

**CRASH HOUSING PROGRAMME
FOR CONSTRUCTION OF
GENERAL POOL ACCOMMODATION**

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Ministry of Urban Development

**PUBLIC ACCOUNTS
COMMITTEE
1992-93**

TENTH LOK SABHA



LOK SABHA SECRETARIAT
NEW DELHI

THIRTY-FOURTH REPORT
PUBLIC ACCOUNTS COMMITTEE
(1992-93)

(TENTH LOK SABHA)

CRASH HOUSING PROGRAMME FOR
CONSTRUCTION OF GENERAL POOL
ACCOMMODATION

MINISTRY OF URBAN DEVELOPMENT

*[Action taken on 143rd Report of Public Accounts Committee
(8th Lok Sabha)]*



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Presented to Lok Sabha on 20.8.1992

Laid in Rajya Sabha on 20.8.1992

LOK SABHA SECRETARIAT
NEW DELHI

August, 1992 / Sravana, 1914 (Saka)

PAC No. 1347

Price : Rs. 11.00

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Seventh Edition) and Printed by the Manager, P.L. Unit, Govt. of India Press, Mintō Road, New Delhi.

CORRIGENDA TO THE 34TH REPORT OF PUBLIC
ACCOUNTS COMMITTEE (10TH LOK SABHA)

<u>PAGE</u>	<u>PARA</u>	<u>LINE</u>	<u>FOR</u>	<u>READ</u>
(iii)		2 from bottom	Shri	Smt.
2	1.6	1	Minister	Ministry
2	1.6	7	1934	1984
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CONTENTS

	Page
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (1992-93)	(iii)
INTRODUCTION	(v)
CHAPTER I Report.....	1
CHAPTER II Recommendations/observations that have been accepted by Government	9
CHAPTER III Recommendations/observations which the Committee do not desire to pursue in the light of the replies received from Govern- ment	23
CHAPTER IV Recommendations/observations replies to which have not been accepted by the Committee and which require reiteration...	38
CHAPTER V Recommendations/observations in respect of which Government have furnished in- terim replies	46
PART II Minutes of the sitting of Public Accounts Committee (1992-93) held on 18.8.1992	49
APPENDIX Conclusions and Recommendations	52

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(1992-93)

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INTRODUCTION

I, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this Thirty-Fourth Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 143rd Report (Eighth Lok Sabha) on Crash Housing Programme for Construction of General Pool Accommodation.

2. In their earlier Report, the Committee had noted the fact that in some of the major cities like Bombay, Madras, Chandigarh, Bangalore etc. where it was very difficult to procure a decent accommodation with the limited house rent allowance offered by Government, the percentage of satisfaction with reference to registered demand was less than 50 and in particular, at Bombay it was as low as 20. Considering the acute shortage of housing in general in all metropolitan cities, high level of rents and the need to encourage a planned growth of housing facilities, the Committee had recommended in their earlier Report that Government should evolve a definite policy regarding provision of accommodation to its employees and chalk out a time bound programme as a plan project. According to the Ministry of Urban Development as per the modified proposal a sum of Rs. 390 crores for residential accommodation has been proposed for the Eighth Five Year Plan. According to the Ministry, against even the reduced amount proposed for the Eighth Five Year Plan, allocation of funds for the year 1992-93 has only been Rs. 20 crores for residential accommodation. The Ministry have, therefore, stated that due to the fluctuating and meagre annual allocation for General Pool construction, attempts at formulating perspective Plan for 20 years, even reduced to 5 years, has been going off the rails on each occasion. They hold the view that unless firm commitments are received on the question of funds which would be available over a 5-20 year period, it is not possible to formulate any realistic perspective plan. The Committee have reiterated that Government should evolve a definite policy regarding provision of accommodation to its employees and chalk out a time bound programme as a plan project keeping in view the need to provide accommodation to its employees within the constraint of resources.

3. In their earlier Report the Committee had recommended that the employees once assisted to procure and own accommodation at the place of posting should not be eligible for allotment of Government accommodation at the same place until all other eligible officers have been allotted the Government accommodation. According to the Ministry on considering the different alternatives it was finally proposed that the rates of recovery of license fee from house owning officers might be revised upward on which

the approval of the Cabinet Committee on Accommodation (CCA) was still to be obtained. It has been stated that while doing so, the recommendation of this Committee would also be placed before CCA. The Committee have taken a very serious view of the lackadaisical approach of the Government in the matter and considering the existing low levels of satisfaction reiterate that employees once assisted to procure and own accommodation at the place of posting should not be eligible for Government accommodation until all other eligible officers have been allotted Government accommodation. The Committee have recommended that the matter should be finalised within a period of six months keeping in view the recommendation made by the Committee in Paragraph 3.9 of their 143rd Report.

4. The Report was considered and adopted by the Public Accounts Committee at their sitting held on 18 August, 1992. Minutes of the sitting form Part II of the Report.

5. For facility of reference and convenience, the recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in consolidated form in Appendix to the Report.

NEW DELHI;

August 18, 1992

Sravana 27, 1914 (Saka)

ATAL BIHARI VAJPAYEE,

Chairman,

Public Accounts Committee.

CHAPTER I

REPORT

This Report of the Public Accounts Committee deals with the action taken by Government on the recommendations/observations of the Committee contained in their Hundred and Forty-Third Report (Eighth Lok Sabha) on Paragraph 54 of the Report of the Comptroller and Auditor General of India for the year 1985-86, Union Government (Civil) regarding Crash Housing Programme for construction of general pool accommodati...

1.2 The 143rd Report which was presented to Lok Sabha on 17th March, 1989 contained 29 recommendations. Action Taken Notes have been received in respect of all the recommendations and these have been broadly categorised as follows:—

- (i) Recommendations and observations which have been accepted by Government:
Sl. Nos: 2, 6-9, 14-20, 23 and 26
- (ii) Recommendations and observations which the Committee do not desire to pursue in the light of the replies received from Government:
Sl. Nos: 10-13, 21, 24-25, 27 and 28
- (iii) Recommendations and observations replies to which have not been accepted by the Committee and which require reiteration:
Sl. Nos: 1, 3, 4 and 5
- (iv) Recommendations and observations in respect of which Government have furnished interim replies:
Sl. Nos: 22 and 29

1.3 The Committee emphasize that the final replies to the recommendations/observations in respect of which only interim replies have been furnished so far, should be submitted expeditiously considering the fact that more than three years have lapsed since the presentation of the Report.

1.4 The Committee will now deal with the action taken by Government on some of their recommendations.

*Need for a definite policy and special schemes for increasing the availability of houses in major metropolitan cities
(S. Nos. 1, 4 and 5—Paras 3.7, 3.10 and 4.5)*

1.5 Emphasising the need for evolving a definite policy regarding provision of accommodation to Government employees, the Committee in paragraph 3.7 of their 143rd Report had recommended as follows:—

“Government servants are provided housing facility as welfare measure and not as a service condition. While conceding the contention that Government need not accept responsibility to provide houses to all its employees, it is rather unfortunate that Government have not formulated any policy as to what level of satisfaction has to be achieved in the matter of providing houses to Government employees. Though employees can be helped in other ways also such as by grant of housing loans, formation of Co-operative Housing Societies, grant of house rent allowance etc. yet considering the acute shortage of housing in general in all metropolitan cities, high level of rents and the need to encourage a planned growth of housing facilities in general as a plan programme, the Committee are convinced that Government must evolve a definite policy regarding provision of accommodation to its employees and chalk out a time bound programme as a plan project keeping in view the need to provide adequate accommodation to its employees as well as constraint of resources.”

1.6 In their action taken note the Minister of Urban Development have stated as under:

“A prespective plan for 20 years for construction of general pool was prepared in February 1977. The allocation of funds was however not in confirmity with the plan. As much the plan could not make much headway.

In December, 1934, the plan was reviewed. It was decided that at least 70% employees in Delhi and 50% employees in other stations be provided with Government accommodation by the end of the 7th Plan period.

To achieve this target, an outlay of Rs. 1180 crores (Rs. 9548 crores for residential accommodation and Rs. 222 crores for non residential accommodation) was proposed for the 7th Plan period. The Planning Commission however allocated a sum of Rs. 165 crores (Rs. 135 crores for residential accommodation and Rs. 30 crores for non-residential accommodation). Even this amount was not fully provided. The actual allocation for the 7th Plan period was only Rs. 134 crores. The construction of General Pool Accommodation was not accorded high priority for allocation of funds. The land for construction of general pool accommodation at Delhi and other metropolitan cities was also not available in adequate quantity.

It was therefore, not been possible to achieve this percentage due to the following two main reasons:—

1. Low allocation of funds for construction of general pool housing; and
2. Non-availability of land in big cities.

In October, 1989, a Committee, under the Chairmanship of Secretary(UD) has been constituted, to draw a fresh perspective plan for general pool accommodation for providing appropriate level of satisfaction in housing. It is the endeavour of the Government to provide as many more houses to its employees as possible, within the above constraints."

1.7 In a subsequent note furnished to the Committee the Ministry of Urban Development have further stated as follows:

"The question of formulation a 20 year Perspective Plan has been subsequently discussed in a meeting in the Ministry and it was decided that only a 5-year Plan for General Pool Accommodation may be prepared instead of a 20-year Perspective Plan. This was done due to financial constraints and restricted budgetary allotments. Accordingly 8th Five Year Plan proposals were prepared taking into account the requirements of satisfaction level in various cities. Initially the Eighth Five Year Plan proposal was for an allocation of Rs. 1240 crores for residential accommodation and Rs. 425 crores for non-residential accommodation for achieving 70% satisfaction level at Delhi and 50% for outside cities. Considering the fact that this proposal was too much on the higher side keeping in view the actual allocation of Rs. 165 crores for General Pool Accommodation consisting of Rs. 135 crores for residential accommodation and Rs. 30 crores for non-residential accommodation for the 7th Five Year Plan Period, and Rs. 22.00 crores for the residential accommodation and Rs. 4.00 crores for non-residential accommodation during the year 1990-91 and Rs. 30.00 crores for residential accommodation and Rs. 5.00 crores for non-residential accommodation during the year 1991-92, the proposal for 8th Five Year Plan was modified. According to the modified proposal a sum of Rs. 390 crores for residential accommodation and Rs. 100 crores for non-residential accommodation was proposed for the Eighth Five Year Plan period. It may be mentioned that against even the reduced amount proposed for the Eighth Five Year Plan, allocation of funds for the year 1992-93 has only been Rs. 20 crores for residential accommodation and Rs. 5 crores for non-residential accommodation. Due to the fluctuating and meagre annual allocation for General Pool construction, attempts formulating Perspective Plan for 20 years, even reduced to 5 years has been going off the rails on each occasion. Unless firm commitments are received on the quantum of funds which would be available over a 5-20 year period, it is not possible to formulate any realistic Perspective Plan."

1.8 Emphasising the need for special schemes for increasing the availability of houses in major metropolitan cities by a time bound programme, the Committee in paragraph 3.10 of their 143rd Report had recommended as follows:

“Even on the basis of the particulars furnished by the Ministry on the extent of registered demand (which are deliberately kept low) and supply of Government accommodation the Committee are constrained to note that in some of the major cities like Bombay, Madras, Chandigarh, Bangalore etc. where it is very difficult to procure a decent accommodation with the limited house rent allowance offered by Government, the percentage of satisfaction with reference to registered demand is less than 50 and in particular, at Bombay, it is as low as 20. In Delhi and Calcutta the level of satisfaction with reference to the registered demand is 56 and 58 per cent respectively. The Committee feel concerned over the highly lopsided provision of houses and recommend that special schemes for increasing the availability of houses in major metropolitan cities by a time bound programme should be introduced. While noting the heavy shortage in several places, the Committee would like to know the justification for construction of quarters at Hyderabad where supply (644 quarters) is substantially in excess of the registered demand (266 quarters).”

