

SILCHAR MUNICIPAL BOARD
TOO WEAK TO SOLVE THE PROBLEMS OF A GROWING TOWN

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INTRODUCTION

Now-a-days migration of population from rural to urban areas is taking place at a faster rate due to high population growth, high rate of unemployment, low agricultural productivity, absence of viable small scale and cottage industries etc in the rural areas. As a result towns and cities are getting overpopulated and creating many civic problems. Silchar being a growing town is no exception in this regard. It is the most thickly populated town of South Assam in the Barak Valley. The total population of this town was merely 34 thousands in the year 1951 which increased to 1.15 lakhs in 1991 thereby showing an annual average (arithmetic) growth rate of 6.7 percent over a period of 40 years. The rate of growth of population in Silchar, however, was moderate and steady till 1941. An unprecedented annual growth rate of 10.5 percent was noticed only during the decade 1941-51 mainly due to partition of the country. Even after 1951, immigration continued at varying rates. Added to the problem of refugee influx from the erstwhile East Pakistan (now Bangladesh) was the problem of migration from other parts of the North Eastern Region owing to social unrest. These factors together contributed to the rapid demographic change of Silchar.

The area under Silchar Municipal Board was only 10 sq. km in 1971 with a density of 5260 per sq. km. In 1991 the area was increased to 15.75 sq. km with the increased density of 7301 per sq. km. The number of holdings assessed to tax rose from 5137 in 1971-72 to 13,538 in 1994-95 though the assessable number of holdings is far above the assessed number of holdings.

Silchar Municipality was officially constituted in the year 1882 as a *Station Committee*. However, the rate of development of the town in the form of various facilities created for the purpose has been found to be quite inadequate. At present there exists only 80.4 km length of road under the municipality of which 21.7 km is surfaced. Besides, the P.W.D. has constructed a road length of 24.3 km within the municipal area. Till

September 1991 only 7725 water tap connections were given to the residents of Silchar town. In addition to these facilities the Municipal Authorities made the provisions for 6 municipal market complexes, 1851 stalls, one park, 8 ponds, one library, two recreational halls and 3316 street lights. All these facilities, however, were created by the authorities' long back and these have not increased over the years commensurate with the increased growth of population. In fact, Silchar illustrates a tragic case of yawning gap between requirements and capacity creation in respect of all sorts of civic amenities.

In the light of these facts an attempt has been made in this paper to show how the Silchar Municipality is struggling hard to solve the problems of a growing town with inadequate finance and poor management.

EXPECTATIONS FROM SILCHAR MUNICIPALITY

The Silchar Municipal Board is expected to perform the following basic functions:

1. Supply of drinking water;
2. Prevention of food adulteration;
3. Construction and maintenance of lanes, drains, *nullahs* and manholes;
4. Construction and maintenance of public urinals, latrines and spray of disinfectant;
5. Construction of low cost latrines;
6. Medical care including control of communicable diseases and local epidemics;
7. Environmental sanitation;
8. Maintenance of street light;
9. Construction and maintenance of municipal markets, stalls, etc;
10. Construction and maintenance of parks and ponds; and
11. Registration of vital events etc.

It is observed that for a long time the municipality has been facing difficulties in performing these functions effectively mainly because of financial and managerial problems.

FINANCIAL MANAGEMENT OF SILCHAR MUNICIPALITY

There exists a wrong notion that financial planning and management are prime requirements of profit making organizations only. Because of this attitude due importance is not given to financial planning and management in non-profit making organizations like educational institutions, charitable hospitals, municipalities etc. As a result, these organizations are facing financial hardships in their day-to-day management. Fortunately, in the recent time the importance of financial planning and management is being increasingly felt in non-profit making organizations. But the very concept of proper financial planning and management and its implementation is yet to be carried out in the Silchar Municipality.

REVENUE OF SILCHAR MUNICIPALITY

Silchar Municipality as a non-profit organization collects its revenue under the Municipal Act, 1956 from various sources. Some of the important revenues are in the form of property tax, license fees for trades, carts, carriage and animals, market revenue, water tax, government grants, etc. As far as collection of property tax is concerned, it has increased considerably over the years. Total collection under this head has increased from Rs.6.28 lakh in 1980-81 to Rs.12.74 lakh in 1990-91 and subsequently to Rs.20.49 lakh in 1994-95 (Table 1).

