streets. Restrictions for entry into Cart Road for heavy motor and goods vehicles during the day time from 7.00 AM to 9.00 PM.

**Figure 4: Roads/ Pedestrian Network on the city**

The total length of roads for vehicle movement under the Municipal Corporation as per data available with the SMC is 75 km. The Cart Road is about 18 km. All the roads connecting to Cart Road are municipal roads that are maintained by Shimla Municipal Corporation.

Public Transport in Shimla Planning Area is only by the bus transport by HRTC and mini buses operated on selected routes by the licensed private operators. 62% of the work trip is by Public Transport catered by 27 % of the traffic volume (bus trips) within Shimla City as against 30% of the work trips are by private four wheelers, which form 65% of the traffic volume

Road and Transport		
1.	Per Capita Road Length (Total road length = 74.585 Km, Total Population=1,69,758)	0.44 m
2	Proportion of surfaced roads (Total kutcha roads = 3.34 km, Total road length = 74.585 Km)	95% (approx)
3	O&M cost per kilometer of road (Rs per km)	Data not available

## 6.6 Housing and infrastructure for Urban Poor

There is increasing need and demand of land for housing in Shimla due to migration of both unskilled and skilled workforce and land is scarce in for habitation purpose due to topographical constraints. Severe cold climate of Shimla during winter threatens the survival of shelter less people. The land-use for housing is very high in a few areas having gross residential density as high as 800 pph. Total no. of housing units is about 0.45 lakhs. The housing stock is increasing by decadal growth rate of 28%. There are 53 slum pockets housing 1972 households/structures with 11,874 population identified by GoHP and 273 unauthorized Dharas on government lands, which are not yet notified. Shimla attracts migrant labours especially from J&K looking the employment as porters (pitthu's) and a few beggars from plains during summer. SMC operates labour hostels/shelter homes for providing night shelters to the migrant labours on nominal rental. SMC and SADA provide various basic services like water supply, sanitation, primary health and education to the urban poor. HP Tenancy and land Reforms Act 1972 barred non-residents of HP to buy land in the State and transfer of land to non-agriculturists. However, there is no restriction for buying the plot, flat or built house from Housing Board, Development Authorities or Corporation.

## 6.7 Issues

Scarcity of land due to rigorous topography, sinking and sliding zones that are not safe, lack of water availability for taking up new housing projects, higher development and construction cost, construction

activities incompatible with surrounding traditional culture and heritage, No provision of EWS /LIG in the housing projects, inability of HIMUDA in land management and unsystematic approach for identification of slums, absence of planning and budgetary provision for provision of services to slums are major issues related to housing and urban poor of Shimla

### 6.7.1 Water Supply:

- The existing distribution system is very old and due to an increase in population, the system is inadequate to cater to the needs of the present and future demand.
- The depletion of water sources due to decrease in forest cover is responsible for the widening gap between the demand and supply.

### 6.7.2 Sewerage

- **Rehabilitation of sewerage network** : The rehabilitation of sewerage network including main line is required in order to prevent leakages and providing linkages to the new network and main transmission line leading to STPs
- **Augmentation of sewerage network for areas** of Dhalli, Tutu, New Shimla and Special Areas of Ghanahatti, Kufri and Shoghi
- **Enforcement of tariff notification on sewerage:** SMC is losing revenue of Rs. 280 Lakhs annually due to non-enforcement of sewerage charges on user.

### 6.7.3 Solid Waste Management

- Since there is already a system of user charges levied on various categories of waste generators that was introduced in 2010, fine tuning this system seems to be more efficient and acceptable than introducing a new system.
- For recovering the costs of street sweeping, an earmarked amount from the property tax revenue could be used

### 6.7.4 Institutional Structure

- High frequency of transfers in the city management positions adversely affects the continuity and local accountability. The weak coordination between various departments involved in O&M does not ensure efficient service delivery.
- SMC lacks experienced and specialised staff with in-depth knowledge of the management system and lack of formal training in the sector hinders proper planning and execution of various services.
- The performance evaluation of staff involved in sanitation services is not institutionalised resulting in non-accountability of ULB in service delivery. The incentive based approach for motivating municipal staff in achieving efficient service delivery is absent.
- A quality management information system using GIS/MIS for planning, implementation and O&M of sanitation services is absent.
- Weak enforcement of established rules, laws, bye-laws, municipal and building codes leads to inefficient management of services.
- Lack of community engagement and non-adoption of participatory means in the planning, operations and management of the various sanitation services further aggravates the problem.

## 6.8 Status of Projects under JNNURM and BSUP

Under JnNURM, the Corporation has been implementing 7 projects; the brief status of the projects is mentioned below. It may be observed from the table that 3 out of 7 projects have not begun due to low response from contractors due to difficulty to implement large scale projects in hilly terrain. Apart from JnNURM, SMC is one of the first cities to get its DPR approved under Rajiv Awas Yojana

Projects	Total Cost Approved	Funds released till date	Present status
	Rs in lakhs		
Solid Waste Management in Shimla	1604.00	481.50	90% work completed. The plant is functional from June 18, 2013. They have in vessel composting plant operational since June 2013.  Coverage of door-to-door collection increased from 30 to 85% of the city areas. SEHB society is under taking door to door collection in the city.
Widening and lowering of existing tunnel near Auckland House School Shimla	1009.06	908.16	The tunnel has been completed and inaugurated in April 2012. The constructions of shops is underway
Rehabilitation of Water supply system in Shimla	7236.00	43.66	The project was been retendered on BOT basis in February 2013 but it could not start. Council of Ministers, Government of Himachal Pradesh dated May 20, 2013 decided to withdraw the entire project
Rejuvenation of sewerage network in missing lines and left out areas in various zones of Shimla	5474.00	1233.11	The project has to be re tendered on BOT basis in February 2013 Council of Ministers, Government of Himachal Pradesh dated May 20, 2013 decided to withdraw the entire project
Establishment of e-governance in Shimla	1120	63	The DPR was approved in CSMC in February 2012 and currently the tender process is on for hiring the consultant for implementation.
Purchase of busses under urban transport system	760.19	699.03	75 Nos of buses have been purchased by HRTC and are running in Shimla city
Sanitary land fill site for SWM plant, Village	1050.62	--	The bids were invited in November 2012 but due to single bidder the same needs to

Bhariyal, District Shimla			be retendered.
Ashiana-I Housing Scheme for urban poor of Shimla town (under BSUP) 252 units.	999.07	1.07	The projects have not started as Land being forest, case rejected. Tenders being done by HIMUDA.
Ashiana-II Housing Scheme for urban poor of Shimla town (under BSUP) 384 units.	1401.48	2.37	Work being awarded by HIMUDA. In name of M.C. at Dhalli

## 6.9 Recommendation for capacity building

### Planning

- SMC needs extensive support in implementation of projects for water supply and sewerage.
- Support is required in overall detailed survey and assessment of water sector in order to identify the water losses and further to prepare the tangible action plans to control the water losses in the system.
- A detail study needs to be done to adopt the metering system for bringing efficiency in the water supply system.
- Specific training needs to be imparted on the tendering process and procurement. Being a hilly region, they have limited exposure to new techniques for implementation also.
- A special training on implementations of SWM projects on PPP basis needs to be imparted.
- Support is envisaged to develop bye laws that compel the waste generators to pay the charges and levy a strict penalty in the absence of the payment of these charges.

### Operation and Maintenance

- A complete training program needs to be designed for SMC to undertake operation and maintenance for various assets that are getting created as a part of JnNURM and other programs.
- Support the department in budget preparation for O&M cost for newly created assets. Also, provide the best practice to reduce the O&M cost on water, sewerage and solid waste management.
- Create continue awareness on usage of water, handling of sewerage water and solid waste management method to the public through posters, paper advertisement, banners, TV clippings and one minute videos.
- There is a need to have dedicated training and capacity-building for the reduction of NRW, and steps to ensure rainwater harvesting should also be encouraged.

## 7. Urban Planning

### 7.1 Urban Planning Functions and Reforms

The State Government of Himachal Pradesh has delegated and converged urban management functions within the functioning of ULBs vide notification No. LSG-A (2)/3/94 dated 30th August 1994. In 2011, the State Government has constituted Single Umbrella Committee (SUC) for all the function under the Chairmanship of Commissioner SMC. The Single Umbrella Committee (SUC) manages, supervises all the functions under the chairmanship of the Commissioner.

All the urban planning activities are taken in consultation with this committee. Land use and spatial planning functions have already been transferred to the ULBs. However, in the case of planning of new areas certain clearances and recommendations from the TCP department are to be sought which is responsible for restricted areas and core areas.

### 7.2 Roles and responsibilities of ULB and parastatals

All planning activities relating to distribution within city limits have been transferred to ULBs. Various types of institutions are involved in providing planning, development and management of urban services in Shimla Planning Area. These include local bodies like Municipal Corporation, Special Area Development Authorities and Cantonment Board, statutory authorities and government departments.