1.9 In their action taken note the Ministry of Urban Development have stated as under:

“To the Committee’s recommendation that a time bound programme should be introduced for increasing availability of houses in major metropolitan cities, it is stated that due to low allocation of funds for general pool accommodation and due to non-availability of land in major cities, it is not possible to construct large number of houses.

Based on the survey Report carried out some time during 1985-86, the demand for different types of quarters at Hyderabad was 7,990. Therefore, the demand for quarters as assumed by the Audit as 266 at Hyderabad is not correct. So far 676 quarters (not 644 Nos. as noted by the Audit) have been constructed and, out of these, 595 quarters were occupied by the end of November 1989. The demand, which was very low due to non-availability of certain essential amenities, had picked up after provision of these amenities.”

1.10 In a subsequent note furnished to the Committee the Ministry have stated as follows:

“As desired by the Audit, the demand and availability of residential accommodation at Hyderabad has been re-checked by the Central P.W.D., and as per the position, the total figure of demand was 4,703 during 1985-86. Thus the figure given earlier was not correct.

The error is highly regretted. As on 29.2.1992 as against 676 quarters available, 640 quarters occupied (after taking into account quarters placed at the disposal of their Departments) and 36 quarters are lying vacant. With regard to the Hostel accommodation, as against 32 units available, 6 are occupied, and 26 are vacant. One of the reasons for the residential accommodation remaining vacant is that the Government colony is situated approximately 30 Kms. away from the Hyderabad City and is still lacking in some basic amenities like Post Office, Gas Agency, market, etc. It would, however, be noted that the occupancy is gradually increasing and the position is expected to improve with provision of basic amenities to the colony."

1.11 Expressing their deep concern for miserable failure of crash housing scheme the Committee in Paragraph 4.5 of their 143rd Report had observed as follows:—

"The Committee have been informed that the level of addition of new Government quarters for Government servants was of the order of 2500 to 2700 units per year upto 1977 and that the crash programme planned to increase the annual output to 10,000 units per year for a period of 3 years from 1978. On the other hand, despite introduction of the crash programme, the output has not come anywhere near the target in as much as it was hardly 3400 units per year during the envisaged period of 3 years and about 3240 units per year during the last 10 years. It is obvious that the Crash Housing Programme introduced with great fanfare has not been implemented with any degree of seriousness or urgency. The Committee cannot but regret that due to failure of the crash scheme the Government failed to make any dent into the problem of shortage of accommodation for Government employees during the period the scheme has been in operation. Unfortunately the scheme has proved to be no more than a paper exercise without any real value."

1.12 In their action taken note the Ministry of Urban Development have stated as under:

"The difficulty in getting adequate funds, land for construction (which in some places were occupied by others) and delay in approval of plans by local authorities were unanticipated factors and these affected the implementation of the Scheme. It could be seen that the Crash Programme definitely helped increase the annual rate of construction of houses and number of houses as compared to the previous years.

The other remarks of the PAC have been noted for future guidance."

1.13 Prior to 1977, the rate of construction of housing accommodation for Government employees was of the order of 2500 to 2700 units per year. Taking note of the fact that the level of satisfaction of provision of

Government housing facility was inadequate or low, Government made an announcement in August 1977 that a crash programme was being undertaken to increase the annual output to 10,000 units per year for a period of 3 years from 1978. In their earlier report, the Committee had expressed their concern over the fact that despite introduction of the crash programme, the output did not come anywhere near the target in as much as it was hardly 3400 units per year during the envisaged period of three years and about 3240 units per year during the last 10 years. According to the Ministry, the difficulty in getting adequate funds, land for construction and delay in approval of plans by local authorities were unanticipated factors which affected the implementation of the scheme. The Committee cannot help reiterating that the scheme which was announced with a laudable objective, was not given due thought and importance by those who were to implement it, with the result that it failed to achieve the objective.

1.14 In their earlier Report, the Committee had noted the fact that in some of the major cities like Bombay, Madras, Chandigarh, Bangalore etc. where it was very difficult to procure a decent accommodation with the limited house rent allowance offered by Government, the percentage of satisfaction with reference to registered demand was less than 50 and in particular, at Bombay, it was as low as 20. Considering the acute shortage of housing in general in all metropolitan cities, high level of rents and the need to encourage a planned growth of housing facilities, the Committee had recommended in their earlier Report that Government should evolve a definite policy regarding provision of accommodation to its employees and chalk out a time bound programme as a plan project. It is seen from the action taken note that in the case of Hyderabad out of 676 quarters available 36 quarters are still lying vacant on account of these quarters lacking some basic amenities like post office, gas agency, market, etc., according to the Ministry. As regards formulating a time bound programme regarding provision of accommodation, it is seen from the action taken note that according to the modified proposal a sum of Rs. 390 crores for residential accommodation and Rs. 100 crores for non-residential accommodation has been proposed for the Eighth Five Year Plan. According to the Ministry, against even the reduced amount proposed for the Eight Five Year Plan, allocation of funds for the year 1992-93 has only been Rs. 20 crores for residential accommodation. The Ministry have, therefore, stated that due to the fluctuating and meagre annual allocation for General Pool construction, attempts at formulating Perspective Plan for 20 years, even reduced to 5 years, has been going off the rails on each occasion. According to the Ministry, unless firm commitments are received on the question of funds which would be available over a 5-20 year period, it is not possible to formulate any realistic Perspective Plan. The Committee deem it rather unfortunate that the Government are unable to formulate any policy as to what level of satisfaction has to be achieved in the matter of providing houses to Government employees. What is even more unfortunate is that in cities like Hyderabad even existing quarters are not in full occupation on

account of non-availability of basic amenities. The Committee desire that construction of quarters be synchronised with provision of essential services to fully utilise the available accommodation on which scarce resources have been expended. Being fully convinced about the utility of the formulation of a definite policy, the Committee reiterate that Government should evolve a definite policy regarding provision of accommodation to its employees and chalk out a time bound programme as a plan project keeping in view the need to provide accommodation to its employees within the constraint of resources.

Government servant owning houses at their places of posting
(Sl. No. 3 — Para 3.9)

1.15 Commenting upon the question of eligibility for allotment of Government accommodation to the Government employees assisted by Government to build and own their houses at the place of their postings, the Committee in paragraph 3.9 of their 143rd Report had recommended as follows:—

“The Committee are surprised to note that despite the very low level of satisfaction, employees assisted by Government to build and own their houses are also eligible for allotment of Government accommodation if they fall within the prescribed priority dates. The reasons given for eligibility of such Government employees to allotment of Government accommodation are far from convincing if viewed in the context of the object of assistance to the employees for acquiring their own houses. The Committee are convinced that the employees once assisted to procure and own accommodation at the place of posting should not be eligible for allotment of Government accommodation on the same place until all other eligible officers have been allotted Government accommodation. The Committee recommend that the rules in this regard should be amended appropriately.”

1.16 In their action taken note the Ministry of Urban Development have stated as follows:—

“The matter relating to eligibility of house-owning Government officials for allotment of Government residential accommodation has been considered a number of times. There was a proposal to declare the house owning officers as ineligible for general pool accommodation but it was decided that it would be better to tighten the conditions for allotment/retention of Government accommodation after transfer/retirement etc. There was also another proposal wherein it was suggested that the house-owning Government servants who want to retain Government accommodation should surrender their private houses to Government at a rent that would provide them with a reasonable return on the capital cost etc. This was, however, not

found to be feasible and it was proposed that the rates of recovery of licence fee from house-owning officer may be revised upward. A decision is yet to be taken to enhance the licence fee to be charged from house-owning officers”.

1.17 In a subsequent note furnished to the Committee, the Ministry of Urban Development have stated as follows:—

“It is proposed to obtain approval of the Cabinet Committee on Accommodation regarding the licence fee to be charged from the House owning officers. While doing so, it is also proposed to place the recommendations of the Public Accounts Committee before the CCA. As soon as a decision is taken the same will be intimated to the Public Accounts Committee”.

1.18 In their earlier Report the Committee had recommended that the employees once assisted to procure and own accommodation at the place of posting should not be eligible for allotment of Government accommodation at the same place until all other eligible officers have been allotted the Government accommodation. According to the Ministry on considering the different alternatives it was finally proposed that the rates of recovery of licence fee from house owning officers might be revised upward on which the approval of the Cabinet Committee on Accommodation (CCA) was still to be obtained. It has been stated that while doing so, the recommendation of this Committee would also be placed before CCA. 143rd Report of the Public Accounts Committee was presented to Parliament on 17th March, 1989 and more than three years have elapsed since then but unfortunately no concrete action has been taken on the said recommendation of the Committee. The Committee take a very serious view of the lackadaisical approach of the Government in the matter and considering the existing low levels of satisfaction reiterate that employees once assisted to procure and own accommodation at the place of posting should not be eligible for Govt. accommodation until all officers have been allotted Govt. accommodation. They recommend that the matter should be finalised within a period of six months keeping in view the recommendation made by the Committee in Paragraph 3.9 of their 143rd Report.

CHAPTER II

RECOMMENDATIONS AND OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

Theoretically, all government employees who are in regular employment are eligible for allotment of government accommodation. However, the stock position of Government accommodation being low, only those who have put in a certain length of government service are eligible to apply and get Government accommodation. The total number of general pool quarters available in 13 cities is 83,025 and the registered demand in these 13 cities is reported to be 1.83 lakhs. The Committee also note that no attempt has been made so far to assess the actual total demand for government houses for formulating a plan for construction keeping in the total requirement of houses by all Government employees. The level of satisfaction or reported by government does not reflect the real position, rather it is based on the demand registered with reference to a certain criteria of eligibility. It does not reflect the real position, rather it gives an exaggerated level of satisfaction, as a result of restrictions placed on registration. The Committee are of the strong view that for an effective planning, it is imperative that the magnitude of the problem is correctly ascertained to assess the actual level of satisfaction for prescribing a target of satisfaction to be achieved gradually over the various plan periods. As agreed by Secretary during evidence the Committee hope that the Government would take step to assess the actual total demand so that the actual level of satisfaction can assessed to help the planning process..

[Sl. No. 2, Para 3.8 of 143rd Report of PAC (10th LS)]

Action Taken

The total demand for General pool accommodation in Delhi based on the information furnished by various Ministries/Departments works out to be 1,31,376 (September 1987). Taking the total demand as indicated above and total availability of houses in the general pool in various categories i.e. 62,864 the overall percentage of satisfaction in Delhi works out to be 48%.

The total demand availability of houses, with percentage of satisfaction for all stations, other than Delhi, have been collected from all employees as on 31.12.1989 and is given below:—

Station	Demand	Availability	Percentage of satisfaction
1. Bombay	38,420	8128	21.16%
2. Madras	4,355	2102	48.27%
3. Calcutta	8,902	4369	49.08%
4. Simla	3,210	750	23.36%
5. Nagpur	2,403	1,194	49.69%
6. Chandigarh	5,766	1,447	25.10%
7. Faridabad	2,077	1,502	72.32%
8. Indore	653	286	43.80%
9. Ghaziabad	783	612	78.16%
10. Agartala	40	40	100%
11. Bangalore	7,010	644	9.19%
12. Imphal	41	32	78.05%
13. Lucknow	4,713	508	10.78%
14. Shillong	1,899	311	16.38%
15. Kohima	81	27	33.33%

[Ministry of Urban Development O.M. No. 12011/2/87-WZ (Vol. IV) dated 31.1.91]

Recommendation

The Committee also note that whereas on the one hand, in cities like Madras, Chandigarh and Bangalore, the registered unsatisfied demand ran in thousands, and only 300 quarters were planned for construction in each of these cities in the crash programme, on the other hand at Hyderabad against registered demand for less than 300 quarters and the then availability of about 150 quarters, an additional number of 500 quarters were planned under the crash housing programme. The Committee would like to be apprised of the justification for the plan for construction of 500 quarters at Hyderabad.