It is observed with great concern that due to lack of appointment of full-time assessors and poor performance of part time assessors' quinquennial re-assessment of properties in the town is not done properly and some newly constructed holdings are left out of assessment. It is a fact that reassessment of work is long overdue which has been suspended since 1985. Besides these, the municipal authorities have not taken any effective steps to reduce the outstanding arrear on property tax. There is an outstanding arrear of Rs.22.4 lakh as against the collection of Rs.20.49 lakh in the year 1994-95 showing a poor collection of 47.8 percent of the total property tax.

License fee for trade, cart, carriage and animals is another important source of revenue of Silchar Municipality. The collection of revenue under this head increased from Rs.0.79 lakh in 1980-81 to Rs.9.08 lakh in 1994-95 in 1994-95. But the striking feature was that the outstanding arrear on trade license fee stood at Rs.3.33 lakh as on 1st April 1995. It was also observed that due to lack of regular checking on trading activities

and cumbersome procedural formalities in issuing license the municipality had to face a huge loss of revenue.

At present, market revenue is the most important revenue collected from the tenants of its six market complexes located at Fatak Bazar, New Market, Itkhola Market, Satsang Road Market, Central Road Market and Rangirkhari Market including 1851 stalls at different places in the town. The collection of stall rents and lease value of markets was only to the tune of Rs.6.16 lakh in the year 1980-81. There has been an appreciable increase in the collection of market revenue over the years and it has reached the figure to Rs.27.59 lakh in the year 1994-95. However, the problem of outstanding arrear persists and it has gone to the extent of Rs.8.53 lakh under this head as on 1st April 1995. Besides poor collection, there are other numerous problems associated with the market such as poor maintenance of market stalls, non-completion of Central Road Market, non-occupation of Rangirkhari Market etc.

As far as revenue from water supply was concerned, it had two different phases. From 1990-91 onwards a good amount of revenue had been collected though it was not showing a rising trend. Before 1990-91 the collection was very meager because there was no betterment fee during the period. The most striking feature was that the outstanding arrear exceeded the total collection and the figure stood at Rs.18.72 lakh.

EXPENDITURE OF SILCHAR MUNICIPALITY

To study the pattern of expenditure of Silchar Municipal Board only a few but important items of expenditure are presented in Table 2. The table reveals that the major share of expenditure of the Board is on salary and other administrative expenses and these are on the rise. Only a meager portion of the total expenditure is incurred on the developmental activities such as construction/repairing of roads, buildings, market complexes, street light, park, drainage, etc. However, during the year 1985-86 a sum of Rs.61.5 lakh was spent for the construction of market complexes. On the whole, it can be said that the municipality did not have any perspective planning activities for the last several years. The municipality adopted only an ad hoc approach to meet its day to day problems.

LIABILITIES OF SILCHAR MUNICIPALITY

It is observed that the Board does not prepare annual income and expenditure account on accrual basis for which proper reflection on deficit/surplus of the municipality on yearly basis could not be focused in this paper. However, the information relating to liabilities of the municipality were collected and shown in Table 3. The table indicates that the municipality is in a debt trap. Liabilities have been accumulating on different accounts year after year. On account of water supply, liabilities have soared up as high as Rs.3.18 crore which is almost 50 percent of the total liabilities and the figure is in the rising side. Besides, the municipality took a loan of Rs.23.64 lakh from the U.B.I. for the construction of market complexes at Central Road and Rangirkhari in the year 1984-85. Because of severe financial constraint the municipality has not been able to repay the loan with interest. The liabilities on this account has increased to Rs.37.44 lakh in 1991 which has again multiplied with interest and risen to the extent of Rs.82.3 lakh as on 1st April 1995. Liabilities on other accounts are also on the rise. The total liabilities now stand at Rs.6.3 crore which is quite a big amount for the Silchar Municipality.

GENERAL ADMINISTRATION OF SILCHAR MUNICIPALITY

Silchar Municipality like any other municipality in Assam comes under the purview of Municipal Act, 1956. As per the Act, the Silchar Municipal Board is constituted with 30 members of which 28 are elected from different Wards of the municipality and 2 are nominated by the Government of Assam. The Chairman and the Vice-Chairman are also elected by the members from among themselves. All the planning decisions are taken democratically by the Board. The study revealed that the municipality had been managed by the elected members till 1975 regularly. For the period from 1975 to 1979 a government Executive Officer was In-charge of the affairs of the municipality. The last elected body managing the municipality was during the period from 1979 to 1984. Since then the municipality has been managed by the government-nominated executive officers except for a short span of three years during which an ad hoc body was constituted by the government. It has, thus, been observed that for a long time municipality has been running on adhocism. Over and above, the activities of the municipality are being carried out by 362 employees of whom 141 are on causal basis.

