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Strategic Financial Review of Urban Local Bodies in Uttarakhand: Exploring Autonomy and Economic Development

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Abstract: **Rural-to-urban migration is widespread in Uttarakhand, which tends to accelerate over the years. Among those migrating in Uttarakhand, 70.3% of people migrated within the state between 2008-2018. This number increased to 76% between 2018-2022. In the 1960s, urban planning for cities situated in the northern regions of Uttar Pradesh and those located far from the state capital aimed to accommodate a population ranging from approximately 400,000 to 600,000 individuals. However, the planners did not anticipate the substantial population growth that followed. As of 2023, the estimated population of Uttarakhand has reached around 11.6 million. With the population increasing exponentially, there have been some modifications in city planning, but it has not kept up with the rapid pace of population growth.**
This has resulted in challenges and strains on existing infrastructure, services, and resources, as well as the need for urgent measures to address the growing demands of the population. In the event of low-quality urbanization, characterized by inadequate infrastructure and services, the carrying capacity of urban areas is likely to be exceeded, leading to the growth of urban poverty. This paper aims to emphasize how the municipal financial system in Uttarakhand is not aligned with the changing socio-economic realities of the state. It also highlights the crucial need for structural changes in revenue streams and areas of expenditure, drawing parallels with the 74th Constitutional Amendment Act of 1992.

Keywords: **Capital Expenditure, Economic Development, Fiscal Autonomy, Municipal Finance, Public Policy, Strategic Planning, Urban Governance, Urban Local Bodies**

1. Introduction

A. Need for Municipal Finances

India is passing through a rapid phase of urbanization since the 20th century which has led to the importance of consistently re-evaluating the demographic and economic indices for specifying an area as a Town or City.
These fundamental spatial units have been witnessing a consistent change in their socio-economic structure where, even though the economic base has shifted inexorably to cities, their recognition in promoting and accelerating economic development as well as subsequent prioritization of the municipal sector to manage the process of growth and urbanization has proceeded slowly.
As per Census 2011, Indian cities support about 377 million people which is about 31% of the country's population with an average annual addition of 8 million.
The population in these cities is estimated to grow by over 800 million by 20501 and over 70% of India's GDP along with new jobs are expected to come from them by 20232.
Moreover, according to World Bank data, the present scale of urbanization in India is only 33% whereas the urban population is about 429 million. Thereby highlighting the need for appropriate demarcation of cities and their efficient management in all aspects.

B. History and Administrative Structure

Madras became the first Indian city to establish a municipal corporation in 1687 followed by Bombay and Calcutta in 1726.

Local self-government was made possible by Lord Mayo's resolution for financial decentralization in 1870 and the government of Lord Rippon published the renowned resolution, often known as the Magna-Carta of Local Self-Government in 1882.
Local self-government was made a provincial topic under the Government of India Act 1935 which also included regional autonomy.
In 1948 the national government established the Local Finance Inquiry Committee to examine methods to increase the financial resources available to local organizations. The National Commission on Urbanization was established by the Central Government in 1985 and a commission was created to look into every aspect of urban management and make recommendations. In 1991, the Census of India recorded 3,255 ULBs which were classified into 4 major categories: 1. Municipal Corporation, 2. Municipality, 3. Town Area Committee, 4. Notified Area Committee. (1. & 2. Representative bodies) (3. & 4. Fully or partially nominated bodies) The 12th Schedule introduced in the Constitution by the 74th Constitutional Amendment Act of 1992 became the most remarkable milestone according to constitutional status to local bodies as the third tier of the government compared to earlier when they were under the direct control of the State Government, without legislative provisions. It aims at a decentralization regime through the devolution of functions, finances and functionaries to Urban Local Bodies (ULBs). Here the categories of ULBs were reduced to three:
1. City/Town Council (Nagar Panchayats)- areas in transition from rural to urban with population more than 11,000 but less than 25,000
2. Municipal Council (Nagar Palika Parishad)- smaller urban areas with a population less than or equal to 1 lakh
3. Municipal Corporation (Nagar Nigam)- larger urban areas with population more than 1 million
(mentioned in Article 243Q of the constitution)
Other provisions:
The composition of the municipalities is covered in Article 243R, which stipulates that all of its members are chosen by direct vote of the residents of the municipality, which is divided into wards (ward committees described in Article 243S).

Urban planning, financial and social development and other municipal duties are covered in Article 243W which also deals with the rights, obligations and powers of municipalities.

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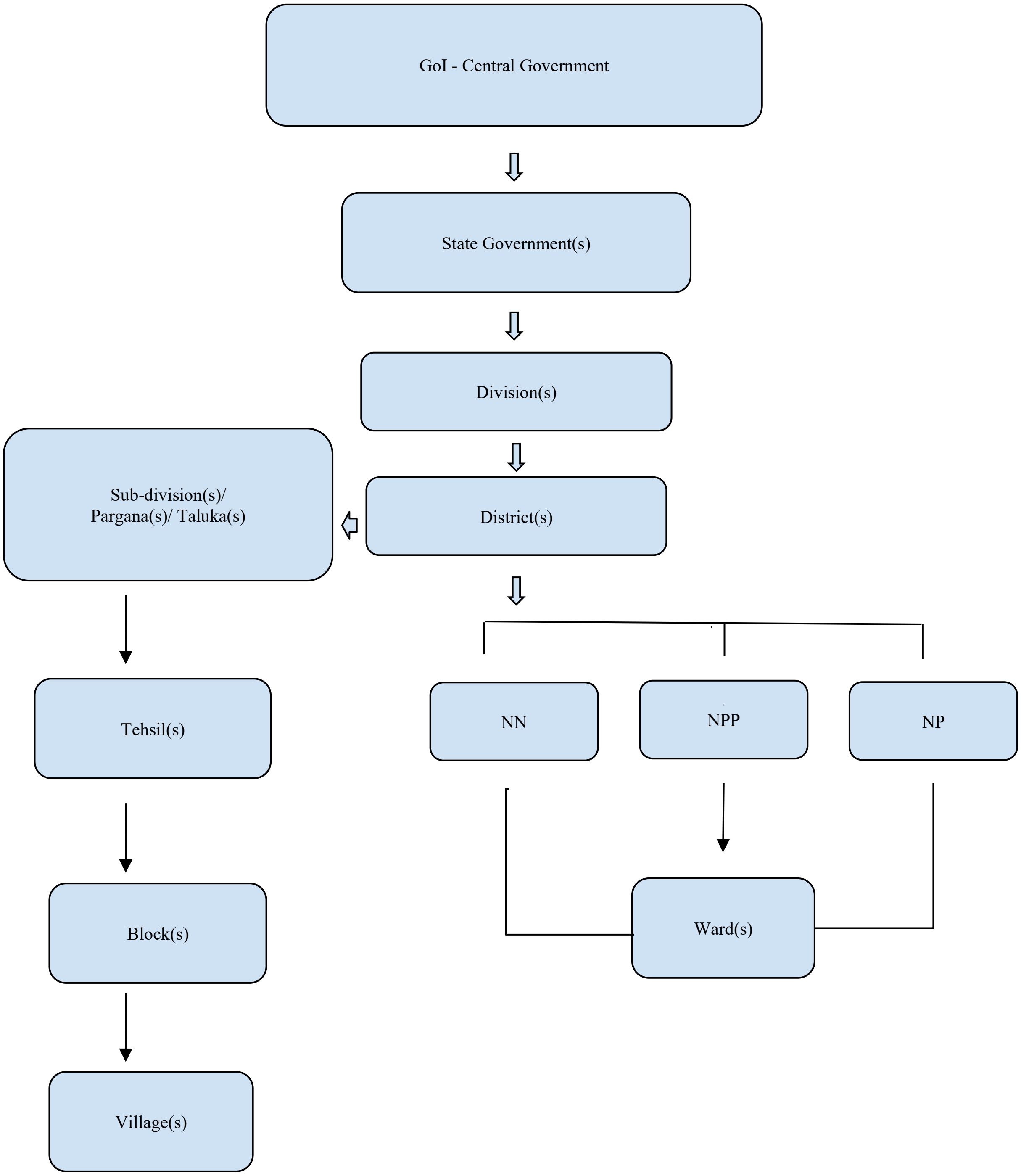
Article 243X has given the state legislature the authority to specify (by legislation issues)the imposition of taxes.



Administrative Structure of India after the 74th Amendment Act,1992

C. Sources of Municipal Finance

The Municipal framework is characterized by different expenditure and tax systems

- a part of which is drawn from the constitution
- a part of the state statutes and
- a part that stands linked to the central government initiatives.

For intensifying the finances of these ULBs two optimistic features were provided in the 73rd and 74th Amendments to the Constitution:

1. The Governor of State constitutes, under Article 243I a State Finance Commission (SFC) once every 5 years to review the financial position of the municipalities as well as the panchayats (here the panchayats are separate from the

Nagar panchayats as they are part of the Panchayati Raj Institutions (PRIs), not the Municipalities) to review and recommend the principles of devolution of resources and suggest measures needed to improve the financial position of ULBs.

2. The President of India establishes, under Article 280, Section 3(C), the Central Finance Commission (CFC) to suggest "measures needed to augment the Consolidated Fund of states to supplement the resources of municipalities devolved on the basis of the recommendations made by the finance committee of the states"

D. Responsibilities of ULBs

The functions and duties enumerated in Schedule 12 are not in addition to what they were responsible for in the pre-1992 period but there is a substantial overlap3

The 1882 Rippon Model	Constitutional Vision(74th CAA,1992)
1. The construction, upkeep, and lightning of streets and roads, provision and maintenance of municipal buildings; 2. Public health, including medical relief, vaccination, sanitation, drainage and water supply, and measures against epidemics; 3. education	1. Urban planning including town planning. 2. Regulation of land use and construction of buildings. 3. planning for economic and social development. 4. roads and bridges. 5. water supply for domestic, industrial and commercial purposes. 6. public health, sanitation, conservancy and solid waste management. 7. fire services. 8. urban forestry, protection of the environment and promotion of ecological aspects. 9. safeguarding the interest of weaker sections of society, including the handicapped and mentally retarded. 10. slum improvement and upgradation. 11. urban poverty alleviation. 12. Provision of urban amenities and facilities such as parks, gardens, and playgrounds. 13. promotion of cultural, educational and aesthetic aspects. 14. burials and burial grounds; cremations, cremation grounds and electric crematoriums. 15. cattle ponds; prevention of cruelty to animals. 16. Vital statistics including registration of birth and deaths. 17. public amenities including Street lighting, parking lots, bus stops and public conveniences. 18. regulation of slaughterhouses and tanneries.

