Urban Land Use and Regulatory Audit Study

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Urban Land Use and Regulatory Audit Study

There are three key policy dimensions that urban sector reforms should address. These are: urban planning, urban development strategy and urban governance. Urban planning, which includes regulated land development and carefully laying out the infrastructure systems, is important for making cities livable and viable. The infrastructure systems cannot be put in place by market forces alone. They have to be necessarily planned and are prerequisites for effectively functioning urban and regional markets. The second policy dimension in urban reforms relates to city development strategies tailored to the geographical, demographic and economic specificities of local areas and regions. The third dimension is connected with urban governance, encompassing the areas of urban local government and its relationship with other layers of government, market, civil society organisations and citizens. These three policy dimensions are inter-related.

Urban Sector Reform Agenda
Andhra Pradesh Vision 2020 describes the key elements of an urban sector reform agenda for the State. This agenda, among other things, includes the following actions on part of the Government:

- Supporting economic reforms, industrialisation, productivity growth, expansion of financial and other services, and promoting economic activity in both formal and informal sectors;
- Sustainable expansion of urban infrastructure facilities: water supply, sewerage and drainage, solid waste management, transport, recreation, health care, education, etc;
- Creating an enabling legal framework for planning, financing, managing and regulating urban development with the objective of sustainable augmentation of housing, infrastructure and civic services to the people;
- Facilitating commercialisation of urban infrastructure and alternate forms of service provision, including privatisation and public-private partnerships;
- Assisting the urban poor in income generation activities, improving the quality of their physical environment and enhancing their access to basic services like safe drinking water and sanitation, primary health care and education;
- Protecting the urban environment and ensuring harmonious development of rural and urban areas with due regard to conservation of ecology and natural resources;
- Installing and sustaining people-friendly and clean urban government based on empowered elected local bodies, committed political leadership, partnerships with civic society, participatory planning, etc., in accordance with the Constitution (74th Amendment) Act; and
- Developing the capacity of Municipalities to enable them function as effective institutions of local self-government, preparing and implementing plans for economic development and social justice.

Urban Planning Reforms
Reforming the urban planning system is a critical challenge in urban sector reforms in the face of burgeoning problems of urban growth and population concentration in cities. The efficiency of urban settlements largely depends upon how well they are
planned, how economically they are developed and how efficiently they are managed. However, the urban planning process in the past has suffered from many inadequacies. The process of planning has been too long and it has largely confined to the detailing of land use, paying inadequate attention to the provision of infrastructure, environmental conservation and plan financing issues.

Sustainable development planning calls for the optimisation of the spatial, functional and other linkages between settlements. This requires an integration of spatial and economic development planning, functional and financial planning, land use and transportation planning and urban and rural development planning. Due to the lack of an integrated approach, there has been a general neglect of transportation planning in the Master Plans of cities in India. Planning for the poor settlements is also another neglected area. Further, land use zoning and development control systems have been rigid and the enforcement of zoning and building regulations has been weak. The urban planning and development legislations, which have a direct impact on urban growth, development and functioning of urban land and housing markets, need to be critically reviewed.

Objectives
The urgency for reforms in the urban planning system emanates from the fact that, with globalisation sweeping across the world and policies of economic reforms and liberalisation at the national and state levels, cities are becoming the centres of domestic and foreign investment. The increasing tertiarisation of the Indian economy also calls for a need to plan our cities and towns as centres of service sector employment and engines of economic growth. The main objectives of the study include:

- To identify activities that local bodies need to be empowered with to formulate, implement, and monitor a comprehensive urban development plan;
- To devise mechanisms to integrate participatory community level micro planning as an integral part of planning mechanism;
- To identify areas of simplification of business processes to avoid delays in according planning/building permissions including delegation of powers to local bodies and to the extent possible to the developers, thereby reducing corruption in the town planning wing of urban local bodies. This will help to establish transparency in local government systems and procedures;
- To explore the use of land as a resource for development in addition to being an input for planning and shaping the growth of cities;
- To redefine the roles, functions and responsibilities of the state, regional and local planning and development agencies;
- To identify skill, staffing and capacity building requirements in ULBs and other authorities to develop and manage urban plans.

Methodology
A comprehensive review of the existing urban planning process in Andhra Pradesh both at the macro level and at the micro level involved the regulatory framework for planning and development including zoning and building regulations, approaches adopted for preparation, implementation and financing of urban development plans, land assembly and infrastructure development practices, plan financing methods including the use land as a resource, and plan enforcement mechanisms at the field.
The study methodology is participatory. The participants included research staff, local and departmental officials and non-officials. Extensive consultations were held with elected representatives, builders, developers and the public to ascertain views at different levels so as to draw lessons for policy and implementation reforms and facilitate the streamlining of the urban planning procedures and processes.

**International Case Studies**

Case studies of innovative and successful urban planning and development practices implemented world-wide were undertaken based on a literature search. The objective was to draw broad lessons that can be emulated or adopted as guides to our reforms. These case studies include: Portland, Oregon (USA), Strasbourg (France), Singapore, Shanghai (China) and Curitiba (Brazil). The studies centered around varied issues such as planning for orderly urban growth, containment of urban sprawl, protection of the environment, neighbourhood livability and central city vitality, optimal use of land resources, guided development, redevelopment and revitalisation of old neighbourhoods, integrated transport planning, etc. Most importantly, in all the case studies the government has worked alongside citizens to create long range goals, plans, and strategies to guide the city’s future. The case studies also introduced issues related to managing growth and maintaining a livable, economically productive and healthy city.

Whereas the Portland initiative is considered as a ‘global and integrated approach to confronting issues’ facing the urban sector and large cities in general, in Strasbourg, a tram system has been used by planners to recondition public spaces and reorganise the metropolitan area. Singapore, on the other hand, was selected for its successful management of urban land, which is a scarce resource. The Singapore case shows how the government secured the release of a steady supply of land to meet various needs like housing and commercial development, and to facilitate the achievement of urban and economic development. In Shanghai, the main issues are redevelopment and promotion of special economic development zones, which again were possible because of the enabling urban development and planning regulations. The Curitiba case study presents a successful integration of sustainable transport considerations into city plans for business development, road infrastructure and community development.

**Town Case Studies**

The study undertook a review of town planning in two Municipalities in Andhra Pradesh. The objective was to obtain an in-depth understanding of planning and urban development processes as they are at the town level. The focus of the town case studies is on town-wide issues to understand town planning and infrastructure development as well as to get an overview of the issues of planning of poor settlements and how people gain access to land and services. Kukatpally, located near Hyderabad city, was selected primarily to examine the planning and development processes in a fast-growing municipal town within an Urban Development Authority area. Kurnool was selected to examine the planning and development processes in a small municipal corporation located in a predominantly rural district.

The major findings from the case studies on town planning in Kukatpally and Kurnool and from the general town planning scenario prevailing in Andhra Pradesh can be summed up as below:

- Town Planning Schemes/Development Plans/Master Plans for urban areas were prepared long ago back and have not kept pace with population growth;
Master Plans have remained as instruments to control land use and not instruments to promote planned urban development, especially the provision of infrastructure facilities with a long-term horizon;

Ad hoc changes in land uses tended to go against the concept of planned urban land development and use;

The process of planning is marked by the lack of participatory processes and non-involvement of the people in planning has resulted in non-transparency and corruption;

Focus on environmental issues in urban planning is inadequate. There is the lack of assessment of environmental problems and also the absence of measures to overcome them;

Due to inadequate legal provisions and poor enforcement machinery, unauthorised developments and unauthorised construction activities mushroom creating problems for infrastructure systems;

Significant initiatives have been taken for provision of basic amenities, but much more needs to be done for improvement of water supply, drainage and sewerage systems;

Wide variations in the level of infrastructure facilities exist across cities/towns in the State as well as within the same city/town;

Major initiatives by the Government have been taken for protecting the interest of slum dwellers in notified slums through schemes like National Slum Development Programme and Swarna Jayanti Shahri Rozgar Yojana;

Most slums are very old and the slum dwellers are not seriously threatened with any eviction where they have occupied private lands;

The Government of Andhra Pradesh has taken positive steps to protect non-slum dwellers, if they are occupying surplus lands as third parties by offering free ownership;

The Government has also launched land encroachment regularisation scheme, protecting small encroachers by allotting them free land or land at concessional rates;

The Andhra Pradesh Weaker Sections Housing Corporation has taken up housing schemes for the urban poor at affordable costs;

The problem remains with those who are not classified as slum dwellers and who do not occupy Government land or surplus land. They are a large group of people with low income, who cannot afford satisfactory housing and who need support through financial, legal and land use policies;

Most of the poor settlements are located on 'marginalised' urban land, that is, land which has been relatively undeveloped and unmonitored and not 'protected' physically, or has been lying vacant due to litigation;

The access to urban land is either through collective squatting or individually through the informal land market. Though legally unrecognised, the informal land and property markets operate within the de facto control of the local community leaders who generate and guarantee de facto tenure status.

Access to services in the poor settlements is apparently related to a multitude of factors such as community solidarity and leadership and initiative in articulating their demand for development. Factors such as age of settlement, size, tenure status, notification status, etc., do not seem to be primary factors influencing the extension of infrastructure. The initiative for development comes more often from the communities in the poor settlements rather than from the authorities.
Transportation Planning
The study provides special attention to urban transportation planning as it greatly influences location decisions and travel behaviour of commuters. Transportation is critical for the efficiency of cities and their contribution to city productivity and economic growth. A good network of roads coupled with an efficient mass rapid transport system makes a substantial contribution to the “working efficiency” of cities and enables them to become catalysts for social and economic development. On the other hand, the impact of a poorly designed urban transport system is manifested in terms of traffic congestion, delays, accidents, high energy consumption, high pollution of the environment and inequitable access to services. A well-planned transportation system results in orderly urban growth, greater use of urban public transport, lower vehicular pollution, and shorter auto trips.

