

Appraisal of City Development Plan Nainital

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Appraisal of City Development Plan: Nainital

The City Development Plan (CDP) of Nainital gives a good idea about the situation in the city, its future perspective and vision, and the investment plan for the city. Three aspects, however, were completely missing in the first draft of the CDP that was submitted in December 2006 and reviewed by the National Institute of Urban Affairs (NIUA) i.e. (i) the existing situation analysis was not supposed to be based on any sample survey but should be based on the real situation analysis and the supporting data was expected to be gathered concerned institutions which were involved in the provision of urban basic services in the city, (ii) Capital Investment plan was provided for 2025 and no estimates for the purpose were provided for the JNNURM period and (iii) Financial Operating Plan (FOP) was not provided. A number of suggestions were made and city officials were asked to incorporate additional information in the revised CDP as discussed in Annex 1.

City's response after the first set of comments:

Based on the initial submission of the CDP, the comments mentioned above were communicated to the city. As is clear from these comments, the CDP needed major revisions. The revised CDP was received by NIUA on 1 June 2007, which further needed some clarifications. The revised and final version of the CDP was submitted on June 5 2007, which was again appraised by the Institute.

NIUA's response:

The revised CDP has incorporated most of the comments made on the earlier draft CDPs. Chapter 8 has been rewritten which is titled as "City Investment Plan, Strategies and Implementation Plan". The sectoral city investment plan for the JNNURM period and financial operating plan have also been incorporated in this chapter.

There are major changes in the revised CDP; however, the authorities have shown their data limitations at the city level. For instance, in Section 3.1.3 on Situation Analysis, it has been quoted "Adequate secondary data at household level on water supply, sanitation, solid waste management etc. are not available. Consequently, data from socio-economic survey at household level were analysed and the findings are discussed in this section.

Wherever secondary data is available, these are used in the situation analysis, supplemented by further field studies.”

Considering the conditions prevailing in the city we accept what has been presented in the CDP for the present. But it is required that the city will provide more information in this regard in a year's time which would not be based on socio-economic survey and should be based on the real databases maintained at the city level. The Ministry of Urban Development may take appropriate action in this regard.

Subject to the caveats/qualification mentioned above, the CDP is now in accordance with JNNURM toolkit number 2.

Annex 1

Appraisal of City Development Plan: Nainital (First round)

The CDP of Nainital gives a fairly clear idea of the situation in the town at present and its future plans. The CDP gives both statistical and spatial information.

Stakeholder consultations

Section 1.3 (p. 2) indicates that three stakeholder consultations were held in the town for the preparation of CDP. While the stakeholders seem to cover various interest groups and individuals, the details of only one stakeholder meeting is available in the Annexure. The details of the consultations should be provided. It should contain details such as the date of the meeting, type of stakeholders who attended the meeting and a brief summary of the outcomes.

Demography

The current population of Nainital is estimated at 44,000. In 2001, as per Census 2001, the population of the town was 38,000. The decadal growth rate of the town has varied considerably since 1901, showing high to very high growth rates which fall to low and negative growth rates (p. 8). However, since 1991, the decadal growth rate has been above 20 per cent and the annual growth rate has been projected at 3% between 2005 and 2009 and at 3.5% between 2010 and 2014 (Annex 3.1.1).

The floating population of Nainital (mainly tourists) was recorded at 5.18 lakhs in 2005. Since most of the tourists come during three months, the daily average tourist arrival in these three months works out to 5,756. This figure has been added to the population projected for the town.

A survey of 100 households was conducted in the town to give an idea of the present situation. The purpose of this survey is not clear as the CDP cannot be based on the results of a small sample survey.

Urban Poor

Nainital has 10 main slums that account for 21 per cent of the total population of the town. The total population living in these slums is given as 9287 (p. 13). Many of the slums are within the catchment area of the lake.

The entire section on the urban poor (section 3.1.2) is based on a survey done of a small number of poor households. This section states that no recent studies are available on the extent of poverty levels in the town. Despite this, at least some information would be available with the agencies dealing with the poor. Information should be collected from these agencies and analysed and the information obtained from the survey can

supplement this analysis. The investment requirements indicated on p. 132 should have a basis and this should be provided in the situation analysis section.

Economic Base

The main economic base of the town is tertiary sector activities related to small trade and enterprises, hotel business, transport and such other activities and to a lesser extent related to educational institutions and government offices.

Land use

The Nainital Lake Region Special Area Development Authority (NLRSDA) is the agency responsible for the preparation of development plan for the region. Nainital has a Master Plan 2011, which gives a good idea of the planning approach the town will follow. It provides for the preservation of forest area and water bodies and also demarcates a prohibited area where a number of restrictions on development have been put in place. The physical growth characteristics map (Map 3.3.1) should have a legend in English as the rest of the map is in English.