- In case of water supply, planning and execution of source related schemes have been retained by the Irrigation and Public Health (I&PH) Department of the State.
- The function of building plan approval lies with Shimla Municipal Corporation. However, by laws are being dealt under TCP Act. Similarly some of the laws such as Apartment Act, Interim Development Plan (IDP) are governed by State Town & Country Planning Department.
- The SMC is competent authority for providing planning permissions for buildings and regulation of constructions in the Municipal Areas. It is also nodal agency for recommending the planning permissions for Restricted Areas, Core Areas and Heritage Zones to Town and Country Planning for approvals. The building permission cases falling in Core Area are processed and thereafter referred to the State Govt. for approval

### 7.3 Status of master plans and land use plans

In order to ensure planned and regulated growth, GoHP constituted Shimla Planning Area through notification in November 1977. Shimla Planning Area (SPA) comprise of following:

1. Shimla Municipal Corporation (SMC)
2. Recently merged Special Areas of Dhalli, New Shimla, and Tutu
3. Special Areas of Kufri, Shoghi and Ghanahatti

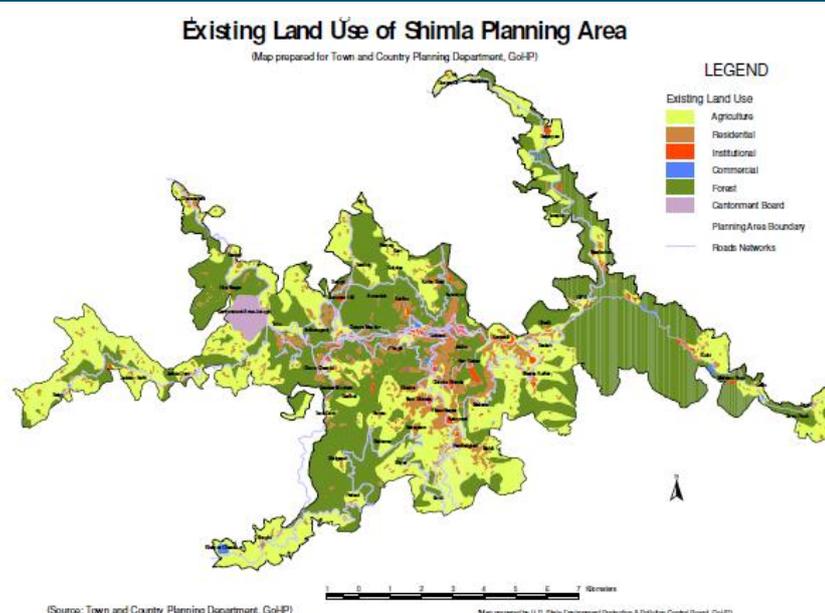
The geographical spread of SPA is roughly 100 sq. km. HP Town and Country Planning Act, 1977 provide legal framework for planning process for Shimla Planning Area. Following the constitution of Shimla Planning Area under HP Town and Country Planning Act, 1977, existing landuse was frozen through notification in March 1978, whereby change of land use became mandatory requirement.

Interim Development Plan (IDP) notified in 1979 provided the blue print for planning and development of Shimla till date. During this time IDP has been amended and total 37 amendments were introduced. Regularisation of unauthorized constructions and landuse have largely affected the plans proposed in IDP.

For implementation of development plan, GoHP constituted Shimla Development Authority (SDA) in late 1980. The primary function of the Authority was to ensure planned development of the city. The SDA, however, confined itself to building and construction activities. In 1995, SDA was upgraded to Himachal Nagar Vikas Pradhikaran, which also remained as construction agency. In 2000, SDA was merged into Housing Board. In 2004, Housing Board was restructured as Himachal Pradesh Housing and Urban Development Authority (HIMUDA) under HP Housing and Urban Development Authority Act 2004. However, HIMUDA is involved in construction rather than regulating growth and ensuring planned development

Of the total area of 9950 hectares of Shimla Planning Area, about 1475 hectares which accounts for 15% of the total SPA is under urban use. The existing landuse of SPA is presented in Figure 6.1

**Figure 5: Existing Landuse Pattern**



### 7.3.1 Landuse statement and key highlights of the master plan

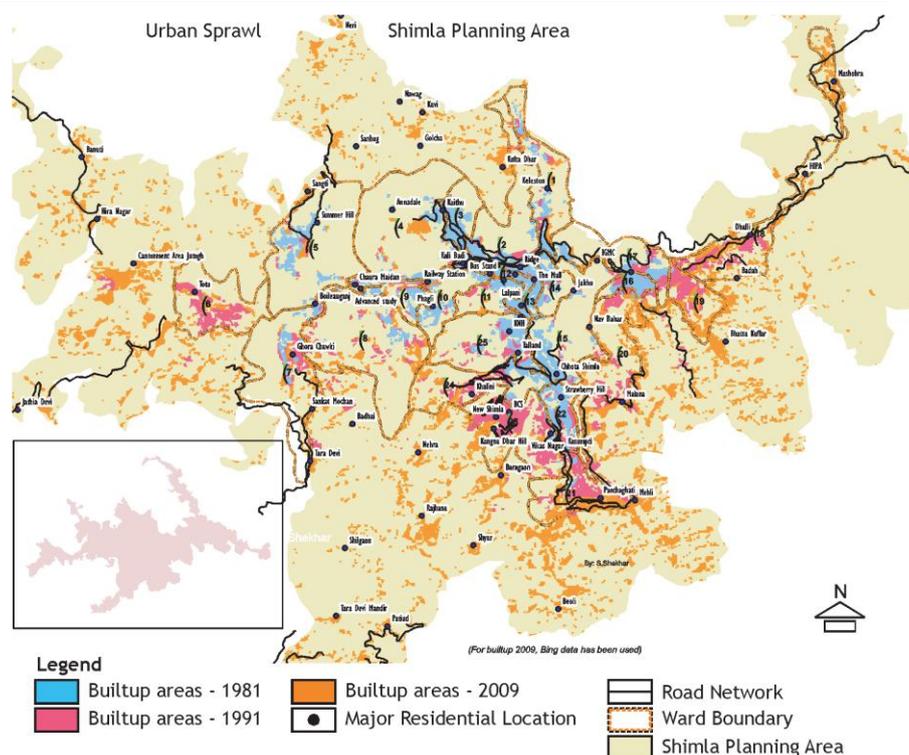
**Table 17: Landuse- Draft Development Plan Shimla, 2021**

S.No	Landuse	Area (in Hectare)	% of urban area	% of Planning Area
1	Residential	903.13	61.19	9.07
2	Commercial	25.22	1.71	0.25
3	Industrial	9.00	0.62	0.09
4	Tourism	21.70	1.47	0.22
5	Public & semi- public	138.78	9.40	1.39

S.No	Landuse	Area (in Hectare)	% of urban area	% of Planning Area
6	Parks & open spaces	6.00	0.41	0.06
7	Traffic and Transportation	371.93	25.20	3.75
	<b>Sub total</b>	<b>1475.76</b>	<b>100.00</b>	<b>14.83</b>
8	Agriculture	2174.75		21.85
9	Forest	6080.15		61.12
10	Water bodies and undevelopable land	219.34		2.20
	<b>Grand Total</b>	<b>9950.00</b>		<b>100.00</b>

Source: Draft Development Plan Shimla, 2021

**Figure 6: Shimla Planning Area and Urban Sprawl**



Shimla Development Plan for planned and regulated development of Shimla Planning Area, Shimla Development Plan 2021 has been prepared and is awaiting notification from GoHP.

## 7.4 Key concerns in Planning of Hilly areas

- Shimla is facing the problems typically faced by any hilly region like soil erosion, flooding of foothills, scarcity of buildable land, emergence of linear urban corridors, inaccessibility of certain areas, uneven development of urban system. The Ridge and southern slopes are

more amenable for development due to gradual slopes and sunny side. Thus all major landuses are located on southern slopes of Shimla

- Development pattern of Shimla is governed by its topographical constraints like steep slopes, elongated hilly spurs, forest areas, and zones of perpetual sunshades. Due to extremely limited vehicular accessibility and dependence on pedestrian movement, development of Shimla is concentrated in limited area
- Lack of proper planning, negligible use of modern tools and techniques, and lack of planning professionals plagues Shimla.
- There is a lack of institutions to provide training, specifically in urban areas.
- Transportation is a big area of concern for Shimla which includes horizontal as well as vertical transportation systems.
- Planning Department is at the crossroad and stagnant. The Department has everything such as adequate legislative support, head office with field networks, increasing responsibilities and mandate but lack of skilled manpower. There is Poor enforcement of zoning regulations
- The high growth of population coupled with the floating population is exerting heavy pressure on existing infrastructure and also leading to encroachments, unauthorized constructions, construction activities not incompatible with traditional culture and heritage of the city

## 7.5 Recommendations

**To regulate future urban development and consequent growth, the following aspects needs to be undertaken**

- **Renewal of Core Area:** The most important area of improvement for a rapidly growing city is its core area. Efforts should be made to decongest the core areas through selective relocation of non-conforming activities like timber market, transport hub, wholesale grain market, wholesale vegetable market, bus stand. SMC/GoHP would need to identify land in the peripheral areas and provide space for relocation
- **Development of nodes on the periphery of the city on Chandigarh, Rampur and Bilsapur Highways.** Interconnection to proposed nodes and activity centers through well-laid networks of road and city bus service
- Encouragement to industrial activities restricted only to green industries
- **Development approach for Shimla hill area should emphasize on**
  - ◆ Planned development of tourism activities for sustainable economy
  - ◆ Rational urban settlement system for efficient functioning of capital city
  - ◆ Optimal utilization and development of resources in ecologically sustainable manner

### Better Landuse Planning

- Shimla Urban Planning Authority (SUPA) may be constituted for Shimla Planning Area. SUPA should prepare regional Master Plan/Detailed Development Plan for Shimla Planning Area. This agency should be well equipped with necessary capacity, in terms of both skills and supporting legislations, for effective planning and management. The efforts of this agency must be systematically coordinated with those of SMC

## 7.6 Capacity Building Areas

- Support is envisaged to assist in setting up institutions which could enable the following activities:

- Planning for urban areas, for e.g., the Shimla Urban Planning Authority (SUPA) may be constituted. SUPA should prepare the regional Master Plan/Detailed Development Plan for the Shimla Planning Area.
- Imparting training to the planning professionals from the existing staff as well as have some additional technical staff for assistance
- Support is required to develop
  - Tourism activities for a sustainable economy
  - Ensuring the beauty and maintaining the status of Clean and Green Shimla \
- Exposure visits to similar hill regions be arranged for developing effective transportation systems.