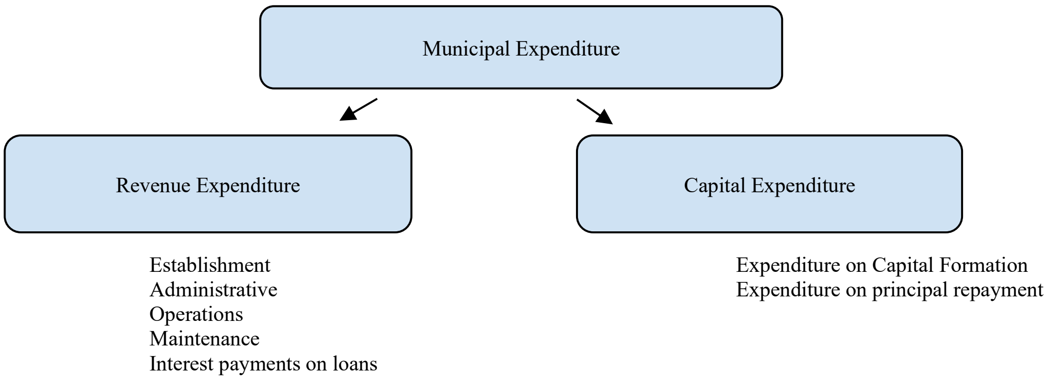
Source: Report of the Local Finance Enquiry Committee, GOI

E. Municipal Revenue Composition of Uttarakhand's ULBs

19. Category	20. Source
21. Tax Revenue (own revenue)	22. Property Tax 23. House Tax 24. Stamp Duty and Registration Fee, 25. Street Vendors Tax (Tehbazari)

	26. Hotel Receipt Tax 27. Entertainment tax
28. Non-Tax Revenue (own revenue)	29. Shop license fee 30. Rent from nagar palika assets and open areas where social events are held 31. Royalties (from minor minerals) 32. User charges
33. Transfers	34. Central Government 35. State Government 36. ADB, World Bank, UNDP and other International Financial Institutions in the form of different urban projects.
37. Other Receipts/Unidentified	38. Sundry receipts, law charge costs recovered, lapsed deposits, fines and forfeitures, rent on tools & plants, miscellaneous sales, etc.

39. Source: Uttarakhand State Finances Audit Reports
40. The prospects for the Sales tax are unclear because of the uncertainties regarding the introduction of GST
41. 7, 8 & 9 accounts for only small amounts/bases as the collection has dwindled for political reasons.
42. User charges include water charges, sewerage charges, parking charges, betterment charges, slaughterhouse fees



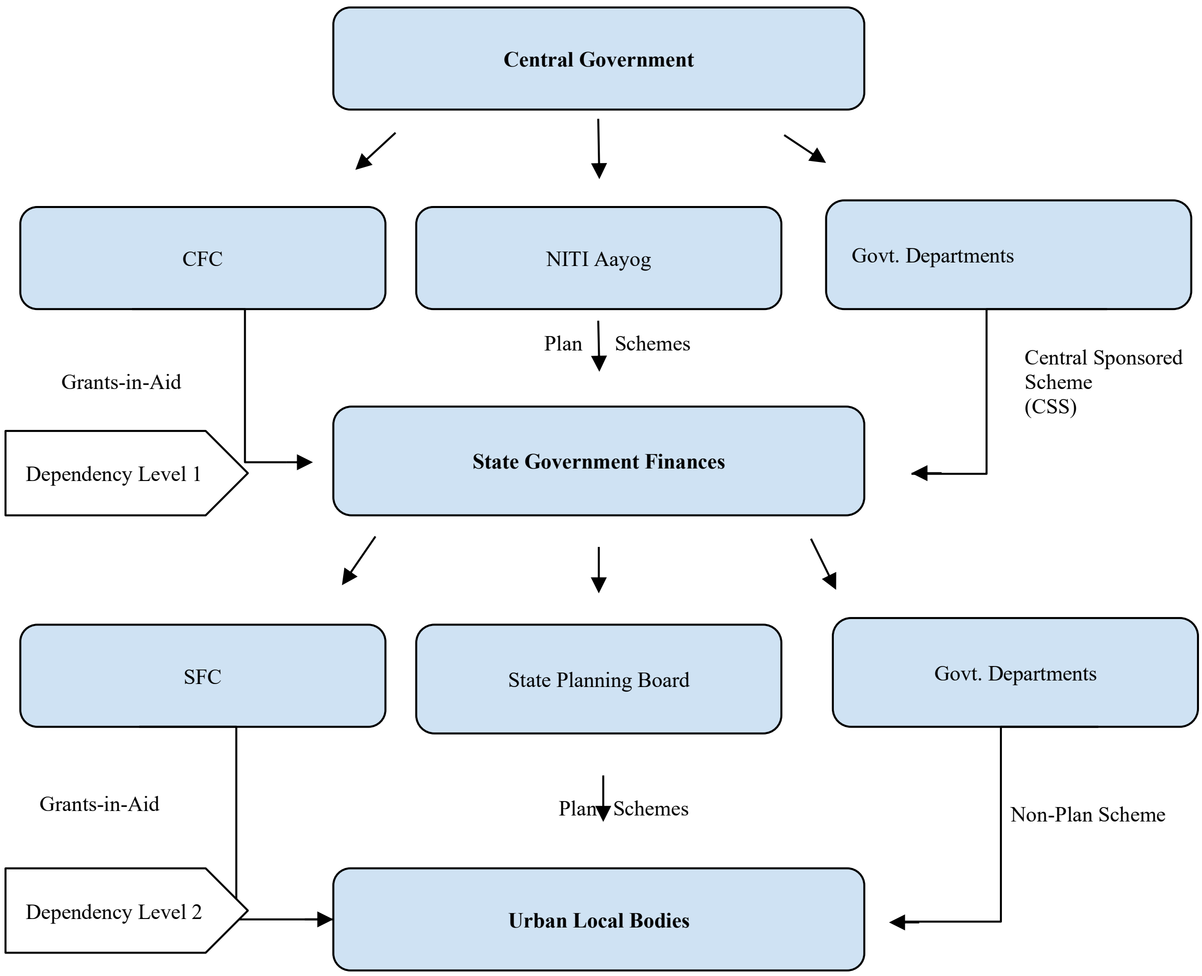
and penalties on late tax payments, planning fees, building license fees, etc.
Municipal Expenditure Composition of Uttarakhand's ULBs
Source: Department of Economic Analysis and Policy, Reserve Bank of India (RBI)

43. Category	44. Expenditure items
45. Establishment Expenditure	46. Staff salaries, allowances, wages, pension and retirement benefits, etc
47. Administrative Expenditure	48. Rents, rates & taxes, office maintenance, communications, books and periodicals, printing & stationery, travel expenditure, law charges, etc.
49. Operations and maintenance	50. Power & fuel, bulk purchases, stores, hire charges, repairs and expenditure, maintenance, and interest payments made on loans.

51. Capital expenditure (development expenditure)	52. Buildings, water supply & sewerage, energy/lighting, solid waste management, culverts, causeways, health and sanitation, management, roads, bridges, parks and recreation spaces, furniture & fittings, tools & plant, equipment, principal repayments of loans, etc
53. Other/Unidentified Expenditure	54. Miscellaneous expenses

F. Fiscal Dependency of ULBs

- The need for intergovernmental transfers crops up largely out of vertical mismatches between functions and finance as well as horizontal disparities between different jurisdictions.4
- Moreover, a large gap exists between de-jure incorporation and de facto transfer of functions to municipalities because of:
- Absence of clarity in the roles of the three tiers in respect of the functions drawn from the Concurrent List
- Strong resistance to doing away with parastatal agencies
- Reluctance on the part of state governments to transfer functions such as urban planning/poverty alleviation to municipalities on the grounds that these have inter-jurisdictional implications.



Source: Department of Economic Analysis and Policy, Reserve Bank of India (RBI)

2. Review of Literature

(Report of the Second State Finance Commission of Uttarakhand 2006-11)
When comparing the current status (2001-2006) with the 1950s and 1960s, it becomes evident that many important functions previously managed by ULBs have been taken over by the state government.
In the past, ULBs were responsible for operating primary schools, managing dispensaries and veterinary hospitals, providing water supply services, handling power operation and distribution in Mussoorie and Nainital (which were under the UP State Power Corporation), approving building plans under their bye-laws, with the implementation monitored later collecting development charges and fees for building plan approvals.
However, in later years, primary education was transferred to the Basic Education Council, water supply services were taken over by Garhwal and Kumaon Jal Sansthan (now known as Uttaranchal Jal Sansthan), power generation and distribution were managed by Uttarakhand Power Corporation Limited (UPCL), all properties and assets related to these functions were transferred to the respective departments/agencies without providing any compensation to the ULBs. The responsibility of approving building plans under their bye-laws, with subsequent implementation, was passed on to development authorities(Vikas Pradhikaran), development charges and fees collected for building plan approvals were now collected by the development authority or prescribed authority in regulated areas. Important revenue sources for ULBs, such as octroi and road tax, were abolished by the state government without compensating the ULBs. ULBs are unable to make any appointments unless authorized by the government, and the supervisory personnel category is selected from the Centralised Service and appointed by the state government and the transfer of personnel from central services is also controlled by the government.