The study identifies the key issues facing the urban transport sector, consisting mainly of the following elements:
- Urban public transport:
  - On-street systems (for buses, rails)
  - Mixed on-street and off-street systems (bus lanes, bus ways and rail)
  - Off-street systems (metros and commuter rail)
- The urban road system
- Traffic management systems (for increasing the efficiency of available road space)
- Non-motorised transport systems (facilities for pedestrians and people-powered vehicles)
- Urban transport institutions (for planning, designing, financing, development, implementation, and enforcement)

The important issues relating to planning, development, operation, and management of urban transport systems are as follows:
- Rapid growth of urban areas leading to rapid increase in motor vehicle ownership and consequent traffic congestion;
- Poor public transport system with inherent inadequacies such as high demand during peak hours, long trip lengths, poor infrastructure, irrational route network system, poor management;
- High rate of increase of private personalised modes of transport;
- Limited allocation of funds by governments for development of urban transport systems;
- Inadequate urban transport legislations and regulations to facilitate integrated transport planning;
- Absence of effective and unified institutional structure for a comprehensive, coordinated and continuous urban transport planning and development.

The study recommends the formulation of an urban transport policy at the state level focusing on the following aspects:
- Enhancing economic productivity by serving the transport needs of urban business and industry;
- Increasing personal mobility;
- Improving the urban environment through the provision of environment-friendly urban public transport and discouraging personalised modes;
- Ensuring financial viability through the financing of urban transport services and infrastructure in a way that is affordable to the local governments and to all the
users of urban transport system;
- Mitigating the unwanted social and environmental effects of urban transport;
- Facilitating integrated transport planning through adequate urban transport regulations and legislations;
- Using economic instruments to reduce congestion and to secure additional funds for transport investments.

The following recommendations are made by the study for improving urban transport planning in Andhra Pradesh:
- Development of suitable institutional mechanisms for the planning, financing, construction and O&M of urban transportation systems;
- Maintenance of complete inventory and mapping of transportation system and its physical characteristics;
- Periodic traffic surveys to determine the volume of traffic by vehicle type, weight and dimensions;
- Land Use-Transport integration: Urban transport to be recognised as a sub-system of the urban system "leading" development, and transport planning to be given highest priority in urban planning;
- Conduct of financial studies to determine the relationship of transportation finance to other financial operations at the state and local levels;
- Use of land as a resource to generate resources for urban transportation investments;
- Ensuring the fullest use of available transport infrastructure through low-cost optimisation measures [Transport System Management (TSM) techniques];
- Development, as appropriate, of cost effective road-based, rail-based and water-based (where applicable) forms of public transport systems and inter-modal integration;
- Reducing emissions from motor vehicles – use of economic instruments based on ‘users pay’, ‘beneficiaries pay’ and ‘polluters pay’ principles;
- Special attention to road-based public bus transport system since it is crucial especially for the lower income brackets. Increasing the capacity of the public bus systems is a key to reducing congestion on roads in cities. It will also increase the access of the urban poor to social and economic opportunities;
- Promotion of methods such as densification of development in a radius of walkable distance from transit stations (transit-oriented development) to expand and enhance transit services and to increase the use of such services in Hyderabad and other large cities;
- Exploitation of air space above and around metro stations, depots, sheds, etc., for commercial and residential purposes; this could generate a substantial amount towards the project cost (10 to 15 %), which can form a part of the State Government’s capital contribution to mass transit projects;
- Preservation of rights-of-way for construction of future transportation corridors in cities with more than 5 lakhs population;
- Adoption of methods to enhance the efficient movement of freight;
- Use of life-cycle costs in the design and engineering of bridges, tunnels, or pavements;
- Evaluation of the overall social, economic, energy and environmental effects of transportation decisions;
- Development of guides to aid transport planning and development: Manual on Travel Estimation and Forecasting (Trip Generation, Trip Distribution, Modal
Planning for the Poor

In addition to transportation planning, the study also devotes special attention to planning for the poor, an area neglected by states and local bodies in India. It suggests directions for policy and regulatory reforms at the city and higher levels to improve land planning for the poor as follows:

1. Public authorities may establish systems to provide tenure security (e.g., freehold or use rights). Systems need not be restricted to free-hold titles, but can be flexible. For example, protected use rights can be gradually upgraded to full ownership rights. In general, public authorities need to establish and publish guidelines for property registration and development. Also, property rights should be designed to allow free transaction of property. Owners should also be allowed to use their property as collateral security.

2. Transparency in land provision should be ensured by establishing a clear division of authority among public agencies, simple rules and mechanisms of provision (which are accessible by everybody), and by establishing private property rights.

3. Easy market transactions through clear and simple sales and registration procedures and taxation policies are desirable. High rates of transaction-related taxes constrain official transactions, which lead to illegal sales and purchases. This perpetuates the lack of clear ownership.

4. Cities and state authorities should explore practical but transparent methods to promote the better utilisation of public land while improving access for the poor. Flexibility should also be extended to building standards, construction material standards, and codes.

5. Innovative city planning techniques that improve planning of poor settlements and housing for the poor may be adopted. These may include:
   - Clustering of settlements of the poor;
   - Slum networking linking settlement plans for the poor with Town Drainage Plans;
   - Reconstitution of house plots;
   - Scheme of land-sharing with owners;
   - Special zoning for settlements of poor; and
   - Relaxed building norms in slums and small lot areas.

6. Procedures to apply for and acquire construction and occupancy permits should be made simple so that they are accessible to poor people with limited education and time. Lengthy and complex planning procedures also delay the provision of serviced land and housing production, leading to increase in land and housing prices.

7. An urban housing policy should also be enunciated at the state level for new housing and for upgrading/replacing existing and sub-standard stock. The objective should be to encourage and guide the private land and housing industry to provide a certain percentage of plots for the poor in a group housing scheme.
For the lowest income group, land use controls have generally to be for encouraging small businesses rather than looking at shelter per se. Infrastructure and services have to be seen as being critical to informal business growth – especially roads, road paving, electricity and telephone. It is necessary to reduce government red tape to set up registered small businesses. However, controls are required on environmental compatibility.

Governments should designate special areas for informal housing development where people can build their houses over time with whatever building materials are available and affordable to them.

The formal housing finance institutions provide services mainly to the upper and middle-income groups because the urban poor lack collateral, regular income and savings. They depend on informal credit sources, such as family members, rotating credit societies and thrift and credit clubs. These are often successful because they are based on social ties. They require little paperwork or no collateral, they are not regulated by the government, and they use peer pressure to prevent default. They are constrained, however, because they can offer only limited capital for a short term and often interest rates are too high. The major challenge is to link these informal credit sources to a wider, state and national housing finance system. This can be achieved, for instance, by developing bridging organisations that will assist in streamlining the administrative processes related to the servicing of the loans.

Innovative schemes as practiced in Mumbai for redevelopment of slums using FSI and Transferable Development Right as resources or by incentive zoning to treat part of a slum as commercial zone while treating the other part as high density residential zone to develop slums in situ may be explored fully. These schemes are self-financing and do not strain state and local finances. A scheme of slum redevelopment similar to that in Mumbai and involving the features of the Road Widening Scheme in Hyderabad may be worked out for the large cities in Andhra Pradesh.

A participatory process of planning is essential to ensure affordable land and housing to the poor. The towns included under the DFID-funded Andhra Pradesh Urban Services for the Poor Project (APUSP) follow a participatory process to prepare Municipal Action Plan for Poverty Reduction (MAPP). This process may be prescribed to all Municipalities and Municipal Corporations across Andhra Pradesh.

All slums/poor settlements are to be identified and notified so as to make planning interventions in those areas. The procedure formulated by APUSP in this regard may be adopted by all municipalities in the state.

The Government may amend the layout rules such that a part, say 15%, of the total area of a layout be earmarked for economically weaker sections/poor by the private developers in plotted residential development and group housing schemes. The developers can be compensated by allocating higher FSI in the remaining plots.

Urban Planning Regulations
Government interventions in the urban land market take the form of regulations, infrastructure provision and land and property taxation. Urban land has two dimensions: horizontal and vertical. Accordingly, regulations address both these dimensions. They encompass such aspects as classification of land use, sub-division of land, development of land and buildings, floor space index, acquisition of land, registration of title, etc. Some of the key tools of development control adopted in cities and towns in Andhra Pradesh include:
Urban planning and land use regulations are necessary for the smooth functioning of urban land markets. However, if poorly designed, they can constitute a serious drag on urban economic development by leading to artificial land shortages, unhealthy increase in demand for land and high urban land prices. By artificially reducing land available for particular uses or the floor space that can be built in particular areas, and by making recycling of uneconomic land difficult, regulations can drive urban development to the edge of cities. That may lead to high cost of infrastructure and inefficient urban forms. Similarly, regulations involving long and cumbersome processes lead to corruption and can make urban development financially infeasible. Due to corruption a large part of the population and businesses may find constructions unaffordable. As a result, they may build illegally and burden the civic infrastructure systems.

The urban planning and land use regulations per se are neither good nor bad. They impact on land and housing markets favourably or unfavourably and result in social benefits and costs depending on their nature and the specific contexts in which they are applied. When regulatory costs outweigh benefits, regulations should be amended or repealed. Careful reforms of these regulations can result in a lower cost for urban development and for housing. An additional benefit could be in terms of a more functional spatial organisation of the city. If the objective of orderly city development is to be achieved, regulations need to be audited and amended from time to time to make them function effectively. Regulations and processes that facilitate land availability and uses for planned development at affordable costs need to be continued; those that lead to contrary results need to be eliminated or modified. Thus, there is a need for undertaking regulatory audit from time to time to examine the appropriateness and efficacy of urban planning regulations.