## 8. Annexures

### 8.1 List of Reference in the report

- City Sanitation Plan, Shimla Municipal Corporation, 2011
- City Development Plan, Shimla Municipal Corporation, 2006
- Urban Sprawl and other Spatial Planning Issues in Shimla, Himachal Pradesh, Shashi Shekhar, India Journal 8 - 3, July - September 2011, 53 – 66
- Development Plan of Shimla Planning Area, Government of Himachal Pradesh, Shimla
- Reform Appraisal Report, Himachal Pradesh, National Institute of Urban Affairs, 2013
- Indian Water Utility 2020, Framework for Indian Water Utility- Shimla as a Case Example, GIZ, 2013

#### Website / related links

- <http://www.shimlamc.gov.in>
- [www.jnnurm.nic.in](http://www.jnnurm.nic.in)

### 8.2 List of Official Met (1<sup>st</sup> May- 5<sup>th</sup> May 2013)

Name of Officials	Designation/ Organisation	Contact Number
Mr Amarjeet Singh	Commissioner, SMC	09418040609
Mr Tikender Singh Panwar	Deputy Mayor	0177-2838683
Mr Pramod Zinta	BSUP-Project Co-ordinator	9418842275
Mr Amar Singh Verma	JnNURM Project Co-ordinator	9418010425
Mr Divan Chand Sharma	Senior Tax Officer	9418658277
Mr D.D.Thakur	Senior Accounts officer	9459129594
Mr Vijay Gupta	Engineer Water Supply	9418470578
Mr. Hiranand Kashyap	Asst. Engineer	09418453181
Dr. D. P. Singh	Project Coordinator Solid waste Management	09418083977
Er. M.S. Kanwar	Chief Engineer (Shimla Zone)	9418035626
Mr S.K.Singh	Irrigation and Public Health	
Other officials	Town Planning Department	

### 8.3 Minutes of the meeting

Place/Location	Shimla Municipal Corporation, Shimla
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<b>Date of the Meeting</b>	1 <sup>st</sup> May 2013
<b>Participants</b>	<ol style="list-style-type: none"> <li>1. <b>Mr Amarjeet Singh</b>, Commisioner, SMC</li> <li>2. Mr Tikender Singh Panwar, Deputy Mayor, Shimla</li> <li>3. Mr Pramod Zinta, BSUP-Project Co-ordinator</li> <li>4. Mr Amar Singh Verma, JnNURM Project Co-ordinator</li> <li>5. Mr Divan Chand Sharma, Senior Tax Officer</li> <li>6. Mr D.D.Thakur, Senior Accounts officer</li> <li>7. Mr Vijay Gupta, Executive Engineer Water Supply</li> <li>8. Mr. Hiranand Kashyap, Asst. Engineer</li> <li>9. Dr. D. P. Singh, Project Coordinator, Solid waste Management</li> <li>10. Er. M.S. Kanwar, Chief Engineer (Shimla Zone), Irrigation and Public Health</li> <li>11. Mrs. Monika Bahl, CRISIL</li> <li>12. Mr. Manoj Jha, CRISIL</li> </ol>
<b>Discussion Points</b>	<p>CRIS team gave an introduction to the Capacity Building for Urban Development (CBUD) initiative of MoUD, CRIS's appointment for rapid baseline assessment study of 30 cities including Shimla. The objective and the study areas to be covered under the study were discussed. The commissioner and the deputy Mayor presented their view and suggested the points to build capacity of the Shimla Municipal Corporation :</p> <ul style="list-style-type: none"> <li>• Training to the ULB staff for DEAS. Trainings for the elected representative</li> <li>• Property tax –being the major source of income-It is imperative for Shimla to shift to Unit Area Method. The legal framework is already in place. The same needs to be implemented</li> <li>• Shimla target to be one of the 'Cleanest and beautiful city; efforts needs to be made for encouraging reuse and recycle water, Capacity building for segregation of waste at the household level needs to be encouraged.</li> <li>• Under JnNURM- Water supply and sewerage have been approved but has not taken off from the ground due to several reasons and limited response in hilly areas. It is one of the top most priority for the city. E-governance project under JnNURM is also not implemented due to the issues for deciding the State level architecture and other problems.</li> <li>• 80% of budget is spent of salaried in fact at times ULs needs to dissolve the fixed deposits to pay salaries. Hence efforts for revenue enhancement needs to be made.</li> <li>• DPR for Capacity building has been submitted to MoUD and approved for 35 lakhs which includes training programmes, exposure visits etc. SMC is awaiting for the transfer of funds for the same</li> <li>• JnNURM Reforms are done at the state level ULBs are facing problems in implementation due to lack of manpower</li> <li>• The citizens of the city needs more facilities for transportation</li> <li>• The need for underground tunnels , pedestrian walkways to maintain the city</li> <li>• The new areas also need attention to be able to cater to the growing demands of the city.</li> </ul>

	<p><b>Detail discussions were held with each department head present during the meeting and the same is summarized below</b></p> <p><b>Urban Poverty</b></p> <ul style="list-style-type: none"> <li>• Shimla, is one of the first ULs to get the pilot DPR approved under Rajiv Awas Yojana</li> <li>• The Slum survey has been completed in the city and implementation of DPR shall begin from July 2013.</li> <li>• A total of approximately 2500 HH lives in slums in 87 Pockets. The list of slums has been notified.</li> </ul> <p><b>Property Tax</b></p> <ul style="list-style-type: none"> <li>• Current system of assessment is ARV in which residential properties 15% of ARV and 17.25% for commercial properties is imposed</li> <li>• Amendment have been carried out in HP Municipal Act and G.O has been issued for shift to Unit Area Method.</li> <li>• SMC has a total of 12,000 properties in 19 wards out of which 8000 are under the tax net, 4000 are exempted as they are less than 100 sq m.</li> <li>• Out of the 8000 properties: 5500- Residential, 500- Commercial and 2000- Mix landuse.</li> <li>• SMC limits have been expanded and 6 new wards have been included which shall comprise of 12,000 properties. PRUDA , a agency based out of Delhi is undertaking the survey in the new 6 wards is completed and hence in this year 2013-14, the demand shall be issued on UAM.</li> <li>• Currently their current demand is 8.5 Cr and areas are 5 Cr. In 2011-12 they have been able to collect 8.25 Cr in total. Against the current demand their collection efficient is around 85% but including areas is low. The detail DCB statement has also been provided</li> <li>• Key sources of revenues are- Property Tax, Rent from Shops, Parking (15-18 lakhs/ year), State government grant in lieu of Octroi, Disaster Mitigation funds, Hoarding Tax etc.</li> <li>• The key concern he said that SMC is doing a lot of services but no revenue sharing is between Transport department / Irrigation department.</li> <li>• The Balance Sheets have been provided for the last five years</li> <li>• As mentioned earlier, they key expenditure is on salaries and then development works.</li> </ul> <p><b><u>Water Supply, SMC and Irrigation and Public Health Department</u></b></p> <ul style="list-style-type: none"> <li>• Shimla Municipal Corporation receives 30 MLD of water from Irrigation &amp; Public Health department</li> <li>• The average shortfall in water supply as on date is about 15 MLD</li> <li>• The water is distributed to approx 41060 taps, there is subsidy of the 86.72 % in urban water (domestic) supply of Shimla</li> <li>• Water losses are due to leakage from old, damaged, corroded pipe lines/ connections and leaking joints and overflow at overhead tanks besides losses are due to theft, illegal tapping of water-unregistered connections</li> <li>• The bulk water is purchased from Irrigation department by SMC and</li> </ul>
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	<p>they pay 20 Cr/ year</p> <ul style="list-style-type: none"> <li>• Revenue from water bills is close to 8 Cr.</li> <li>• Key reason is huge loss of water is transmission, Very High NRW, UfW, the water requirement of Shimla City and its surrounding areas is expected to be 105.66 MLD for the horizon year 2037.</li> </ul> <p><b><u>Sewerage</u></b></p> <ul style="list-style-type: none"> <li>• Water charges is fixed Rs. 165 + 15% sewerage charges per month a new sewerage network for Shimla was implemented, designed to cater the demand for year 2031</li> <li>• The network of the new sewerage system in Shimla is about 179 km and the diameter of the sewer pipes ranges from 150 mm to 800 mm</li> <li>• The network covers 90% of the municipal area serving upto 80% of the population.</li> <li>• Shimla has 6 Sewage Treatment Plants (STPs) with total capacity to treat 35.63 MLD of sewage</li> <li>• The operation and maintenance of these STPs are on management contract .The total sewage received by all the six plants is only about 4.8 MLD for treatment</li> </ul> <p><b><u>Solid Waste Management</u></b></p> <ul style="list-style-type: none"> <li>• The average generation in Shimla Planning Area is approx 87 MT per day approx 35-40 MT is collected primarily through community bin system</li> <li>• The generation of waste is characterized by high level of seasonal variations with 30% increase in the peak tourism season</li> <li>• SMC door-to-door collection is carried out by private sector covering 35% of population</li> <li>• The treatment is done at 100 MT/day capacity plant, which receives only 35-40 MT/day</li> <li>• Disposal is done near processing and treatment plant</li> <li>• Around 29% of total municipal expenses are towards solid waste management</li> <li>• Role of private sector is limited to provision of D2D services in limited areas and construction, operation and maintenance of processing and treatment plant</li> </ul>
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## 8.4 Qualitative Questionnaire

### Municipal Financial Management

S. No.	Category	Query
1	Administration of Finances of ULB <i>(The questions in this section are intended to see across 30 ULBs if there are any good practices)</i>	<p>Please narrate the various steps adopted for preparation and finalization and monitoring of budget and the stakeholders involved at each stage</p> <p>The stakeholders are not involved in the preparation of the budget. The average expenditure/revenue is taken for the last three years and by discussing with several department heads and the need as per the pipeline of Projects an estimated budget is prepared. The budget is prepared by February of each year and once discussed internally and finalized. The budget is sent to the General Body of Municipal Corporation. After the budget is approved by the Municipal Corporation, it is published.</p> <p>Please provide the process adopted for approval of works.</p> <p>The estimated cost of the work is prepared by the engineer and is submitted to the board for the approval.</p> <p>Please provide key principles/ policies adopted internally or as per municipal act for financial planning at your ULB</p> <p>No set principles for financial planning.</p> <p>Please highlight if there any issues with respect to manpower in your department</p> <p>There is an acute shortage of skilled manpower in the department</p> <p>What has been the level of computerization in financial management and revenue administration?</p> <p>The level of computerization is very limited considering the lack of skilled manpower</p>
2	Accounting Reform <i>(The questions in this section seeks to check the current status of the reform and also checks whether ULB has a complete road map of the reform implementation )</i>	<p>Has ULB implemented Accounting Reform? if no, then</p> <p>What is the current status of accounting reform?</p> <p>Has the ULB prepared a road map for implementation of the reform? If yes, please explain.</p> <p>What is the likely time period the accounting reform would be achieved?</p> <p>What is the status of valuation of assets?</p> <p>Has all the assets being identified?</p> <p>Is there clarity on the value to be taken for valuation of different type of assets? Are you adopting any specified norms?</p> <p>Has the municipal codes being finalized?</p>

