



Annual Report on the Functioning of Panchayats in Tamil Nadu

(2006-07 & 2007-08)

As provided under Section 166A of the Tamil Nadu Panchayats Act, 1994, the Annual Report on the functioning of Panchayats in the State of Tamil Nadu, for the year 2006-07 and 2007-08 is placed on the table of the Legislative Assembly.

**Department of Rural Development & Panchayat Raj
Government of Tamil Nadu**

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ஊராட்சி அமைப்புகளின் பிறப்பிடமாகத் திகழும் தமிழகத்தில் மூன்றாண்டுக்கு ஊராட்சிகள் சிறந்த முறையில் செயலாற்றிட, அதிகப்படியான அதிகாரங்கள் மற்றும் அத்தியாவசிய கடமைகளை நிறைவு செய்ய தேவையான நிதி ஆதாரங்களை தலைவர் கலைஞர் அவர்கள் தலைமையிலான கழக அரசு தாராளமாக வழங்கி வருகிறது.

ஊராட்சிகளின் திறமையான நிர்வாகத்திற்கு தேவையான குறைந்தபட்ச நிதி, வளர்ச்சித் திட்டங்களில் ஊராட்சிகளின் பங்கினை அதிகரித்தல், உள்ளாட்சிப் பிரதிநிதிகளின் நிலையான பதவிக் காலத்திற்கு வழிவகை செய்தல், ஒன்றியக் குழுத்தலைவர்களுக்கு வாகன வசதி, கம்பியில்லா தகவல் தொடர்பு வசதி, ஊராட்சிகளில் தொலைபேசி வசதி என பல்வேறு வசதிகளையும், திட்டங்களையும் செயல்படுத்தி ஊராட்சி அமைப்புகள் செயல்திறன் வாய்ந்த தன்னாட்சி நிர்வாக அமைப்புகளாக செயல்பட கழக அரசு தொடர்ந்து நடவடிக்கை எடுத்து வருகிறது.

2007-08ஆம் ஆண்டு வரை மாவட்ட ஊராட்சிகளின் ஆண்டறிக்கை மட்டுமே சட்டமன்றப் பேரவையில் வைக்கப்பட்டு வந்தது. இந்த நிலையை மாற்றி தற்போது, மாநில அளவில் ஊராட்சி அமைப்புகளின் செயல்பாட்டை விளக்கும் வகையில் ஊராட்சிகளின் பணி குறித்த ஆண்டறிக்கையினை சட்டமன்றப் பேரவையில் வைக்க நடவடிக்கை எடுக்கப்பட்டுள்ளது. இந்த புதிய நடைமுறையை செயல்படுத்துவதில் மட்டற்ற மகிழ்ச்சியடைகிறேன்.

(மு.க. ஸ்டாலின்)

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முகவுரை

தமிழ்நாடு ஊராட்சிகள் சட்டம் 1994, பிரிவு 165ன்படி 2007-2008ஆம் ஆண்டு வரை மாவட்ட ஊராட்சிகளின் ஆண்டறிக்கைகள் மட்டுமே சட்டமன்றப் பேரவையில் வைக்கப்பட்டு வந்தன. அதற்கு பதிலாக மூன்றடுக்கு ஊராட்சி அமைப்புகளின் ஒட்டு மொத்த செயல்பாடுகளையும் வெளிப்படுத்தும் வகையிலான அறிக்கையினை ஆண்டுதோறும் சட்டமன்றப் பேரவையில் வைத்திட அரசு முடிவு செய்து, தமிழ்நாடு ஊராட்சிகள் சட்டம் 1994, பிரிவு 165க்கு உரிய திருத்தத்தினை வெளியிட்டுள்ளது.

இத்திருத்தம், நடப்பு ஆண்டிலிருந்து தான் நடைமுறைக்கு வரும் என்ற போதிலும், 2006 மே மாதம் முதல் ஊராட்சி அமைப்புகளுக்கு வழங்கிய அதிகாரங்கள், கூடுதல் நிதி ஆதாரங்கள், வெளியிடப்பட்ட சட்டத் திருத்தங்கள், விதித் திருத்தங்கள், முக்கிய அரசாணைகள் ஆகியவற்றை விரிவாக விளக்கும் வகையில் மூன்றடுக்கு ஊராட்சி அமைப்புகளின் பணி குறித்த 2006-07, 2007-08ஆம் ஆண்டுக்களுக்கான ஆண்டறிக்கை சட்டமன்றப் பேரவையில் வைக்கப்படுகிறது என்பதை மகிழ்வுடன் தெரிவித்துக் கொள்கிறேன்.