Regulatory and process reforms based on audit of the regulatory framework can lead to improved urban planning and development compared to status quo by promoting the following:

- More compact cities, containment of urban sprawl, more efficient urban forms, less costly urban infrastructure, more market-friendly development of urban land;
- More intensely used central areas, better efficiency of public transportation systems and decrease in trip length and transportation costs;
- Increased share of housing supply by unsubsidised formal developers in the private sector and decrease in illegal sub-divisions;
- Less violations in zoning, sub-division and building regulations, and reduction in non-conforming and non-compatible uses and slums;
- Reduction in difference between what is allowed under regulations and what is financially feasible due to land use reforms leading to reduced opportunities for corruption;
- Generally lower land prices in city but higher prices in some prime commercial and business districts driven by market forces;
- Increase in the consumption of floor space per person for both residential and business uses, resulting in increase in welfare of households and in productivity of firms;
- Average urban population densities likely to stay constant as more efficient land use and higher FSI may be balanced by higher floor consumption.

Keeping the above considerations in view, critical review of various laws and regulations impacting on urban land use and development in Andhra Pradesh dealing with aspects such as land acquisition, land use planning, preparation and implementation of Master Plans, land assembly and development, construction of buildings, provision of civic infrastructure and amenities – servicing of land, land taxation, protection of natural environment, development control, etc was undertaken. The table below gives the list of important urban land-related laws in force in the State:

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<tr>
<th>Urban land-related legislation</th>
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<tr>
<td>ii) The Urban Land (Ceiling and Regulation) Act, 1976</td>
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<tr>
<td>iii) Andhra Pradesh Land Reforms (Ceiling on Agricultural Holdings) Act, 1973</td>
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<tr>
<td>iv) Andhra Pradesh Buildings (Lease, Rent and Eviction) Control Act, 1960</td>
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<tr>
<td>v) Andhra Pradesh Occupants of Homesteads (Conferment of Ownership) Act, 1976</td>
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<td>vi) Andhra Pradesh Assigned Lands (Prohibition of Transfer ) Act, 1977</td>
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<td>vii) Andhra Pradesh (Andhra Area) Town Planning Act, 1920</td>
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<td>viii) The Andhra Pradesh (Urban Areas) Development Act, 1975</td>
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<tr>
<td>ix) The Andhra Pradesh Slum Improvement (Acquisition of Land) Act, 1956</td>
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<tr>
<td>x) Andhra Pradesh Municipalities Act, 1965</td>
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<td>xiii) Andhra Pradesh Panchayat Raj Act, 1994</td>
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The salient features of some of the important laws, regulations and Government Orders in vogue, are as follows:

**The Andhra Pradesh Urban Areas (Development) Act, 1975**
This Act deals with the preparation and implementation of Master Plans and Zonal Development Plans for major urban agglomerations, declared under the Act, in the entire State. The Act prescribes for the constitution of Urban Development Authorities with the objective of promoting and securing the development of designated urban development areas according to plan. The Municipal Corporations, Municipalities and Panchayats falling under the jurisdiction of an Urban Development
Authority exercise the powers of development control and enforcement delegated to them by the Authority under the AP Urban Areas (Development) Act, 1975.

**The Andhra Pradesh Urban Areas (Development) Act, 1975** was amended in 2001 for making a provision to constitute smaller Special Area Development Authority for any area in the State in the interest of specific development. Under this provision Special Urban Development Authorities have been constituted for Buddha Poornima Area in Hyderabad city, Cyberabad Development Authority, Hyderabad International Airport Development Authority and Basara Development Authority.

**The Andhra Pradesh Town Planning Act, 1920**
It provides for the preparation of General Town-Planning Schemes (GTPS) and Detailed Town-Planning Schemes (DTPS) in respect of all lands within the municipal area to ensure regulated development of towns to secure their present and future inhabitants, sanitary conditions, amenity and convenience. The Act operates through the Director of Town and Country Planning, the respective Municipalities and Town Planning Trusts.

**The Andhra Pradesh Municipalities Act, 1965**
This Act provides powers to elected Municipal Councils to have greater voice and control in civic administration including town planning and development and also to ensure that the control of the Government over such municipal bodies is minimised to the maximum extent possible. Sections 171 to 201 of the APM Act give exhaustive powers for acquisition of land and buildings for street improvement. Sections 202 to 230 provide building regulations. The Act is applicable to all Municipalities in AP.

**The Hyderabad Municipal Corporation Act, 1955**
The Act is operational in the municipal limits of the twin cities of Hyderabad and Secunderabad. It applies to other Municipal Corporations in the State such as Visakhapatnam, Vijayawada, Guntur, Rajahmundry, Warranagal and Kurnool. Most town planning and development control functions under AP Urban Areas (Development) Act, 1975 are delegated to the Municipal Corporation of Hyderabad and other Municipal Corporations in the State declared as urban areas. Sections 373 to 419 of the HMC Act give exhaustive powers for acquisition of land and buildings for street improvement. Sections 428 to 463-A provide building regulations and special provisions regarding development and maintenance of infrastructure.

These regulations lay down the specific regulations for development of buildings in the Hyderabad Development Area including the Municipal Corporation of Hyderabad. It may be noted that the Municipal Corporation Building Bye-laws provide details on building specifications and requirements regarding provisions for rooms, kitchens, lifts, fire safety and other building services whereas the details regarding building height, FAR, set backs, etc., are provided by the HUDA Zoning Regulations. For areas falling under the jurisdiction of other urban development authorities like Visakhapatnam Urban Development Authority, Vijayawada-Guntur-Tenali-Mangalagiri Urban Development Authority, Kakatiya (Warangal) Urban development Authority, Tirupathi Urban Development Authority, etc., regulations similar to the HUDA regulations apply.
GO Ms. No. 422 dated 31.7.1998 and GO Ms. No. 423 dated 31.7.1998
The GOs 422 and 423 have streamlined the procedures for obtaining building permission and prescribed FAR and other standards of building plan requirements for different types of buildings, uses, and occupancies in Selection Grade, Special Grade, First, Second and Third Grade Municipalities and in the Municipal Corporations, Municipalities and Gram Panchayats within the jurisdiction of Urban Development Authorities respectively. They lay down the procedure for obtaining building permit, specify the time limit for grant or refusal of building application, specific requirements for sites and buildings under different land uses in terms of plot size, maximum coverage, FAR and set backs. They also provide specific requirements for lighting and ventilation, mandatory inspections and issue of fit-for-occupation certificate, conservation and harvesting of rain water.

GO Ms. No. 158 MA dated 22.3.1996
In exercise of the powers conferred by the sub-sections (1) and (2) of Section 18A of the APTP Act, the Government decided to amend the rules made under the Act to make provision for the levy and collection of development charges for the implementation of essential schemes like traffic improvement, construction of bridges and development of green belts, parks, etc., under the GTP Schemes sanctioned under Section 14 of the Act. The GO prescribes for the payment of a fee on application for permission for the development of land or change of land use. The rates of development charges to be levied are also laid down in the GO.

GO Ms. No. 483 MA dated 24.08.1998
Under this GO powers have been delegated to the Commissioner, Municipal Corporation of Hyderabad to relax zoning and building regulations in cases where people surrender land to the Corporation for widening of roads free of cost. The GO provides for (a) additional FAR of 1.00 in the extent of land affected in road widening and surrendered free of cost and (b) relaxations to set back and coverage to certain extents when the permissible FAR cannot be achieved. The Commissioner is also competent to permit change of land use to enable commercial construction excepting in the case of recreation zone by allowing additional FAR upto 0.50 on the land surrendered free of cost.

GO Ms. No. 508 MA dated 15.11.2002
Under this GO, the Government declared certain major roads in Hyderabad city as commercial roads and authorised the Commissioner, Hyderabad Municipal Corporation to grant building permissions for proposed construction of residential/commercial/institutional use except industrial use buildings at the option of the owners on the sites abutting these roads subject to payment of impact fee to MCH apart from other fees and charges. The impact fees specified are: Rs.50 per sq.ft. for ground and first floor and Rs.25 per sq.ft. for upper floors.

GO Ms. No. 541 dated 17.11.2000
This GO was issued to ensure structural stability in buildings of above 10 metres in height (excluding stilt floor for parking) in the areas covered by the Urban Development Authorities, Municipal Corporations and Municipalities within the Hyderabad Development Area. All building applications for sanction of building permission for construction of above 10 metres height (excluding the stilt floor for parking) shall be accompanied the following information:

- Report of Soil Test and Geo-technical Investigation Report issued by
Institution/Consultant empanelled with the local authority; and
- Structural designs and drawings prepared duly taking the soil bearing capacity into consideration and certified by qualified Structural Engineer/Consultant Firm empanelled with the local authority.

The GO prescribes that Occupancy Certificate can be provided by the local authority only after receiving a Building Completion Certificate issued by the Architect duly certifying that the building is completed as per the sanctioned plan and a Structural Stability Certificate issued by the Structural Engineer duly certifying that the building is structurally safe and the construction is in accordance with the specified designs.

The Builder, Site Engineer, Structural Engineer and Architect shall jointly and severally be held responsible for the structural stability during construction and for a further period of three years from the date of issue of Occupancy Certificate.

In case of failure to follow any of the provisions, the local authority shall blacklist the Builder/Construction Firm/Architect/Site Engineer/Structural Engineer apart from initiating other necessary action under relevant Rules, Acts, Regulations, etc., and they shall not be entitled to take up construction activity for group housing/such projects for a further period of five years in any site falling under any urban local body of the State.

**GO Ms No. 503 dated 20.4.1987**
This GO deals with issuance of building permissions, fixation of timeframes for quick and prompt disposal of building regulations, etc. The salient features include:

- Basic Scrutiny of Building Applications by the Municipality: The application submitted by an applicant under Sections 209 to 227 of the APM Act, 1965, Sections 428 to 463-A of the HMC Act, 1955 shall be scrutinised by a Town Planning Supervisor/Town Planning Overseer/Section Officer or Junior Planning Officer together with details of site plans and building plans, specifications of building materials and structural designs.
- Any delay in the disposal of building application and the failure to keep up the time schedule by any of the concerned officers shall be viewed seriously and disciplinary action shall be taken against him.