(Report of the Third State Finance Commission of Uttarakhand 2011-16)

- Over 80% of the Dehradun Municipal Corporation's total revenue receipts came from government grants, with their own resources contributing approximately 17% of the total. This reliance on government grants is also observed in other urban local bodies. For municipal councils as a whole, government grants made up 78% of total receipts in 2009-10, averaging 77% over the four-year period from 2006 to 2010. In the case of Nagar Panchayats, grants accounted for 82% of total receipts in 2009-10 and averaged 88% over the four-year period from 2006 to 2010. Only two municipal councils, namely Ramnagar (58.55%) and Nainital (51.87%), had their own resources comprising more than 50% of the total revenue receipts. Notably, Mussoorie, Nainital, Rudraprayag, and Almora consistently performed well in terms of per capita own revenue.
- Between 2006-07 and 2009-10, there was a significant variation in the annual growth of tax revenue for both municipal councils and nagar panchayats, with some experiencing negative growth while others achieving up to 20% growth. However, when comparing the two, the deviation in growth was relatively lower in Nagar Panchayats compared to municipal councils. The same trend can be observed in non-tax revenue as well.
- It is globally recognized that the migration of people from rural to urban areas and the transformation of rural settlements into cities are inevitable processes. In order to promote well-organized and sustainable urban growth that also contributes to bridging the urban-rural divide, policy interventions are necessary. Urbanization entails a transition from low-productivity rural occupations to high-productivity non-agricultural occupations, which requires increased government involvement in terms of planning, capacity building, and improvement. As high population density in urban areas creates externalities, it becomes crucial for public regulations and public participation to resolve these issues.

(Report of the Fourth State Finance Commission of Uttarakhand 2016-21)

- ULBs face two significant issues when it comes to their administrative capacity: insufficient personnel and a lack of specialized knowledge among their staff members to effectively address the complexities of modern urban management. The shortage of staff can be attributed to two factors: firstly, there is an insufficient number of sanctioned positions by the government, and secondly, even among the authorized staff positions, not all of them have been filled.

The TSFC emphasized the need for promptly establishing staffing norms, while the Fourth State Finance Commission recommended that vacant positions in all ULBs should be expeditiously filled based on these norms.

- The grants allocated based on the recommendations of the Third State Finance Commission (TSFC) exhibit significant annual fluctuations, ranging from less than one percent to just under 12 percent of the total receipts. A similar trend can be observed for other sources of income, such as specific purpose grants from various entities including the central government, MPLADS, MLA Fund, and others.

(Report of the Fifth State Finance Commission of Uttarakhand 2021-26)

- The absence of revenue deficit grants provided to the state by the 14th FC has resulted in borrowing and subsequently higher interest payments.
- Until the fiscal year 2016-17, the ratio of salary and pension expenditure to total revenue expenditure was approximately 50%. However, following the implementation of the 7th Pay Commission, this share has increased to 55%.
- Prior to the fiscal year 2015-16, the ratio of capital outlay to total expenditure was around 18%. However, during the period of the 14th FC, this ratio was reduced to 15.7%. Since then, there has been a slight increase in capital outlay.
- The commission requested information about assets, such as properties, owned by the ULBs and their returns. However, the provided information was insufficient and indicated that this source of income was not given adequate attention by the ULBs. Rents for these assets have remained unchanged for an extended period, suggesting a lack of proper management. It is advisable to regularly review rents, user charges, and other related income. Additionally, when distributing untied grants for asset creation, the income generated from existing assets should be reassessed and a commitment to periodic increases based on cost and price indices should be obtained. This would help ensure better financial management and utilization of resources by the ULBs.
- ULBs could potentially enhance their revenue through a significant financing method known as 'Value Capture Finance'. This involves collecting betterment charges and development fees from Urban Development authorities. A portion of these charges can be allocated specifically to the ULBs within their jurisdiction and adjusted accordingly within reasonable limits to ensure a sustainable and beneficial financial arrangement.

(State of Municipal Finances in India 2019)

- GST has incorporated various local taxes such as octroi, including the accounts-based octroi in the form of local body tax, entry tax, and advertisement tax. The Indian government has adopted a general principle of compensating states for the revenue loss caused by GST and the taxes subsumed under it. This principle should also be extended to local governments.
- If urban local governments aim to increase their expenditure to the required higher levels, they will need to seek funds from the capital market. However, borrowing can only be possible if these local governments can enhance their creditworthiness. The government could assist in this matter by partially or fully covering the interest cost of the borrowing through the imposition of user charges.

(Municipal Finance Matters 2011)

In reality, only a few local governments have taken on all the responsibilities listed in the 12th schedule. Additionally, there have been periodic changes in the scope of functions assigned to municipalities, with some states withdrawing certain functions like water supply and sewerage while assigning them new responsibilities such as poverty alleviation in some areas and economic and social development planning in others. Most of these responsibilities appear to involve the distribution of resources and developmental initiatives, which deviate from the Musgrave-Oates model of fiscal federalism. According to this model, redistribution is best handled by higher levels of government. Moreover, Oates argues that the potential movement of residents undermines the effectiveness of local governments in carrying out redistributive functions. As a result, this change in the role of municipalities has not been accompanied by any formal or informal suggestions on how to finance these responsibilities, leading to them being labeled as "unfunded mandates of the municipalities."

(A Municipal Blueprint of India 2022)

- Estimating and comparing the potential revenue streams with the expenditure obligations is necessary to determine which revenue streams should be allocated and how much should be allocated to enable ULBs to fulfill their obligations effectively.

- States should ensure the provision of a state-wide Geographic Information System (GIS) facility for municipalities, accessible through a specialised entity such as an urban infrastructure development finance corporation or a similar organisation.
- Budget documents often only include operational costs (e.g., salaries, rent) without providing detailed information on functional and service delivery costs (e.g., solid waste management, roads, streetlights), which hampers their usefulness. ULB budgets should include both types of costs to facilitate meaningful analysis, along with a geographical breakdown (e.g., by ward) as the city is fundamentally a spatial unit.
- Promoting transparency, accountability, and citizen participation:

1. Adherence to the provisions of the public disclosure law and Section 4 of the Right to Information (RTI) Act should be followed diligently.
2. Creation of portals similar to Swachh Manch to encourage active citizenship and volunteerism among citizens, along with effective feedback mechanisms.
2. Implementation of the National Data Sharing and Accessibility Policy (NSDAP) to facilitate more accessible access to data for citizens.
3. Adoption of accounting standards for local bodies issued by the Institute of Chartered Accountants of India when preparing audited annual accounts.

(HPEC-IUIS 2011)

The Committee believes that analyzing the financing of capital expenditure in the urban sector cannot be done in isolation from the revenue expenditure of ULBs. The line between these two types of expenditure is somewhat blurred, and it is more effective to examine capital expenditure within a comprehensive expenditure framework while identifying sources to finance it.
One challenge in estimating and projecting capital expenditure in the urban sector using municipal finance data arises from the fact that a significant portion of this expenditure is incurred by parastatals and state government departments, rather than by ULBs themselves.

(World Bank 2011)

- Difficulties in obtaining accurate municipal debt data in India are outlined as follows:

-Sectoral data on capital investment, such as transport, environment, and water, often lack disaggregation into divisions of responsibility between the Union, states, and sub-state actors.
-Data from the lending sector, including private banks, nationalized banks, parastatals, and the bond market, often do not provide detailed information on borrower types or specific borrowers. Until recently, the RBI data did not contain a separate category for ULBs bonds or loans held by scheduled commercial banks (SCBs).
-Comprehensive data on borrowing at the municipality level has not been compiled from state-level data, preventing cross-verification with information from financial markets
(rating agencies) and the Reserve Bank on the total amount of municipal debt held by scheduled banks, other agencies, and the capital markets.
-A national compilation of municipal budget reports that aggregates debt or provides breakdowns by type or creditor is not available.
As a result, this report only relied on estimates for municipal borrowing, capacity, and capital needs.
Additionally, considering that each state has its own budget formats and borrowing frameworks, reaching universally applicable conclusions and recommendations becomes more challenging.

- The institutional environment is fragmented, as municipal governments lack jurisdiction over infrastructure planning and development within their areas. Various entities, such as development authorities and state corporations, perform functions traditionally assigned to urban local bodies, leading to a lack of clear responsibility for service delivery. As a result, municipal governments face obstacles in improving civic services through borrowing within their geographical jurisdiction due to the dominant role of the state government.

- Lenders face challenges in securing loans to municipal governments due to difficulties in finding acceptable collateral. Municipal assets may have limited commercial value, and alternative securities like mortgages of commercial properties may not always be feasible.
- The lack of financial expertise among municipal government officials handling accounts makes it difficult for them to understand the terms set by lenders and respond quickly to changes in the economic environment and fluctuating interest rates. Many municipalities have had negative experiences with short-term loans tied to floating interest rates. As a result, they often choose to borrow from state government-promoted intermediaries like development authorities and funds, which set the pricing with the state government's input. In the absence of such intermediaries in certain states like Madhya Pradesh, municipal governments tend to prefer borrowing from government-owned institutions like HUDCO, even when their interest rates are not competitive.

(Dr.A.K. Singh, Dr. M.P. Singh 2018)

- In 2012-13, the per capita property tax income of ULBs in Uttarakhand was the lowest among Municipal Corporations of 19 states. In the same period, the per capita income from other taxes such as advertisement tax, professional tax, and vacant land tax for ULBs in the UK was also the lowest among all Municipal Corporations of 19 states in examining the emerging trends in municipal finances in UP.
- The process of rapid urbanisation has placed greater pressure on municipal bodies to meet the increasing expectations of urban residents. As a result, the quality of civic services has gradually deteriorated.
- Once capital projects are implemented, the responsibility for maintenance, operational costs, and debt services gradually falls on local bodies, leading to increased expenditure.
- Under the proposed budget for the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) from 2015-16 to 2019-20, slightly less than half of the expenditure was allocated to sewerage, while less than half was allocated to water supply.
- In 2016-17, approximately two-thirds of the total municipal expenditure was reported to be spent on development and civic amenities, while slightly more than one-third was spent on establishment costs. The proportion of expenditure on civic amenities and development was found to be higher in Nagar Panchayats compared to Municipal Corporations and Nagar Palika Parishads.

(U.B. Singh 2020)

- In the assessment of Lucknow’s Municipal Corporation’s financial resources, it is highlighted that the Municipal Corporation Act of 1959 provides for the establishment of ward committees in compliance with the 74th Constitutional Amendment Act, and the state government has framed rules accordingly. However, these committees have not been effectively implemented yet. The ward committees serve as a means to promote community participation.
- The lack of codified functional responsibilities for tax administrators hampers tax imposition and collection. Several issues contribute to this:
- Many revenue officers are assigned administrative responsibilities.