		<p>What nature of training is being planned for the department?</p> <p>Has your ULB being provided any form of training by external agency or through State/ Central Government for implementation of this reform?</p> <p>Has ULB deployed any external consultant to assist in this reform implementation?</p> <p>What are the key challenges you are facing or envisaging in implementation and usage of this reform?</p> <p>What are the expected outputs and usage of this system according to you?</p> <p>NA</p>
	<p><i>(The questions in this section seek to check the completeness of the reform and the utilization of it in effective way. It also tries to see what where the challenges faced by ULB which could be true with the rest of ULBs too )</i></p>	<p>Has the ULB implemented Accounting Reform? if yes, then</p> <p>Partially. The Double Entry accrual-based Accounting System has been in place in the Shimla city w.e.f. 01/04/2007 but the same is done on intermittent basis.</p> <p>Has the balance sheet for latest financial year in place.</p> <p>Balance sheet as on 2011-12</p> <p>Have the balance sheets being audited by an external auditor. Year of commencement of external audit of financial statements.</p> <p>The balance sheet are not audited by external auditor</p> <p>What are the different types of financial statements generated</p> <p>Profit &amp; Loss account, Balance sheet &amp; Bank reconciliation and budget.</p> <p>Was the system implemented through internal resources or through deployment of agencies externally</p> <p>DEAS is implemented through external agency and is on intermittent basis</p> <p>Is the accounting module software interconnected with all other modules as per e-governance reform</p> <p>Accounting module is operational on standalone basis.</p> <p>Have all the departments being provided training and handholding for use of Double Entry Accounting System</p> <p>There is an external CA who is appointed for DEAS</p> <p>What were the key challenges faced by ULB in implementing the accounting reform - Asset valuation, change management (manpower related), technology adoption etc.</p> <p>Key challenges are change management as there are very limited internal resources which can be involved.</p> <p>Are the ULB officials able to understand and interpret balance sheet and is the system being utilized in day to day decision making</p> <p>No</p> <p>What are the key benefits ULB has obtained after migration to double entry</p>

		<p>accounting system</p> <p>Since the DEAS is done on intermittent basis and hence ULB is not able to get the direct benefit</p>
<p>Outcome and performance budgeting reforms</p> <p><i>(The questions in this section budgeting practice at ULB and improvements needed there in with special focus on outcome budgeting)</i></p>	<p>What is the basis being adopted for budgeting expenditures for the forthcoming year</p> <p>Budget is prepared on a percentage increment.25% of total budget is earmarked for the urban poor</p> <p>Is there a monitoring system in place to monitor revenues and budget expenditures on a regular basis</p> <p>No such system</p> <p>Does ULB take into account the benefits (outcomes for eg. No. of households connected with water connections by laying a pipeline etc.) that are created due to investments made in the project?</p> <p>Such factors are not considered in detail as most of the project in Shimla are under construction.</p> <p>Is there a separate budgeting practice for urban poor? If yes, what %age of the total budget? Is it earmarked as a separate budget head or scattered across the budget?</p> <p>Shimla has earmarked 25% of the budget to meets the needs of the urban poor and this is being utilized fully in last year.</p> <p>Is the ULB planning to adopt a separate budget head for urban poor? Is the ULB prepared for the same? What issues does it foresee? What support is required?</p> <p>SMC have a separate accounting code has been provided in the budget.</p>	
<p>Asset management</p> <p><i>(Both Asset management and asset valuation has been one of the key bottlenecks in completion of accounting reform. The questions in this section seek to explore the areas of intervention required)</i></p>	<p>What is generally the practice adopted for recording assets. Are the assets recorded centrally or at departmental level?</p> <p>Maintained at department level.</p> <p>Is the information related to assets updated as and when they are created?</p> <p>Yes</p> <p>Is there a standard framework for recording assets?</p> <p>Yes, a prescribed format is followed.</p> <p>Do you also use GIS as a system for asset management?</p> <p>No</p> <p>Is recording of assets as part of work procedure?</p> <p>Yes</p> <p>Is there an audit of asset register?</p> <p>Yes audit of register takes place</p>	

<p>Audit and Internal Control System</p> <p><i>(The questions in this section are intended to see across ULBs if there are any good practices)</i></p>	<p>Do you follow pre-audit or post-audit of works</p> <p><b>The accounts are audited by an internal and government auditor.</b></p> <p>In case, post audit is followed, till what year post audit is completed</p> <p><b>The post audit is conducted till 2010-11</b></p>
<p>Municipal Financial Rating</p> <p><i>(Many cities do not have exposure to rating philosophy, hence this questions are directed to check the know-how on the same )</i></p>	<p>Has the ULBs finances being rated by any certified Rating Agency. If yes, what was the purpose of this rating?</p> <p><b>ICRA has undertaken credit rating and the rating is BB</b></p> <p>Has there any measures being taken up by ULB in case the rating of finances is in poor grade?</p> <p><b>No measures were taken</b></p>
<p>Municipal Income</p> <p><i>(The questions under this section intends to explore any major deviations in trend of revenues and also explores the tax revision policy and explores any measure of buoyancy of revenues )</i></p>	<p>What are the key revenue streams? Do you think the ULB is able to realize the revenue potential in the area of property tax, advertisement revenues, development charges etc.)?</p> <p><b>Property tax, User charges are the major source of revenue for SMC.</b></p> <p>Over the years, what are the steps/efforts taken to enhance revenues?</p> <p><b>No major steps were taken for enhancement of revenue</b></p> <p>What have been the bottlenecks/hindrances in revenue enhancement measures?</p> <ul style="list-style-type: none"> <li>• <b>Shortage of manpower and lack of knowledge of revenue enhancement.</b></li> <li>• <b>Willingness of senior officers to initiate these revenue enhancement measures,</b></li> <li>• <b>Resistance from general public</b></li> </ul> <p>Any strategy to arrest leakages</p> <p><b>No Strategy</b></p> <p>Is there a policy on increase in taxation rates in property tax on a regular basis? If yes, is the ULB able to revise the tax as per schedule? If not what are the bottlenecks?</p> <p><b>As per the new amendment to the Act, they need to migrate to Unit Area Method. They have undertaken They are not able to increase taxes due to internal and external factors.</b></p> <p>Has ULB explored revenues through land development? If yes, please explain the land development models?</p>

		<p><b>No land development model was explored to enhance the revenue</b></p> <p>Has the ULB in past or in present raised funds through Municipal Bonds. If no, is the ULB aware of the procedure and process of raising funds through Municipal Bonds?</p> <p><b>No, ULB has not raised the funds through municipal bonds. They don't know the exact details for raising fund through municipal bonds</b></p> <p>Has the ULB forecasted its revenues for the next 5-10 years? Please discuss the same.</p> <p><b>No ULB has not forecasted its revenue for next 5-10 years</b></p> <p>Please suggest what nature of trainings or capacity building measures you think should be useful for your department in meeting day to day challenges?</p> <p><b>Special training should be imparted to enhance revenue and to shift to Unit Areas Method. Cost recovery mechanisms need to be emphasized – increase tariffs once every three years. There has to be continuous training for migrating to and maintaining the double-entry accounting system.</b></p>
	<p>Municipal Expenditure</p> <p><i>(This aspect basically explores the expenditure planning measures of ULB for creation and maintenance of assets)</i></p>	<p>What control measures are being put in place to manage the various expenditures?</p> <p><b>No measures has been put in place to control expenses</b></p> <p>Is there regular monitoring of expenditures? Are there any memos issued in case the expenditures exceed the planned ones?</p> <p><b>Monitoring is done but not regularly</b></p> <p>Do you have ring fencing for capital budgets?</p> <p><b>No</b></p>
	<p>Property tax</p> <p><i>(The queries under this are aimed to understand the key limitations faced by ULBs in improving coverage, and collection ratios)</i></p>	<p>Please explain the system of property tax followed by your ULB?</p> <p><b>The amendments to implement Unit Area method have been made in Section 88 of H.P. Municipal Corporation, 1994 and Section-2 of H.P. Municipal Act 1994. These amendments has been commenced w.e.f 20-2-2012 in the State.</b></p> <p>What is the estimated billing potential of property tax? What are the key reasons for not being able to bill and collect the realize potential?</p> <p><b>The Total demand with the current system is 13.94 Cr and the ULB has been able to collect only 7.43 Cr. The key reason are</b></p> <ul style="list-style-type: none"> <li>• <b>Citizens do not pay regularly</b></li> <li>• <b>Long overdue arrears</b></li> </ul> <p>What is the frequency of conducting surveys to identify un-authorized properties? In past, per year how many properties have been found out of tax net?</p> <p><b>The Corporation of Shimla has appointed a Consultant M/s Planning and</b></p>