**GO Ms. No. 102 MA dated 23.3.1998 & GO Ms. No. 4 MA dated 2.3.2003**
The Hyderabad Urban Development Authority Zoning Regulations, 1981 provide for conservation and protection of heritage buildings and heritage precincts. The regulations also provide for setting up of a Heritage Conservation Committee to advise HUDA and State Government on heritage conservation matters. Vide GO Ms. No.102 MA dated 23.3.1998, the Government notified 137 heritage buildings and 7 heritage precincts. The list was expanded vide GO Ms. No. 4 MA dated 2.3.2003 for addition of 7 more heritage precincts.

These rules are referred to as the Andhra Pradesh Municipalities (Layout) Rules, 1970 and pertain to the approval of layouts by Municipal Councils. It specifies that every application under sub-section 1 of Section 185 of the APM Act, 1965 for sanction of a layout shall be sent to the Municipal Office and shall bear the signature of the owner of the land and a licensed surveyor and it shall be affixed with a court fee stamp of the value as may be prescribed. The Rules further lay down that the application should be accompanied with a site plan in quadruplicate to a scale of not
less than 1:1000, detailed plans in quadruplicate to a scale of not less than 1:5000. The layout rules also lay down the minimum requirements of the width of the streets and roads in the layout, plot size for residential purposes, and the area of the land to be set apart for open spaces.

**Recommendations**
Based on the regulatory audit, the study has made certain recommendations for improving the current urban planning system in Andhra Pradesh. Recommendations have been broadly segregated into areas of Development Plan Preparation, Development Plan Implementation, Development Plan Financing, Planning Permission Process, Land Use and Development Control Regulations, Plan Enforcement, Addressing Corruption and Capacity Building for Urban Planning. Amendments to Acts and Bye-laws are also proposed to create a legal-institutional framework conducive for enhancing the effectiveness of the current urban planning and development control systems.

**Preparation of Development Plan**
The Urban Development Plan should be strategic in nature, prepared through a transparent, participatory process and should deal with land use patterns having city-wide significance and development of city-wide infrastructure. It should also keep in view the aspects of plan implementation, plan enforcement, plan financing and environmental conservation. Development plans ought to be realistic. The recommendations of the study for urban development plan preparation are as follows:

1. **Land Information System (LIS):** All cities and towns should develop and maintain Land Information Systems together with contours and topographic data, using robust computer applications and GIS. Detailed Base Maps need to be prepared based on Satellite Images/Cadastral Surveys suitable for the application of Geographic Information System (GIS).

2. **List of Base Maps:** The list of Base Maps to be prepared may include Regional Plan (scale 1:50000), Area Development Plan for city/town agglomeration – city/town and its surrounding areas (scale 1:10000), City/Town/Zonal Development Plan (scale 1:5000), Core Area/Slum Development Plan (scale 1:2500) and Road Development Plans (scale 1:1000). Each metropolitan area, district, city or town must have Traffic and Transportation Network Maps, Utility Maps, Environmental Conservation and Asset Inventory and Management Plans.

3. **Door Numbering System:** A scientific door numbering system may be implemented in all ULBs; the State Government may prescribe uniform guidelines for this and arrange for training of ULB staff.

4. **Integrated Development Plans:** For an effective urban planning system, there is a need to have a package of integrated plans at different levels. The integration should be between urban and rural planning, spatial and economic development planning, physical and financial planning, land use and transportation planning, etc. The study on Urban Development Plan Formulation and Implementation (UDPFI) Guidelines, undertaken by the Government of India through ITPI, has recommended a planning system that consists of a set of inter-related plans as under:
   (a) Long-term (20-25 years) Perspective Plan with focus on the region around a city/town;
(b) Medium-term (5-year) Development Plan together with Structured Project Plans within the framework of Perspective Plan and synchronous with National Five Year Plan;

(c) Annual Plans within the framework of Development Plan; and

(d) Plans of Projects and Schemes as part of Capital Budget.

The above recommendations of the ITPI study may be adopted by the State Government.

(5) State Urban Development Strategy: At the State level there should be an urban development strategy providing a vision for metropolitan and urban growth, infrastructure networks and conservation. The centrally-sponsored scheme of Integrated Development of Small and Medium Towns provides guidelines for the preparation of a state urban development strategy. This strategy may be revised every five years at the time of preparation of Five Year Plan. Appendix 14 provides recommendations for preparation of State Urban Development Strategy.

(6) Urban Land Policy: Land being the most critical input to urban development, an urban land policy may be developed at the state level within a holistic land management framework. This should be in tune with the National Housing Policy, whereby the local authorities act as facilitators and harness the resources of the private sector and the community. This policy should incorporate easing of land titles, smooth supply of land for urban development, especially for the poor, creation of a land bank comprising of government and municipal lands and lands acquired from private persons or secured from developers, proper valuation and collection of property tax by local bodies, use of land as a resource for urban development, etc.

(7) City Plan 2020: It is recommended that each city with more than 1 lakh population should have a city development strategy and a long-term perspective with 2020 or 2025 or the final year of the 13th Five Year Plan as the horizon year. This exercise may be taken up on a mission mode with the caption ‘City Plan 2020’ or ‘City Plan 2025’ and aim at the preparation of structure plans for all cities in a time-bound manner.

(8) Metropolitan Perspective Plan: All urban areas and their outgrowths identified as Metropolitan Agglomerations must prepare long-term perspective plans for 20-25 years through the Metropolitan Planning Committee. All Municipalities and Panchayats in the metropolitan area should take these perspective plans into account while preparing their development plans. As envisaged in the 74th Amendment Act, the key principles for metropolitan planning should include spatial integration, sharing of natural and other resources between jurisdictions, integrated infrastructure and environmental conservation.

(9) District Perspective Plan: Every district must prepare a district perspective plan through the District Planning Committee based on which a 5-year district development plan may be prepared. Again, as envisaged in the 74th Amendment Act, the key principles for district planning should include spatial integration, sharing of natural and other resources between areas, integrated infrastructure and environmental conservation.

(10) Structure Plan Framework: The Constitution (74th Amendment) Act envisages that the function of urban planning including town planning needs to be discharged by elected local bodies. This suggests that area plans comprising of jurisdictions of more than one local body may be in the nature of general concept or structure plans to be prepared by Metropolitan Planning Committee for metropolitan areas and District Planning Committee for districts, whereas detailed land use and infrastructure plans may be taken up at the local level by Local Planning Committees. It is important that the
integrity of inter-jurisdictional urban structures in the form of transportation networks, water supply, sewerage and drainage networks, open spaces, heritage conservation and broad land use configurations is not sacrificed in the interest of impractical detailing of land use. Thus, structure plans may be conceived on an area basis and detailed plans at city/town/zone levels can be on the basis of the structures planned.

(11) Sequence of Activities for Plan Preparation: The sequence of activities to be followed by local bodies and planning agencies for Plan preparation may be as follows:

(a) Constitute a Steering Committee or Expert Committee at the state level, which may render policy advice to the relevant statutory committees like Metropolitan Planning Committee (metropolitan level), District Planning Committee (district level) or Local Planning Committee (local body level) and another Steering Committee or Expert Committee at the regional or district level to guide Urban Local Bodies and Panchayats in plan formulation and implementation. The Steering Committee may consist of key officials (from relevant local bodies, state as well as central government departments), experts and representatives from concerned citizens and civil society organisations;

(b) Constitute a Town Level Advisory Committee, which will have representatives from elected members, line departments, colony welfare associations, NGOs and Town elders;

(c) Conduct meetings with local government officials, line departments, councillors and citizen groups to get feedback and take up a Reconnaissance Survey and to list out the main issues/problems of the town;

(d) Collect relevant data from primary and secondary sources before preparation of Regional/Metropolitan/District/Area/Town/Village Base Maps;

(e) Send Base Maps thus prepared to all concerned local agencies/line departments for incorporation of ideas, if any;

(f) Undertake growth projections in respect of key development parameters for city/town as a whole and local areas, especially where growth will be targeted;

(g) Consult and seek views of all concerned government agencies on plan preparation along with councillors, NGOs, experts and citizen groups;

(h) Prepare options for comprehensive development of the town and place these options before the Town Level Advisory Committee for discussions and finalisation;

(i) Incorporate changes/suggestions after consideration of views through the deliberations of the Steering Committee;

(j) Place the plan before the statutory authority competent under law for endorsement with or without changes, if any;

(k) Submit the endorsed plan to the final authority with all supporting documents and detailed reports for formal approval and adoption.

(12) Time Limits for Plan Processes: A Municipality may be required to prepare Master Plan or Development Plan within a maximum time period of one year. It is suggested that this limit may be strictly adhered to and where necessary, the local body may take the support services of consultants empanelled by the Government. The Municipal Council may be required to approve the Plan within a time frame of one month after being placed before it. A limit of two months maximum may be prescribed for approval/rejection/amendment by the
Government once the Municipal Council passes the Plan. The Government may perhaps constitute an Expert Committee to scrutinise Plans submitted by Municipal Councils before final endorsement. The following time frame may be made mandatory for Plan preparation and approval:

**Plan Preparation:** Placing Draft Plan before the Municipal Council or Special Town Planning Committee within six months from decision by the Municipal Council to prepare a Plan (with the advice and involvement of the Steering Committee at the regional or district level)

**Calling for Objections and Suggestions:** two months

**Modification of Draft Plan:** one month

**Approval of Revised Draft Plan by the Council or the Special Town Planning Committee and sending the same to the Government:** one month

**Scrutiny and Approval at Government level:** two months

The Master Plan or Development Plan may be comprehensively revised every five years.

(13) **Participation of Stakeholders:** No plan can be implementable unless various stakeholders, including social groups and low-income communities are fully involved in plan preparation. Planning means gains to some and losses to others. However, social interest or welfare is the primary motivation. Every planning exercise must have a well-articulated communication strategy for the people. Participatory planning may be achieved with structured deliberations of the Steering Committee, advisory committees and statutory authorities at state, metropolitan, district, city/town levels.