2. Numerous administrative positions are vacant.

- The Municipal Commissioner is left to manage city administration with limited available officers, without any choice.
- Steps should be taken to ensure that the Municipal Corporation is staffed with adequately skilled individuals from the municipal cadres. Deputationists at intermediate levels will not serve the purpose of the Corporation.
- A significant number of properties are still outside the tax network, and there are various examples of issues related to taxation:

1. Many commercial properties are either not assessed or under-assessed.
2. Some properties within the municipal area have not been identified, despite attempts through GIS surveys.
3. The unit rate of rent has not been revised as required every two years. An attempt to revise it after a long gap resulted in resentment among taxpayers, so the revision was deferred for a year. This leads to the accumulation of uncollected tax amounts each year, and sometimes the arrears surpass the current tax demand. Last year, the state government

launched a "one-time settlement" scheme for a few months to facilitate defaulters in clearing their tax liabilities, but it did not yield significant results.

- The water supply provided by the Corporation is sufficient, but there is widespread misuse of potable water for purposes other than drinking, cooking, washing clothes and utensils, and bathing. People freely use drinking water for gardening, vehicle washing, road cleaning (during summer), etc. Moreover, individuals privately bore hand pumps and submersible pumps for extracting underground water, which leads to the uncontrolled depletion of this natural resource. Penalties should also be charged on the spot for the misuse of water.

(Mrs. Archana Jain, Prof. Archana Singh 2022)

- In this study of Meerut Municipal Corporation, the indicator of the ratio of own tax revenue to total revenue is significant for measuring the performance and fiscal autonomy of the Municipal Corporation, as noted by Mathur and Ray (2003). This ratio reflects the revenue-raising capacity of the MC and its dependence on sources of revenue other than its own for carrying out expenditures. The ratio ranges from 3.98% in 2013-14 to 4.76% in 2019-20, indicating that the MC has a limited degree of fiscal autonomy and relies heavily on non-municipal revenue sources.
- The percentage of own revenue in relation to total revenue serves as an indicator of the MMC's revenue-raising capability. Unfortunately, this percentage is distressingly low, suggesting that the MMC underutilised its potential to generate revenue from both tax and non-tax sources.
- The ratio of capital expenditure to total expenditure is alarmingly low, varying from 16.6% in 2015-16 to 35.3% in 2013-14. This low level of capital expenditure signifies the poor performance of the MMC in terms of its ability to undertake infrastructure development.
- The quality of expenditure is measured by the proportion of revenue expenditure in total expenditure. A significant portion of total expenditure is allocated to the day-to-day functioning and maintenance of the municipal corporation, as reflected in the high share of revenue expenditure.
- The ratio of own revenue to revenue expenditure indicates the level of decentralisation and financial autonomy of the corporation. However, there appears to be reluctance on the part of the corporation to utilise non-tax sources of revenue to finance revenue expenditure.
- A substantial portion of revenue expenditure is covered by revenue receipts, as indicated by a sufficiently high share of this ratio. However, a concerning fact is that SFC transfers constitute a significant fraction of total revenue receipts. By law, municipal corporations are required to balance their budget.

(Om Prakash Mathur 2002)

The study highlights the importance of reexamining the norms and standards for municipal services. The validity of the Zakaria Committee norms, which were developed in 1963 and have been used since then, is now being questioned. To assess the current expenditure deficit in various areas such as water supply, sewerage, sewage disposal, stormwater drainage, roads, and street lighting, the study utilises the Zakaria Committee norms.
The Committee, in its report titled "Augmentation of Financial Resources of Urban Local Bodies," established physical and expenditure norms for several municipal services based on the size of cities. These norms encompassed water supply, sewerage, stormwater drainage, roads, street lighting, horticulture operations, medical and health services, education, and general municipal administration. For this study, the expenditure norms set by the Zakaria Committee for water supply, sewerage and sewage disposal, roads, and street lighting are employed to evaluate the expenditure deficit.
The study draws three conclusions:
(a) the overall spending level of municipalities is low,
(b) the spending on basic or core services by municipalities significantly falls below the norms set by the Zakaria Committee, and
(c) with nearly 60 percent of expenditure allocated to wages and salaries, municipalities have limited flexibility in adjusting their expenditure priorities.

(Sidabutar, Rukmana, Hoff, Steinberg 1991)

This article highlights how the state government in Indonesia has taken up a proposal put forward by the local government committee, IUDIP, for a new approach to urban development. The key elements of this approach include:
1. Focus on providing services with significant strategic impact.
2. Establishing an enabling framework for private and community organizations.
3. Strengthening existing local institutions instead of creating new ones.
4. Shortening planning cycles to accelerate development.
5. Implementing more rational review and appraisal procedures.
6. Enhancing the quality of technical manpower.

These points imply the need to reduce bureaucratic layers and flatten hierarchies in order to allow for greater local discretion and development autonomy.
The key areas of training identified in the article include:
a) Operational policy seminar
b) Management workshop
c) Programme cycle course, which specifically targets the technical staff of local governments.

This course is divided into three parts: classroom teaching, supervised fieldwork, and the production of their own program. Overall, the focus is on equipping individuals with the necessary skills and knowledge to effectively contribute to urban development initiatives.
The determining factor for the direction and pace of development is always the people involved, rather than just plans. Without adequate human resource development, innovative projects, urban development policies, and institutional changes would lack meaning and fail to transform innovations into sustainable and regular activities.

(Capacity Building for Good Governance in Uttarakhand 2009)

Based on the perspectives of trainers, trainees, and personal observations of the on-ground situation in Nainital District of Uttarakhand. The municipal council engaged private and public entities through service contracts to improve service delivery. These public-private partnerships also contributed to generating additional funds.
Despite the council's weak financial condition, some elected ward representatives successfully mobilized funds from the community to provide essential civic services to the residents of their wards. The participation of these representatives in training programs played a significant role in initiating new initiatives by raising awareness about the effective functioning of municipalities.
The Uttarakhand Academy of Administration, a training institute located in Nainital, serving at the state level has a primary objective to provide professional training to government officers from various departments, enhancing their skills and preparing them for challenging and complex tasks. The Academy is also involved in urban research and conducts training programs specifically designed for municipal functionaries in the state.

(World Bank Policy Research 2010)

Richard Bird's remarks on this matter are relevant. He states that if the role of subnational governments is limited to providing minor local services and serving as delivery agents for nationally determined public expenditures, then the questions regarding revenue assignment become relatively straightforward.
However, if subnational governments are expected to deliver significant and costly public services while having some discretion in determining how and to what extent these services are provided, determining the appropriate revenue assignment becomes much more challenging.

(Mohanty 2007)

The dependency ratio is represented by the proportion of intergovernmental transfers to total expenditure.
Throughout the entire study period, the ratio exhibits a significantly high value, indicating a strong reliance on higher tiers of government. This high dependency leaves the local government vulnerable when it comes to allocating funds for the provision of essential infrastructure and services.

(Ladd, Yinger 1989)
According to the literature, fiscal health refers to the equilibrium between a city's capacity to generate revenue and the amount it needs to spend in order to provide services of average quality.
The concept of "standardized fiscal health" represents fiscal health without considering state assistance.
On the other hand, "actual fiscal health" takes into account the disparity between the limited revenue capacity and the actual expenditure required to deliver public service.

(Enid Slack 2010)

Local governments derive advantages from utilizing a combination of taxes. Employing a mix of taxes allows them to adapt to local conditions, such as economic fluctuations, changing demographics, and evolving expenditure requirements.
Taxes that align with economic growth provide cities with an incentive to make investments that stimulate further development. While any tax inevitably creates local distortions, employing a mix of taxes can potentially offset distortions caused by one tax with the mitigating effects of another. It is uncommon for countries to rely solely on a single local tax; instead, many utilize two or three different taxes.
Generally, broader responsibilities for spending are associated with a greater diversity of tax sources.

(Third Annual Survey of India's City Systems ASICS 2015)

The substandard quality of urban life can be attributed to a shared set of underlying factors, which can be categorized into four interconnected elements:
1. Planning and design
2. Capacities and resources
3. Empowerment and political representation
4. Transparency, accountability, and participation.

Janaagrah states that "Ultimately, it is not resources which hold back the 21 cities in 18 states (including all the state capitals that ASICS covers) but governance"

Concluding Remarks:

The reports on the State Finance Commissions of Uttarakhand reveal a concerning trend of declining financial autonomy for ULBs over the years. The state government has gradually taken over many important functions previously managed by ULBs, resulting in a significant reduction in their revenue sources. Critical services like primary education, water supply, and power distribution have been transferred to other agencies without providing adequate compensation to the ULBs. Moreover, the heavy reliance on government grants has left ULBs financially constrained, hindering their ability to meet the increasing expectations of urban residents and invest in essential infrastructure development. To ensure sustainable and well-organized urban growth, it is imperative that policy interventions are implemented to strengthen ULBs' administrative capacity, enhance revenue generation, and promote transparency, accountability, and citizen participation.
Additionally, the reports highlight the need for reforming the fiscal framework and revenue assignment for subnational governments. The current system of revenue sharing and intergovernmental transfers has led to a high dependency ratio for local governments, limiting their ability to generate revenue independently and efficiently provide essential services.

The concept of "standardized fiscal health" underscores the significance of balancing revenue capacity and expenditure requirements for effective service delivery. To address these challenges, there is a pressing need to revisit fiscal norms and standards, adopt a mix of suitable taxes, and empower local governments with greater decision-making authority and financial resources. Implementing public-private partnerships and encouraging community participation can also play a crucial role in improving urban governance and achieving sustainable urban development.

3. Research Methodology

A. Framework

The theory of municipal finances is founded on three core principles:5

● subsidiarity
● fiscal equivalence
● correspondence

Subsidiarity emphasizes that the central government should limit its involvement to tasks that cannot be effectively carried out at the local level. Essentially, decisions should be made at the lowest possible level, where they will directly impact the local area rather than the entire country, as stated in the Cambridge Business English Dictionary.

Fiscal equivalence, introduced by Mancur Olson in 1969, asserts that those who benefit from public goods and services should bear the costs associated with them. This principle advocates that public goods with externalities should be funded and provided by higher levels of government, while goods with little or no externalities should be handled by lower levels of government.

The principle of correspondence deals with determining the jurisdiction responsible for providing public goods to the individuals who consume them.