[Sl. No. 6, Para 4.6 of 143rd Report of PAC (28th LS)]

Action Taken

The houses at Hyderabad were planned alongwith other cities as land was available there and there was also sufficient demand for houses. Based on the survey carried out in 1985-86, the demand for houses at Hyderabad was 7,990 but, only 500 quarters were planned there.

Observations made by the Audit

The figure of demand and availability as 266 and 644 respectively as pointed out by audit was based on the figures furnished by the Ministry in their reply to Question No. 1 of questionnaire for post evidence. Ministry may, therefore, check up the position and revise their reply accordingly.

Further Comments

The figures given in reply to the questionnaire are being checked and a revised reply will be prepared, if called for, and sent to the PAC.

[Ministry of Urban Development O.M. No. 12011/2/87-WZ (Vol. IV) dated 31.1.91]

Updated action taken notes furnished by the Ministry of Urban Development

The houses at Hyderabad were planned alongwith other cities as land was available there and there was also sufficient demand for houses. Based on the survey carried out in 1985-86, the demand for houses at Hyderabad was 7,990 but only 500 quarters were planned there.

Observations made by the Audit

The figure of demand and availability as 266 and 644 respectively as pointed out by audit was based on the figures furnished by the Ministry in their reply to Question No. 1 of questionnaire for post evidence. Ministry may, therefore, check up the position and revise their reply accordingly.

Further Comments

The figures given in reply to the questionnaire are being checked and a revised reply will be prepared, if called for, and sent to the PAC.

Further Action Taken

The figures about the demand of quarters at Hyderabad during 1985-86 have been re-checked by the CPWD. The demand was 4703. The figure indicated earlier was not correct. The error is regretted. As on 29-2-92 as against 676 quarters available 640 quarters are occupied (after taking into account quarters placed at the disposal of other Departments) and 36 quarters are lying vacant. With regard to the Hostel accommodation, as against 32 units available 6 are occupied, and 26 are vacant. One of the reasons for the residential accommodation remaining vacant is that the Government colony is situated approximately 30 kms. away from the Hyderabad city and is still lacking in some basic amenities like Post Office, Gas Agency, market, etc. It would, however, be noted that the occupancy is gradually increasing and is expected to improve further with provision of basic facilities to the colony.

[Ministry of Urban Development O.M. No. 12011/2/87-WZ (Vol. IV) dated 17.7.92.]

Recommendation

The Crash Housing Scheme for construction of 10,000 houses each year was announced in August, 1977. The Committee regret to note that the detailed planning and the exercises to find funds and determine categories, specifications and location of houses etc. were commenced long after announcement of the scheme. Even the preliminary sanction of the scheme took a period of almost one year out of the committed period of three years and was issued in July 1978 only. The committee deplore the casual way in which the planning of a crash programme was carried out. The Committee also regret to note that despite the commitment made, the agencies responsible to carry out the commitment took their own time of one year out of the 3 years, to plan the scheme and give it a shape. The Committee cannot but regret this lackadaisical approach of the responsible wings of Government and would like the causes to be fully examined for appropriate remedial action.

Delays in approval of layout plans and getting clearance from various local authorities also resulted in considerable delays in completion of quarters. The requirements of getting clearance varied from place to place because of local bye laws. In some cases building licence procedure had also to be followed. The Committee feel that delays in getting approvals and clearances not only adversely affect the construction plans of Government but also cause considerable hardship to general public who undertake construction work particularly in big cities. The Committee share the views of the Ministry of Urban Development that so far as the citizen is concerned, it should be a single window approach so that the citizen should be able to go to only one local authority for getting clearance of the construction plans within a prescribed time limit. In the case of Government construction also such a system can be evolved. The Committee, therefore, urge the Ministry of Urban Development to take up the matter earnestly with the concerned agencies to bring about uniformity in the procedures followed by various municipalities and also evolve single window approach in the matter so that the construction plans can be approached by only one local authority with a view to minimising the time taken in the clearance of layout plans. The Committee would like to be apprised of the results of Ministry's efforts in this behalf.

[Sl. No. 7215, Paras 54 & 82 of 143rd Report of PAC (8th LS)]

Action Taken

The remarks of the PAC have been noted for future guidance and have also been brought to the notice of the State Governments.

No Special Cell to monitor the progress and removal of bottlenecks was created.

The cause for delay was mainly due to delay in approval of plans by the local authorities, non-availability of land and shortage of building materials like steel, cement, bricks etc. The State Governments have been requested to simplify the procedure for approval of plans etc. by the local bodies and adopt a 'single window' approach. (Copy of instruction* issued *vide* the Ministry of Urban Development letter No. N-11025/24/90-U.C.D. dated the 20th August 1990 enclosed).

[Ministry of Urban Development O.M. No. 12011/2/87-WZ (Vol-IV) dated 31.1.91]

Shown at Annexure

ANNEXURE I

No. N-11025/24/90-UCD
Government of India
Ministry of Urban Development

New Delhi, dated the 20th Aug.,
1990.

The Secretary to the Govt. of
Local Administration/Urban Development
Department

Sub: 143rd Report of the PAC—recommendation No. 8.2 regarding single window system approach for approval of Housing Plans, etc.

Sir,

I am directed to state that the Public Accounts Committee in para 8.2 of its 143rd Report on Crash Housing Programme have stated as follows:—

“Delays in approval of layout plans and getting clearances from various local authorities also resulted in considerable delays in completion of quarters. The requirement of getting clearance varied from place to place because of local bye-laws. In some cases building licence procedure had also to be followed. The Committee feels that delays in getting approvals and clearance not only adversely affect the construction plans of Government but also cause considerable hardship to general public who undertake construction work particularly in big cities. The Committee has therefore, suggested that as far as the citizen is concerned it should be a ‘Single Window Approach’ so that a citizen should be able to go to only one local authority for getting clearance of the construction plan within a prescribed time limit. In the case of Government construction also such a system can be evolved.”

I shall be grateful if you, kindly issue necessary instructions to all the

Municipal authorities in your State to introduce a 'Single Window Service' in respect of various services offered by them and inform this Ministry of the action taken at an early date.

Yours faithfully,

Sd. .
(R.P.S. PAWAR)
DIRECTOR (LSG)
Tele: 3019280

Recommendation

The Committee consider it improper that Government should have chosen to announce execution of a crash scheme without conducting detailed planning and only hope that Government would not venture to announce such welfare schemes without conducting detailed feasibility studies so as to ensure their timely execution.

[Sl. No. 8, Para 5.5 of 143rd Report of PAC (8th LS)]

Action taken

The observations of the Committee have been noted for future guidance.

[Ministry of Urban Development O.M. No. 12011/2/87-WZ (Vol. IV)
dated 31.1.91]

Recommendation

On the causes that contributed to delay, the Committee are constrained to note that none of the reported causes could be considered as such that could not have been anticipated. On the other hand these are the causes to which delays in execution of all government works are attributed time and again. The Committee find it difficult to appreciate how and why these were not anticipated and remedial measures not taken at the time of planning the programme itself. The Committee are of the opinion that a scheme that was announced with a laudable objective, was not given the due thought and importance by those who were to implement it, with the result that the scheme had miserably failed to achieve its objective.

[Sl. No. 9, Para 5.6 of 143rd Report of PAC (8th LS)]

Action taken

The observation of the Committee have been noted.

[Ministry of Urban Development O.M.No. 12011/2/87-WZ (Vol. IV)
dated 31.1.91]

Recommendation

It is shocking that construction of houses was delayed ranging upto more than four years in respect of 29 works at Delhi; up 24months for 2 works at Bangalore; more than 3 years in respect of one work at Calcutta and upto 7 months in respect of one work at Chandigarh. These delays have been attributed, *inter-alia*, to shortages of raw materials like bricks, cement, steel and other materials as housing activity is accorded comparatively low priority. It is surprising to note that even though difficulties in arranging the required materials were anticipated, effective arrangement was not made to ensure smooth supply of materials before embarking upon the massive project. Evidently, the impact of the massive construction under this programme on prices and availability of various inputs was not gauged properly at the planning stage for taking timely remedial action. The Committee view this casual manner of planning a big project seriously as the consequential delays led to an alarming cost increase besides hampering completion of construction on schedule. The Committee note that there were avoidable delays and cost over runs in construction of houses mainly because of the Failure to ensure provision of adequate funds during the targetted period of construction failure to make arrangements for supply of construction materials like steel, cement, bricks and coal; non-availability of sites in re-development areas in Delhi etc. These reasons and the fact that the Ministry could not provide alternative accommodation to the occupants in re-development areas for a period of 3 years by which time the entire project was to be completed speaks volume about the weakness in planning and execution of the crash programme. The Committee therefore, urge upon the Ministry of Urban Development to setup an effective monitoring organisation to oversee progress of all project so as to eliminate delays in planning and implementation in future.

[Sl. No. 14, Para 75 of 143rd Report of PAC (8th LS)]

Action taken

Computerised Monitoring System has since been established for all CPWD Project. For projects costing more than one crore, this is done in DG's Office, for those costing between 60 lakhs and 1 crore. in the Chief Engineer's Offices; and for those costing less than 30 lakhs, in the Superintending Engineer Offices.

[Ministry of Urban Development O.M.No. 12011/2/87-WZ (Vol. IV)
dated 31.1.91]

Recommendation

The Committee are surprised to be informed that the Ministry did not make out a proper plan of action for vacation of quarters due for demolition and for making available alternate accommodation of appropriate type in an acceptable area and that consequently there was time overrun. The Committee consider it unfortunate that those incharge of planning did not apply their mind even to fundamental requirements for large scale construction of houses.

[Sl. No. 16, Para 9.3 of 143rd Report of PAC (8th LS)]

Action Taken

The observations of the PAC have been noted.

[Ministry of Urban Development O.M.No. 12011/2/87-WZ (Vol. IV)
dated 31.1.91]

Recommendation

In regard to obtaining vacant possession of quarters and land, the Committee feel that these factors can, by no stretch of imagination, be considered as reasons that could not have been thought of at the time of planning for appropriate action for expedition. The Committee is constrained to conclude that the planning process at the Ministry level had been lacking in foresight about basic bottlenecks likely to be encountered in implementation of such projects and to ensure appropriate solutions before prescribing targets for completion of the programmes to be implemented. The Committee hope that the planning section will be suitably strengthened so that foreseeable reasons are not themselves projected as contributory reasons for slippages in time schedules in respect of failure projects of this nature.

[Sl. No. 17, Para 9.4 of 143rd Report of PAC (8th LS)]

Action Taken

The contents have been noted for future guidance.

[Ministry of Urban Development O.M.No. 12011/2/87-WZ (Vol. IV)
dated 31.1.91]

Recommendation

The Committee consider it odd for the Government to have taken a unilateral decision on omission of sleeping out balconies, reduction of plinth area of quarters etc. without consulting the other authorities concerned with clearance of building plan, as also the staff side. The objective for which the modifications were to be made was the increase in number of quarters by a substantial extent in a period of 3 years, but it was obvious right from 1978-79 that this objective was not likely to be achieved and was actually not achieved also. It was evident on the basis of available resources as early as 1978-79 itself that the scheme would turn

out to be no more than a regular programme. It is unfortunate that the Ministry failed to consult concerned authorities and parties and later had to go back on its decisions, resulting in a further set back in the achievement of target.