A Nainital Lake Conservation project is being undertaken in the town at a cost of Rs. 65 crores, of which Rs. 47.96 crores is earmarked for Nainital Lake and the rest Rs. 16.85 crores for four other lakes in the region. This project is funded by the Central and State Governments in the ratio 70:30 (p. 31). Till May 2006, Rs. 28.67 cr. were released, of which Rs. 22.15 cr. had been utilised.

Existing Situation Analysis

A discussion on municipal infrastructure and services has been provided in Section 3.4. This section gives details of the existing status of basic infrastructure and services and also outlines the key issues related to the current deficiencies and future demand. However, the services levels, including the financial aspects, have not been presented in a tabular format. This may be done to give an idea of the present situation at a glance.

Water supply

The water supply in Nainital is operated and maintained in the city by Uttaranchal Jal Sansthan (UJS). UJS also undertakes small budget capital works. Large capital works and overall planning is carried out by Uttaranchal Pey Jal Nigam. Tubewells are the main source of water supply for Nainital town meeting 93% of its total supply. The remaining 7% is drawn from surface source. The average availability of water in the town is given as 135 lpcd (p. 36). The supply hours vary from 6 to 24 hours in different areas.

The entire town of Nainital is covered by water supply network, barring some pockets. The unaccounted for water, as per the CDP, may be up to 30% or more. The pipelines in

the old city are old and dilapidated and need replacement. The O&M problems and key issues in water supply are detailed out on p. 40 to 42.

Sewerage and sanitation

The town has a sewerage system which was laid in the beginning of 19th century. A few decades later some branch sewers were laid in different parts of the town. With the growth in population the sewer system became inadequate. The Nainital Lake also started getting polluted due to the overflow of sewage in stormwater drains, which ultimately discharges into the Lake. New trunk and branch sewers were laid from time to time to address this problem.

At present, 8 MLD of sewage is generated in the town, of which almost 82% is collected by the sewerage system and the remaining 18% is treated by individual septic tanks. Currently, there is a gap in treatment capacity of 3 MLD, which is being taken care of by the Nainital Lake Conservation project, 2002. Under this project, two STPs of 5 MLD capacity each have been proposed, of which one STP is under construction. All the wastewater discharge channels from almost all the areas into the lake have been covered and intercepted by sewerage system under this project. Key issues related to the sewerage system have been presented on pages 45 and 46.

Storm water drainage

The whole town of Nainital, wherever roads or brick pavements exist, has some kind of side drains that lead to storm water drains, except in slums and some peripheral areas. However, the drains need cleaning, repair and remodelling. The key issues related to storm water drains are presented on p. 48.

Solid Waste Management

The quantity of municipal waste generated daily in the town varies between 12 to 18 MT. No primary collection is done in the town by Nainital Nagar Palika Parishad (NNPP). The door-to-door collection has been given to resident committees. NNPP collects waste from bins, containers and open collection points. The existing solid waste transportation vehicles do not have access to about 40-50% areas of the town and so the remaining waste is left uncollected. This waste finds its way into storm water drains and hill slopes (p. 49).

The present solid waste disposal site is located at a distance of 2 kms. from the city. The waste is dumped on this site down the hill slope. The waste is not treated or processed. Land for the proposed disposal site has not yet been identified. The key issues in solid waste management are detailed out on p. 52.

Roads and Transport

Different stretches of roads in Nainital are maintained by NNPP and PWD. The traffic flow in the town causes congestion as there is limited road space available. Traffic restrictions are imposed to manage traffic. There are no intermediate modes of public transport in the town. Taxis are available for inter-city trips and rickshaws are available for journeys between specific points (p. 56). Most of the internal roads are single lane with a few exceptions. Pedestrian movement in the town is affected because of the absence of footpaths. Key issues related to roads and transport are presented on p. 56.

Heritage and Tourism

INTACH has listed the important cultural and heritage resources of Nainital. The town also has a rich tradition of religious fairs and festivals. The Government of Uttaranchal has adopted a clear mandate to develop tourism in the state as one of the prime movers of the economy. The Master Plan of the town also focuses on tourism development (p. 58). The challenges and key issues related to heritage and tourism have been presented on p.60.

Since Nainital has been selected under JNNURM mainly for its heritage aspect, a **separate document will need to be prepared for the heritage aspect** based on the supplementary toolkit prepared for this purpose (available on the website of the Ministry of Urban Development).

Urban Governance and Institutional Set up

There are about ten institutions that are involved in the provision of infrastructure and services in Nainital. While the NNPP is the local body, the NLRSA is a regional body. The other institutions involved are all state level bodies. The institutional matrix given on p. 67 indicates the function of each of these agencies by sector. The major functions of NNPP are given on p.71. The NLRSA has been entrusted with functions related to housing, building plan sanction, area development and internal road construction, amongst others (p. 72).