(க. அஷோக் வர்தன் ஷெட்டி)

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1. INTRODUCTION

1. INTRODUCTION

Tamil Nadu has a long history of local self-governance as is evident from the Uthiramerur stone inscriptions in Kancheepuram District. Tamil Nadu, in those days, was a land of village republics, with community groups undertaking many activities for their area development. This tradition reached its peak during the 10th and 11th centuries under the reign of Cholas when Village Councils used to levy taxes, improve community life and administer justice in their limited area. These Village Councils had effective links with the Chola rulers. "Kuda Olai Murai" was the name of the secret ballot method exercised to elect members to the Village Councils. With the downfall of Cholas, the State experienced decline of the Village autonomy and rise of the centralized feudal administrative system. This continued till British rulers introduced local self-governance primarily as an administrative convenience for the imperial Government.

In the post independence era, the first enactment in democratic decentralization in the State was the Madras Village Panchayats Act, 1950. Pursuant to the White Paper on the "Reform of Local Administration" in 1957, the Madras Panchayats Act, 1958 and Madras District Development Council Act were enacted with the following salient features:

- a) A two-tier system of Village Panchayats and Panchayat Unions.
- b) Creation of Panchayat Unions co-terminus with the Community Development Blocks.
- c) Village Panchayat Presidents to become ex-officio members of the Panchayat Union Councils with the Chairperson of the Panchayat Union Council directly/indirectly elected.
- d) Entrusting the Panchayat Unions and Village Panchayats with a large number of developmental and welfare functions.
- e) Abolition of District Boards.
- f) Creation of District Development Council as an advisory body.

This two-tier system operated very well till 1975 and elections were held regularly. Subsequently the tenures of the Panchayat Unions and Village Panchayats were extended upto 01.02.1977 and 12.09.1979 respectively. Thereafter, Special Officers (Block Development Officer for all the Village Panchayats in a Block and Divisional Development Officer for all the Panchayat Unions in a Division) managed the rural Local Bodies till the elections in 1986. The elected rural Local Bodies

continued in office till March 1991. Again, no elections were held till October 1996 and the Special Officers managed the rural Local Bodies.

Though the Panchayat Raj Institutions were in existence in various forms in various States, these institutions did not acquire the status and dignity of viable and responsive people's bodies due to a number of reasons including absence of regular elections, prolonged supersession, insufficient representation of weaker sections like Scheduled Castes, Scheduled Tribes and Women, inadequate devolution of powers and lack of financial resources. In the light of the experience gained and the short-comings that had been observed, the 73rd amendment of the Constitution was enacted in 1992, to enshrine in the Constitution certain basic and essential features of Panchayat Raj Institutions to impart certainty, continuity and strength to them. A number of fundamental changes were brought about in the Panchayat Raj System by virtue of this Act. Pursuant to this, the Tamil Nadu Panchayats Act, 1994 was enacted and it came into force with effect from 22.04.1994.

Some of the important changes brought about by the 73rd Amendment to the Constitution and the Tamil Nadu Panchayats Act, 1994 are listed below:

- a) Introduction of a three tier system – at the Village, Intermediate (Block) and District levels. (There are 12,618 Village Panchayats, 385 Panchayat Unions (conterminous with Blocks) and 29 District Panchayats in Tamil Nadu)
- b) Mandatory conduct of Local Body elections every five years and conduct of elections before the expiry of the duration of the Local Body or before the expiry of a period of 6 months from the date of its dissolution.
- c) Introduction of reservation of seats (i.e. ward members) and offices (i.e. Chairpersons/Presidents) for Scheduled Castes/Scheduled Tribes in proportion to their population in every Local Body with provision for rotation of the reserved seats and offices.
- d) Introduction of reservation of one third of total number of seats and offices for women with provision for rotation.
- e) Constitution of a State Election Commission as an independent body to conduct elections to both rural and urban Local Bodies regularly.
- f) Establishment of quinquennial State Finance Commission to recommend devolution of resources from the State Government to the rural and urban Local Bodies.
- g) Constitution of a District Planning Committee to consolidate the plans prepared by the rural and urban Local Bodies in the district with a view to prepare a comprehensive development plan for the district.

- h) Introduction of the concept of “Grama Sabha” comprising all registered voters in a Village Panchayat.

As per the original section 165 of the Act, the District Panchayat had to prepare an annual report giving a true and full account of their activities during the previous year and forward to the Government and the Government should lay on the Table of the Legislative Assembly all such reports together with their comments thereon.