Together, the principles of fiscal equivalence and correspondence form the basis of fiscal decentralization, which seeks to effectively distribute responsibilities among different levels of government to achieve greater efficiency.

These principles will serve as a framework for comprehending and interpreting the results of our study, thereby assisting in deriving meaningful conclusions from the research conducted.

B. Objectives

- The research aims to assess and understand the self-revenue generation capabilities of local bodies and their reliance on higher levels of government.
- It also involves comparing their expenditure patterns and how this affects their autonomy in managing capital expenses.
- Additionally, the study will emphasize the impact of socio-political, environmental, and other state-level changes on revenue receipts and development expenditures.
- The main focus will be on the sensitivity of both local bodies' own revenue and capital expenditure to the Gross State Domestic Product (GSDP) of Uttarakhand, underscoring their significance in the overall context.

C. Methodology

The current study relies on secondary data sourced from the Reports of the Fourth and Fifth State Finance Commission of Uttarakhand and the data under examination covers the period from 2011 to 2020.

Furthermore, the foundation of this paper lies in the Municipal Performance Index (2019) assessment framework, devised by the Ministry of Housing and Urban Affairs, GoI.

This framework serves as a pivotal element for our study, as it aids in the selection of relevant indicators and allows us to incorporate additional ones, beyond the suggested ones, to comprehensively evaluate the municipalities' performance.

The MPI 2019 examines the sectoral performance of municipalities across a set of 5 verticals which inculcate 20 sectors and 100 indicators within its fold.

The framework has given weights to the 5 verticals where we chose Finance which has been given 20% weightage.

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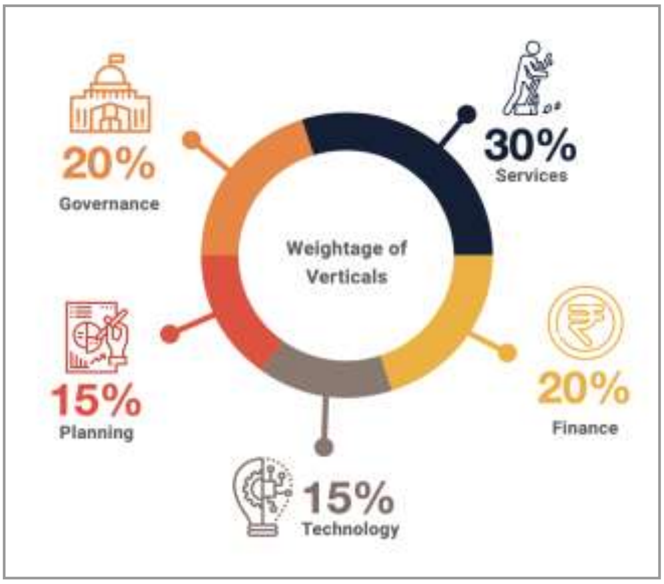
Since each of the 20 sectors within these verticals is crucial in municipal performance, they have been given equal weightage.



Source: Municipal Performance Index Assessment Framework 2019

Source: Municipal Performance Index Assessment Framework 2019

D. Variables Observed

- Own Revenue/Transfers/Unidentified revenue sources of Nagar Nigam, Nagar Palika Parishad and Nagar Panchayat
- Correlation and regression between ULBs Total Own Revenue vs GSDP (current prices)
- ULBs Salary & Allowances, Pension and Office Expenses(SPO) vs Development Exp.
- Growth Rate of GSDP vs Growth Rate of Total Development Exp.
- Correlation and regression between Total Development Exp. vs GSDP (current prices)
- Total Budget Allocation (SFC+CFC) vs Actual Expenditure

These variables in our study have been further observed and compared mainly within the concept and framework of Mrs. Archana Jain, Prof. Archana Singh (2022), and MPI 2019 and the findings are subsequently evaluated by drawing meaningful parallels with the relevant literature studied, contributing to a more comprehensive understanding of the topic.

4. Analysis & Discussion

Uttarakhand as of today has a total of 102 ULBs which consist of 9 Nagar Nigams, 43 Nagar Palika Parishads, and 50 Nagar Panchayats. The urbanization rate of the state, which stands at approximately 30.2%, is similar to the national average of 31.2%. The population growth rate differs among districts and urban areas within the state. Notably, the average annual urban growth rate of 4.0% is significantly higher when compared to the rural growth rate of 1.2% in Uttarakhand. Due to its mountainous terrain, the majority of urban local bodies in Uttarakhand are situated in remote hilly regions. As a result, urban development planning poses significant challenges in the state, necessitating the implementation of diverse strategies to meet the needs of both residents and the demands of tourists and pilgrims. The state's topography and geographical characteristics further compound the challenges faced by planners. The complex institutional arrangements and the presence of multiple organizations in Uttarakhand also limit the effectiveness of urban planning and development efforts. In this section, we have conducted data visualization to present the growth rates of various variables over the years. We have also depicted the relationships between certain variables. The data tables for each can be found in the Appendices for further reference.

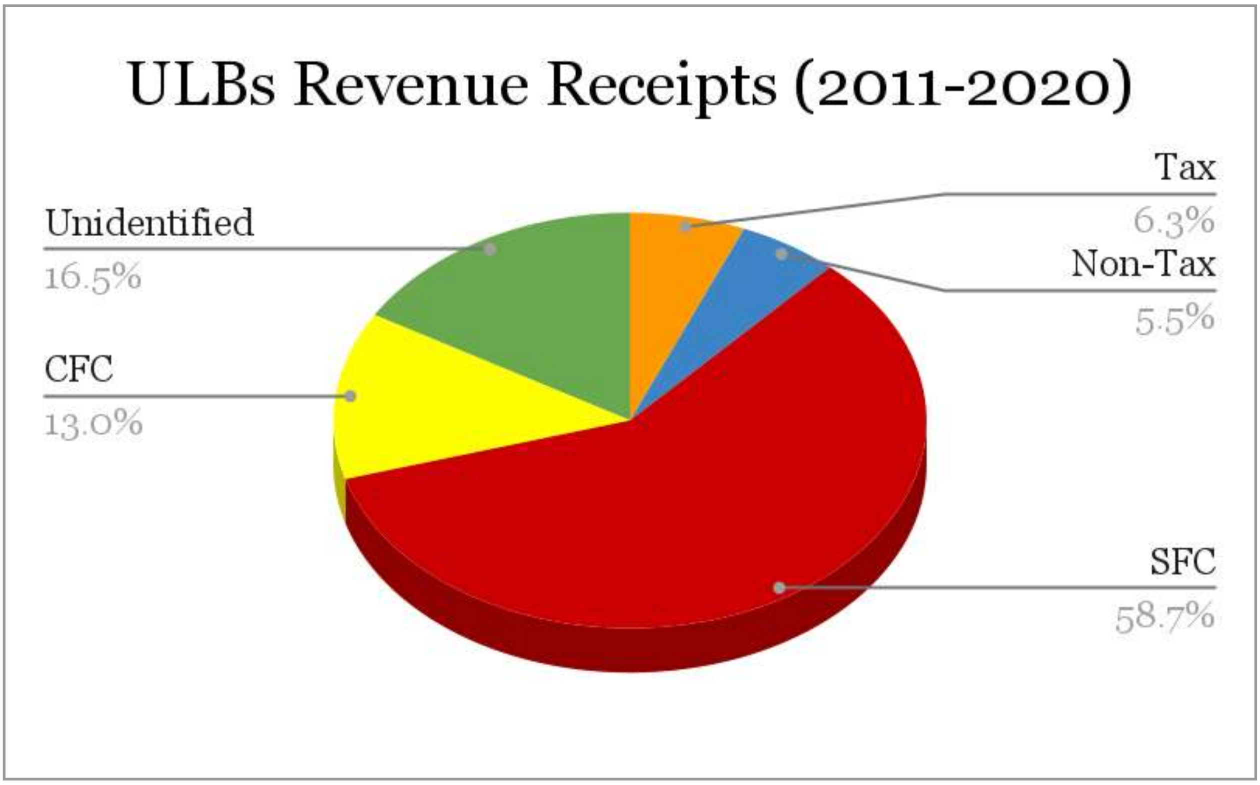


Figure 1 (Refer to tables 1,2 & 3 in the Appendix sourced from SFC Reports). The section of the pie chart represented by the orange slice illustrates the cumulative tax revenue generated by NN, NPP, and NP from 2011- 2020. This tax revenue amounts to 6.3% of the total revenue receipts. Overall, the own revenue sources of the ULBs contribute to 11.8% of the total revenue receipts, while more than 70% of the revenue comes from transfers. Among the transfers, the largest portion is derived from the SFC. This reflects the limited revenue-raising capacity of the ULBs and its heavy dependence on sources of revenue other than its own for carrying out its expenditures. Furthermore, among the different sources of income, namely revenue receipts (tax, non-tax, and SFC transfers), only these three provide local bodies with the flexibility to allocate funds based on their own priorities. This includes the ability to allocate funds

towards committed expenses such as staff salaries, pensions, gratuities, and office expenses. In contrast, all other sources of income are designated for specific purposes and cannot be used freely by the local bodies.[6]