The CDP indicates the timeframe for some of the reforms and the status of a few other reforms. Full-scale transfer of functions, as envisaged under 74th CAA, is expected to take place in three years time (p. 73).

Financial profile

Chapter five and eight of the CDP are related to financial profile of institutions and capital investment plan respectively. Chapter six and seven deal with city SWOT analysis & vision and sector strategies and identification of projects respectively.

Financial Profile of NNPP and Other Agencies:

Chapter 5 of the CDP reviews and analyses the existing financial situation of key agencies involved in the execution and maintenance of municipal infrastructure. Income and expenditure details are provided well for Nainital Nagar Palika Parishad (NNPP), Uttaranchal Jal Sansthan (UJS)-Nainital Division and NLRSA.

NNPP

NNPP has a small functional domain and has small fiscal powers as well. Section 5.3 provides a detailed analysis of NNPP finances. The revenue receipts of NNPP increased from Rs.35.9 million in 2001-02 to Rs.39.3 million in 2004-05 and then declined to Rs.35.8 million in 2005-06. The corresponding figures for revenue expenditure were Rs.36.3 million, Rs.44 million and Rs.39.6 million respectively. The share of state government grants in revenue receipts ranged between 46% to 62% whereas own revenue receipts ranged between 64% to 38% in the last five-year period. The main source of own revenues are house/property tax and non-tax receipts. Own revenue receipts increased from Rs.13.5 million to Rs.19.2 million at an annual rate of 8.8 percent during the time period of 2001-02 to 2005-06 whereas the state government grants declined from 22.4 million to Rs.16.5 million at an annual rate of (-) 7.6 percent. This shows that the NNPP's dependency on state government grants has declined and realization from its own revenue receipts has increased. The reason for the decline in state transfers is not explained in the CDP. The functions and tax/charges related to water supply were handed over UJS-Nainital Division in the year 2002-03. Water charges are to be levied and collected by the UJS after the year 2001-02. On the other hand, on the expenditure side, only about 10 percent of revenue expenditure has been incurred, on an average, on operation and maintenance works. In the past five-year period, 90 percent of the revenue expenditure has been on establishment and salaries etc. This is understandable because most of the functions of NNPP are staff oriented functions. Operation and maintenance works related to water supply were handed over to UJS-Nainital Division in the year 2002 and no decline in establishment and salaries head in the year 2002-03 has been observed. The reason for no decline in expenditure on establishment and salaries head for the period of 2003-04 to 2005-06 could not be understood from the data provided.

The main problem with the city's finances is that the NNPP depends substantially on state government grants and powers delegated to NNPP under the Municipal Act have not been realised much. There is considerable room for review and revision of the current tax rates. Un-assessed properties, mainly in the newly developed areas of the city are still to be brought in property tax base. Tax rates are not being revised regularly, as the last revision was made in the year 2000-01. The demand to collection ratio in case of property tax increased from 55% in 2002-03 to 75% in 2004-05 but then declined to 42% in 2005-06. The above-mentioned deficiencies are the main reasons for lower collections from own revenue receipts.

UJS-Nainital Division

UJS is responsible for delivery of services related to water supply and sewerage since 2002-03 onwards. Section 5.5 provides an analysis of UJS finances. The revenue

receipts of UJS increased from Rs.24.9 million in 2003-04 to Rs.36.4 million in 2005-06. The corresponding figures for revenue expenditure were Rs.64.17 million and Rs.80.02 million respectively. For the past three years UJS has shown a deficit of Rs.39.3, 63.5 and 43.4 million. It clearly indicates that UJS's finances are weak and since these deficits have been paid by the state government it shows that UJS is highly dependent on the state government financial assistance. On the expenditure side, on an average 80 percent of revenue expenditure has been incurred on operation and maintenance works. However, it is not clear from the data provided whether electricity expenditure is included in it or not. About 17 to 24 percent of the revenue expenditure has been incurred on establishment, wages and salaries head.

The main problem with the finances of UJS is its substantial dependency on state government grants. Only 67.5 percent of the collections are made against the demand of water related taxes and charges etc. There is an outstanding balance of Rs.18.4 million against the total demand of water related taxes and charges etc. as on 31st March 2006. Other reasons for low collections are no revision or late revision of tax rates.

NLRSADA

One of the main functions of NLRSADA is the preparation of master plan and implementation of building byelaws, provision of housing, roads and bridges, slum development and poverty alleviation. Section 5.4 provides an analysis of NLRSADA finances. The revenue receipts of NLRSADA increased from Rs.11.44 million in 2004-05 to Rs.12.80 million in 2006-07. The corresponding figures for revenue expenditure were Rs.6.24 million and Rs.9.43 million respectively. Development charges is the main component of NLRSADA's income and has contributed about 25.8 percent of the receipts followed by sub-division charges, compounding fee and interest income with 23.7, 16.9 and 16.8 percent respectively. Other sources of income are map submission fee and stamp duty etc.