[Sl. No. 18, Para 10.5 of 143rd Report of PAC (8th LS)]

Action Taken

The remarks of the PAC have been noted. Instructions have since been issued to all concerned *vide* this Ministry's Office Memorandum No. 12011 (2)/87-WZ dated the 14th May 1990. (Annexure II)

[Ministry of Urban Development O.M. No. 12011/2/87-WZ (Vol. IV) dated 31.1.91]

MOST IMMEDIATE

No. 12011(2)/87-W.2
Government of India
Ministry of Urban Development
(Works Division)

New Delhi, 14th May, 1990.

OFFICE MEMORANDUM

Sub: 143rd Report of the PAC-Recommendation No. 10.5.

.....

The undersigned is directed to say that PAC in their 143rd Report (Para 10.5) on the Crash Housing Programme have stated as under:

The Committee consider it odd for the Government to have taken a unilateral decision on omission of cleeping out balconies, reduction of plinth area of quarters etc. without consulting the other authorities concerned with clearance of building plan as also the staff side. The objective for which the modifications were to be made was the increase in number of quarters by a substantial extent in a period of 3 years, but it was obvious right from 1978-79 that this objective was not likely to be achieved and was actually not achieved also. It was evident on the basis of available resources as early as 1978-79 itself that the scheme would turn out to be no more than a regular programme. It is unfortunate that the Ministry failed to consult concerned authorities and parties and later had to go back on its decisions, resulting in a further set back in the achievement of target'.

The above observations of the PAC are brought to the notice of the DG(W), CPWD etc., for appropriate action in future.

Sd.

(S. RANGANATHAN)

Deputy Secretary to the Govt. of India

To

1. The Director General (Works), C.P.W.D., Nirman Bhawan, N. Delhi.
2. Director of Estates, Nirman Bhawan, New Delhi.
3. All C.E.s. in charge of field zones in the CPWD.
4. C.A., C.P.W.D., New Delhi.

Recommendation

As the construction of 17801 quarters (58.5 per cent) of different categories had already commenced by the time, the Ministry decided to revert to 1975 norms, the Committee would like to know to whom the quarters constructed with reduced plinth area and without balconies etc. were allotted area, whether they were allotted only to those categories of staff for whom they were originally intended or to next lower categories by reducing the categorisation of the quarters. The Committee would also like to know now the deficiencies in the 17801 quarters constructed with the reduced plinth areas without balconies etc. were subsequently met so as to conform with the requirements of 1975 norms and what was the total expenditure incurred therefor.

[Sl. No. 19, Para 10.6 of 143rd Report of PAC (8th LS)]

Action taken

The quarters constructed with reduced plinth area were initially allotted to the categories of staff for whom they were originally intended. Sleeping/sitting of balconies were provided subsequently to bring them closer the 1975 norms. In May 1987, it was decided to downgrade these quarters, which were accordingly reclassified and allotted, according to the revised classification. A copy of the Ministry of Urban Development O.M. No. 12035/7/81-Pol.II (Vol. II) dated 27th May 1987, in this regard, is enclosed. An expenditure of Rs. 365.98 lakhs was incurred on the provision of sleeping/sitting out balconies in the quarter

[Ministry of Urban Development O.M. No.12011/2/87-WZ (Vol. IV)
dated 16.8.91]

Recommendation

The Secretary admitted during evidence that there exists a care for review of specifications, not only of Government residential buildings, but also of other buildings for a realistic view on the specifications. The Committee recommend that appropriate action and a full review of building specifications may be taken by a time bound programme so that the decisions thereon are ready for implementation at least from the Eighth Plan period.

[Sl. No. 20, Para 10.7 of 143rd Report of PAC (8th LS)]

Action taken

Necessary action has been taken. Specifications in respect of Types I, II and III quarters have since been revised.

[Ministry of Urban Development O.M.No. 12011/2/87-WZ (Vol. IV)
dated 31.1.91]

Recommendation

The Committee note that CBI enquiry is on in certain cases and disciplinary action has been initiated against officers indicated by the Chief Technical Examiner and it is at various stages of investigation. The Committee would like to be informed of the outcome of investigation and action taken against delinquent officials.

[Sl. No. 23, Para 12.9 of 143rd Report of PAC (8th LS)]

Action taken

HUDCO Authorities have informed that the following penalties were imposed on the officers found responsible for the lapses:—

1. Stoppage of two increments with cumulative effect of one than Junior Engineer and subsequently Assistant Engineer;
2. Stoppage of one increment with cumulative effect of one then Assistant Engineer and subsequently Executive Engineer;
3. Warning by Chief Executive to then Executive Engineer and subsequently Assistant Chief;
4. Action could not be taken against a Deputy Manager, as he had left the HUDCO.

[Ministry of Urban Development O.M. No. 12011/2/89-WZ (Vol. IV)
dated 31.1.91]

Recommendation

The Department should enquire into the circumstances in which tenders were invited and work order placed without making sure that sites were available to pinpoint the responsibility in calling tenders and giving work orders without land being available. The Committee trust that the lesson learnt from the bitter experience that unless land is available and ready for construction purpose, tenders should not be called and work orders should not be given, will not be lost sight of in future.

[Sl. No. 26, Para 13.4 of 143rd Report of PAC (8th LS)]

Action taken

The Director General (Works), and the Chief Engineer, Central P.W.D., have been advised to keep in view the recommendations of the Committee while inviting tenders. (copy* of the O.M. No. 12011(2)/87-W2 dated 28.3.1990 enclosed).

[Ministry of Urban Development O.M. No. 12011/2/87-WZ (Vol. IV)
dated 31.1.91]

*Annexure III

No. 12011(2)/87-W2
Government of India
Ministry of Urban Development
(Works Division)

New Delhi, the 28th August, 1991

OFFICE MEMORANDUM

**Sub: 143rd Report of the P.A.C. on Crash Housing Programme —
Recommendation No. 13.4.**

The undersigned is directed to say that PAC in their 143rd Report (Para 13.4) on the Crash Housing Programme have stated as under:

“The Department should enquire into the circumstances in which tenders were invited and work order placed without making sure that sites were available to pinpoint the responsibility in calling tenders and giving work orders without land being available. The Committee trust that the lesson learnt from the bitter experience that unless land is available and ready for construction purpose, tenders should not be called and work orders should not be given, will not be lost sight of in future.”

The above observations of the PAC are brought to the notice of the D.G. (W), C.P.W.D. etc., for appropriate action in future.

Sd/-

(S. RANGANATHAN)

Deputy Secretary to the Government of India

To

The Director General (Works)/All Chief Engineers C.P.W.D.,
Nirman Bhavan, C.P.W.D.
New Delhi.

CHAPTER III
RECOMMENDATIONS AND OBSERVATIONS WHICH THE
COMMITTEE DO NOT DESIRE TO PURSUE IN THE LIGHT OF
THE REPLIES RECEIVED FROM GOVERNMENT

Recommendation

The Committee are shocked to note that whereas for completion of the accepted commitment under the scheme by 1980-81 funds required during the year 1979-80 and 1980-81 (with reference to the original estimate of Rs.68.11 crores) were of the order of Rs. 56 crores, the total provision in the entire grant for all programmes for residential buildings included in the grant was only Rs. 31 crores in the original estimates and hardly Rs. 23 crores in final grant. The lack of adequate provision for the Crash Housing Programme speaks volumes about the seriousness with which the crash programme was taken up for execution. The Committee are convinced with reference to financial provision along that the concerned Ministries were not serious enough for a timely completion of the project. The Committee recommend that the circumstances under which the availability of funds could not be kept in view while planning and embarking upon execution of the project should be investigated and the results of findings intimated to the Committee.

[Sl. No. 10, Para 6.6 of 143rd Report of PAC (8th LS)].

Action Taken

The allotment of funds to CPWD and expenditure incurred for the Crash Housing Programme for the year 1979-80, 1980-81 and 1981-82 are as shown below:—

(Rupees in lakhs)

	Allotment	Expenditure
1979-80	1205	1264
1980-81	1204	1305
1981-82	1734	1824

From the above it is seen that there was no surrender of funds by CPWD. However, in this connection, it is relevant to point out that in the EFC Memorandum submitted on 7th June, 1978, it was clearly mentioned that the time of three years for completion of project was subject to availability of clear site after dismantling of the existing quarters in Delhi, three years for quarters at Madras, Chandigarh, Hyderabad, Bangalore and 4 years for quarters in Bombay and Calcutta. However, there was great delay in the vacation of quarters in the re-development areas of

Delhi. Besides nonavailability of land, there was also change in the scope and design of the project. Hence, financial constraint was not the only reason for the delay. Even if more funds had been allocated, but due to the factors mentioned above, the project could not have been completed within three four years as indicated in the EFC Memorandum.

[Ministry of Urban Development O.M. No. 12011/2/87-WZ (Vol. IV)
dated 31.1.91]

Recommendation

The Committee also note that the Cabinet approval was taken in October 1981 for a provision of Rs. 16.74 crores for the crash programme for the then running financial year 1981-82. However, the actual provision for all programmes included in the relevant grant for the year was only Rs. 5.81 crores in original estimates and Rs. 5.19 crores in the final estimates. Since the financial constraints, extent of commitment, feasibility of achieving the prescribed level of target etc. ought to have been well known during the middle of the financial year, the Committee desire to know on what basis Cabinet approval for an expenditure of Rs. 16.74 crores for this scheme alone was taken and why the commitment was not translated into action. The Committee also desire that the objective behind the Cabinet approval for the expenditure of Rs. 16.74 crores in 1981-82 without making provision may also be elucidated.

[Sl. No. 11, Para 6.7 of 143rd Report of PAC (8th LS)]

Action Taken

The figure of Rs. 16.74 crores intimated to the Cabinet was based on the fact that it may be possible to complete the work within the stipulated period as envisaged in the work estimates, but, due to unforeseen reasons, the works could not be completed within that period. Secondly, as this was a plan scheme, the allocation of funds was made by the Planning Commission. Even where the Ministry has projected higher demands, the allocation received was much less. (It is, however, not possible to intimate the exact figure in this case, as the records pertaining to the preparation of Budget Estimates for this period have since been destroyed as they were required to be retained for a period of five years only).

[Ministry of Urban Development O.M. No. 12011/2/87-WZ (Vol. IV)
dated 31.1.91]

Recommendation

The Committee have informed that the cost of the Crash programme was estimated at Rs. 68.11 crores in July 1978 with reference to cost indices obtaining in May 1978 for 21300 quarters and within two years the cost estimate was revised upwards to Rs. 96.91 crores, i.e. by 42% over the original estimate despite reduction in number of quarters to 19940. For the substantial increase in cost hardly within two years of sanction, only generalised reasons have been given. The Secretary also observed during

evidence that usually escalation does not affect for construction to be completed within a period of 2-3 years. In the circumstances, the Committee feel that the original estimates finalised a year after the scheme was announced in August 1977 were not prepared with adequate care; as otherwise such substantial revision within two years would not have been called for. The Committee recommend that the circumstances under which original estimates were so under valued should be examined and the results of the examination intimated to the Committee.

[Sl. No. 12, Para 6.13 of 143rd Report of PAC (8th LS)]

Action Taken

The original estimate was prepared as per 1978 rates, specifications and norms. There was cost escalation of 56.46% during the period 1978 to 1980. The reasons for increase in the revised cost estimate were partly due to higher cost index i.e. escalation in the prices of materials, labour and partly due to change in the scope of the works e.g. provision of balconies in four storeyed quarters. The site conditions and delayed vacation of old quarters for demolition to make available the sites for construction also contributed to the increase on the cost of construction.

Observations made by the Audit

Ministry may apprise PAC of the upto date actual expenditure duly certified by the concerned PAC on Crash Housing Project as against the sanctioned estimate of Rs. 96.91 crores.

Further Comments

The necessary information is being collected and will be furnished to the PAC as early as possible.