		<p>Resources on Urban Development Affairs (PRUDA)- R &amp; B wing of All India Institute of Local Self Government, New Delhi on 22-02-2010 to implement the GIS-based property tax system. The firms has shared their survey result and from this April 2013 onwards the bills are raised to all the properties which have been</p> <p>Are there separate officials for assessment, billing, distribution, collection, vigilance and hearing?</p> <p><b>No separate department</b></p> <p>What is the frequency of issuing of bills to tax payers?</p> <p><b>Yearly bills are distributed between April and September.</b></p> <p>Is the billing system computerized?</p> <p><b>No billing system is not yet computerized</b></p> <p>What is the method of distribution of bills? Is it door to door through your staff or through post/ courier or outsourced to private agency?</p> <p><b>The bills are distributed by the tax department from the ULB through post. In case of discrepancies the officer visits the sites.</b></p> <p>By when all the bills are distributed to tax payers?</p> <p><b>All the bills are generally distributed by September</b></p> <p>After issuance of bills, within how much time the users are required to pay without any penalty?</p> <p><b>A scheme for rewarding and acknowledging honest and prompt taxpayers is in place at the SMC. If a taxpayer makes the property tax payment within 15 days, then he/she is given a rebate of 10%. There is also a separate scheme of penalizing late taxpayers to the tune of 18% on default.</b></p> <p>Any schemes/initiatives to enhance property tax revenues? (incentives/penal system)</p> <p><b>No initiatives.</b></p> <p>What is the Property tax collection process – door to door/online/collection centers?</p> <p><b>Collection is done through the collection centers and door-to-door collections</b></p> <p>If your collection ratios has improved in past, what do you think where the key reasons for improvement?</p> <p><b>No massive improvement</b></p> <p>Has your ULB undertaken GIS mapping of properties? What is the progress on the same? What are key hindrances ULB is facing in implementing/managing this reform?</p> <p><b>GIS mapping of properties is not done</b></p>
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		<p>What do you think are the training need requirements at different levels in property tax department</p> <p>Steps must be taken to strengthen their staffing in order to achieve improved levels of collection of taxes. The Municipality may outsource this activity and appoint staff on contractual basis to perform the task of collection of bills. Staff involved in performing the task of collection must be trained to adapt to the computerized process of billing. The ULB officer</p> <p>Training to levy property tax on unit method.</p>
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## 1) Urban Service Delivery

S. No.	Category	Query
1.	Project Planning, financing, procurement and implementation	<p><b>Planning</b></p> <ul style="list-style-type: none"> <li>Do you think, there is adequate technical/ managerial capacity with ULB for project planning? What are the gaps in the system according to you? (Issues could be related to funds, manpower, technology, decision making, process etc).  <b>ULB has limited capacities to undertake project planning.</b></li> <li>Are you aware of similar projects planned and implemented in other cities? Have you visited any of these cities?  <b>SMC has made several projects but some of them are facing difficulties in implementation due to very limited response through tendering.</b></li> <li>Does ULB have any plans in place to meet the infrastructure gaps? Was the CDP for your city being prepared; if yes, do you think the CDP prepared address the project planning related aspects? Any suggestions in this area?  <b>CDP of the city was prepared in 2007 and it cover planning related aspects. Although the CDP is not yet fully implemented.</b></li> <li>What support do you envisage in planning of projects? Support from ULB, state and centre  <b>The ULB would like more support from the State as the ULB funds are not sufficient for planning or implementation of projects of any scale.</b></li> <li>What is generally the process followed from conceiving a project to its implementation? Across the project cycle, where do you think are the key bottlenecks and according to you, how this can be resolved?  <b>The various steps in project lifecycle are assessment of needs, approvals, DPR's and implementation.</b>  <b>Key bottlenecks are stated below</b> <ol style="list-style-type: none"> <li>The functions are taken care by different various parastatals which causes implementation and operational issues,</li> <li>The municipality and parastatals are short of staff, and lack technical skills to monitor the projects being carried out</li> <li>Moreover, outcomes are not assessed when projects are planned</li> </ol> </li> <li>What steps have been taken in the past to resolve/reduce these issues?  <b>The ULB is currently following the traditional approach and the same needs to be modified to make it need based.</b></li> <li>While planning of projects do you envisage/ enumerate the improvements in SLB indicators? If no why?  <b>Regular basis, monitoring of services is carried out, although not in a planned manner.</b></li> <li>What is the level of participation with CBOs/SHGs and or NGOs/Civil</li> </ul>

S. No.	Category	Query
		<p>Society groups in planning the development works?</p> <p>Society groups are not involved much in planning and implementation stage. However there are several active NGOs involved in making Shimla as Zero Waste generation city as well as maintaining the beauty of Shimla.</p> <p><b>Financing</b></p> <ul style="list-style-type: none"> <li>In what manner, ULB has financed its past projects? The ULB has very limited resources and currently most of the projects are funded through central or state government grants.</li> <li>If financing of projects is through bonds, borrowing from Banks, through funding agency like (World Bank, ADB etc.) or through pooled financing, PPPs etc. in such cases is the department fully aware of the financing procedures? What are the key areas of knowledge support you require in this area? There are several multilateral and bi-lateral agencies providing support to Shimla like the European Union and others. The department staff definitely needs to get trained in terms of contract management, procedures, project financing etc.</li> <li>Has there been any trainings in past on project financing? No such training sessions.</li> </ul> <p><b>Procurement</b></p> <ul style="list-style-type: none"> <li>What are the existing procurement processes pursued by the ULB? Procurement is done as per Himachal Pradesh Procurement guidelines State Government, in the Finance Department in June 2008, had constituted a Committee to frame a revised Draft of Himachal Pradesh Financial Rules. The Himachal Pradesh Financial Rules of 1971, presently in force, were notified in 1971 i.e. 37 years ago, under Article 283 of the Constitution. These Rules determine the procedures to be followed by different departments of the Government and Instrumentalities of the State, in expending money out of the Consolidated Fund of the State and they also determine financial delegation and procedures to handle receipts accruing to the State's Accounts The Committee has adopted the the revised Draft HP Financial Rules 2009</li> <li>What do you think are the key hindrances in procurement (tendering) of projects? Online tendering is taking place in limited tenders but e-procurement is yet to begin</li> <li>Has there been any training on contract preparation? No</li> <li>Is there a legal cell/ official in ULB to examine the adequacy of contracts?</li> </ul>

S. No.	Category	Query
		<p>No</p> <p><b>PPPs –</b></p> <ul style="list-style-type: none"> <li>Mention the key PPP projects implemented in the past with details such as contractual structure, performance parameter and issues faced by the ULB. SMC intend to award the water supply project on PPP basis and the same is under tendering.</li> <li>What is the role of the private sector in service delivery and the potential of public-private partnership (PPP) in the development and management of infrastructural services? Door to door collection and scientific disposal of waste.</li> <li>Does ULB have adequate know-how on contract management of PPP Projects? No</li> <li>What kind of support do you envisage for implementation of PPP Projects A special training in implementation of SWM projects on PPP basis needs to be imparted and implementation of large scale infrastructure projects needs to be imparted</li> </ul> <p><b>Implementation</b></p> <ul style="list-style-type: none"> <li>What kind of support is required for project implementation? For project implementation, the ULB needs financial support, skilled manpower and infrastructure development</li> <li>During implementation of projects under JNNURM/ funded schemes of your state, how frequently the review meetings are organized to mitigate and resolve the issues? Meetings are held only on need basis not regularly.</li> <li>Have the execution team been provided any trainings in the area of project management or use of software for project management? No</li> <li>Are there any issues related to manpower planning, technical capacity of team etc.? The shortage of skilled manpower creates issues in project planning and implementation.</li> </ul>
2	Urban Service Delivery	<p><b>Municipal Service Delivery:</b> With respect to the urban infrastructure services in the ULB such as <i>water, sanitation, sewerage and drainage, solid waste management, urban transport, street lighting, environment protection, urban poor settlements</i>, please provide inputs related to</p> <ul style="list-style-type: none"> <li>What are the key reasons for poor service levels? The key reasons for poor service delivery is a huge pressure on</li> </ul>

S. No.	Category	Query
		<p>infrastructure due to floating population, shortage of staff, low financial capacity and poor planning etc.</p> <ul style="list-style-type: none"> <li>• Do you have any operational guidelines for O&amp;M of projects? If yes, are they followed and monitored; if no, do you think this should be helpful? There are no operational guidelines however they do monitor the progress and report to Commissioner regularly.</li> <li>• If your ULB has not been able to meet the O&amp;M cost recovery as per reforms - Metering, Lack of skilled manpower and low tariffs leads to under recovery of O&amp;M expenditure.</li> <li>• Land for the project <ul style="list-style-type: none"> <li>○ Has ULB made reservations for land required for the projects in future? No</li> <li>○ Have any of your projects stuck due to land issues? No. The projects are stuck due to limited response from private players.</li> <li>○ What suggestions you would like to make to ease out the process of land acquisition. No.</li> </ul> </li> </ul> <p><b>Service Level Benchmarks (SLB)</b></p> <ul style="list-style-type: none"> <li>• Please explain the awareness of the ULB with respect to Service Level Benchmarks (SLB) The senior officials are aware but there is very limited awareness amongst the junior staff.</li> <li>• Was any survey being done with respect to SLB? The survey was undertaken in the year 2010.</li> <li>• What is the institutional mechanism put in place to ensure that the data reliability of SLB indicators is highly reliable? GIZ has undertaken a study on Service levels and they had their own institutional mechanism in place.</li> <li>• Are you aware of “Information Systems Improvement Plan (ISIP)” and Performance Improvement Plan (PIP) No</li> <li>• Explain preparation and implementation of a Performance Improvement Plan (PIP) to facilitate improvement of performance levels on select service indicators NA</li> </ul> <p><b>Water Supply Services –</b></p>

S. No.	Category	Query
		<ul style="list-style-type: none"> <li>• How do you plan to reduce the non-revenue-water in the system? What measures ULB has taken in past towards this and what has been the success achieved? <b>SMC has taken the initiative to install meters as well as repair the existing meters.</b></li> <li>• What is ULBs exposure to 24x7 system of water supply? Has there been any training in this area? <b>ULB don't have any exposure in such area.</b></li> <li>• How is the water system managed; do you have water districts? How do you rate the accountability of the current system of administration of water supply? <b>Different Zones for administration of water supply within the city.</b></li> <li>• What are the key challenges you consumer interface i.e. in the area of metering, billing and collection? <b>There is limited metering in the city</b></li> <li>• What is your exposure to technologies in the treatment area? How do keep yourself update with the latest cost effective technologies? <b>The staff has very limited exposure in water treatment.</b></li> <li>• What key changes you would suggest to improve the service delivery in water supply area in your ULB? <b>Recruitment of skilled staff, training, metering, improvement of services in slums.</b></li> </ul> <p><b>Sewerage Services/ SWM –</b></p> <ul style="list-style-type: none"> <li>• What is your exposure to technologies in the treatment area? How do keep yourself update with the latest cost effective technologies? <b>They have a basic understanding to these things. Training are required to increase the level of exposure.</b></li> <li>• What are the key challenges you face in service provisioning in this area? <b>Lack of experience staff and technology is one of the major constrains.</b></li> <li>• JNNURM requires the cities to frame byelaws related to reuse and recycling of waste water, so as to conserve water resources. Is there any byelaw pertaining to reuse of recycled water? <b>It is pertinent to mention that use of recycled water is very costly due to high pumping cost on account of hilly terrain. However treated waste water is used downstream</b></li> <li>• JNNURM requires the cities to take sufficient steps towards promoting the use of rain water harvesting systems in cities by making it mandatory for building permission, with a long term objective of promoting conservation of water and ensuring sustainability of water resources? Is there any legislation for making Rainwater Harvesting mandatory in buildings? <b>Yes they have a concept of rain water harvesting</b></li> <li>• What is the status on reforms in the area of waste management? What</li> </ul>