The District Panchayats in Tamil Nadu have only an advisory and planning role as per the Tamil Nadu Panchayats Act, 1994. The core functions of actual implementation and execution of schemes are done by the Panchayat Unions and Village Panchayats. Therefore, the reports placed on the Table of the Tamil Nadu Legislative Assembly are only partial pertaining only to one of the three tiers of Panchayat Raj Institutions. These reports also do not contain the functioning of Panchayat Raj Institutions, elections held, funds released etc. which alone give a comprehensive view of the functioning of Panchayat Raj Institutions. The Tamil Nadu Legislative Assembly, being the highest law making authority should be provided with a macro view of the working of the Panchayat Raj Institutions in the State as a whole and a complete picture in a broader canvas rather than a micro picture of the working of each District Panchayat.

The Government therefore decided that a comprehensive annual report on the state of the Panchayats in Tamil Nadu as a whole shall be placed on the Table of the Legislative Assembly, instead of laying individual reports of each District Panchayat. Accordingly, the Government in Act No.34 of 2008 dispensed the laying of the Annual Report of District Panchayats on the table of the Legislative Assembly with effect from 18.06.2008, by omitting Sub-Section 2 of Section 165 and inserting a new Section 166A for laying an Annual Report on the functioning of the Panchayats in the State on the table of the Legislative Assembly.

Section 166 A

Annual report of the functioning of Panchayats.

– The Government shall lay on the table of the Legislative Assembly, an annual report on the functioning of the Panchayats in the State.

Accordingly, this is the first report being placed on the table of the House after the above Amendment and hence the functioning of the Panchayats in the State during the year 2006-07 and 2007-08 has been incorporated so as to make it more comprehensive.

2. ELECTIONS TO THE PANCHAYATS

2. ELECTIONS TO THE PANCHAYATS

2.1. State Election Commission

The Tamil Nadu State Election Commission is a constitutional authority created under Article 243 K read with Article 243ZA of the Constitution of India and a statutory authority under Section 239 of the Tamil Nadu Panchayats Act, 1994, to ensure superintendence, direction and control of the preparation of electoral rolls for conducting of elections to the local bodies. The conduct of elections to the local bodies therefore vests with the Tamil Nadu State Election Commission, consisting of a Tamil Nadu State Election Commissioner appointed by the Governor under Article 243 K of the Constitution.

As per the provision of the amendment issued in Act No.15 of 2005, Tamil Nadu State Election Commissioner shall hold office for a term of two years and shall be eligible for reappointment. This did not provide any age limit and the number of terms of reappointment. The High Court of Madras, in its judgement dated 16th March 2006, observed that this power of State Government was unreasonable and violative of Article 14 of the Constitution. Therefore an amendment was made by substituting clause (b) in Sub-Section (2) to Section 239 by Act No.24 of 2007 with

Section 239 (2) (b):

The Tamil Nadu State Election Commissioner shall hold office for a term of two years and shall be eligible for reappointment for two successive terms:

Provided that no person shall hold the office of the Tamil Nadu State Election Commissioner for more than six years in the aggregate:

Provided further that a person appointed as Tamil Nadu State Election Commissioner shall retire from office if he completes the age of sixty-five years during the terms of his office.

effect from 08.06.2007, fixing the age of retirement of State Election Commissioner as 65 years and the term of office as two years. He shall be eligible for reappointment for two successive terms of two years each so that no person shall hold office of the State Election Commissioner for more than 6 years in the aggregate.

The present State Election Commissioner Thiru D. Chandrasekaran, I.A.S. (Retired), who was initially appointed for a two year term in May, 2006 was again reappointed for a second term of two years with effect from 22nd May, 2008 by the Governor of Tamil Nadu in consonance with the above Amendment.