[Ministry of Urban Development O.M. No. 12011/2/87-WZ (Vol. IV) dated 31.1.91].

Updated Action Taken Notes received from Ministry of Urban Development

The Original estimate was prepared as per 1978 rates, specifications and norms. There was cost escalation of 56.46% during the period 1978 to 1980. The reasons for increase in the revised cost estimate were partly due to higher cost index i.e. escalation in the prices of materials, labour and partly due to change in the scope of the works e.g. provision of balconies in four storeyed quarters. The site conditions and delayed vacation of old quarters for demolition to make available the sites for construction also contributed to the increase on the cost of construction.

Observations made by the Audit

Ministry may apprise PAC of the upto date actual expenditure duly certified by the concerned PAC on Crash Housing Project as against the sanctioned estimate of Rs. 96.91 crores.

Further Comments

The necessary information is being collected and will be furnished to the PAC as early as possible.

Further Action Taken Note

In the Action Taken Note furnished in respect of para 6.14 details of the expenditure of Rs. 95.05 crores incurred upto March, 1987 including departmental charges had been furnished. The details furnished are the actual expenditure incurred by the CPWD and were based on the reconciled monthly accounts with the office of the PAO. Normally monthly accounts are sent by the Divisional Office to the PAO for reconciliation every month and housing under the Crash Housing Plan also forms a part of the monthly accounts and, therefore, once these are reconciled with the PAO, these figures get automatically authenticated by the PAO.

In case the PAC still desires to have the expenditure details certified by the concerned PAO instead of relying on the reconciled figures given by the Chief Engineers, this would take considerable time as nearly 120 monthly accounts for each Division involved in the Crash Housing Works in various cities will have to be looked into by the PAO and then these accounts have to be certified. Besides, certain Divisions involved in the Crash Housing Plan have been closed and they have been merged with other Divisions. Also, the PAOs involved have been bifurcated, as is the case of Bombay, and Madras. Such being the case, tracing out old records and reconciling the figures from monthly accounts once again and getting them certified by the PAO may take considerable time.

It is, therefore, requested that Public Accounts Committee may kindly consider acceptance of the reconciled figures as already furnished in the Action Taken Note. However, if the certified figures are still required, these would be obtained through the P & AO and would be furnished in due course.

[Ministry of Urban Development O.M. No. 12011/2/87-W2 (Vol. IV)
dated 17-7-92]

Recommendation

It is equally surprising to the Committee that for a committee project costing over Rs. 50 crores, no separate provision was made in the accounts so as to keep a watch on the actual expenditure as against the provision in the budget. While on the one hand Audit was intimated that the progressive expenditure on the scheme was Rs. 125 crores upto March 1986, the Committee have been informed that the expenditure was only Rs. 94.59 crores upto March 1987. The casual manner in which this discrepancy was sought to be explained away brings into sharp focus the irresponsible manner in which the affairs of the Ministry have been and still are being conducted. Though the Ministry agreed to reconcile the discrepancy during evidence, details of reconciliation have not been

furnished to the committee so far, bringing out lack of concern of the Ministry for its accountability to Parliament. The Committee desire that the discrepancy between the two figures should be reconciled expeditiously and the results of reconciliation intimated to the Committee.

[Sl. No. 13, Para 6.14 of 143rd Report of PAC (8th LS)]

Action Taken

The figure of Rs. 125 crores upto March 1986 was a combined figure for Crash Housing Programme and normal general pool housing programme as the Head of Account was same. The Progressive expenditure on Crash Housing Scheme was inadvertently intimated to Audit as Rs. 125 crores. The discrepancy is regretted. The total amount of expenditure incurred upto March 1987 is Rs. 95.05 Crores including departmental Charges. The break up is as under:—

Year	Expenditure (Rupees in lakhs)
1978-79	667.33
1979-80	1263.57
1980-81	1306.81
1981-82	1824.24
1982-83	1770.18
1983-84	1283.72
1984-85	612.90
1985-86	403.47
1986-87	372.67
Total	9504.89

Observations made by the Audit

Ministry may apprise PAC of the upto date actual expenditure duly certified by the concerned PAO on Crash Housing Project as against the sectioned estimate of Rs. 96.91 crores.

Further Comments

The necessary information is being collected and will be furnished to the PAC as early as possible.

[Ministry of Urban Development O.M. No. 12011/2/87/WZ (Vol. IV)
dated 31-1-91]

Updated Action Taken Notes received from Ministry of Urban Development

The figures of Rs. 125 crores upto March 1986 was a combined figure for Crash Housing Programme and normal general pool housing programme as the Head of Account was same. The Progressive expenditure on Crash Housing Scheme was inadvertently intimated to Audit as Rs. 125

crores. The discrepancy is regretted. The total amount of expenditure incurred upto March 1987 is Rs. 95.05 Crores including departmental Charges. The break up is as under:—

Year	Expenditure (Rupees in lakhs)
1978-79	667.33
1979-80	1263.57
1980-81	1306.81
1981-82	1824.24
1982-83	1770.18
1983-84	1283.72
1984-85	612.90
1985-86	403.47
1986-87	372.67
Total	9504.89

Observation made by the Audit

Ministry may apprise PAC of the upto date Actual expenditure duly certified by the concerned PAO on Crash Housing Project as against the sanctioned estimate of Rs. 96.91 crores.

Further Comments

The necessary information is being collected and will be furnished to the PAC as early as possible.

Further Action Taken Note

In the Action Taken Note details of the expenditure of Rs. 95.05 crores incurred upto March, 1987 including departmental charges had been furnished. The details furnished are the actual expenditure incurred by the CPWD and were based on the reconciled monthly accounts with the office of PAO. Normally, the monthly accounts are sent by the Divisional Office to the PAO for reconciliation every month and housing under the Crash Housing Plan also forms a part of the monthly accounts and, therefore, once these are reconciled with the PAO, these figures get automatically authenticated by the PAO.

In case the PAC still desires to have the expenditure details certified by the concerned PAO instead of relying on the reconciled figures given by the Chief Engineers, this would take considerable time as nearly 120 monthly accounts for each Division involved in the Crash Housing Works in various cities will have to be looked into by the PAO and then these accounts have to be certified. Besides, certain Divisions' involved in the Crash Housing Plan have been closed and they have been merged with other Divisions. Also, the PAOs involved have been bifurcated, as is the case of Bombay, and Madras. Such being the case, tracing out the old records and reconciling the figures from monthly accounts once again and getting them certified by the PAO may take considerable time.

It is, therefore, requested that Public Accounts Committee may kindly consider acceptance of the reconciled figures as already furnished in the Action Taken Note. However, if the certified figures are still required, these would be obtained through the PAO, and would be furnished in due course.

[Ministry of Urban Development O.M. No. 12011/2/87/WZ (Vol. IV)
dated 17-7-92]

Recommendation

The delay in construction of quarters according to Audit resulted in avoidable payment of Rs. 3.95 crores as house rent allowance to prospective allottees and loss of revenue of Rs. 1.87 crores by way of licence fee. A further loss of revenue of Rs. 14.86 lakhs and payment of house rent allowance of Rs. 28.95 lakhs on account of delays in handing over completed quarters at various places has also been calculated by Audit. In Hyderabad, out of 680 quarters constructed, 200 are still vacant. Delays in getting electric and water supply connections, non-posting of an Estate Officer at Hyderabad and non-availability of infrastructure at places where quarters were constructed have been cited by the Ministry as contributory reasons for delays in handing over quarters. It is highly deplorable that the completion of quarters and provision of essential facilities could not be synchronised which resulted in heavy losses to exchequer. The Committee would like the Ministry of Urban Development to evolve a suitable machinery and take other necessary step to prevent such eventualities in future.

[Sl. No. 21, Para 11.2 of 143rd Report of PAC (8th LS)]

Action Taken

An Estate Officer could not be posted at Hyderabad immediately as there was a ban on creation of non-plan posts. The Director of Estates i.e., however, taking action for creation of the required posts and for posting an Estate Officer at Hyderabad.

The Electric, Water Sewage connections are provided by the local authorities, which are under the control of State Governments. Though the CPWD applies well in time for these connections, the local authorities take their own time to sanction them. The PAC's observations have been brought to the notice of all State Governments and they have been requested to advise all the local authorities for provision of essential services to the completed Government quarters without any delay.

Observation made by the Audit

Ministry may apprise PAC (i) of the decision taken in the meeting of Central Council for Local Govt. and Urban Development as and when held and (ii) present position with regard to allotment of quarters at Hyderabad.

Further Comments

- (i) Outcome of the meeting of the Central Council for Local Govt. & Urban Development would be apprised in due course;
- (ii) The present position with regard to the allotment of quarters at Hyderabad is being ascertained and will be intimated to the PAC as early as possible.

[Ministry of Urban Development O.M. No. 12011/2/87-WZ (Vol. IV)
dated 31-1-91]

Updated Action Taken Notes furnished by Ministry of Urban Development

An Estate Officer could not be posted at Hyderabad immediately as there was a ban on creation of non-plan posts. The Director of Estates i.e., however, taking action for creation of the required posts and for posting an Estate Officer at Hyderabad.

The Electric, Water Sewage connections are provided by the local authorities, which are under the control of State Governments. Though the CPWD applies well in time for these connections, the local authorities take their own time to sanction them. The PAC's observations have been brought to the notice of all State Governments and they have been requested to advise all the local authorities for provision of essential services to the completed Government quarters without any delay.

Observation made by the Audit

Ministry may apprise PAC (i) of the decision taken in the meeting of Central Council for Local Govt. and Urban Development as and when held and (ii) present position with regard to allotment of quarters at Hyderabad.

Further Comments

- (i) Outcome of the meeting of the Central Council for Local Govt. & Urban Development would be apprised in due course;
- (ii) The present position with regard to the allotment of quarters at Hyderabad is being ascertained and will be intimated to the PAC as early as possible.

Further Action Taken Notes

The meeting of the Central Council for Local Government and Urban Development has not yet been held.

As on 29th February 1992 as against 676 quarters available, 640 quarters are occupied (taking into account quarters placed at the disposal of other Departments) and 36 quarters are lying vacant. With regard to Hostel accommodation against 32 units available, six are occupied and 26 are vacant. One of the reasons for the residential accommodation remaining vacant is that the colony is situated approximately 30 kms. away from Hyderabad City and is still lacking in some basic amenities like Post

Office, Gas Agency, Market, etc. It may, however, be pointed out that the occupancy is gradually increasing and once the basic facilities are provided the position is likely to improve further.

[Ministry of Urban Development O.M. No. 12011/2/87-WZ (Vol. IV)
dated 17-7-92]

Recommendation

The Committee note that HUDCO'S cost reduction factors related to downgrading of certain technical specifications, the admissibility or effectiveness of which were never considered by Government. The Committee fail to understand why the CPWD which is expected to be a repository of construction expertise in the country, did not ascertain the new construction techniques to be adopted by HUDCO and evaluate them before awarding the work to HUDCO. The Committee also wonder how the technical wing of the Ministry gave clearance for the claims of HUDCO of cost reduction without an analysis of the factors and technical clearance thereof. The Committee are of the opinion that the entire issue relating to acceptance of cost reduction factors which led to technical deficiencies should be investigated, responsibilities fixed and appropriate action taken against Government Officials responsible for accepting the downgraded specifications. The Committee would also like to be apprised of the circumstances under which the quarters of substandard quality constructed by HUDCO were converted into transit accommodation instead of regular quarters.