(14) **Assets Inventory and Management:** Land is not only an input to urban planning, it is also a resource for planned urban development. It is necessary to have an inventory of assets in each local body and a plan for optimum utilisation of such assets so as to augment the revenue base for plan implementation.

(15) **Critical Infrastructure Investment Plan:** Sequencing of plan implementation is important as resources are scarce. High priority may be accorded to city-wide infrastructure, which can decongest the city, guide the city in right directions or benefit the poor significantly. The priority projects may form part of a Critical Infrastructure Investment Plan.

(16) **Transportation Plan:** Transportation needs to be regarded as a ‘leading’ factor in development planning rather than being ‘residual’; plans for a network of ring, radial and express roads along with link roads, parallel roads, slip roads, bypasses, bridges, flyovers, etc., should form an integral part of the Development Plan. In the case of metropolitan cities, the plan for mass rapid transit or light rail transit may be included.

(17) **Preparation of Specific Area Action Plans (SAAP) for focusing spatial planning actions on key problem areas identified, e.g., environmentally sensitive and eco-fragile zones such as river banks, lakes and other water bodies, old and dilapidated areas, central business districts, industrial areas, poor settlements, areas of historical, cultural and religious significance, etc.**

(18) **Financing Plan:** Outlay of resource requirement in the next 20-25 years may be identified and a broad financing strategy worked out. Financing Plans may be prepared on the basis of this strategy synchronous with the 5-year Development Plans.

(19) **Environmental Management Plan:** Along with land use, development and financing plans, every local body/planning agency needs to

(a) prepare environment management plans for various levels, consisting of preventive, developmental and regulatory strategies and actions;
(b) accord high priority to improving access of the people to environmental infrastructure and services like water supply and sanitation, drainage, sewerage treatment facilities and open spaces; and
(c) undertake Environmental and Social Impact Assessment of major development projects.

(20) Conservation Zones: Every city must have a conservation plan to protect and develop water bodies, parks, green open spaces, heritage areas, etc., in a time-bound manner. A graded scale of open space requirements may be fixed to encourage private developers to come with large layouts and large open spaces;

(21) Realistic Planning Norms: Realistic projections and designs prevent unauthorised conversion of agricultural and conservation zones to housing and resorting to unauthorised construction activities. Mixed use zoning – commercial and other profitable uses may be permitted in residential zones if the roads are wide and plot areas are big. Similarly, commercial uses may be permitted along major routes subject to service roads and deep set backs. A large number of sites spread over the entire urban area may be designated as a multiple land use zone in which, except industry, all other uses can be permitted. Special exemptions may be provided from restrictive regulations like ULC Act to promote IT, ITES, core industries, etc., and development of integrated townships (minimum of 100 acres) where land is acquired through a public agency like Andhra Pradesh Industrial Infrastructure Corporation.

(22) Planning Innovations: Inclusion of emerging concepts such as Transferable Development Right, Purchasable Development Right, Auctionable Development Right, Incentive Zoning, Land Pooling, Accommodation Reservation, Tax Increment Financing, Slum Redevelopment Scheme, etc., may be made as parts of the Master Plan/Zoning Regulations.

(23) Incentives to Private Developers: A system of attractive incentives to private developers and development control regulations should form part of the Development Plan so as to attract the private sector to implement the development plan.

(24) Building Norms for the Poor: Simple and well-understood building norms may be fixed for the poor localities and slum areas; a self-approval process for building plan upto 300 square metres of residential plot to benefit the common man may be introduced.

Implementation of Development Plan
This is one area where there should be clear strategies for deploying appropriate staff and facilitating partnerships. Some of the measures to ensure the effective implementation of urban development plan include the following:

(1) Participatory Plan Implementation: Plan implementation ought to be participatory. This may be facilitated through regular review of plan implementation by the Steering Committee referred to in the previous section, aiding and advising the State, Metropolitan, District and Town Planning Committees. The statutory committees may also meet periodically to review and advise the plan implementation agencies with regard to targets, fiscal aspects, allocations, plan implementation guidelines, achievements, etc.

(2) Financing Linkage: Specific recommendations for raising capital and maintenance expenditure should be provided as part of the plan document itself. Possible sources of funding include: pay-as-you-go, user charges, land as a resource, tax incrementing financing, municipal bonds and debentures,
consortium financing, group lending for capital-intensive projects, private sector participation and public-private partnerships.

(3) Implementation of Sectoral Municipal Action Plans for critical municipal infrastructure investments: road network, communication, water supply, sewerage, storm drainage, solid waste management, relocation of markets, environmental conservation, development of municipal and government lands, poverty reduction, etc. These plans facilitate focused programming, designing, coordinating, implementing, and monitoring of projects.

(4) Implementation of Specific Area Action Plans (SAAP), procurement of expert services, preparation of action plans and projects, phasing plan implementation, etc.

(5) Long-term planning and phase-wise implementation for lumpy projects like mass transit, water supply, sewerage, storm water drainage and solid waste disposal following environmental guidelines, etc.

(6) Introduction and use of Institutional Development Action Plan (IDAP) to be prepared by the local body to improve plan implementation capacity, including council decision-making and civic administration; customer satisfaction and implementation of Citizen’s Charter; human resource development and management; resource mobilisation and financial management; and systemic, organisational and individual capacity building.

(7) Carrying capacity-based planning for eco-systems in the preparation and implementation of plans and projects.

(8) Proper coordination during implementation between the Urban Development Authorities and Municipal Corporations and Municipalities and between town planning and other wings within local bodies.

(9) Marking on the ground the major trunk alignments like trunk roads, ring roads, expressways, radial roads, trunk water and sewer lines, garbage dumping yards, transfer stations, open space reservations, etc., by the urban and rural local bodies so that people do not encroach upon them without knowing the stipulations;

(10) Acquisition of lands whenever needed for the above-mentioned purposes by involving private land owners in joint venture projects and by offering incentives like higher order land use, incentive FAR and TDR.

(11) Adoption of innovative land assembly techniques like:
- Town Planning Scheme
- Land Re-adjustment/Pooling
- Guided Urban Development (GUD)
- Slum Improvement Partnership (SIP)
- Joint Development Model
- Transferable Development Right (TDR)
- Road Widening Scheme
- Negotiated Land Purchase/Development
- Accommodation Reservation
- Tax Increment Financing and
- Slum Redevelopment Scheme.

(12) Scheme for private participation in various public developments for creation of amenities like infrastructure, park and road development to be formulated both on government lands and on private lands.

(13) Adoption of instruments like ‘green fund’, ‘polluters pay’ and ‘open space contribution’ as practiced in Hyderabad to create resources for acquisition of
conservation zone lands; the lands marked as conservation zones in urban areas may not be permitted to be developed by the private sector. Even lands in catchment areas of water bodies which have shikam patta, they can be used for cultivation till acquired – not for building.

(14) Setting up of a permanent Cabinet Sub-committee on spatial planning, consisting of Ministries for Urban Development, Housing, Industries, Environment, Transport, Roads and Buildings, Irrigation, Finance, Panchayat Raj and other key Departments. This committee may monitor implementation and compliance of State Spatial Plan and District Spatial Plans.

(15) Setting up of a regular monitoring mechanism through the regional Steering Committee at the District or Metropolitan levels to review plan implementation by local bodies, urban development authorities, Andhra Pradesh Transmission Corporation, Andhra Pradesh Industrial Infrastructure Corporation, Andhra Pradesh Housing Board, School Education, Medical and Health and other line departments, Central government departments/agencies like Indian Railways, Airport Authority of India, etc., which are responsible for implementation and coordination of plan and construction activities, design and phasing of related investments.

(16) In matters of public transport system formulation and implementation of schemes in collaboration with Railways, Government of India Departments including, National Highway Authority and others to augment public transport system in the metropolitan area.

(17) Formulation of critical policies necessary for effective plan implementation: For example, major traffic arteries may be declared as “no parking” zones/”no hawker” zones. Similarly, conversion from recreation zone to other zones may not be permitted. These critical policies for effective plan implementation may be allowed to be in force for a reasonably long period of time rather than being changed frequently.

**Financing Development Plan**

An analytical approach to study urban finance issues is to consider the following simple expressions:

\[
\text{Required Expenditures} = \text{Unit Cost} \times \text{Quantity of Service and Infrastructure required to be provided per capita as per adopted Norms} \times \text{Population}
\]

\[
\text{Revenues} = \text{Own Taxes} + \text{User Charges and Fees} + \text{Transfers (Assigned Revenues & Grants)} + \text{Loans}
\]

\[
\text{Own Taxes} = \text{Collection Rate} \times \text{Legal Tax Rate} \times \text{Base-to-Income Ratio} \times \text{Per Capita Income} \times \text{Population}
\]

\[
\text{Legal Tax Rate} = \frac{\text{Legal Liability of Tax}}{\text{Base of Tax}}
\]

\[
\text{User Charges} = \text{Unit User Charge for Service} \times \text{Quantity of Service provided per capita} \times \text{Population}
\]

\[
\text{Shared Revenues} = \text{Rate of Sharing} \times \text{State Taxes}
\]

\[
\text{Grants} = \text{Per capita Grant available} \times \text{Population}
\]

\[
\text{Fiscal Gap} = \text{Required Expenditure} - \text{Municipal Revenues}
\]

This conceptual model suggests that reforms needed to improve urban finances to generate resources for the implementation of urban development plan will have to
address many issues comprehensively. Accordingly, our recommendations concerning urban development plan financing include the following:

- Addressing the issues of simplification of tax laws, coverage of tax net, valuation accuracy, collection efficiency, rate setting, administrative incentives for tax collection and policy and institutional reforms comprehensively;
- Property tax reforms on lines similar to the Self-Assessment Scheme introduced by the Municipal Corporation of Hyderabad in 1999;
- Self-assessment of advertisement and trade licensing fees as implemented by the Municipal Corporation of Hyderabad;
- Privatisation of advertisement fee collection as in the case of Vijayawada Municipal Corporation;
- Levy of user charges and benefit taxes on the principle of full cost recovery and considerations of "users pay" and "beneficiaries pay";
- Levy of water and sewer benefit taxes as implemented by the Municipal Corporation of Greater Mumbai to meet capital costs of such systems;
- Introduction of innovative user charges such as Bulk Garbage Collection Charges, Administrative Charges and Storm Water Drainage Charges as levied in Hyderabad on 'polluters pay' principle;
- Improvement in the collection of shared taxes: Professional Tax, Entertainment Tax, Stamp Duty, etc.;
- Taking up with the Government of India to raise the ceiling on Profession Tax by an Act of Parliament;
- Sharing of Motor Vehicles Tax between the State and the Municipalities rather than the State Government giving road maintenance grants on an ad hoc basis;
- Reforming inter-governmental transfers to bridge the fiscal gap between rich and poor Municipalities and to act as instruments directing municipal resources to infrastructure building – rationalising grants by creating four broad heads at the state level: Urban Development Block Grant, Debt Service Reserve Fund, Equalisation Grant and Performance Incentive Grant;
- Use of urban land as a resource by way of instruments such as:
  - Land Use Conversion Charges
  - Infrastructure Development Levies including "External Development Charges" as practiced by Haryana Urban Development Authority
  - Transferable Development Rights as practiced by Municipal Corporation of Greater Mumbai
  - Road Widening Scheme as practiced by Municipal Corporation of Hyderabad,
  - Purchasable Development Rights/Premium FSI
  - Auctionable Development Rights
  - Incentive Zoning
  - Accommodation Reservation
  - Betterment Taxes/Charges
  - Open Space Contribution
  - Unauthorised Development Contribution
  - Special Development Contribution
  - “Polluters Pay” Charges
  - Demolition Charges
  - Parking Contribution
  - Projection Charges
  - Sale of Bits and Pieces of Land
  - Leasehold to Freehold
  - Vacant Land Tax
• Development Impact Fees
• Productive Use of Municipal Assets based on an Asset Management System

- Creation of dedicated funds or levies to direct resources for important projects, e.g., Mass Transit Cess, Cauvery Water Cess and Ring Road Surcharge in Bangalore, City Development Fund and Community Development and Services Fund in Hyderabad;
- Borrowings from Market through suitable legislative framework and reforms in municipal finances – facilitating borrowing from financial institutions like commercial banks, development finance institutions, specialised institutions, contractual savings institutions, etc., and from the capital market by way of Municipal Bonds, Infrastructure Bonds, debentures, etc.;
- Accessing Specialised Funds like Infrastructure Equity Fund (IEF), Urban Reform Incentive Fund (URIF), City Challenge Fund (CCF), Pooled Finance Development Facility (PFDF), etc.;
- Commercialising urban infrastructure projects by facilitating the preparation of bankable projects, cost recovery, structuring of suitable borrowing instruments, credit enhancement mechanisms, etc.;
- Move towards pricing of services on full cost recovery basis so that urban local bodies and infrastructure agencies can eventually approach the capital market with the floating of stand-alone revenue bonds;
- Creation of appropriate institutions to assist local bodies in the preparation of capital improvement plans, formulation of viable projects, designing of suitable cost recovery instruments and development of financial and operating plans, and to facilitate borrowing at minimum interest on behalf of the smaller municipal entities by pooling risks. Examples of successful financial intermediaries include the Tamil Nadu Urban Development Fund (TNUDF) and Karnataka Urban Infrastructure Development and Finance Corporation (KUIDFC); and
- Restructuring of the present Andhra Pradesh Urban Finance and Infrastructure Development Corporation, keeping the Tamil Nadu and Karnataka examples in view, to make it function as an effective financial intermediary for the urban sector in Andhra Pradesh.

Planning Permission Process
The planning permission processes followed by urban development authorities and local bodies at present are cumbersome and time-consuming. The following measures may be adopted for simplifying the issue of planning permissions:

- Self Approval of building plans in plots upto 300 square metres and 10 mt. height: Building plans may be prepared by a Licensed Engineer/Architect/Surveyor as per rules and be deemed to be approved once filed before the local body with the necessary fees paid. This should be subject to deterrent penalties for deviations.
- Single window facilities may be created for approval of layout, sub-division and building plans – it may be desirable to collect applications for permission in e-Seva counters and deliver permits through those counters subject to payments at pre-notified slab rates by following a time-bound schedule.
- Group housing, commercial/office complex applications to be submitted in e-Seva counters or citizen service centres by licensed technical personnel as per the checklist and with fees paid on the basis of the fee calculation sheet
available. The entire process of approval including inspection and processing should be completed within three weeks.

- Most permissions in ULBs to be granted by single technical officers (Desk Officer System) as against one file being examined by 5-6 officers now. This should enable across-the-counter permission in many cases and permissions in two to three days in most cases.
- ULBs to be ordered to confine examination of building and layout plans as per building and zoning regulations and dispose cases within specified time limit stated in Citizen’s Charter. ULC authorities may provide the list of lands covered by land ceiling proceedings; Revenue authorities – the list of government lands and Urban Development Authority – the details of lands covered under different land uses. Once these details are available with the local bodies, there will be no need to approach those authorities or wait for clearances.
- Citizen’s Charters to be modified to the effect that the ULB pays delay-related penalty to the applicant. It is for the ULB to internally punish the official found delinquent and recover the penalty from his/her salaries.
- All permissions should be published on the Internet. The cases of violations in the case of multi-storeyed buildings may also be published on the Internet and newspapers from time to time.
- Presently, copies of approved plan can be given on payment of charges, which are high. The charges must be reduced. Additional facility to be made for perusal of approved plans in ULB office at nominal charges.

Urban Planning Laws and Regulations
The study critically reviews the laws of urban development, town planning and municipal government in Andhra Pradesh. A number of deficiencies in the existing laws, especially those relating to unauthorised developments and constructions, are noticed compared to the laws of other states. The legal lacunae can be rectified by suitable amendments to Acts and Bye-laws by adopting a four-pronged strategy: (1) providing for deterrent punishments, in addition to demolition, in the case of unauthorised development activities so as to dissuade offenders from committing offences; (2) stopping unauthorised activities by different methods, if undertaken in disregard to likely punishments; (3) contemplating police action against those participating in or aiding unauthorised activities and (4) making it difficult for offenders to seek injunction or stay from lower courts. The study suggests the following amendments to be carried out to town planning and municipal laws in Andhra Pradesh:

Dealing with Unauthorised Developments
The study proposes a three-pronged mechanism to effectively deal with the menace of unauthorised developments and constructions: tightening the legal framework providing for deterrent punishments for town planning violations, providing transparent and flexible mechanisms to builders to carry out development and strengthening enforcement.

The strengthening of the legal framework to deal with town planning violations can be achieved with the following penal provisions:

- Make town planning violation a cognisable offence;
- Provide for rigorous imprisonment which may be extend to three years and a fine and also entail continuing penalty if offence is continued;
- Confiscation of buildings in cases involving serious public health hazards;
- Sealing of unauthorised construction or of the premises where such construction is being carried out or has been completed before undertaking demolition;
- Stoppage of unauthorised erection of any building or execution of any work by requiring any police officer to remove persons engaged in such unauthorised activities or seizing construction material, tool, machinery, scaffolding or other things;
- Providing for watch over unauthorised construction activities with the cost associated with such watch and vigilance being recovered from the person resorting to such activities;
- Barring jurisdiction of lower courts over unauthorised developments and constructions, making obtaining stay against an order for removal/demolition of such unauthorised activities difficult;
- Requiring the issue of a single notice before demolition/removal of unauthorised development/construction as against the present legal requirement of the issue of two notices;
- Levy of misuse charges on graded scale on all unauthorised conversions till such misuse is stopped; the misuse charges to be automatically escalated with the passage of time;
- Stage-wise permission for group housing and commercial complexes of more than 10 mts. height; only those who do not violate to be permitted to automatically go ahead with more than one floor as per the sanctioned plan. Alternatively, conditional permission may be given for group housing and commercial complexes with permissions being issued initially for foundation/plinth and first slab only. If construction is made as per the plan, further floors can be continued; otherwise the permission may deemed to be invalid.
- Compulsory registration of builders and empanelment of technical personnel like architects, structural engineers, site engineers, geo-technical engineers, etc., for multi-storeyed building constructions; provision for blacklisting for willful misconduct;
- Occupancy/Completion Certificate should be made mandatory; regular water, sewer and power connections to be given only on production of Occupancy Certificate and the relevant laws dealing with the utility services may be amended; Occupancy Certificates may be issued through e-Seva counters.
- Structural safety norms to be strictly followed by builders and professionals, including structural engineers, architects and planners engaged in building activities other than individual houses; builder and technical personnel to be individually and severally responsible for construction as per plan and quality of construction and structural safety during construction and for 3 years after completion of building;
- Security deposit may be enhanced from Rs.100 per sq. ft to Rs.200 per sq. ft. in Hyderabad – to be mandatory for all buildings with height more than 10 mt.;
- No Building Regularisation Scheme in future

Flexibility to Developers
The builders may be provided with flexibility to enable them to better respond to market conditions. The study recommends the following:
- Flexibility to Developers and Builders with provisions such as Mixed Use Zoning, Purchasable Development Rights, Premium FSI, Impact Fee on Commercial Construction and Compounding of minor violations;
Innovative Land Assembly schemes such as land pooling, land readjustment, transferable development rights, accommodation reservation, incentive zoning, tax increment financing and rationalisation of densities;

Every city to be divided into three zones: (1) Saturation Zones with FSI 1:1, (2) Restricted Zones with FSI 1:1.25 and (3) Promotion Zones with FSI 1:1.50 with provision for Purchasable Development Right to raise resources for infrastructure. No additional FSI may be permitted in saturation zones. In case of restricted zones, permission may be given beyond 1:1.25 upto 1:1.50 on PDR or TDR basis only if the carrying capacity can be improved by making infrastructure investments. In promotion zones, additional FSI may be given beyond 1:1.50 depending on availability of infrastructure;

Compounding of unobjectionable town planning violations based on predetermined rates and not subject to discretion – upto 10% deviation, penalty at moderate rates; in the case of deviations beyond 10% upto 25%, heavy penalty; for deviations beyond 25% the only course of action available may be demolition or confiscation of property or imprisonment.