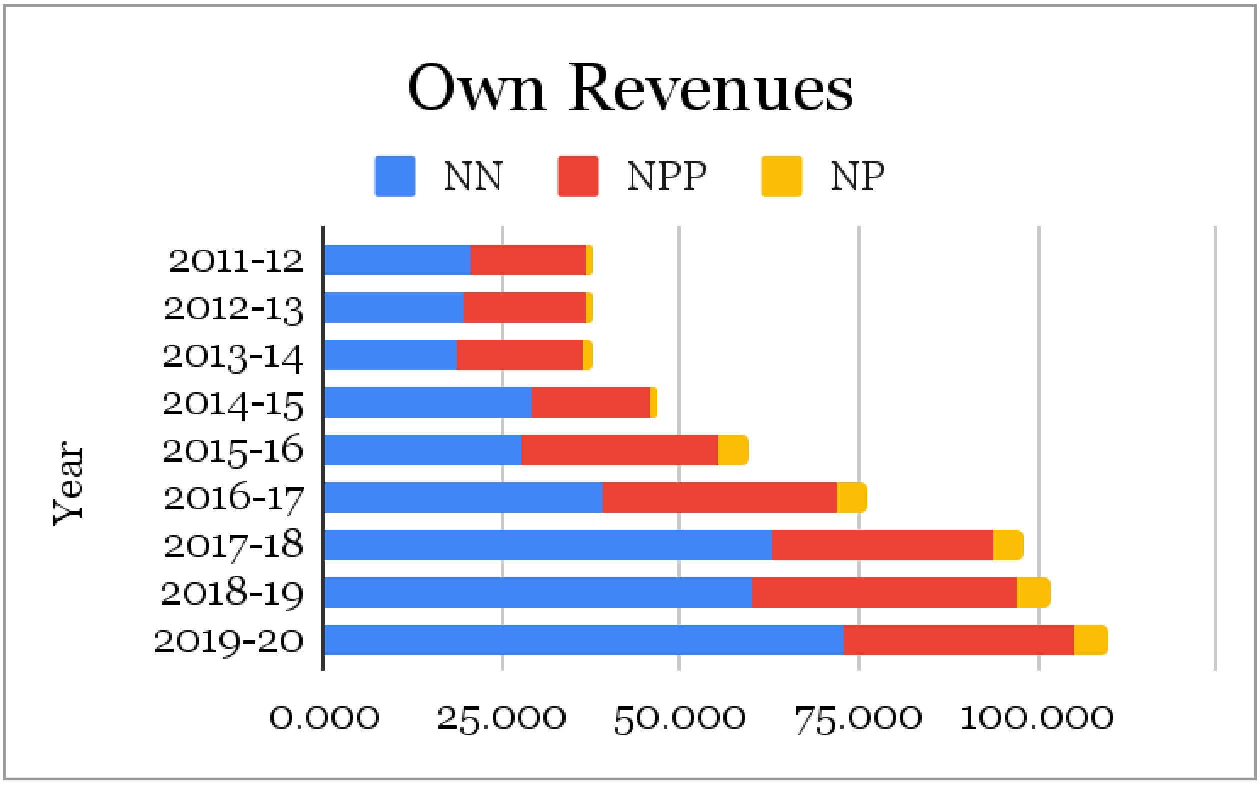
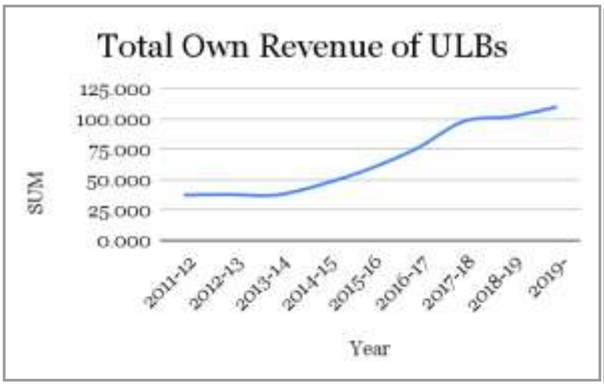


Figure 2 (Refer to table 4 in the Appendix sourced from SFC Reports; values are in crore INR). Specifically looking at the own revenue generated by ULBs(through Tax and Non-Tax sources) in Figure 2, we observe a significant rise in the revenue of NN in the fiscal year 2017-18. This increase can be attributed to the implementation of the Uttarakhand Special Provision for Urban Bodies and Authorities Act, 2018. On the other hand, while NPP's revenue grows steadily, NP experiences a sudden surge in its own revenue during 2015-16 (compared to the previous years). This can be attributed to the enactment of the Uttarakhand Panchayati Raj Act, 2016.



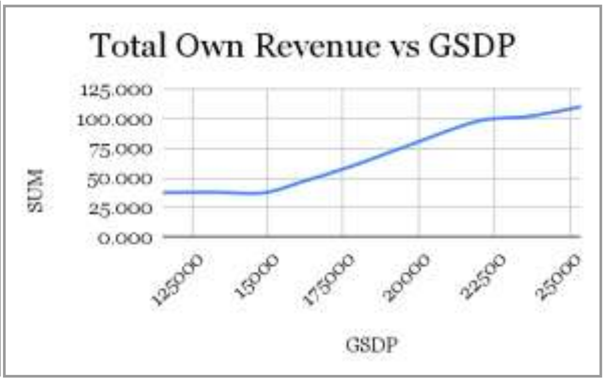


Figure 3 *Figure 4*

(Refer to table 4 in the Appendix sourced from SFC Reports; values are in crore INR)

In Figure 3, the total own revenue of ULBs displays a consistent upward trend from 2013-14 until 2017-18. Nevertheless, following the period of 2017-18, the revenue becomes constant for a year. This can be attributed to the implementation of the GST Amendment Act 2018 which came into effect in February 2019. As a result, the graph demonstrates an upward trend once again after 2019.

In Figure 4, we compare the total own revenue of ULBs with the GSDP of Uttarakhand.

We observe a strong correlation coefficient of 0.97 between the two which indicates a close relationship between the *two variables. Despite the fact that the primary sources of revenue are transfers from the CFC and SFC, the own revenue generated by ULBs plays a significant role.*

The goodness of fit value $R^2=0.95$ *reflects the same result as the value of the correlation coefficient.*

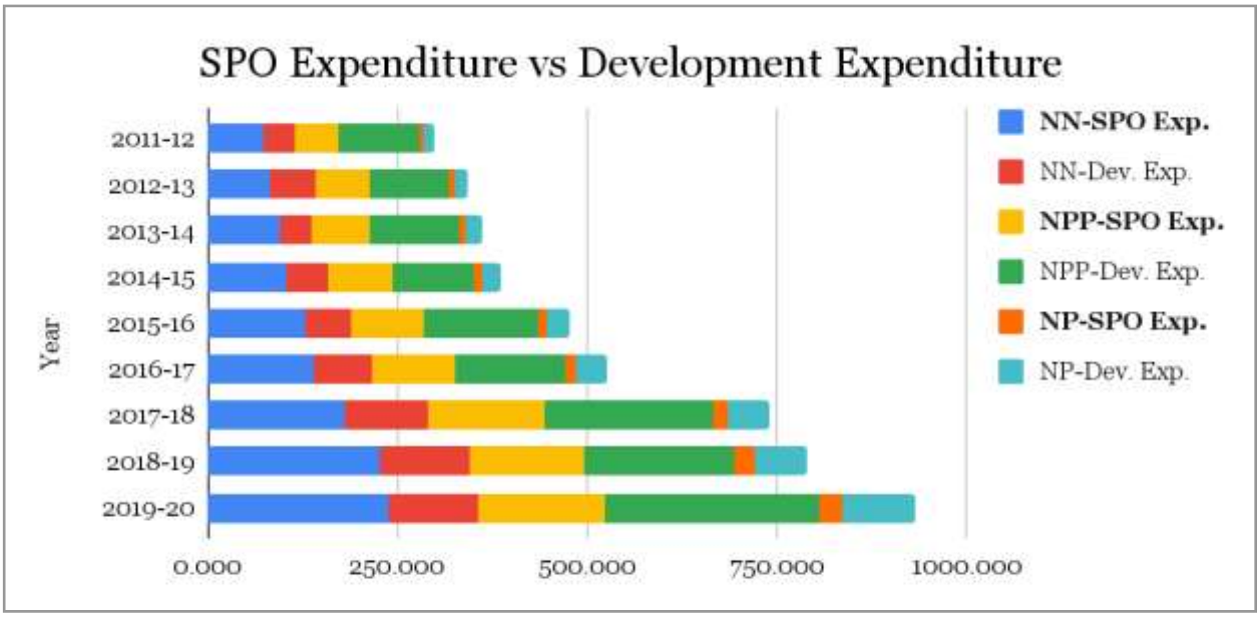


Figure 5 (Refer to tables 5,6 & 7 in the Appendix sourced from SFC Reports; values are in crore INR)

In Figure 5, SPO refers to Salary & Allowances, Pension, and Office Expenses, which can be grouped together under the category of Establishments. However, these terms are directly sourced from the SFC reports without any modifications.

Approximately 65% of the total spending by Nagar Nigams during the period from 2011- 2020 was allocated towards SPO/Establishments. In the case of Nagar Palika Parishads and Nagar Panchayats, the spending on establishments was around 40% and 25% respectively.

It is crucial to understand that NN/Municipal Corporation oversees urban regions with a population of one million or more, while NPP/Municipal Council governs areas with a population of one lakh or more, and NP/Town Council manages regions with a population ranging from 11,000 to 25,000. Based on this, the NN/Municipal Corporation has a paramount need to allocate funds for development in order to enhance the quality of life and ensure the availability of facilities for such a large population.