[Sl. No. 24, Para 12.10 of 143rd Report of PAC (8th LS)]

Action taken

Even though the CPWD had some reservations regarding the specifications to be adopted by the HUDCO, it was decided at the level of the then Minister of Works & Housing to grant total freedom to HUDCO to try out innovative techniques and specifications on an experimental basis. This was done with a view to introducing these techniques in other departments, in case the experiment was successful. (Decisions taken on 8th June, 1979, in a meeting chaired by the then Minister of Works & Housing. Minutes circulated vide No. 17024/4/79-WZ dated the 14th June 1979. (copy enclosed). The HUDCO was, however, unable to complete the work due to administrative reasons and CPWD had to take over incomplete construction work on condition on 'as is where is basis'.

The proposal regarding creation of transit accommodation was not acted upon. These quarters were and are being allotted as regular accommodation and no transit accommodation had been created by conversion of these quarters.

Observations made by the Audit

PAC in this para desired that the entire issue relating to acceptance of cost reduction factors which led to technical deficiencies should be investigated, responsibilities fixed and appropriate action taken against the Govt. Officials responsible for accepting down-graded specification. Ministry's specific recommendations in this regard have not been mentioned in the Action Taken Note. This aspect may kindly be looked into and PAC apprised of the position accordingly under intimation to this office.

Further Comments

The observation of the Audit has been noted for further action.

Further Action Taken Note

A copy of the minutes of the meeting chaired by the then Minister of Works & Housing on 8th June, 1979 had already been sent alongwith the earlier Action Taken Note. In this connection reference is invited to the decisions taken as indicated in para 2 of the minutes. It would be observed that the then Minister had stated that the idea of this venture was to try out various innovations in building techniques and to provide the organisations (which included HUDCO) with the opportunity to prove their claim that by adopting those techniques the cost would be brought down. It had also been mentioned during the meeting that if the experiment proved a success all the building agencies in the country both in the public and the private sectors could be asked to make use of these techniques. On the other hand if the experiment failed, the intention was to recommend withdrawal of any Governmental support for such experimentation keeping these factors in view, comparison of the cost proposed by these agencies with that of the CPWD was not favoured. Similarly the question of CPWD supervising the specifications proposed by these agencies also was not favoured as it had been decided that full freedom for these agencies should be allowed to try out their techniques and specifications. In this connection reference is also invited to the letter dated 3rd July 1979 awarding the work of construction of 875 quarters to the HUDCO according to which the agency will be free to adopt its own design and specifications and shall have to certify the structural safety and soundness of the buildings. From the position narrated above, it would be observed that decision to adopt the designs and specifications, which would also include cost reduction factors, vested entirely in the HUDCO. In view of this, the question of fixing responsibility and taking appropriate action against the Govt. Officials responsible for accepting downgraded specifications will not arise. The letter awarding the work to HUDCO on

their estimated cost of Rs. 1.58 crores plus 6% departmental charges on completion cost was issued with the approval of the Integrated Finance of the Ministry.

[Ministry of Urban Development O.M. No. 12011/2/87-WZ (Vol. IV) dated 17.7.92].

Recommendation

The Committee consider it unfortunate that in none of the arbitration cases the department succeeded in establishing its claim against the contractors; it is apparent that several latent failures of the Department were not taken note of before rescinding the contracts and award of work at the risk and cost of the contractors. The Committee recommend that each of the 7 cases may be thoroughly examined, and responsibilities fixed for the loss of Rs. 52.36 lakhs.

[Sl. No. 25, Para 13.3 of 143rd Report of PAC (8th LS)].

Action Taken

The Director General (Works), CPWD has re-examined all the cases but responsibility cannot be pin-pointed due to involvement at various levels. Some of the reasons given by the Arbitrator in the award like site not fully handed over to the contractor, circumstances in which both parties to the contract, i.e. department & contractor had no control involves various agencies like the Directorate of Estates, other departments like local administrators unable to make available building materials in market like bricks, etc.

Observations made by the Audit

It was observed during audit that there were departmental lapses regarding issue of notices etc. under Clauses 2 & 3 of Contract and other irregularities such as not ensuring the supply of stipulated materials and lack of coordinations with local bodies. Ministry may like to spell out the lapses in each of the seven cases and indicate reasons as to why responsibility could not be fixed in all these cases.

Further comments

A report indicating the lapses in each of the seven cases and the reasons for not fixing the responsibility will be furnished as advised by the Audit.

[Ministry of Urban Development O.M. No.12011/2/87-WZ (Vol. IV) dated 31.1.91].

Updated action taken note furnished by Ministry of Urban Development

The Director General (Works), CPWD has re-examined all the cases but responsibility cannot be pin-pointed due to involvement at various levels. Some of the reasons given by the Arbitrator in the award like site not fully handed over to the contractor, circumstances in which both parties to the

contract, i.e. department & contractor had no control involves various agencies like the Directorate of Estates, other departments like local administrators unable to make available building materials in market like bricks, etc.

Observations made by the Audit

It was observed during audit that there were departmental lapses regarding issue of notices etc. under Clauses 2 & 3 of Contract and other irregularities such as not ensuring the supply of stipulated materials and lack of coordinations with local bodies. Ministry may like to spell out the lapses in each of the seven cases and indicate reasons as to why responsibility could not be fixed in all these cases.

Further Comments

A report indicating the lapses in each of the seven cases and the reasons for not fixing the responsibility will be furnished as advised by the Audit.

Further action taken note

A detailed report* of the 7 cases pertaining to arbitration award bringing out the claims put forward for the contractors/Departments, the award made by the Arbitrator, and the comments thereof is enclosed for perusal.

It may be seen therefrom that most of the awards pertain to recession at the contract being mainly due to delay in the execution of the work, which though does appear to be valid from the departmental side, had been held invalid by the Arbitrator. Since the arbitration awards cannot be challenged as per the Arbitration Act, except for misconduct, all the Arbitration awards were accepted as it is. The other reasons for the awards are due to recession non-supply of departmental material in time, land being not made available and award due to rise in cost of material, due to increase in cost of building material during the period of contract. It is requested that PAC may kindly consider dropping the para.

[Ministry of Urban Development O.M. No. 12011/2/87-WZ (Vol. IV)
dated 17.7.92]

Recommendation

The Committee note that the work of construction of 1000 quarters was awarded in NBCC with a view to adopt new techniques of construction and achieve cost reduction as compared to the costs incurred by CPWD. The Committee would like to be enlightened about the new techniques actually adopted, cost reduction actually effected, and steps taken to review the utility and adoption of the new techniques.

*. Copy not appended.

Action Taken Notes

The NBCC was required to adopt some specifications of the work as followed by the CPWD. In the award letter there was no mention regarding use of new techniques or reduction in cost to the effected by the NBCC.

Observations made by the Audit

The final cost of construction of 1000 quarters by NBCC was more as compared to similar type of quarters constructed by CPWD. The work was awarded to NBCC on turn-key basis at a total ceiling cost of Rs. 2.78 crores. Intention of the Government in awarding the contract to NBCC was to get these quarters completed early at a reduced cost of construction as compared to that of CPWD by adoption of new techniques (para 3 of the minutes of the meeting held on 4.6.79 relating to award of work to HUDCO, Central Building Research Institute, Roorkee and NBCC refers). Both the objectives were not, however, achieved.

[Ministry of Urban Development O.M. No. 12011/2/87-WZ (Vol. IV) dated 31.1.91].

Updated action taken note furnished by Ministry of Urban Development

The NBCC was required to adopt some specifications of the work as followed by the CPWD. In the award letter there was no mention regarding use of new techniques or reduction in cost to be affected by the NBCC.

Observations made by the Audit

The final cost of construction of 1000 quarters by NBCC was more as compared to similar type of quarters constructed by CPWD. The work was awarded to NBCC on turn-key basis at a total ceiling cost of Rs. 2.78 crores. Intention of the Government in awarding the contract to NBCC was to get these quarters completed early at a reduced cost of construction as compared to that of the CPWD by adoption of new techniques (para 3 of the minutes of the meeting held on 4.6.79 relating to award of work to HUDCO, Central Building Research Institute, Roorkee and NBCC refers). Both the objectives were not, however, achieved.

Further action taken note

The observation of the Audit that the objective of expeditious completion of the quarters at a reduced cost of construction by the NBCC as compared to that of CPWD by adoption of new techniques was not achieved is correct. It would, however, be observed from the minutes of the meeting held under the Chairmanship of the then Minister of Works & Housing on 4th June 1979 that the idea of awarding the work to the organisations was to try out the various innovations in building techniques

and to provide them with the opportunity to prove their claim that by adopting these techniques the cost would be brought down. Unfortunately this idea has not proved to be successful and it can, therefore, only be stated that the experiment of awarding the work to the Public Sector Undertakings has not proved to be a success. It would, however, be noted that the decision of awarding the work was taken at the highest level in the Ministry.

[Ministry of Urban Development O.M. No. 12011/2/87-WZ (Vol. IV) dated 17.7.92].

Recommendation

The Committee note that while on the one hand award of work was to ensure cost efficiency, NBCC was allowed to be paid the highest rates as available in a far off place, rather than in the neighbouring area. What is equally surprising to the Committee is that the Department agreed for a percentage increase without having any idea what the percentage increase would be or what its effect would be on the cost of the works or whether the condition was workable at all. In any case, when the prevailing rate in another area in the city at the time of award of work to NBCC was only 13.74% above the schedule of rate and earlier rates in the same area, hardly 5 months before, were only 11.25 to 13.90 per cent over the schedule of rates, the inescapable conclusion is that an undue favour was done to NBCC by granting an increase of 31.47% above the schedule of rate by taking recourse to a rate prevailing in an entirely different locality. The Committee are of the strong view that the extra expenditure of Rs. 56.75 lakhs incurred by adoption of higher rate for award of contract to NBCC is quite unjustified. The Committee recommend that responsibility for agreeing to such loose terms resulting in the avoidable extra expenditure of Rs. 56.75 lakhs upto August 1986 should be fixed and suitable action taken against those found responsible.

[Sl. No. 28, para 14.6 of 143rd Report of PAC (8th LS)].

Action Taken

The tenders for the work at 11.25% to 13.90% over the Schedule of rates were invited during the period November 1978 to March 1979. There was a steep rise in construction cost in the year 1979-80. The contracts were given to the NBCC on the condition that the amount payable for the work to be executed by them shall be the same as incurred by the CPWD on the basis of tenders invited in June-July 1979 and accepted by the CPWD plus 6% departmental charges. No tenders however had been invited during these months by the CPWD. The tenders received nearest to these months were those received on 13th May 1979 for similar civil works at Mall Road. These tenders were 31.47% above the Schedule of rates. The cost of construction does not vary from place to place in the same city. The exercise done by the audit to work out extra expenditure etc. on this work is purely hypothetical.

Observations made by the Audit

Ministry had replied that no tenders had been invited during June/July, 1979 and that the work awarded to NBCC @ 31.47% was based on a tender received nearest to these months (received on 18.5.79) by PWD (Delhi Admn.) for similar work at 31.47%. The reply given by the Ministry is not convincing, as it would be seen from KD No. 51 (copy enclosed) that a work was awarded by the CPWD at a negotiated rate of 13.74 percent above DSR 1977 in June, 1979.

Further Comments

The matter is being re-examined in the light of the observations made by the audit and the PAC will be apprised of the position.

[Ministry of Urban Development O.M. No. 12011/2/87-WZ (Vol. IV) dated 31.1.91].

CHAPTER IV

RECOMMENDATIONS AND OBSERVATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Recommendation

Government servants are provided housing facility as Welfare measure and not as a service condition. While conceding the contention that Government need not accept responsibility to provide houses to all its employees, it is rather unfortunate that Government have not formulated any policy as to what level of satisfaction has to be achieved in the matter of providing houses to Government employees. Though employees can be helped in other ways also such as by grant of housing loans, formation of Cooperative Housing Societies, grant of houses rent allowance etc., yet considering the acute shortage of housing in general in all metropolitan cities, high level of rents and the need to encourage a planned growth of housing facilities in general as a plan programme, the Committee are convinced that Government must evolve a definite policy regarding provision of accommodation to its employees and chalk out a time bound programme as a plan project keeping in view the need to provide adequate accommodation to its employees as well as constraint of resources.