Rationalisation of Densities
At present, there is high density on narrow roads while uneconomically low densities operate in many areas. The study calls for a rationalisation of densities in cities as per the following suggestions:

- In Hyderabad Municipal Corporation Area and surrounding Municipalities as well as all Municipal Corporations in the State, the National Building Code should be followed by all builders, architects, owners, etc., as is the case with Mumbai, Delhi, and other cities.
- On public safety considerations, no apartment complexes or multi-storeyed buildings should be permitted on roads with existing width of less than 40 feet as in the past such buildingd were permitted even in less than 30 feet roads. In all major cities in the country like Chennai, Mumbai and Delhi, 40 feet width is compulsory for apartment complexes.
- Major traffic arteries may be declared as strictly no parking/no hawker zones.
- No conversion from Recreation Zone to other zones to be permitted in cities with inadequate road space and insufficient recreational areas.
- It is preferable to compute the prevailing FSI in densely developed areas and freeze the FSI at that level from any future redevelopment charges;
- Concept of PDR may be applied in areas where additional FSI coupled with infrastructural investments do not place a burden on the infrastructure systems;
- For the lowest income group, land use controls have generally to be for encouraging small businesses rather than looking at shelter per se. Infrastructure and services have to be seen as being critical to informal business growth, especially roads, road paving, electricity and telephone. It is necessary to reduce government red tape to set up registered small businesses. However, strict controls are required on environmental compatibility;
- FSI to be prescribed only for multi-storeyed buildings. For individual buildings, the given minimum set backs, coverage and height restrictions are adequate for regulating the buildings;
- For group housing, FSI to be computed only after setting aside open spaces and internal roads;
- No projections like balconies, etc., are to be allowed within the mandatory set backs (they have to leave additional set backs for facilitating these);
- Building line and other setbacks to be prescribed at the time of approving the plotted development, layouts and group housing or other permissions;
- While approving layouts/plotted development, plots in which group housing/commercial buildings are permissible should be specified;
- In order to control building construction effectively, plotted individual housing may be dealt with separately from flats or apartment complexes;
- Unlimited FAR and height of building can be permitted in new centres of development subject to provision of high level of infrastructure, safety standards and on payment of premium on FAR as already done in Cyberabad;
- Demarcate areas where buildings have to stay low for environmental or aesthetic – the FAR corresponding to the desired plot coverage is to be calculated;
- Establish a programme of infrastructure improvements in areas with increased FAR.

**FAR/FSI Regulations**

- In plots less than 1000 square metres, no group housing/apartment complexes of more than 10 mts. height should be approved as is the case in Chennai and other cities.
- For Residential – Plotted Housing (Individual Residential Building) the following measures may be considered:
  - The maximum height on plots less than 1000 sq. mts and road width 12 mts. may be 10 mts.
  - The maximum building height on plots between 1000 and 2000 sq. mts. with 18 mts wide road may be 13 mts.
  - There may not be any height restriction on more than 2000 sq. mts. size plots with 18 mts road for individual residential buildings subject to FSI/FAR restrictions of 1.5.
- For Group Housing/Commercial Complexes the following measures may be considered:
  - Group Housing/Commercial Complexes of more than 10 mts height shall not be permitted in less than 1000 sq. mt plots and less than 40 feet existing road.
  - The FSI/FAR may be restricted to 1.25 for buildings in plots between 1000 and 2000 sq. mts with less than 18 mts road. For above 18 mts road it can be 1.50.
  - For plots more than 2000 sq.mts with 30 mt. road, taller buildings may be allowed with 1.75 FAR.
  - For Group Housing in more than 4000 sq. mt. land and having a number of blocks, FSI to be computed on net area only after setting aside open spaces and roads.

**FSI/FAR Regulations**

In order to control building construction effectively, plotted individual housing has to be dealt with separately from Flats or Apartment Complexes. FAR of 1.33 may be made available for plots 4000 sq. mts. and above if the developer opts for apartment housing provided the minimum road width on the day of granting permission is minimum 18 mts (60 feet) @ 140 dwelling units per hectare for 4000 sq. mts. site, i.e., on a 0.4 hectare area 56 flats can be built.
Residential-Group Housing (upto 18 mts height)

<table>
<thead>
<tr>
<th>Plot Size</th>
<th>Minimum Setbacks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above 1000 sq. mts. and upto 2000 sq. mts.</td>
<td>F-6 m, R-3, S-3, S-3</td>
</tr>
<tr>
<td>Above 2000 sq. mts. and upto 4000 sq. mts.</td>
<td>6 m all around upto 10 mts height (2.5 mts stilt) and 1 mts increase for every 3 mts increase in height of building</td>
</tr>
</tbody>
</table>

Residential – Group Housing (MSBR)

| Minimum size of plot                               | 4000 sq. mts.                                                                   |
| Maximum ground coverage                            | 33.33%                                                                         |
| Maximum Floor Area Ratio                           | 1.33                                                                            |
| Maximum height                                     | 26 mts.                                                                        |
| Premises level maximum density                     | 140 dwelling units/flats per hectare (+/- 5%)                                    |
| Minimum street in front                            | 18 mts                                                                         |

The Table below prescribes a model on basic FSI/FAR that may be adopted by urban local bodies (PDR or TDR could be in addition) for plotted housing:

### Suggested Basic FSI/FAR Table for Residential-Plotted Housing

<table>
<thead>
<tr>
<th>Existing Road Width</th>
<th>Plot Size</th>
<th>Maximum Height of Building</th>
<th>Maximum Plot Coverage</th>
<th>FSI/FAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 12 mts</td>
<td>Upto 100 sq.mts</td>
<td>10 mts (No Stilt)</td>
<td>75%</td>
<td>1:1.00</td>
</tr>
<tr>
<td>Above 12 mts upto 18 mts</td>
<td>Upto 100 sq. mts</td>
<td>10 mts (No Stilt)</td>
<td>75%</td>
<td>1:1.25</td>
</tr>
<tr>
<td>Above 18 mts</td>
<td>Upto 100 sq. mts</td>
<td>10 mts (No Stilt)</td>
<td>75%</td>
<td>1:1.33</td>
</tr>
<tr>
<td>Less than 12 mts</td>
<td>Above 100 sq. mts, upto 300 sq. mts</td>
<td>10 mts (No Stilt)</td>
<td>66%</td>
<td>1:1.50</td>
</tr>
<tr>
<td>Above 12 mts upto 18 mts</td>
<td>Above 100 sq. mts, upto 300 sq. mts</td>
<td>10 mts (No Stilt)</td>
<td>66%</td>
<td>1:1.50</td>
</tr>
<tr>
<td>Above 18 mts</td>
<td>Above 100 sq. mts, upto 300 sq. mts</td>
<td>10 mts (No Stilt)</td>
<td>66%</td>
<td>1:1.50</td>
</tr>
<tr>
<td>Less than 12 mts</td>
<td>Above 300 sq.mts, upto 1000 sq.mts</td>
<td>10 mts (No Stilt)</td>
<td>50%</td>
<td>1:1.50</td>
</tr>
<tr>
<td>Above 12 mts upto 18 mts</td>
<td>Above 300 sq.mts, upto 1000 sq.mts</td>
<td>10 mts (No Stilt)</td>
<td>50%</td>
<td>1:1.50</td>
</tr>
<tr>
<td>Above 18 mts</td>
<td>Above 300</td>
<td>13 mts (with stilt)</td>
<td>50%</td>
<td>1:1.50</td>
</tr>
</tbody>
</table>
Note: Stilt for parking is excluded from FSI

In case the above separate specifications of FSI/FAR for group housing/commercial complexes and residential-plotted development are not acceptable a combined framework may be considered (see Table below).

### Suggested FAR/FSI Statement for Residential Buildings

<table>
<thead>
<tr>
<th>Area of the Plot</th>
<th>Road Width (Mt)</th>
<th>Coverage</th>
<th>FAR/FSI Corporation</th>
<th>UDA Areas</th>
<th>Other Mpl</th>
<th>Maximum Height of Buildings</th>
<th>Set-backs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Front</td>
</tr>
<tr>
<td>Below 100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.50</td>
</tr>
<tr>
<td>1001-1000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.50</td>
</tr>
<tr>
<td>1001-3000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.00</td>
</tr>
<tr>
<td>3001-4000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.00</td>
</tr>
<tr>
<td>4001-6000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.00</td>
</tr>
<tr>
<td>Above 6000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.00</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>2.00</td>
</tr>
</tbody>
</table>

xxx
**Special Regulations**

Special zoning regulations may be prescribed for sensitive and eco-fragile zones such as catchment areas of water bodies, hills and vicinity of forest areas. This is necessary to save high risk and hazard-prone areas. Special area development plans and funds may also be created.

The study proposes a number of amendments to AP Urban Areas (Development) Act, AP Town Planning Act, AP Municipalities Act and Hyderabad Municipal Corporation Act.

**Modification to Other Laws**

In addition to the above amendments to urban development, town planning and municipal laws, the study makes recommendations regarding changes to other laws impacting on urban development as follows:

1. Repeal of Urban Land Ceiling Act;
2. Imposition of Land-related Taxes and Charges to use land as a resource by creating new provisions in laws including those related to urban development, town planning and municipalities;
3. Provisions for Land Assembly schemes under Acts and Regulations;
4. Changes in Registration and Revenue Rules as has been done in Gujarat and Maharashtra to prevent indiscriminate conversion of agricultural lands for urban uses;
5. Notifying selling of plots without approval of layout from ULBs (i.e. provision of roads and amenities) as “opposed to public policy” under the Registration Act;
6. Changes in Rent Control Act to ensure smooth landlord-tenant relationship and encourage people to build not only to live in but also to rent out, thereby increasing housing supply;
7. Provision for the constitution of land bank at the State, District and ULB level;
8. Amendment of AP Transco and other Acts to insist production of Occupancy Certificate from ULB before connecting services.