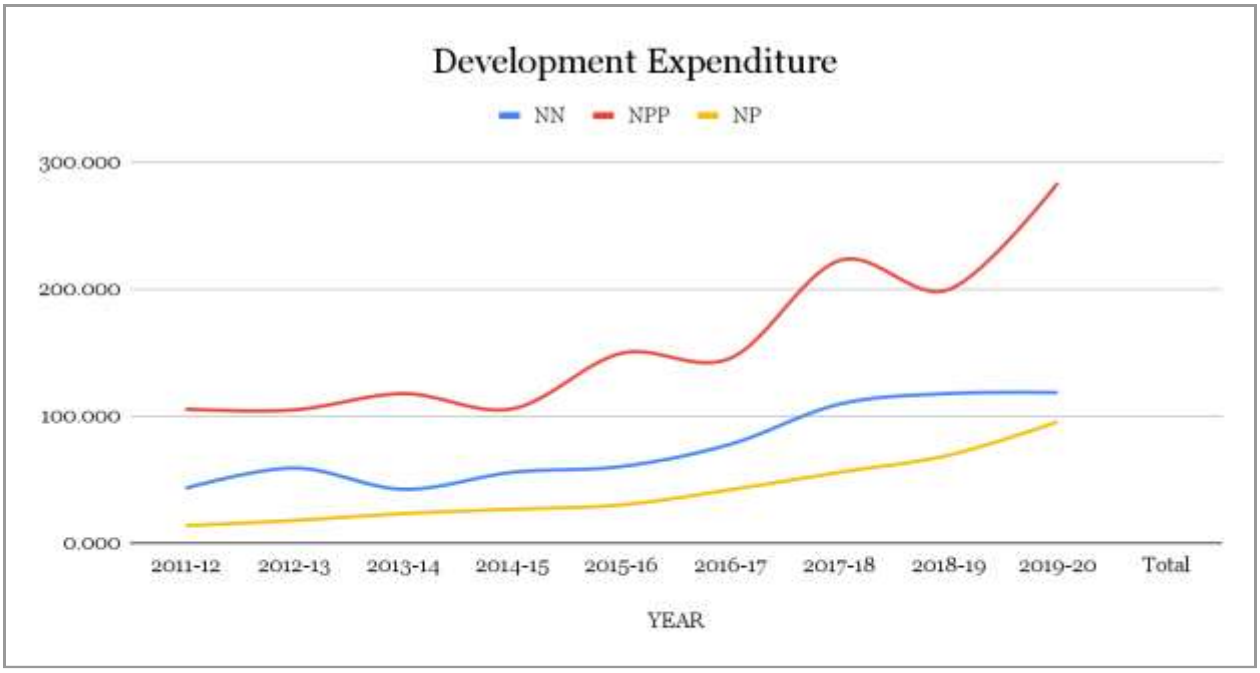


Figure 6 (Refer to tables 5,6 & 7 in the Appendix sourced from SFC Reports; values are in crore INR). In Figure 6, the development expenditure for NN experienced an increase in 2012-13 due to the occurrence of the Uttarakhand Municipal General Elections on April 28, 2013. Subsequently, in June of 2013, the country faced its most severe natural disaster (since the 2004 tsunami), a mid-day cloudburst, with 89% of the total casualties happening in Uttarakhand. This calamity resulted in the tragic loss of 6,054 lives and the destruction of roads and bridges leaving about 3 lakh tourists and pilgrims trapped in the valleys. Most of the havoc centered around the regions of Gangotri(NP), Kedarnath(NP), Badrinath (NP) and Rudraprayag(NPP & NP) which suggests that the development expenditure might have been diverted to the NPP and NP. The argument can be supported by observing a subsequent rise in the development expenditure in 2013-14 for the two. In the case of NPP individually, the development expenditure is erratic and shows no particular pattern but a few observations that might support the erratic trend:2015- Govt. of Uttarakhand sanctioned the MSME Policy 2016-The Uttarakhand Reforms, Regularization, Rehabilitation and Resettlement and Prevention of Encroachment of the Slums Located In the Urban Local Bodies of the State Act In Sept. of 2017- The cabinet gave its approval for the inclusion of an additional 7% of rural areas in the Himalayan state to come under the control of the ULBs. This decision was set to empower the ULBs to have full control over 355 villages and partial control over 11 other small settlements/hamlets in the state. 2018 saw Uttarakhand's ULBs Elections and Uttarakhand Special Provision for Urban Bodies and Authorities Act.

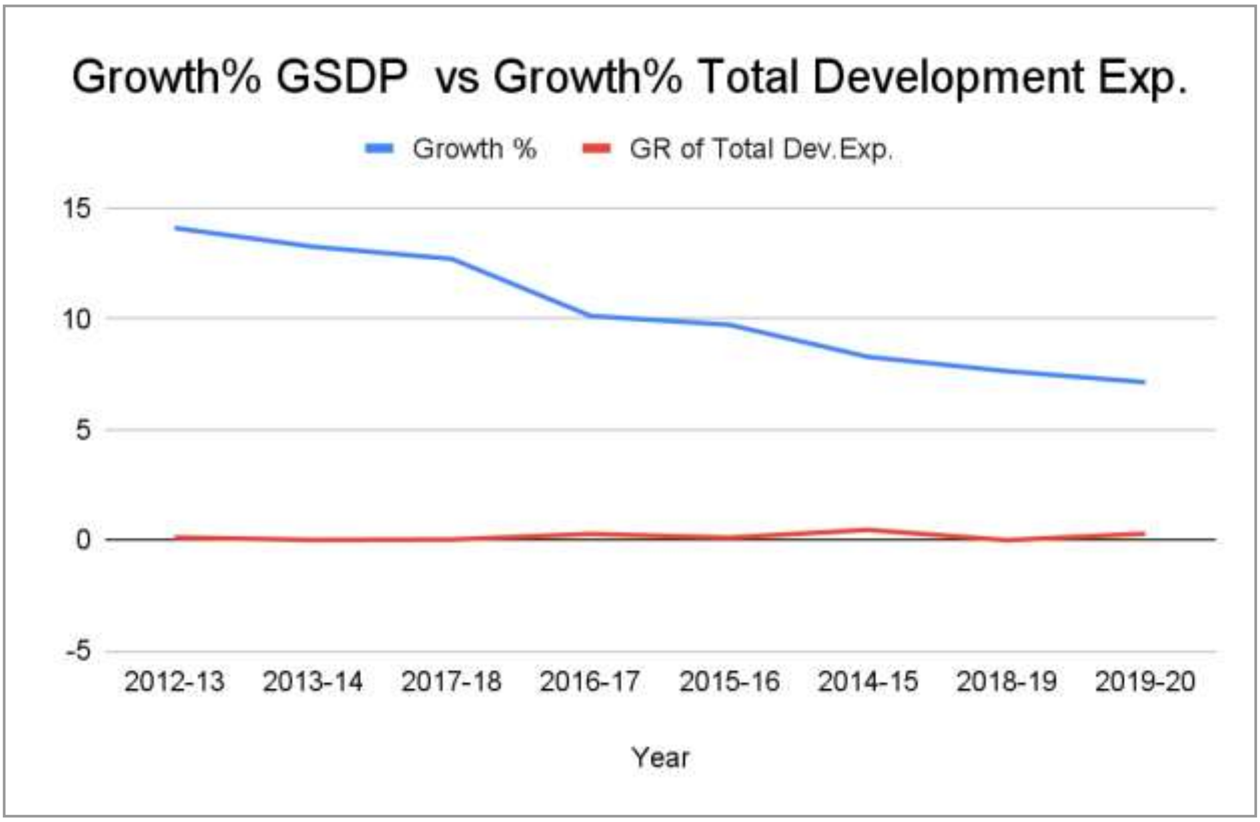


Figure 7 (Refer to table 8 in the Appendix sourced from SFC Reports; values are in crore INR). In Figure 7, we have made a comparison between the GSDP growth rate specifically with development expenses. The reason for focusing on development expenses is that while we acknowledge that SPO/establishments contribute to the consumption capabilities of individuals, it is necessary to examine surveys and reports to determine whether the expenditures occur within or outside the state's borders. Consequently, these expenditures cannot be directly compared to the growth rate or GSDP. Urban-to-rural migration is on the rise within this time period[7]. However, the development expenditure is constant, as seen in the graph. So there's no additional expenditure to support this influx of population. Simultaneously, the rural economy is declining due to migration, and the carrying capacity of urban areas is under pressure. As a result, there is a decline in the state's growth rate as both rural and urban economies are either slowing or not being supported efficiently.

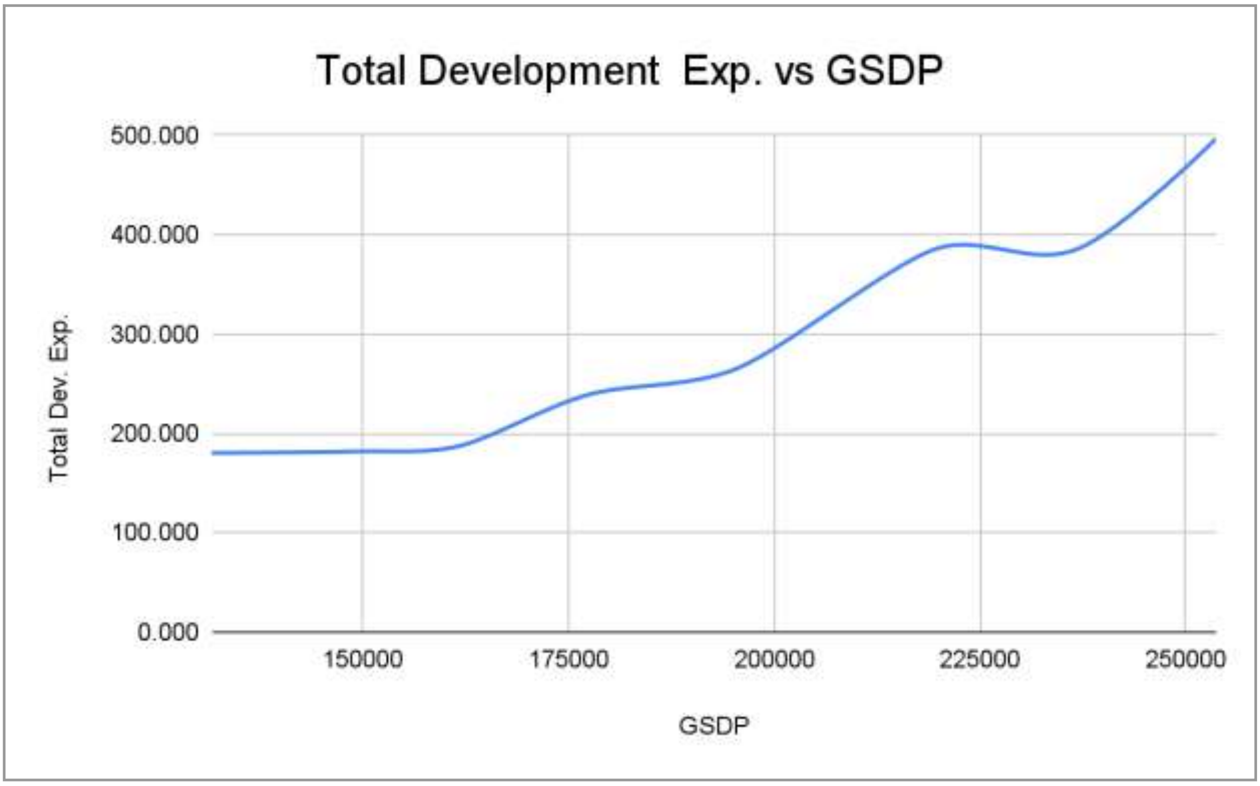


Figure 8 (Refer to table 8 in the Appendix sourced from SFC Reports; values are in crore INR)

In figure 8, the correlation coefficient of 0.96 indicates an exceptionally robust positive correlation between the development expenditure of ULBs and the growth rate of Uttarakhand, i.e., when the ULBs invest more in development projects, the overall economic growth of Uttarakhand tends to increase significantly. This finding holds immense significance as it implies that the prosperity and progress of the state are intricately linked to the strategic allocation of resources by these local governing bodies. Furthermore, this positive correlation can be rationalized by considering the mounting population pressure on the ULBs, which is effectively balanced and complemented by the simultaneous increase in capital expenditure.