[Sl. No. 1, para 3.7 of 143rd Report of PAC (8th LS)]

ACTION TAKEN

A perspective plan for 20 years for construction of general pool was prepared in February 1977. The allocation of funds was however not in conformity with the plan. As much the plan could not make much headway.

In December, 1984, the plan was reviewed. It was decided that at least 70% employees in Delhi and 50% employees in other stations be provided with government accommodation by the end of the 7th Plan Period.

To achieve this target, an outlay of Rs. 1180 crores (Rs. 958 crores for residential accommodation and Rs. 222 crores for non residential accommodation) was proposed for the 7th Plan period. The Planning commission however allocated a sum of Rs. 165 crores (Rs. 135 crores for residential accommodation and Rs. 30 crores for non-residential accommodation). Even this amount was not fully provided. The actual allocation for the 7th Plan period was only Rs. 134 crores. The

construction of General Pool Accommodation was not accorded high priority for allocation of funds. The land for construction of General pool accommodation at Delhi and other metropolitan cities was also not available in adequate quantity.

It was therefore, not been possible to achieve this percentage due to the following two main reasons:—

1. Low allocation of funds for construction of general pool housing; and
2. Non-availability of land in big cities.

In October, 1989, a Committee, under the chairmanship of Secretary (UD) has been constituted, to draw a fresh perspective plan for general pool accommodation for providing appropriate level of satisfaction in housing. It is the endeavour of the Government to provide as many more houses to its employees as possible, within the above constraints.

Observation made by the Audit

No Comments. However, Ministry may apprise PAC of the policy decision taken in October, 1989.

Further Comments

It has been decided to formulate a 20 years perspective plan, the details of which are being worked out and will be intimated as soon as finalised.

[Ministry of Urban Development O.M. No. 12011/2/87-WZ (Vol. IV)
dated 31.1.91]

Updated Action Taken Notes Furnished by Ministry of Urban Development

A perspective plan for 20 years for construction of general pool was prepared in February, 1977. The allocation of funds was however not in conformity with the plan. As such the plan could not make much headway.

In December, 1984, the plan was reviewed. It was decided that at least 70% employees in Delhi and 50% employees in other stations be provided with Government accommodation by the end of the 7th Plan period.

To achieve this target, an outlay of Rs. 1180 crores (Rs. 958 crores for residential accommodation and Rs. 222 crores for non residential accommodation) was proposed for the 7th Plan period. The Planning Commission however allocated a sum of Rs. 165 crores (Rs. 135 crores for residential accommodation and Rs. 30 crores for non-residential accommodation). Even this amount was not fully provided. The actual allocation for the 7th Plan period was only Rs. 134 crores the construction

of General Pool Accommodation was not accorded high priority for allocation of funds. The land for construction of general pool accommodation at Delhi and other metropolitan cities was also not available in adequate quantity.

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Observation made by the Audit

No Comments However, Ministry may apprise PAC of the policy decision taken in October, 1989.

Further Comments

It has been decided to formulate a 20 years perspective plan, the details of which are being worked out and will be intimated as soon as finalised.

Further Action Taken Note

The question of formulating a 20 year perspective Plan has been subsequently discussed in a meeting in the Ministry and it was decided that only a 5-year Plan for General Pool Accommodation may be prepared in stead of a 20-year Perspective Plan. This was done due to financial constraints and restricted budgetary allotments. Accordingly, 8th Five Year Plan proposals were prepared taking into account the requirements of satisfaction level in various cities. Initially the Eighth Five Year Plan proposal was for an allocation of Rs. 1240 crores for residential accommodation and Rs. 425 crores for non-residential accommodation for achieving 70% satisfaction level at Delhi and 50% for outside cities. Considering the fact that this proposal was too much on the higher side keeping in view the actual allocation of Rs. 165 crores for General Pool Accommodation consisting of Rs. 135 crores for residential Accommodation and Rs. 30 crores for non-residential accommodation for the 7th Five Year Plan Period, and Rs. 22.00 crores for the residential accommodation and Rs. 4.00 crores for non-residential accommodation during the year 1990-91 and Rs. 30.00 crores for residential accommodation and Rs. 5.00 crores for non-residential accommodation during the year 1991-92, the proposal for 8th Five Plan was modified. According to the modified proposal a sum of Rs. 390 crores for residential accommodation and Rs. 100 crores for non-residential

accommodation was proposed for the Eighth Five Year Plan Period. It may be mentioned that against even the reduced amount proposed for the Eighth Five Year Plan, allocation of funds for the year 1992-93 has only been Rs. 20 crores for residential accommodation and Rs. 5 crores for non-residential accommodation. Due to the fluctuating and meagre annual allocation for General Pool Constructions, attempts at formulating Perspective Plan for 20 years, even reduced to 5 years, has been going off the rails on each occasion, Unless firm commitments are received on the question of funds which would be available over a 5-20 year period, it is not possible to formulate any realistic Perspective Plan.

[Ministry of Urban Development O.M. No. 12011/2/87-WZ, (Vol. IV) dated 17.7.92]

Recommendation

The Committee are surprised to note that despite the very low level of satisfaction, employees assisted by Government to build and own their houses are also eligible for allotment of Government accommodation if they fall within the prescribed priority dates. The reasons given for eligibility of such Government employees to allotment of Government accommodation are far from convincing if viewed in the context of the object of assistance to the employees for acquiring their own houses. The Committee are convinced that the employees once assisted to procure and own accommodation at the place of posting should not be eligible for allotment of Government accommodation on the same place until all other eligible officers have been allotted Government accommodation. The Committee recommended that the rules in this regard should be amended appropriately.

[Sl. No. 3, Para 3.9 of 143rd Report of PAC (8th LS)]

Action Taken

The matter relating to eligibility of house-owning Government officials for allotment of Government residential accommodation has been considered a number of times. There was a proposal to declare the house owning officers as ineligible for general pool accommodation but it was decided that it would be better to tighten the conditions for allotment/retention of Government accommodation after transfer-retirement etc. There was also another proposal where in it was suggested that the house owning Government Servants who want to retain Govt. accommodation should surrender their private houses to Government at a rent that would provide them with a reasonable return on the capital cost etc. This was, however, not found to be feasible and it was proposed that the rates of recovery of licence fee from house-owning officer may be revised upward. A decision is yet to be taken to enhance the licence fee to be charged from house-owning officers.

Observations made by the Audit

Since the final decision in regard to enhancing the rates of recovery of licence fee from the house-owning officers is yet to be taken by the Ministry, the audit has no comments to offer. The decision however will be awaited in Audit.

Further Comments

The decision as and when taken will be intimated to the Audit.

Further Action Taken Note

It is proposed to obtain approval of the Cabinet Committee on Accommodation regarding the licence fee to be charged from the House owning officers. While doing so, it is also proposed to place the recommendations of the Public Accounts Committee before the CCA. As soon as a decision is taken, the same will be intimated to the Public Accounts Committee.

[Ministry of Urban Development O.M. No. 12011/2/87-WZ (Vol. IV) dated 17.7.92]

Recommendation

Even on the basis of the particulars furnished by the Ministry on the extent of registered demand (which are deliberately kept low) and supply of Government accommodation the Committee are constrained to note that in some of the major cities like Bombay, Madras, Chandigarh, Bangalore etc. where it is very difficult to procure a decent accommodation with the limited house rent allowance offered by Government, the percentage of satisfaction with reference to registered demand is less than 50 and in particular, at Bombay, it is as low as 20. In Delhi and Calcutta the level of satisfaction with reference to the registered demand is 56 and 58 per cent respectively. The Committee feel concerned over the highly lopsided provision of houses and recommend that special schemes for increasing the availability of houses in major metropolitan cities by a time bound programme should be introduced. While noting the heavy shortage in several places, the Committee would like to know the justification for construction of quarters at Hyderabad where supply (644 quarters) is substantially in excess of the registered demand (266 quarters).

[Sl. No. 4, Para 3.10 of 143rd Report of PAC (8th LS)]

Action Taken

To the Committee's recommendation that a time bound programme should be introduced for increasing availability of houses in major metropolitan cities, it is stated that due to low allocation of funds for general pool accommodation and the non-availability of land in major cities, it is not possible to construct large number of houses.

Based on the Survey Report carried out some time during 1985-86, the demand for different types of quarters at Hyderabad was 7,990. Therefore, the demand for quarters as assumed by the Audit as 266 at Hyderabad is not correct. So far 676 quarters (not 644 Nos. as noted by the Audit) have been constructed and, out of these, 595 quarters were occupied by the end of November 1989. The demand, which was very low due to non-availability of certain essential amenities, had picked up after provision of these amenities.

Observations made by the Audit

The figure of demand and availability as 266 & 644 respectively as pointed out by audit was based on the figures furnished by the Ministry in their reply to Question No. of questionnaire for post evidence. Ministry may, therefore, check up the position and revise their reply accordingly.

Further Comments

The figures given in reply to the questionnaire are being checked and a revised reply will be prepared, if called for, and sent to the PAC.

[Ministry of Urban Development O.M. No. 12011/2/87/WZ (Vol. IV)
dated 31.1.91]

Action Taken Note Furnished by Ministry of Urban Development

To the Committee's recommendation that a time bound programme should be introduced for increasing availability of houses in major metropolitan cities, it is stated that due to low allocation of funds for general poor accommodation and due to non-availability of land in major cities, it is not possible to construct large number of houses. A statement showing the number of quarters under construction at various places is enclosed.

Based on the Survey Report carried out some time during 1985-86, the demand for different types of quarters at Hyderabad was 7,990. Therefore, the demand for quarters as assumed by the Audit as 266 at Hyderabad is not correct. So far 676 quarters (not 644 Nos. as noted by the Audit) have been constructed and, out of these, 595 quarters were occupied by the end of November 1989. The demand, which was very low due to non-availability of certain essential amenities, had picked up after provision of these amenities.

Observations made by the Audit

The figure of demand and availability as 266 & 644 respectively as pointed out by audit was based on the figures furnished by the Ministry in their reply to Question No. I of questionnaire for post evidence. Ministry may, therefore, check up the position and revise their reply accordingly.

Further Comments

The figures given in reply to the questionnaire are being checked and a revised reply will be prepared, if called for, and sent to the PAC.

Further Action Taken Note

As desired by the Audit, the demand and availability of residential accommodation at Hyderabad has been re-checked by the Central Public Works Department, and as per the position, the total figure of demand was 4,703 during 1985-86. Thus, the figure given earlier was not correct. The error is highly regretted. As on 29.2.1992 as against 676 quarters available, 640 quarters are occupied (after taking into account quarters placed at the disposal of other Departments) and 36 quarters are laying vacant. With regard to the Hostel accommodation, as against 32 units available, 6 are occupied, and 26 are vacant. One of the reasons for the residential accommodation remaining vacant is that the Government Colony is situated approximately 30 Kms. away from the Hyderabad City and is still lacking in some basic amenities like Post Office, Gas Agency, market, etc. It would, however, be noted that the occupancy is gradually increasing and the position is expected to improve with provision of basic amenities to the colony.