**Modifications to Government Orders**

The study proposes a number of modifications in GO Ms. No.423 M.A. dated 31.07.1998 in the light of the need for rationalisation of densities in cities.

**Corruption in Town Planning**

The issues of corruption in town planning in cities and towns may be addressed by a multi-pronged strategy, which include the following:

- Simplifying planning norms and permission procedures
- Reducing physical interface of the citizen with officials to the maximum extent possible
- Increasing transparency in decision-making and plan implementation
- Simplifying rules and procedures and reducing red tape
- Involving people at all stages and getting feedback from them from time to time
- Strictly enforcing anti-corruption laws and measures
- Eliminating the nexus between licensed surveyors/architects and town planning staff
- Registration of builders for group housing/commercial buildings
- Fixing accountability of licensed technical personnel/architects/structural engineers/site engineers in plan preparation and construction of multi-storeyed buildings
- Implementation of Citizen’s Charter and making the ULB pay compensation to applicants for delay
- Making all information about approved layouts, sub-divisions, building plans and planning violations public and easily available to interested persons – through the web, newspaper publications and availability on application.

The above courses of action should cover both grant of permission for construction and post-permission enforcement stages. A re-engineering of the processes of town planning can make it possible to arrive at ways of reducing the number of stages in scrutiny, minimising citizen interfaces with town planning department, increasing the transparency of business processes and creating opportunities for citizen empowerment. Additionally, enforcement has to be tightened through improved internal supervision and vigilance, citizen activism, freedom of information and effective recourse to law. Some recommendations made by the Commission on Peoples’ Empowerment for improving municipal processes are as follows:

1. One Man Rule: No plan permission file be scrutinised by clerks and superintendents; one technical person to be held responsible;
2. Planning permission procedure may be modified to take only town planning considerations into account rather than looking into non-planning considerations like title, ownership, etc.; ULBs to be expressly ordered to confine examination of layout and building plans as per building and zoning regulations and dispose cases within the specified time limit stated in Citizen’s Charter; plans to be entertained only if the necessary enclosures or clearances are attached;
3. Reform the plan approval process by adopting one of the following alternatives after a cost-benefit analysis:
   - Continue with the present ‘manual’ system of clearance but reducing the number of stages/channels;
   - Use technology to reduce the citizen interface to the minimum;
   - Open a counter at e-Seva centres where applications, complete with all enclosures and draft for prescribed fee, can be received by a ‘non-domain’ computer operator who can give a receipt indicating the date and time for the applicant to come again to collect the permit. Checklists for enclosures and self-calculation of fees may be made available at the counters;
   - Applications scrutiny centre to be created for scrutiny within fixed time limit and for return of application for issuance of permission/rejection;
   - Information of permissions should be available from the Internet for the general public;
4. Citizen’s Charter to be modified to the effect that the ULB pays delay-related penalty to the applicants; it is for the ULB to internally punish the official found delinquent and recover the penalty paid from his/her salary;
(6) Single notice system against all unauthorised constructions to be provided in law as opposed to the double notice system at present, giving considerable scope for obtaining stay from courts;

(7) Use of pecuniary instrument by way of heavy penalty may be prescribed for unauthorised constructions and law may provide for depositing the penal amount linked to floor area before seeking remedy in a court of law;

(8) Creation of a centralised, autonomous and full fledged Enforcement Cell in Hyderabad metropolitan area headed by an IPS Officer to separately tackle unauthorised constructions and arrest offenders;

(9) Criminal prosecutions should be effectively pursued in serious town planning violation cases;

(10) There must be systematic ‘blacklisting’ of proven offenders among builders and technical personnel, both on a short-term and long-term basis;

(12) All unauthorised constructions must be demolished without fear or favour. In suitable cases, government may consider confiscation and re-allotment of the building for public use. Periodic audit of multi-storeyed building constructions may be taken up by deploying outside agencies such as students. The results of such audit may be published and necessary action be taken;

(13) Social Audit: All building permissions and layout approvals must be placed in the public domain – they must be available for reference on the municipal website as well as being available at low cost for any one interested to buy a copy.

(14) Openness: A transparent programme like “Face-to-Face” may be introduced in all Municipal Corporations wherein citizens can complain by telephone to city level officers in a programme broadcast by a cable TV channel for one hour every week on a designated day; reply to complaints is mandatory.

**Staffing of Town Planning Wings**

Town planning machinery at the municipal level may be strengthened substantially. Town planning regulation could be made self-financing. The town planning staff strength of an urban local body may be fixed based on the population, area and the grade of the Municipality. While a lot of town planning functions like surveys, designs, plan preparation, etc., can be outsourced, every city should have a core town planning team to implement the development control regulations. In large Municipal Corporations and Municipalities with large scale constructions, the town planning wing may have a qualified structural engineer.

Large Municipal Corporations and Urban Development Authorities should have fully-equipped Traffic and Transportation Cells.

The following measures may be undertaken by the Government to enable the ULBs to serve as efficient and effective agencies for plan preparation, enforcement and implementation:

1. Division of functions which are to be centralised at State level and which are to be discharged at the local level; keeping in view the capacity of the ULB staff, their responsibilities and functions are to be spelt out.

2. The planning functions to be separated from other functions and are to be entrusted to the Town Planning Section Head in a Municipality. The Municipal Commissioner shall coordinate and supervise the work of the Town Planning Wing.

3. The existing departments and institutions should be revamped with regard to town planning functions including detailed plan preparation through proper training, and if required by engaging professionals.
(4) Separate demolition squads (enforcement cells) with police and engineering staff may be constituted.

**Enforcement Squads**

In all Municipal Corporations where unauthorised constructions are rampant due to collusion between town planning officials and builders, broad-based and fully-equipped enforcement squads may be created consisting of representatives of Municipal Corporation, Urban Development Authority, Revenue Department and Police. They may make joint inspections on particular days in a week and take on-the-spot action against unauthorised activities. Similarly, Nuisance Detection Squads may be constituted as in Pune and Hyderabad to take on-the-spot action against nuisances.

**City Level Coordination**

The experience of the operation of City Level Coordination Committee in Hyderabad is encouraging. Once every week, the City Level Coordination Committee comprising of the senior-most officials from the Municipal Corporation, Urban Development Authority, Traffic Police, Revenue Department, Metropolitan Water Supply and Sewerage Board, Andhra Pradesh Transmission Corporation, Andhra Pradesh Road Transport Corporation, BSNL, Tata Telecom, Reliance Telecom, etc., visit one zone in the city along with representatives from the press, study existing problems and take on-the-spot decisions. It is suggested that city level coordination committees may be constituted in other Municipal Corporations and District Headquarters Municipalities.

**Institutional Framework**

The recommendations of the study regarding strengthening of the institutional framework for town planning are as follows:

1. District and Metropolitan Planning Committees (to be constituted by the Government) as envisaged in the Constitution (74th Amendment) Act, 1992;
2. Area Planning Committees similar to Metropolitan Planning Committees in the case of non-metropolitan urban agglomerations having Urban Development Authorities;
3. Urban Development Authority to act as the secretariat for the Metropolitan or Area Planning Committee; UDA-nominated boards may continue for other than master plan purposes, e.g., conservation of lakes, construction of ring roads, etc.;
4. Steering Committee at state level to guide statutory planning committees on policy matters and that at regional or district level to guide local bodies and assist them in technical matters in connection with plan preparation, implementation and monitoring;
5. Local Planning Committees or Special Town Planning Committees in Municipalities;
6. Wards Committees monitoring development plan implementation activities at the ward level;
7. Town Planning Wings in all urban local bodies with appropriate staffing based on norms, delegation of powers and outsourcing policies;
8. Enforcement Squads consisting of municipal, urban development, revenue and police staff in all Municipal Corporations.
9. City Level Coordination Committees in all Municipal Corporations and District Headquarters towns consisting of District Collector, Superintendent of Police,
Municipal Commissioner, Vice Chairman of Urban Development Authority and Heads of Line Departments at the District level providing services like electricity, transport, highways, water supply, etc.

Capacity Building
The implementation of the recommendations for reforms in urban planning system requires a comprehensive capacity building programme. This should cover measures of institutional, organisational and individual capacity building. Capacity building for urban planning has to be in the context of that for the urban sector as a whole. Further, capacity building must cover the neglected aspects of urban institutional framework, municipal organisation, employee behaviour and motivation and change management. A summary of capacity building areas identified in relation to the urban planning framework are as follows:

Areas for Urban Institutional Capacity Building:
- Cities and the national and global economy – Role of cities as engines of economic growth – City economic development strategy
- Formulation and implementation of City Development Strategy and Sector Reform Action Plan
- Strategic review of structure of urban local government and civic administration – urban institutions and inter-institutional coordination
- Modern Municipal and Town Planning Legislation – Legal framework for urban planning, development and municipal administration
- Clarification of role and responsibilities at various levels – State, District and Local
- Property tax, user charges and inter-governmental transfer reforms; using land as a resource for trunk development and decongestion programmes
- Enabling better performance through improved practices, tools and technology including performance management, change management and e-governance

Areas for Municipal Organisation Capacity Building:
- Know your municipal organisation – Workshop
- Role workshops
- Improving work processes – Workshop
- Leadership and strategic thinking
- Change management
- Interpersonal effectiveness
- Negotiations
- Conflict management module
- Team building

Areas for Individual Capacity Building/Human Resource Development:
- Upgradation of technical expertise in town planning
- GIS/GPS application in urban and regional planning
- Plan preparation, financing and implementation
- Town planning charges
- Land assembly techniques
- Integrated land use-transportation planning
- Planning of poor settlements
- Development control and plan enforcement
- City level coordination