Moreover, where the robustness of the correlation coefficient implies a strong linear relationship between the two variables, the goodness of fit value $R^2=0.93$ *indicates that a substantial proportion of the growth rate can be attributed to the investment in development activities. This outcome provides compelling evidence for policymakers and stakeholders to recognize the vital role of development expenditure in fostering and sustaining economic growth. In the picturesque region of Uttarakhand, the ULBs played a vital role in nurturing the communities they served. As the years passed, their financial challenges grew more complex, prompting an analysis of revenue trends.*

It is evident from the findings that the ULBs faced a significant limitation in generating their own revenue, leading them to heavily rely on external sources to fund their expenditures. This dependence has restricted their ability to allocate funds based on their priorities, with only tax, non-tax, and SFC transfers offering them some flexibility. Diving deeper into the analysis, a noteworthy surge in NN's revenue during the fiscal year 2017-18 is observed. This can be attributed to the implementation of the Uttarakhand Special Provision for Urban Bodies and Authorities Act, 2018. On the other hand, NPP experienced steady revenue growth, while NP witnessed an unexpected spike in its own revenue in 2015-16, credited to the enactment of the Uttarakhand Panchayati Raj Act, 2016. The data analysis has painted a fascinating picture of the ULBs' financial journey. While transfers from higher authorities played a significant role in sustaining their operations, their own revenue growth was crucial for long-term sustainability and autonomy. This finding led to a greater emphasis on exploring ways to strengthen their revenue-raising capacity.

The striking correlation coefficient of 0.97 between the ULBs' own revenue and the GSDP of Uttarakhand has emphasized the close relationship between the two variables, highlighting that the ULBs' financial health had a direct impact on the state's overall economic well-being.

However, as the analysis progresses, we notice fluctuations in development expenditure for the different ULBs. A notable increase in 2012-13 is observed, driven by the Uttarakhand Municipal General Elections and followed by a tragic natural disaster in 2013 that shifted focus towards specific regions. Additionally, policy reforms and territorial expansions brought about changes in development expenditure patterns.

The impact of urban-to-rural migration on the region's economy is also examined. Noting that while migration was on the rise, development expenditure remained constant. The absence of adequate investment to support the influx of population led to imbalances in rural and urban economies, affecting the state's growth rate. Towards wrapping the analysis, we realized that achieving a delicate balance between revenue generation and expenditure allocation was crucial for the sustainable development of the local bodies and the state at large. The findings should spark the encouragement to devise comprehensive strategies to enhance the ULBs' revenue-raising capacity, promote balanced growth, and empower the communities they serve.

5. Conclusion & Recommendations

The state of Uttarakhand was established to address past neglect and fulfill the aspirations of its people for better public services. Where the hill district headquarters of UK have experienced a three fold increase in their population, the plains of the state including cities like Haldwani, Nainital, Khatima, Tanakpur etc., have witnessed a tenfold rise in their population. The state's agricultural and industrial sectors face restrictions due to geographical limitations, which limit the tax base and the ability to increase user charges to generate more revenue. Additionally, there is immense pressure to create employment opportunities, especially in the low mid and high himalayan ranges of the state.
Hence, though ideally one could suggest the concept of standardised fiscal health8 here but it is understandable how and why the state struggles to generate revenue through its own sources.

ULBs receive notable amounts of funds and support. Our study suggests that they require efficient financial management to maintain fiscal discipline and facilitate these resources that have been provided to them. For that, what ULBs need is fiscal autonomy to facilitate their capital expenditure, as they are more informed of their specific requirements.
This perspective can be likened to the principle of subsidiarity (Mrs. Archana Jain, Prof. Archana Singh 2022).

It would be beneficial to manage expenditure in ways such that if an excessive amount of spending is being allocated towards SPOs, it is essential to ensure that the organization has a fully staffed team with specialized knowledge and expertise.
This viewpoint bears a resemblance to the recommendations given by the Report of the Fourth State Finance Commission of Uttarakhand 2016-21.

The government could assist by partially or fully covering the interest cost of the borrowing of municipalities through the imposition of user charges. This would increase their expenditure to the required higher levels as their creditworthiness would increase and they would be able to seek funds from the capital market.
Another issue highlighted in the study is the significant disparity between variables in the budget allocation document, with many control variables and error terms missing for the ULBs. The reports and official documents often combine the variables of ULBs and Panchayati Raj under one category. Although we were aware of this discrepancy, there is a lack of available data, particularly regarding areas of development/capital expenditure, migration and qualitative factors related to good governance, which are important influences on the budget. Moreover, comparing the overall budget allocation and the actual spending has proven to be challenging due to significant differences caused by lags in the timing of allocation, spending, the accruing expenses as per requirements and their corresponding accounting. Therefore, data cleaning and making it available in the public domain becomes necessary to address these issues. Additionally, enhancing municipal capabilities is also an important aspect to focus on. Capacity building is influenced by various factors, including the development of human resources, organizational development, and the institutional and legal framework. When these three elements are considered together, they play a crucial role in improving financial management systems and mobilizing financial resources, ultimately leading to increased fiscal capacity.

[8] (Ladd, Yinger 1989)

6. Appendix

(all values in the tables are in crore INR)

Table 1

Consolidate Receipts of Nagar Nigams (UK)					
Year	Own Revenue		Transfers		Unidentified
	Tax	Non-Tax	SFC	CFC	
2011-12	9.761	10.545	57.593	12.798	18.328
2012-13	10.459	9.036	100.669	1.264	18.435
2013-14	10.240	8.465	90.526	10.991	46.489
2014-15	15.445	13.707	86.256	16.619	13.841
2015-16	17.109	10.557	111.368	17.017	23.776
2016-17	27.705	11.557	11.368	38.760	79.327
2017-18	40.790	21.916	261.131	65.326	69.582
2018-19	45.255	14.953	260.417	49.180	32.141
2019-20	57.910	15.049	262.664	85.158	27.861

Table 2

Consolidate Receipts of Nagar Palika Parishads (UK)					
Year	Own Revenue		Transfers		Unidentified
	Tax	Non-Tax	SFC	CFC	
2011-12	6.615	9.544	60.311	13.743	28.831
2012-13	7.518	9.644	123.080	1.991	27.847
2013-14	8.382	9.031	125.097	13.969	34.187
2014-15	7.224	9.153	123.376	19.335	58.404
2015-16	9.598	18.136	125.195	18.735	75.861
2016-17	9.983	22.853	125.195	34.856	46.339
2017-18	10.425	20.652	252.777	72.816	46.478
2018-19	11.633	25.347	262.089	46.632	34.695
2019-20	9.611	22.697	263.547	80.886	56.843

Table 3

Consolidate Receipts of Nagar Panchayats (UK)					
Year	Own Revenue		Transfers		Unidentified
	Tax	Non-Tax	SFC	CFC	
2011-12	0.533	0.509	10.233	2.064	3.290
2012-13	0.573	0.605	23.266	1.420	4.845
2013-14	0.597	0.798	23.319	2.380	8.756
2014-15	0.395	0.780	20.312	3.410	6.365
2015-16	1.268	2.693	17.231	2.276	33.370
2016-17	0.773	3.109	17.231	5.305	8.735
2017-18	0.947	3.420	68.638	17.832	6.630
2018-19	1.017	3.820	65.079	12.479	16.791
2019-20	1.118	3.734	65.016	22.134	20.918

Table 4

Own Revenue Receipts of ULBs (UK)					GSDP (UK)
YEAR	NN	NPP	NP	SUM	
2011-12	20.306	16.159	1.042	37.507	115328
2012-13	19.494	17.162	1.177	37.833	131613
2013-14	18.705	17.413	1.395	37.513	149074
2014-15	29.151	16.377	1.174	46.702	161439
2015-16	27.666	27.734	3.960	59.359	177163
2016-17	39.262	32.836	3.882	75.979	195125
2017-18	62.706	31.077	4.367	98.150	219954
2018-19	60.208	36.980	4.837	102.024	236768
2019-20	72.959	32.308	4.852	110.118	253666

Table 5

YEAR	Expenditure of Nagar Nigams (UK)		
	SPO expenses	Development Expenses	Total Expenditure
2011-12	72.991	42.648	115.639
2012-13	82.559	58.624	141.183
2013-14	96.237	41.839	138.076
2014-15	104.553	55.280	159.833

2015-16	130.099	59.819	189.918
2016-17	138.991	77.443	216.434
2017-18	180.922	109.065	289.987
2018-19	228.086	117.353	345.439
2019-20	237.701	118.102	355.803

Table 6

YEAR	Expenditure of Nagar Palika Parishads (UK)		
	SPO expenses	Development Expenses	Total Expenditure
2011-12	57.837	105.004	162.841
2012-13	72.881	104.458	177.339
2013-14	76.007	117.269	193.277
2014-15	84.584	105.342	189.926
2015-16	96.187	149.123	245.310
2016-17	108.499	145.263	253.762
2017-18	154.027	222.255	376.282
2018-19	149.947	199.345	349.291
2019-20	167.718	283.374	451.091

Table 7

YEAR	Expenditure of Nagar Panchayats (UK)		
	SPO expenses	Development Expenses	Total Expenditure
2011-12	6.027	13.197	19.224
2012-13	7.817	17.249	25.067
2013-14	8.977	22.716	31.694
2014-15	11.343	26.134	37.477
2015-16	10.992	29.524	40.516
2016-17	14.079	41.516	55.594
2017-18	18.672	55.272	73.944
2018-19	26.016	68.694	94.710
2019-20	29.771	95.006	124.778

Table 8

Year	Growth % (UK)	GR of Total Dev.Exp. (UK)
2012-13	14.12	12.11%
2013-14	13.27	0.83%
2017-18	12.72	2.71%
2016-17	10.14	27.69%
2015-16	9.74	10.80%
2014-15	8.29	46.31%
2018-19	7.64	-0.31%
2019-20	7.14	28.83%

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