There has been no personnel policy as such. No work study has been undertaken so far to assess the staffing requirements of the municipality.

FINDINGS AND RECOMMENDATIONS

From the present study the following facts emerged:

1. Revenues under different heads are increasing at lower rates due to poor collection and non-completion of quinquennial assessment;
2. Overall expenditure is increasing at a higher rate and unfortunately a major portion of total expenditure is incurred on salary and other administrative expenses;
3. The widening gap between revenue and expenditure is resulting in continuous rise in liabilities of the municipality;
4. Financial planning and management is almost lacking except preparing for annual budgets;
5. There is no perspective planning for the overall development of the growing town; and
6. The Silchar Municipal Board has become too weak, both financially and administratively, to solve the problems of Silchar town.

In the light of above mentioned findings the following recommendations are made:

1. For augmenting the resources of the municipality the positive would be to organize a special drive for arrear tax collection;
2. Assessment of and re-assessment of holdings should be undertaken without further delay and full time qualified assessors should be appointed immediately for the purpose;
3. Strict supervision and regular monitoring on tax collection is a must;
4. The market complexes need to be completed on priority basis;
5. Huge accumulated liabilities should gradually be paid off as a principle and for this provision must be made in the annual budgets itself;
6. Budget should be prepared in a realistic manner and variations should be properly studied and follow-up measures should be undertaken;
7. A proper method of works study should be undertaken to restructure its organizational set up;

8. Board Elections should be held regularly for its democratic functioning; and
9. Last but not the least, Silchar township covering Rongpur area in the east, Ramnagar in the west, Malugram in the north and R.E.C. in the south is expected to touch the population limit of 3 lakh by 200 A.D. Immediate steps therefore need to be undertaken for declaring it as a city with a corporation for getting more financial benefit from the State Government. Accordingly, a master plan for the proposed agglomeration may be prepared so that the city may be developed in a scientific and planned manner.

Table 1
TRENDS OF MAJOR REVENUES OF SILCHAR MUNICIPALITY

(Figures in Rs. lakh)

Financial Year	Sources of Revenue			
	Property Tax	License Fee	Market Tax	Water Tax
1980-81	6.28	0.79	6.16	0.64
1985-86	11.15	1.32	8.31	1.44
1990-91	12.75	3.82	14.86	15.92
1991-92	14.83	5.10	20.04	16.07
1992-93	17.03	8.62	25.61	15.95
1993-94	18.31	7.99	25.25	14.74
1994-95	20.49 (22.40)	9.08 (3.33)	27.59 (8.53)	18.26 (18.72)

Source: Office of Silchar Municipal Board.

Note: Figures in parentheses denote outstanding arrear.

Table 2

TRENDS OF MAJOR EXPENDITURES OF SILCHAR MUNICIPALITY

(Figures in Rs lakh)

Sl. No.	Heads of Expenditure	Financial Year			
		1985-86	1991-92	1992-93	1993-94
1	Salary	28.90 (22.6)	64.74 (76.4)	72.76 (65.7)	77.92 (78.1)
2	Road	22.43	2.10	2.23	4.08
3	Building	2.00	0.08	0.02	0.17
4	Market	61.54	8.90	3.64	1.51
5	Street Light	1.32	1.13	1.31	1.49
6	Park	Nil	Nil	0.01	0.01
7	Others	11.68	7.72	30.82	14.54
TOTAL EXPENDITURE		127.87	84.67	110.79	99.72

Source: Office of Silchar Municipal Board.

Note: Figures in parentheses denote percentages.

Table 3
LIABILITIES OF SILCHAR MUNICIPALITY

(Figures in Rs lakh)

Sl. No.	Nature of Liability	Liabilities as on 1 st April			
		1991	1992	1994	1995
1	Govt. Loan with interest (for water supply)	275.76	286.68	305.33	318.06
2	Govt. Loan with interest (for other purpose)	51.46	59.32	63.83	85.82
3	U.B.I. Loan (for market complexes)	37.44	45.46	68.56	82.87
4	Liability to A.S.E.B (for street light)	38.00	50.00	70.00	75.00
5	Arrear Salary and P.F.	10.00	19.85	28.15	34.14
6	Liability to UNDP (for low cost latrine)	11.48	11.87	17.46	18.11
7	Liability to Suppliers and Contractors	2.50	3.00	3.00	3.00
8	Overdrafts	5.44	2.75	7.79	13.55
TOTAL LIABILITY		432.08	478.93	564.12	629.95

Source: Office of Silchar Municipal Board.

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