S. No.	Category	Query
		<p>are the key hindrances in implementing these reforms?</p> <p>M.C. Shimla called EOIs on PPP mode for construction, operation and maintenance of 100 t/day capacities MSW processing plant. This project has been constructed by M/S Hanjer Biotech Energies Pvt. Ltd, Mumbai for the concession period of 20 years. After completion the agency will charge @ Rs. 150/- per MT of solid waste supply from M.C. Shimla for processing with 8% increase per annum.</p> <p><b>Housing and infrastructure for Urban Poor</b></p> <ul style="list-style-type: none"> <li>• What are the key challenges in implementing projects for urban poor, especially with respect to provision of housing and infrastructure? <ol style="list-style-type: none"> <li>1. Resistance of people to relocate from the existing slums is a problem.</li> <li>2. Land on which slums are developed are owned by others leading to legal disputes which hinders development.</li> </ol> </li> <li>• Has the ULB formulated and adopted a comprehensive policy on providing basic services to all urban poor. <p>No such policy</p> </li> <li>• To what extent, slums have been rehabilitated in your city? <p>Under JnNURM BSUP rehabilitation of slums is taking place.</p> </li> <li>• Do you have a separate department to handle the issues of urban poor? <p>SMC prepares guidelines is working with ULB for poor settlement</p> </li> <li>• Explain the extent of participation by communities of urban poor in the entire range of urban services and poverty alleviation programmes. Explain the nature of involvement (eg. Roads within slum clusters - Community contracting) and community mechanism (Entire material + Labour contract awarded to Slum association.) <p>Limited participation is there with communities.</p> </li> </ul>
3	Citizen's Charter	<ul style="list-style-type: none"> <li>• Please provide Citizen's Charter formulated by the ULB <ul style="list-style-type: none"> <li>• Whether the Charter lays out service delivery standards to enable consumers to understand what they can expect from service providers?</li> </ul> </li> </ul> <p>The basic objective of the Citizens Charter is to empower the citizen in relation to public service delivery. Six principles of the Citizens Charter movement as originally framed, were: (i) Quality of services; (ii) Choice: Wherever possible; (iii) Standards: Specify what to expect and how to act if standards are not met; (iv) Value: For the taxpayers money; (v) Accountability: Individuals and Organisations; and (vi) Transparency: Rules/ Procedures/ Schemes/Grievances.</p> <p>In case of Shimla, the citizen charter ensures the implementation of relevant provisions of the following</p> <ol style="list-style-type: none"> <li>1. Himachal Pradesh Municipal Corporation Act, 1994</li> <li>2. Municipal Solid Waste Management as per MSW (management &amp; handling rules) 1998.</li> </ol>

S. No.	Category	Query
		<p>3. Implementation of Provisions of Food Safety and Standard Act. 2006.</p> <p>4. Implementation of Birth &amp; Death Act 1969.</p> <p>5. Management of Public Health Laboratory.</p> <ul style="list-style-type: none"> <li>What is the current mechanism to record citizen's satisfaction levels and their voice in day to day urban management No such mechanisms are available</li> <li>Please provide details of the grievance redressal mechanisms along with precise timeframe (number of days) within which the service provider / utility are obliged to respond and redress consumer grievances. The citizen charter covers the following services           <ul style="list-style-type: none"> <li>Municipal Solid waste management</li> <li>User Charges for Door To Door Garbage collection Scheme</li> <li>Food License</li> <li>Birth and Death Registration and Procedure for Procuring Birth &amp; Death Certificate</li> <li>Rate List For Investigation- Public Health Laboratory Municipal Corporation Shimla</li> </ul> </li> <li>Does ULB involve citizen's in project planning and obtains feedback on services provided by it? If yes, then how, please narrate with examples There is limited of the public in the activities of the municipality</li> </ul>

## 2) Municipal Governance

S. No.	Category	Query
1)	E-governance	<ul style="list-style-type: none"> <li>Please provide the status of various e-governance modules, including inter-connectivity (between departments, zonal offices etc.) of modules at your ULB and how the entire process was managed? A DPR for implementation of e- governance has been prepared by Municipal Corporation Shimla, and the same has been approved by Government of India has for a project cost of Rs.11.20 Crores. This DPR covers all public services as well as complete internal computerization of M.C. Shimla. The ULB has completed 8 modules out of total 18 modules such as user administration, property tax, accounting, water billing, birth &amp; death registration, rent and lease, licenses and bank reconciliation and others are proposed in the DPR.</li> <li>Has the ULB prepared 'Municipal E-governance Design Document (MEDD) and Business Process Reengineering (BRP)? It has been prepared as a part of the DPR under NMMP</li> </ul>

S. No.	Category	Query
		<ul style="list-style-type: none"> <li>• Have all the departments being provided training and handholding? Any gaps in the training? <b>Partially</b></li> <li>• What are the key challenges you have faced/ facing in implementing e-governance?               <ol style="list-style-type: none"> <li>1. <b>Absence of CA and other qualified professionals required to implement the modules.</b></li> <li>2. <b>Lack of training.</b></li> <li>3. <b>Lack of infrastructure in terms of computers and space at the office, etc.</b></li> </ol> </li> <li>• If the e-governance modules are not implemented; is you ULB aware of complete process of implementing the same. What is the support that ULB require for this? Under what timeframe this could be implemented? <b>The e-governance module can be implemented if proper infrastructure, training and manpower are provided.</b></li> <li>• Any best practices in e-governance modules at your ULB. <b>No best practices</b></li> <li>• How is the feedback from the users (ULB department officials and citizens) on e-governance services? <b>Satisfactory</b></li> <li>• To what extent citizens use the e-governance services? For eg. in case of out of total no. of tax payers, how many tax payers pay their bills online? <b>NA</b></li> <li>• What do you think are the key benefits of implementing e-governance system? <b>Implementation of e-governance will lead to simplification and time saving</b></li> </ul>
2)	<b>Institutional Structure</b>	<ul style="list-style-type: none"> <li>• What is the Institutional structure (in terms of planning and development) of the ULB               <ul style="list-style-type: none"> <li>• Explain the Jurisdiction of these agencies – Physically and Functionally</li> </ul> </li> <li>• Are there a multitude of agencies undertaking the same kind of functions? Explain, if there are any Overlapping of policy, regulation and operational roles <b>Although the functions of water supply and sewerage services are still with the irrigation and Public Health Department due to lack of technical ability, infrastructure and manpower at the municipality the same cannot be transferred.</b></li> <li>• Are there issues with the existing institutional structure? If yes, <b>Conflict of interest and coordination issues arise between parastatals.</b></li> <li>• Explain the institutional structure at the ULB for Urban Poverty related programmes/schemes/projects <b>State urban development authority work with ULB for BSUP projects.</b></li> </ul>