On the other hand, on expenditure side, on an average 63 percent of revenue expenditure has been incurred on establishment, wages and salaries account followed by operation and maintenance with 37 percent. NLRSADA earned profits in 2004-05 to 2006-07. Overall, the present financial position of NLRSADA is good as there are no outstanding loan payments.

Vision and strategies

The vision statement of Nainital, which has been provided by the citizens, reads as "I want to live in an ecologically sound and beautiful Nainital that is well managed with efficient public services, a healthy economy and a natural and built environment that retains its unique character" (p. 98). For some of the sectors the vision, issues and strategies are given in detail (e.g urban renewal) while for others it has not been provided. This should be provided for all the sectors.

The ranking of infrastructure priorities is given on p. 97. While the table gives the ranking, the graph is misleading and is not required. It should be deleted.

Capital Investment Plan

Chapter eight gives a fair idea about the capital investment plan, strategies and implementation plan. The total estimated capital investment required for providing efficient services to the present population and future population of NNPP by the year 2025 is Rs.533.4 crores (page 126). But Table 8.1 (p. 127) gives a different figure and shows the requirement as Rs.954.6 crores. Of this, projects for Rs.690.5 crores have been proposed for roads and transport which is about 72.3 percent of the total identified investment, followed by Rs.90.45 crores for urban renewal and redevelopment which comes to 9.4 percent and others. Sector-wise Investment Plan is well presented and provides detailed information on the topic.

Summary of Capital Investment – Nainital

Sl. No.	Sector	Capital Investment (Rs. crores)
1	Roads and Transport	690.5
2	Urban renewal and redevelopment	90.45
3	Urban poor/Slums	46.2
4	Storm water drainage	23.8
5	Water supply	55.1
6	Solid waste management	20.0
7	Sewerage and sanitation	18.0
8	Heritage and Tourism	7.2
9	Street Lights	3.4
	Total	954.6

In Table 8.5 (p.130) the development of new disposal site requiring Rs. 2.0 crores has been repeated in item 10 and item 17. This needs correction or clarification if they are different. The bulk of investment requirement under roads and transport sector is for a Ropeway. Of the total requirement of Rs. 690.5 cr. for this sector, Rs. 400 cr. is for a new ropeway. This, as per the CDP, will be for tourism development and for giving an alternate mode of transport to local population.

The bulk of the funds required for the urban poor is for housing, with very small amounts required for provision of services. This, according to the CDP, is because water supply and solid waste management are included in the overall city plan.

Financial Operating Plan and Investment Sustenance Plan:

Nainital is eligible for 80% of the total project cost as grant finance from the Central Government. State government would be financing 10% of the total project cost and remaining 10 percent of the project cost is to be contributed by NNPP and parastatals.

“Steps are being initiated to meet the requirements of mandatory and optional reforms, institutional and financial reforms at the ULB/Parastatal level in order to strengthen the financial system and improve financial management in these agencies. Modalities for meeting the requirement of 50% of the operation and maintenance costs, as per the JNNURM guidelines, would be worked out and implemented” CDP-Nainital.

The CDP has not provided any financial operating plan (FOP). Strategies related to hundred percent cost recovery. (page 118) should have been justified by the relevant financial operating plans. Ten percent of financial arrangements for the proposed projects and hundred percent of the operation and maintenance costs for the proposed projects under JNNURM are to be provided by the involved city-level agencies, which should also be made clear in FOP.

Improvements to be made to the CDP

1. Details of stakeholder consultations to be provided in Annex.
2. The section on urban poor needs to be re-written based on the comments given under ‘urban poor’ in this appraisal note.
3. For each service, a table giving the existing status must be provided, which should contain physical as well as financial information.
4. The legend of Map 3.3.1 should be provided in English.
5. A perspective and vision (short term, mid term and long term) for the city using the real analytical results (not based on survey), incorporating results of stakeholder consultations should be provided.
6. Strategies for resource augmentation by city-level institutions to reduce the dependency on state government grants and other transfers should be provided.
7. Graph showing ranking of infrastructure priorities should be deleted.
8. The goals and vision should be linked with the existing situation.
9. The sector wise vision, issues and strategies table should be provided for all the sectors.
10. Detailed information on agency-wise strategies and capital investment plan should be provided.
11. Complete financial operating plan giving a short term, mid term and long-term visions must be provided.
12. Future projections for the needed finances for the proposed projects (ten percent) and future projections for meeting hundred percent of the operation and maintenance cost should be given.
13. A separate document, based on the supplementary toolkit for Heritage, needs to be prepared and submitted for the town.