[Ministry of Urban Development O.M.No. 12011/2/87-WZ.(Vol.IV)
dated 17.7.92]

Recommendation

The Committee have been informed that the level of addition of new Government Quarters for Government servants was of the order of 2500 to 2700 units per year upto 1977 and that the crash programme planned to increase the annual output to 10,000 units per year for a period of 3 years from 1978. On the other hand, despite introduction of the crash programme, the output has not come anywhere near the target in as much as it was hardly 3400 units per year during the envisaged period of 3 years and about 3240 units per year during the last 10 years. It is obvious that the Crash Housing Programme introduced with great fanfare has not been implemented with any degree of seriousness or urgency. The Committee cannot but regret that due to failure of the crash scheme the Government failed to make any dent into the problem of shortage of accommodation for Government employees during the period the scheme has been in operation. Unfortunately the scheme has proved to be no more than a paper exercise without any real value.

[Sl.No.5. Para 4.5 of 143rd Report of PAC (8th LS)]

Action Taken

The difficulty in getting adequate funds, land for construction (which in some places were occupied by others) and delay in approval of plans by local authorities were unanticipated factors and these affected the implementation of the Scheme. It could be seen that the Cresh Programme definitely helped increase the annual rate of construction of house and number of house as compared to the previous years.

The other remarks of the PAC have been noted for future guidance.

[Ministry of Urban Development O.M.No.12011/2/87-WZ (Vol. IV)
dated 31.1.91]

CHAPTER V

RECOMMENDATION AND OBSERVATION IN RESPECT OF WHICH GOVT. HAVE FURNISHED INTERIM REPLIES

Recommendation

The Committee are perturbed to note that Housing and Urban Development Corporation (HUDCO) although essentially a planning and financial institution having no experience of construction work, was awarded construction of 875 quarters of various types at Delhi on turn key basis. Even though it was found out at quite an early stage of construction in December 1979 that the work was being done in "unengineering" manner and quality was not acceptable to any responsible technical authority, yet contract was not rescinded and HUDCO was allowed to continue work till May 1985. Originally the date of completion of work was 12 July 1980. The work was awarded at the estimated cost of Rs.1.58 crores plus departmental charges of 6 per cent. But HUDCO has already been paid Rs.2.05 crores upto May 1985 and the cost of balance works was estimated to be Rs.1.13 crores. The Committee would like the Ministry to reassess the work done by HUDCO and recover the excess payment made to HUDCO. The Committee would like to be informed of the decision when taken. They recommend that in future only experienced agencies are engaged in construction work particularly of this magnitude.

[SI No.22, Para 12.8 of 143rd Report of PAC (8th LS)]

Action Taken

Action has been initiated for the finalisation of accounts with HUDCO. The Committee's recommendation to engage only experienced agencies in construction work in future have been noted for guidance.

Observations made by the Audit.

Since the accounts with HUDCO are yet to be finalised; Audit has no comments to offer. Ministry may, however apprise PAC of the outcome on finalisation of accounts with HUDCO.

Further Comments

The accounts are being finalised in consultation with the HUDCO and the CPWD and the final outcome will be intimated to the PAC as early as possible.

[Ministry of Urban Development O.M.No.12011/2/87-WZ (Vol. IV) dated 31.1.91]

(Updated Action Taken Notes Furnished by Ministry of Urban Development)

Action has been initiated for the finalisation of accounts with HUDCO. The Committee's recommendations to engage only experienced agencies in construction work in future have been noted for guidance.

Observations Made by the Audit

Since the accounts with HUDCO are yet to be finalised Audit has no comments to offer. Ministry may, however apprise PAC of the outcome on finalisation of accounts with HUDCO.

Further Comments

The accounts are being finalised in consultation with the HUDCO and the CPWD and the final outcome will be intimated to the PAC as early as possible.

Further Action Taken Note

The matter regarding finalisation of accounts is being pursued vigorously with HUDCO. The result will be intimated to the PAC.

Observations of the Audit

Since the Accounts with HUDCO are yet to be finalised, audit has no comments to offer. Ministry may, however, apprise PAC of the outcome of the finalisation of the Accounts.

Further Comments

The outcome of the finalisation of the accounts will be intimated to the Public Accounts Committee.

[Ministry of Urban Development O.M. NO. 12011/2/87-WZ(Vol. IV)
dated 17.7.92]

Recommendation

The committee have been informed that it is not a workable proposition to have one contractor for Demolition and another for construction because demolition contractor would take his time for completion of his job and thereafter only the building contract could be fixed. The Committee does not agree with this contention and recommend that the proper procedure to be adopted in such cases should be examined by a technical Committee and appropriate rules be laid down for strict compliance by the executive agencies. In the cases cited by Audit the reserve price fixed for dismantled material was as low as Rs. 17.28 lakhs as against the value of Rs. 85.98 lakhs worked out in accordance with the departmental regulations. According to the Department the rate of Rs. 17.28 lakhs related to the estimation done in January 1979 and the higher rate related to the estimation done in September 1980. Considering

the very little time lag, the Committee are not convinced by the clarification given. Though the Ministry agreed during evidence to investigate the reason for wide disparity in rates, the Committee regret that no information has been given to the Committee and they assume that no investigation has been carried out by the Ministry inspite of the assurance given to the Committee. The Ministry has also not given any information as to when the relevant contracts were awarded nor stated how for the estimate of Rs. 17.28 lakhs was justified. In view of the substantial variation between the amount realisable from the dismantled materials and the value worked out in accordance with the departmental regulation, the Committee recommend that the specific cases covered in the Audit paragraph may be fully investigated by a Committee appointed for the purpose and the results of investigation intimated to the Committee.

[Sl. No. 29, Para 15.7 of 143rd Report of PAC.(8th LS)]

Action Taken

The action to appoint a Technical Committee has been initiated. It is, however, likely to take some time before the Committee can make its recommendation and decisions taken thereon.

[Ministry of Urban Development O.M. No. 12011/2/87-WZ (Vol. IV)
dated 31.1.91]

(Updated Action Taken Notes Furnished by Ministry of Urban Development)

The action to appoint a Technical Committee has been initiated. It is, however, likely to take some time before the Committee can make its recommendation and decisions taken thereon.

Further Action Taken Note

The Technical Committee is finalising its report. As soon as the report is submitted the same would be considered. After consideration by the Government, results of the investigation will be communicated to the PAC.

[Ministry of Urban Development O.M. No. 12011/2/87-WZ (Vol. IV)
dated 17.7.92]

New Delhi;
August 18, 1992

ATAL BIHARI VAJPAYEE
Chairman,

Sravana 27, 1914 (Saka)

Public Accounts Committee

(iii)	**	**	**	**	**
(iv)	**	**	**	**	**

3. The Committee adopted the draft Action taken Reports at (ii), (iii), (iv) above with certain modifications as shown in Annexures I, II* and III* respectively. The Committee adopted the draft reports at (i) above without any amendment.

4. The Committee authorised the Chairman to finalise the draft Action Taken Reports in the light of the above modifications and other verbal and consequential changes arising out of factual verification by Audit and present the same to both the Houses of Parliament.

5.	**	**	**	**	**
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The Committee then adjourned.

ANNEXURE-I

Amendments/Modifications made by the Public Accounts Committee in the Draft Report on action taken on 143rd Report (8th Lok Sabha) relating to Crash Housing Programme for construction of general pool Accommodation

Page	Para	Line	Amendments/Modifications
9	1.14	5 (from bottom)	<i>Substitute 'has been' for 'was'</i>
13	1.18	18-22	<i>Substitute 'reiterate that employees once assisted to procure and own accommodation at the place of posting should not be eligible for Government accommodation until all officers have been allotted government accommodation.'</i> <i>For 'The Committee..... own houses.'</i>

APPENDIX

STATEMENT OF CONCLUSIONS / RECOMMENDATIONS

S. No.	Para No.	Min/Deptt. Concerned	Recommendations/Conclusions
1.	1.13	Ministry of Urban Development	<p>Prior to 1977, the rate of construction of housing accommodation for Government employees was of the order of 2500 to 2700 units per year. Taking note of the fact that the level of satisfaction of provision of Government housing facility was inadequate or low, Government made an announcement in August 1977 that a crash programme was being undertaken to increase the annual output to 10,000 units per year for a period of 3 years from 1978. In their earlier report, the Committee had expressed their concern over the fact that despite introduction of the crash programme, the output did not come anywhere near the target in as much as it was hardly 3400 units per year during the envisaged period of three years and about 3240 units per year during the last 10 years. According to the Ministry, the difficulty in getting adequate funds, land for construction and delay in approval of plans by local authorities were unanticipated factors which affected the implementation of the scheme. The Committee cannot help reiterating that the scheme which was announced with a laudable objective, was not given due thought and importance by those who were to implement it, with the result that it failed to achieve the objective.</p>

1	2	3	4
2.	1.14	-do-	<p>In their earlier Report, the Committee had noted the fact that in some of the major cities like Bombay, Madras, Chandigarh, Bangalore etc. where it was very difficult to procure a decent accommodation with the limited house rent allowance offered by Government, the percentage of satisfaction with reference to registered demand was less than 50 and particular, at Bombay, it was as low as 20. Considering the acute shortage of housing in general in all metropolitan cities, high level of rents and the need to encourage a planned growth of housing facilities, the Committee had recommended in their earlier Report that Government should evolve a definite policy regarding provision of accommodation to its employees and chalk out a time bound programme as a plan project. It is seen from the action taken note that in the case of Hyderabad out of 676 quarters available 36 quarters are still lying vacant on account of these quarters lacking some basic amenities like post office, gas agency, market, etc., according to the Ministry. As regards formulating a time bound programme regarding provision of accommodation, it is seen from the action taken note that according to the modified proposal a sum of Rs. 390 crores for residential accommodation and Rs. 100 crores for non-residential accommodation has been proposed for the Eighth Five Year Plan. According to the Ministry, against even the reduced amount proposed for the Eighth Five Year Plan, allocation of</p>

1	2	3	4
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funds for the year 1992-93 has only been Rs. 20 crores for residential accommodation. the Ministry have, therefore, stated that due to the fluctuating and meagre annual allocation for General Pool construction, attempts at formulating Perspective Plan for 20 years, even reduced to 5 years, has been going off the rails on each occasion. According to the Ministry, unless firm commitments are received on the question of funds which would be available over a 5-20 year period, it is not possible to formulate any realistic Perspective Plan. The Committee deem it rather unfortunate that the Government are unable to formulate any policy as to what level of satisfaction has to be achieved in the matter of providing houses to Government employees. What is even more unfortunate is that in cities like Hyderabad even existing quarters are not in full occupation on account of non-availability of basic amenities. The Committee desire that construction of quarters be synchronised with provision of essential services to fully utilise the available accommodation on which scare resources have been expended. Being fully convinced about the utility of the formulation of a definite policy, the Committee reiterate that Government should evolve a definite policy regarding provision of accommodation to its employees and chalk out a time bound programme as a plan project keeping in view the need to provide accommodation to its employees within the constraint of resources.

1	2	3	4
3.	1.18	Ministry of Development	<p>Urban In their earlier Report the Committee had recommended that the employees once assisted to procure and own accommodation at the place of posting should not be eligible for allotment of Government accommodation at the same place until all other eligible officers have been allotted the Government accommodation. According to the Ministry on considering the different alternatives it was finally proposed that the rates of recovery of licence fee from house owning officers might be revised upward on which the approval of the Cabinet Committee on Accommodation (CCA) was still to be obtained. It has been stated that while doing so, the recommendation of this Committee would also be placed before CCA. 143rd Report of the Public Accounts Committee was presented to Parliament on 17th March 1989 and more than three years have elapsed since then but unfortunately no concrete action has been taken on the said recommendation of the Committee. The Committee take a very serious view of the lackadaisical approach of the Government in the matter and considering the existing low levels of satisfaction reiterate that employees one assisted to procure and own accommodation at the place of posting should not be eligible for Govt. Accommodation until all officers have been allotted Govt. Accommodation. They recommend that the matter should be finalised with a period of six months keeping in vew the recommendation made by the Committee in Paragraph 3.9 of their 143rd Report.</p>