

UP local bodies urge Finance Commission for resources

By TIOL News Service

NEW DELHI, OCT 21, 2019: THE 15th Finance Commission headed by Chairman, Mr N.K. Singh along with its Members and senior officials met today with the representatives of the Rural Local Bodies of Uttar Pradesh.

The Commission was informed that :

- UP Panchayati Raj Act, 1947 is the act governing PRIs in the State.
- The 5th SFC constituted in 2015, submitted its report on 31st October 2018. The key recommendations are under consideration of the by the Cabinet sub-committee. However, it is yet to be laid in the legislative Assembly. The State is currently implementations the recommendations of the fourth SFC Report.
- Only 15 functions out of 29 envisaged in the Eleventh Schedule of the Constitution devolved to PRIs
- UP has 59,073 Gram Panchayats, 821 Kshetra Panchayats and 75 Zila Parishad .
- According to Pr AG UP, during the period (2013-14 to 2017-18), own revenue generation constituted 2-3% of the total revenues in case of PRIs .

XIV â€“FC Devolution to the State:

Grants	All States(cr.)	Uttar PradeshÂ (cr.)	Grants to Uttar Pradesh as a % to Total Grants
Basic Grant	180263	32199	17.9%
Performance Grant	20029	3578	17.9%

The Key Observations of the 4 th SFC of the UP Government were:

- 12.5% of the State's tax and non-tax revenues net of cost of collection to be devolved.
- The distribution amongst RLB: ULB is in the ratio of 40:60
- The Commission recommended that like the previous SFCs, and till the new SFC report comes after this 4th SFC, the Government can apply the recommendations of this SFC.

- The SFC observed that there was a lack of cooperation from the State government officials in releasing information to the Commission for organisation of data as required, and also there was undue administrative interference from the Government officials in the working of the Commission.

The main requirements of Rural Local Bodies in Uttar Pradesh as highlighted to the Commission, include “lack of financial resources for development, water scarcity, property tax as a source of income,Â poor social indicators, requirement for civic amenities like panchayat bhawans, mortuaries, road and drainage infrastructure, need for creation of check dams, problem of excessive status cattle, lack of safe drinking water, lack of funds for creation of public libraries, recreational areas and sports activities.

The Commission noted all the concerns highlighted by the representatives of the PRIs and promised to address them in its recommendations to the Central Government.