S. No.	Category	Query																																																																				
		<ul style="list-style-type: none"> <li>Please provide the details on the Responsibility matrix for Main Urban Service Providers (refer Table below)</li> </ul>																																																																				
		<table border="1"> <thead> <tr> <th>Services</th> <th>Planning and Design</th> <th>Construction</th> <th>Operation and Maintenance</th> </tr> </thead> <tbody> <tr> <td>Bulk Water Supply</td> <td>I&amp;PH</td> <td>I&amp;PH</td> <td>I&amp;PH</td> </tr> <tr> <td>Water Supply Distribution</td> <td>SMC</td> <td>SMC</td> <td>SMC</td> </tr> <tr> <td>Sewerage</td> <td>I&amp;PH / SMC</td> <td>I&amp;PH/ SMC</td> <td>I&amp;PH / SMC</td> </tr> <tr> <td>Drainage</td> <td>I&amp;PH / SMC</td> <td>I&amp;PH/ SMC</td> <td>SMC</td> </tr> <tr> <td>Storm Water Drainage</td> <td>I&amp;PH / SMC</td> <td>I&amp;PH/ SMC</td> <td>SMC</td> </tr> <tr> <td>Main Roads and By Roads</td> <td>I&amp;PH / SMC</td> <td>I&amp;PH / SMC</td> <td>SMC</td> </tr> <tr> <td>Internal Roads</td> <td>I&amp;PH / SMC</td> <td>I&amp;PH / SMC</td> <td>SMC</td> </tr> <tr> <td>Streelighting</td> <td>HPSEB/SMC</td> <td>HPSEB/SMC</td> <td>SMC</td> </tr> <tr> <td>Fire services</td> <td>SMC/ Fire Department</td> <td>SMC/ Fire Department</td> <td>SMC/ Fire Department</td> </tr> <tr> <td>Open Parks</td> <td>TCP</td> <td>SMC</td> <td>SMC</td> </tr> <tr> <td>Transportation</td> <td>HRTC/HPBMDA</td> <td>HRTC/HPBMDA</td> <td>HRTC/HPBMDA</td> </tr> <tr> <td>Vertical Transport (Elevator)</td> <td>PWD</td> <td>PWD</td> <td>Tourism Department</td> </tr> <tr> <td>Housing</td> <td>HIMUDA</td> <td>HIMUDA</td> <td>HIMUDA</td> </tr> <tr> <td>Basic Services to urban poor</td> <td>DoUD</td> <td>SMC</td> <td>SMC</td> </tr> <tr> <td>Urban Forest</td> <td>Forest Department</td> <td>Forest Department</td> <td>Forest Department</td> </tr> <tr> <td>Public Convenience</td> <td>I&amp;PH / SMC</td> <td>NGO</td> <td>NGO</td> </tr> </tbody> </table> <p>           SMC- Shimla Municipal Corporation            I&amp;PH-Irrigation and Public Health            HRTC- Himachal Pradesh Road Transport Corporation            HPTDC- Himachal Pradesh Transport Development Corporation            HPSEB- Himachal Pradesh State Electricity Board            HPBMDA- Himachal Pradesh Bus Stand Management and Development Authority            TCP-Town Country and Planning            HIMUDA- Himachal Pradesh Urban Development Authority         </p>	Services	Planning and Design	Construction	Operation and Maintenance	Bulk Water Supply	I&PH	I&PH	I&PH	Water Supply Distribution	SMC	SMC	SMC	Sewerage	I&PH / SMC	I&PH/ SMC	I&PH / SMC	Drainage	I&PH / SMC	I&PH/ SMC	SMC	Storm Water Drainage	I&PH / SMC	I&PH/ SMC	SMC	Main Roads and By Roads	I&PH / SMC	I&PH / SMC	SMC	Internal Roads	I&PH / SMC	I&PH / SMC	SMC	Streelighting	HPSEB/SMC	HPSEB/SMC	SMC	Fire services	SMC/ Fire Department	SMC/ Fire Department	SMC/ Fire Department	Open Parks	TCP	SMC	SMC	Transportation	HRTC/HPBMDA	HRTC/HPBMDA	HRTC/HPBMDA	Vertical Transport (Elevator)	PWD	PWD	Tourism Department	Housing	HIMUDA	HIMUDA	HIMUDA	Basic Services to urban poor	DoUD	SMC	SMC	Urban Forest	Forest Department	Forest Department	Forest Department	Public Convenience	I&PH / SMC	NGO	NGO
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S. No.	Category	Query
		<ul style="list-style-type: none"> <li>• Institutional structure of the ULB is governed by which Act? <b>Himachal Pradesh Municipal Corporations Act</b></li> <li>• Please provide the governing/organizational structure (such as political/elected and administrative wings) of the ULB <b>SMC has 25 wards and elected candidate in each ward.</b></li> <li>• Which are the Acts, Rules and Legislation governing the day to day functioning of the ULB? <b>Himachal Pradesh Municipal Corporation Act</b></li> <li>• What is the role of state government vis-a-vis ULB operations? <ol style="list-style-type: none"> <li>1. <b>The state is a major stakeholder and is involved in the many municipal services.</b></li> <li>2. <b>In addition, the planning, designing, implementation of water supply and sewerage schemes is done by IPH (state government body).</b></li> </ol> </li> </ul>
3)	<b>Institutional Arrangements</b>	<ul style="list-style-type: none"> <li>• Explain the process of Central level schemes by the ULB including urban poverty alleviation <b>The project planning and initiation is done by DPR's and funds are released on the basis of QPR's</b></li> <li>• Explain the existing M&amp;E (Monitoring and Evaluation) framework prevalent in the ULB (M&amp;E framework in all phases of project implementation – initiation, implementation, Post implementation) <b>IRMA is the agency carrying out M&amp;E.</b></li> <li>• Explain the existing M&amp;E (Monitoring and Evaluation) system prevalent in the ULB for externally aided projects. <b>No Stringent M&amp;E system.</b></li> <li>• Whether MIS reports are generated for the same? <b>Yes, MIS reports are generated</b></li> </ul>
4)	<b>Human Resource and Capacity Building</b>	<ul style="list-style-type: none"> <li>• Explain the staffing structure under various departments/functions. What are the gaps in the employee structure?</li> <li>• <b>The Corporation's executive wing is headed by the Municipal Commissioner appointed by the State Government for a particular period of time. The Commissioner is assisted by a Joint/ Assistant Commissioner also appointed by the State Government. The Joint Commissioner also acts as the Collector under the provisions of H.P. Public Premises Act, 1971. In addition the Municipal Corporation has its own permanent cadre of the officers who look after independent branches (departments). All the Heads of Departments (HODs) report to the Joint Commissioner.</b></li> <li>• Explain the employee structure wrt capabilities related to <b>There is a acute shortage of skilled manpower and trainings are not provided to staff therefore staff does not have various technical and managerial</b></li> </ul>

S. No.	Category	Query
		<p>capabilities.</p> <ul style="list-style-type: none"> <li>Each of the HODs are assisted by a separate hierarchy of officers and laborers in the respective branch.</li> <li>Please provide an outline on the roles and responsibilities of the staff.</li> </ul> <p>ULB staff lacks the sense of accountability. Staff in parastatals are deputed from parent department hence lacks sense of accountability.</p> <ul style="list-style-type: none"> <li>What is the existing practice of awarding performance based incentives to the staff to keep them motivated to efficiently achieve performance targets? Is it satisfactory?</li> </ul> <p>No</p> <ul style="list-style-type: none"> <li>What kind of areas need to be strengthened to match the skills and expertise required to carry out functions of the Municipal Authority?</li> </ul> <p>The technical skills are the major area of concern for the staff which needs to be strengthened. There should be adequate training for technical and soft skills. The staff should be provided with necessary infrastructure.</p> <ul style="list-style-type: none"> <li>Are you 'planning to adopt'/adopted any new HR incentive system? If yes, what system? Have the employees being explained about the same? What is there response?</li> </ul> <p>No</p> <ul style="list-style-type: none"> <li>Are there conflicts between members at any level? If yes, what kind of conflicts?</li> </ul> <p>No</p> <ul style="list-style-type: none"> <li>Training Programmes</li> </ul> <p>No major training programs are provided. Training programs should emphasis on providing training to the junior level staff also who execute the work.</p> <ul style="list-style-type: none"> <li>What are the issues the staff faces to carry out the functions of the Municipal Authorities? What support is provided by ULB?</li> </ul> <p>Lack of technical knowledge and infrastructure support</p> <ul style="list-style-type: none"> <li>Information requirement           <ul style="list-style-type: none"> <li>Sanctioned and vacant positions in the ULB</li> <li>There are in addition to the officers mentioned above, 47 staff positions in the Corporation, however, total of filled-up posts is 1280. At the same time, 106 posts are vacant. Thus though at an aggregate level, the filled up posts are 16% higher than the sanctioned posts, 10% of the total sanctioned posts are vacant. This is due to the fact that some of the positions have been filled up in excess to the total number of sanctioned posts, while other positions lack the required, sanctioned staff strength.</li> <li>Skill sets outsourced</li> </ul> <p>The major skill set outsourced except the CA is the data entry operators and sweepers.</p> </li> </ul>

S. No.	Category	Query
		<ul style="list-style-type: none"> <li>HR policy <b>There is no HR policy governing the daily operations</b></li> <li>Awareness and Exposure <ul style="list-style-type: none"> <li>How would you rate the “awareness and exposure” of the ULB officials wrt best practices adopted in the sector. <b>No major awareness</b></li> <li>How would you rate the “awareness and exposure” of the ULB officials wrt PPP Projects. <b>There is basic awareness of PPP.</b></li> <li>Are there any reforms wrt adopting the Voluntary Retirement Scheme (VRS), not filling posts falling vacant due to retirement etc., and achieving specified milestones in this regard? What are the milestones achieve till now? <b>No such reforms</b></li> </ul> </li> </ul>

### 3) Urban Planning

#### Qualitative information

S.No.	Category	Query
1)	Economic Development and Growth and Expansion of the city	<ul style="list-style-type: none"> <li>Explain the key economic drivers of the city and its relation with the hinterland and the other major urban centers. <b>Being a Capital city of the state and administrative headquarters of the district, Shimla draws many people to the city for administrative works and for job purpose. Notably Shimla is one of the most popular hill station and tourist destinations in India and accounts for almost a quarter of all tourists arriving in Himachal Pradesh. Shimla has inherited enormous wealth of built environment created over 180 years of existence</b></li> <li>What are the strengths and weaknesses in the city’s development? Need an understanding of what impedes service delivery and management within the existing set-up and what contributes to better service provision. <b>Strengths:</b> <ol style="list-style-type: none"> <li>Well connected to other cities</li> <li>Attracts Tourism being one of the major hill station</li> <li>Is a educational hub</li> </ol> <b>Weaknesses</b> <ol style="list-style-type: none"> <li>Lack of adequate housing leading to encroachments on open undeveloped areas</li> <li>Encroachment of roads in the commercial area</li> <li>Traffic, commercial establishments along main roads, narrow</li> </ol> </li> </ul>

S.No.	Category	Query
		<p>streets, encroachments, lack of parking space for trucks, wholesale markets along the national highway</p> <p>4. Location of bus stand in the city centre leading to traffic congestion</p> <ul style="list-style-type: none"> <li>Highlight the unique features (in terms of development) of the city that may distinguish it from other cities</li> </ul> <p>It is the queen of all hills rations in India.</p> <ul style="list-style-type: none"> <li>Reasons for growth in Population: What factors underlie the growth – natural increase, in-migration, or jurisdictional change? What implication does population growth have on infrastructure development?</li> </ul> <p>The infrastructure needs to be built to considering the growth in population. The main reason for growth is floating population</p> <ul style="list-style-type: none"> <li>Is there existence of any database pertaining to household level information of urban poor?</li> </ul> <p>Yes</p>
2)	Urban Planning Functions and Reforms	<ul style="list-style-type: none"> <li>What are the urban planning functions of the ULB? Mention the Specify agency / agencies involved in planning of urban development and delivery of infrastructure services. What is the role of ULB in planning in various sectors?</li> </ul> <p>TCP department is involved in planning of urban development.</p> <ul style="list-style-type: none"> <li>Under the 74th CA (74th Constitutional Amendment Act (CAA74))</li> <li>Master plan preparation</li> </ul> <p>ULB does not have the capacity for preparation of master plan. The developments in some areas are not as per master plan.</p> <ul style="list-style-type: none"> <li>Policies wrt revamping the process of formulation &amp; implementation of land use plans and management mechanism</li> </ul> <p>The preparation of the master plan is undertaken by conducting surveys. The results are compiled and analysis is done on the basis of the development needs of the city. NGOs and societies are not involved in the planning process.</p> <ul style="list-style-type: none"> <li>What is the status of implementation of the following as per the Act. Constitution of Metropolitan Planning Committee (MPCs) and Constitution of District Planning Committees (DPCs)</li> </ul> <p>District Planning Committees have been constituted and are functional in Shimla. Metropolitan Planning Committee is not formed in Shimla as it has population less than 10 lakh.. The DPCs have their meetings regularly every quarter and the development plans are placed before the DPC for approval.</p> <ul style="list-style-type: none"> <li>What is the level of public participation and civic engagement in Master Plan preparation?</li> </ul> <p>Master Plan is published in public for inviting suggestions</p> <ul style="list-style-type: none"> <li>What are the issues in Urban Planning? (eg. Plan Preparation Techniques, Growth of the City, Spatial Planning vis-à-vis Development Planning, Land Policy and Management...)</li> </ul>



S.No.	Category	Query
		<p>The primary issue with regards physical planning and growth management in Shimla is that physical development and growth is haphazard and uncontrolled</p> <ul style="list-style-type: none"><li>• Urban Poverty<ul style="list-style-type: none"><li>• Is there a presence of nodal cell for poverty reduction within the state and ULB's? What are its functions? No</li><li>• What are the poverty reduction measures such as MAPP preparation, poverty profiling of cities? No process has been adopted like MAPP etc. They have just prepared a DPR for pilot project under RAY.</li></ul></li></ul>

## 8.5 Quantitative Questionnaire

### General Information

**Table 18: ULB Key contacts**

Name of the ULB	MUNICIPAL CORPORATION SHIMLA
Address	Municipal Corporation of Shimla The Mall ; Shimla – 171001; Himachal Pradesh
Category of ULB	Class I
Head of the ULB	Commissioner
Telephone No.	0177-2802771 to 0177-2802776,
Fax No.	0177-2802346
E-mail address	mcs_shimla@yahoo.com, <a href="mailto:mcsml-hp@nic.in">mcsml-hp@nic.in</a>
Website	<a href="http://www.shimlamc.gov.in">www.shimlamc.gov.in</a>

**Table 19: ULB Profile**

		1981	1991	2001	2011
1	Total Population	70604	109860	144000	169758
2	Total Households				
3	Total slum population				11655
4	Total area (in sq km)				35.54 sq. km
5	Total no. of administrative zones				
6	Total no. of municipal wards				25

**Table 20: Workers details in ULB**

Number of workers in the city (2011)			
Category	Persons	Males	Females
Main workers	52809		
Marginal workers	1595		
Other workers			
<b>Total workers</b>	54404		

### Land use

**Table 21: Land use break-up**

Land use Type of land	Area covered (in Hectare)		
	1991	2001	2011/most recent
Residential		903.13	
Commercial		25.22	

Land use	Area covered (in Hectare)
Industrial	9.00
Recreational	21.70
Public and semipublic	138.78
Transportation	371.93
Public utilities	
Reclaimed land	
Vacant land	
Agricultural land	2174.75
Built up area (rural)	
Forest	6080.15
Wasteland	
Wetland	
Water bodies and undevelopable land	219.34
Others (specify)	9950.00

### Municipal Financial management

**Table 22: Financial Status**

Items	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	CAGR
	Actuals (Rs in crores)						
Revenue Account							
Income	24.76	28.96	27.61	35.47	34.38	39.92	10%
Expenditure	20.59	21.86	28	56.2	35.68	46.98	18%
Surplus/ (Deficit)	4.17	7.09	-0.38	-20.73	-1.3	-7.06	

**Table 23: DCB Statement of Property Tax**

Particular	2007-08	2008-09	2009-10	2010-11	2011-12
<i>In Crores</i>					
<b>Demand</b>					
Arrears	4.21	4.61	4.71	4.94	4.97
Current	6.41	6.49	7.41	8.31	8.97
<b>Total Demand</b>	<b>10.62</b>	<b>11.11</b>	<b>12.12</b>	<b>13.26</b>	<b>13.94</b>
<b>Collection</b>					
Arrears	0.8	0.72	0.58	0.73	0.75
Current	4.65	4.91	5.6	6.3	6.68
<b>Total Collection</b>	<b>5.45</b>	<b>5.63</b>	<b>6.18</b>	<b>7.03</b>	<b>7.43</b>
<b>Rebate +Remissions/ Cancellations</b>	<b>0.55</b>	<b>0.58</b>	<b>0.71</b>	<b>0.8</b>	<b>0.77</b>
<b>Total Balance</b>	<b>4.62</b>	<b>4.73</b>	<b>4.95</b>	<b>4.99</b>	<b>5.54</b>

Source- Shimla Municipal Corporation

## Service Delivery

### Water supply

**Table 24: Sources of water supply**

Sr No	Source	Type of Source	Distance from city (Km)	Year of Commissioning	Raw Water supply (MLD)
1	Seog Catchment Area			1875	0.23
2	Cherot Nallah			1889	3.86
3	Chair Nallah			1914	2.50
4	Nauti Khad (Gumma)			1923 & 1982	24.60
5	Ashwani Khad			1992	10.80
6	Giri River			Under test run	20.00
	TOTAL				61.99

**Table 25: Storage reservoirs**

S.NO	NAME OF THE STORAGE RESERVOIR	CAPACITY (ML)
1	Craignano	3.00
2	Sanjauli	8.78
3	Ridge	4.63
4	Mansfield	3.63
5	Mashobra	3.00
6	Seog	10.90
7	Kasumpti	2.00
8	Kasumpti	0.22
9	Vice Regal Lodge	0.23
10	Jakhoo	0.32
11	Boileauganj	0.24
12	Total	36.95

**Table 26: Sewerage Distribution**

Sr No	Description	Unit	Value
1.	Length of distribution network	Kilometers	200.00
2.	Average age of distribution pipes	Years	50.00
3.	Total service storage capacity in network	Million Litres	35.00
4.	Tankers Trips	Trips/Month	150

**Table 27: Annual tariff for metered and unmetered connections**

Sr. No.	Connection Size	Domestic (Rs/year)	Non Residential (Rs/Year)	Institution (Rs/Year)	Industrial (Rs/Year)	Beyond City Limit Domestic (Rs/Year)
1	Upto 8 KL	58.00	58.00	234	234	195
2	8-30 KL	6.82	58.00	29.26	29.26	24.37
3	Above 30 KL upto 75 KL	9.75	58.00	39.00	39.00	29.26
4	Above 75 KL	14.65	58.00	53.65	53.65	39.00
	Volumetric Rate Rs. per KL					

**Table 28: Service level benchmarking**

		Benchmark	Present Status
1	Coverage	100%	70%
2	Per capita water supply (lpcd)	135 lpcd	120 lpcd
3	Metering	100%	70%
4	Non-revenue water	20%	25%
5	Continuity of supply	24 hours	2 Hrs
6	Quality	100%	90%
7	Redressal of customer complaints	80%	98%
8	Cost recovery	100%	70%
9	Collection efficiency	90%	70%

**Table 29: Status of Projects under JNNURM/ UIDSSMT/ BSUP/ IHSDP**

Projects	Total Cost Approved	Funds released till date
	Rs in lakhs	
Water Supply	7236.00	43.66
Sewerage	5474.00	1233.11
Solid Waste Management	2654.60	481.50
Transport (Busses and Tunnel)	1769.25	1607.19
Basic Services to Urban Poor (2 projects)	2400.55	3.44
e-governance	1120.00	63.00
<b>Total</b>	<b>20654.4</b>	<b>3431.9</b>

### Sewerage & Sanitation

**Table 30: Sewerage Network**

Length of sewerage network pipes	Kilo Meters	221.0
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Average age of sewerage network pipes	Years	60.0
Total area covered by sewerage network	Sq Km	28.0

**Table 31: Sewerage connections**

S.NO	Head	Number of Taps	%
1	Private	25800	95.70%
2	Public	200	0.74%
3	Hand Pumps	38	0.14%
4	Tank & Others	920	3.41%
	<b>Total</b>	<b>26958</b>	<b>100.00%</b>

### Solid Waste Management

**Table 32: Source-wise quantity of waste generation**

Sr. No.	Source Category	Quantity of Waste Generated (tons/day)
1.	Residential	1,540
2.	Street Sweeping	ND
3.	Hotels & Restaurants	75
4.	Spl mtk (e.g. Veg markets, Mandis)	60
5.	Commercial establishments (incl. offices, institutions)	30
6.	Other (C&D waste, horticulture waste, etc.)	245
7.	Total	1,950

**Table 33: Infrastructure for transportation of waste**

S.No	Particulars	Existing Number
1	Truck tippers	7
2	Dumper placers	5
3	Others – pick up trucks	5

### Status of Reforms under JNNURM

**Table 34: Status of mandatory reforms under JNNURM**

	Reforms	Commitment Year/ Status
L1	e-Governance setup	In progress
L2	Shift to accrual-based double-entry accounting	In progress

	Reforms	Commitment Year/ Status
L3	Property tax (85% coverage)	In progress
	Property Tax (90% collection efficiency)	In progress
L4	100% cost recovery (Water supply)	In progress
	100% cost recovery (Solid waste management)	In progress
L5	Internal earmarking of funds for services to urban poor	In progress
L6	Basic services to urban poor	In progress

Table 35: Status of optional reforms under JNNURM

	Optional Reforms	Commitment Year/ Status
01	Introduction of Property Title Certification System	In Progress
02	Revision of building byelaws – Streamlining the approval process	In Progress
03	Revision of building byelaws - Mandatory rainwater harvesting in all buildings	In Progress
04	Earmarking 25% developed land in all housing projects for EWS/LIG	In Progress
05	Simplification of legal and procedural framework for conversion of agricultural land for non-agricultural purpose	In Progress
06	Introduction of computerized process of registration of land and property	Achieved
07	Byelaws on reuse of recycled water	In Progress
08	Administrative reforms	In Progress
09	Structural reforms	In Progress
10	Encouraging public-private partnership	Achieved

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