2.2. Reservation of seats and offices and rotation

Reservation and rotation of seats for Scheduled Castes, Scheduled Tribes and Women in rural Local Bodies is provided under Article 243D of the Constitution. The Tamil Nadu Panchayats Act, 1994 and the Tamil Nadu Panchayats (Reservation of Seats and Rotation of Reserved Seats) Rules, 1995 also provide this. The Rules provide

for the reservation of seats by adopting a list of wards or Panchayats arranged in the descending order of the percentage of SCs, STs and Women and applying a 'cut off' at the point where the number of reserved seats and offices is equal to the prescribed ratio. The periodicity of rotation is also fixed as 10 years under the Rules. The Government in G.O. Ms. No.105, Rural Development and Panchayat Raj (C4) Department, dated 19.07.06, amended the rule 7 of the Tamil Nadu Panchayats (Reservation of Seats and Rotation of Reserved Seats) Rules, 1995, by virtue of which the posts of Presidents of Village Panchayats and Chairpersons of Panchayat Unions and District Panchayats reserved for SCs, STs and Women were rotated after 10 years for October, 2006 elections. While the posts of ward members of all the 3 tiers reserved for Women were rotated after 10 years, those reserved for SCs and STs were not rotated; in other words, they would continue to be reserved as such until the Government directs otherwise. However, the Government took a conscious decision not to rotate the posts of Presidents of Pappapatti, Keeripatti and Nattarmangalam Village Panchayats in Madurai district and Kottakachiyendal Village Panchayat in Virudhunagar district reserved for SCs where elections could not take place for a prolonged period due to local opposition to reservation.

2.3. Ordinary elections to Local Bodies, 2006

The third ordinary elections to the Local Bodies were conducted in October 2006. As the Village Panchayatwise 2001 Census figures were received only in May 2006, there was not enough time for fresh delimitation of wards of the three tiers of Panchayats. It was also considered appropriate to take up the delimitation of Panchayat wards after the delimitation of Parliamentary and Assembly Constituencies is over. Hence the elections were held based on the existing Panchayat wards

28A. Special provision relating to election - Notwithstanding anything contained in this Act or the Rules made or orders issued under this Act, for the first election for the Village Panchayats, Panchayat Union Councils and District Panchayats to be held immediately after the 14th day of July 2006, the territorial area of wards, the number of wards in every Village Panchayat, Panchayat Union and District Panchayat and the number of members to be returned by each such wards shall be the same as they exist on the 14th day of July 2006.

by the introduction of a new section 28A in the Tamil Nadu Panchayats Act, 1994, by Act No.17 of 2006 with effect from 14.07.2006.

There was high participation of voters in the rural areas with a record turnout of 76%. The elections to the posts of ward members of Village Panchayats, Panchayat Unions and District Panchayats and for Presidents of Village Panchayats were direct. The elections to the posts of Vice Presidents of Village Panchayats, and Chairpersons and Vice-Chairpersons of Panchayat Unions and District Panchayats were indirect. While the elections to the seats (i.e. ward members) and offices (i.e. heads) of District Panchayats and Panchayat Unions were held on party basis, the elections to the seats

and offices of Village Panchayats were held on non-party basis. In Tamil Nadu, Panchayat Unions and the District Panchayats have single member wards while the Village Panchayats have both single member and multi-member wards.

2.4. Direct Elections-2006

The third Local Body Elections in Tamil Nadu were held in two phases-the first phase was on 13.10.2006 and the second phase was on 15.10.2006.

Table 2.1
Details of seats and offices in rural Local Bodies for which
Direct Elections conducted in October, 2006

Seats / Offices	Total No. of wards	Total No. of Seats/ Offices for which Elections held	Total No. of Seats/Offices for which Elections completed
District Panchayat Ward Member	656	656	656
Panchayat Union Ward Member	6,570	6,570	6,570
Village Panchayat President	..	12,618	12,606
Village Panchayat			
Ward Member	40,879	97,458	97,383
Total	48,105	1,17,302	1,17,215

The entire process relating to the direct elections was completed on 20.10.2006. 55,484 polling stations were set up in these elections.

Out of 1, 17,302 posts, election could be held for 1,17,215 posts and for the rest of 87 vacant posts, elections were notified in February, 2007 along with other casual vacancies.

2.5. Indirect Elections-2006

The offices of District Panchayat Chairman and Vice-Chairman, Panchayat Union Chairman and Vice-Chairman and Village Panchayat Vice-President are filled up by indirect Elections. The Ordinary indirect elections have to be conducted soon after the completion of every ordinary direct election. Accordingly, the indirect elections were conducted on 28.10.2006.

Table 2.2

No. of offices for which Indirect Elections were conducted in 2006

Offices	Total No. of offices for which elections held	Total No. of offices for which elections completed
District Panchayat Chairman	29	29
District Panchayat Vice-Chairman	29	29
Panchayat Union Chairman	385	385
Panchayat Union Vice-Chairman	385	385
Village Panchayat Vice-President	12,618	12,618
Total	13,446	13,446

2.6. Casual Elections

2.6.1. Direct Casual Elections

The Tamil Nadu State Election Commission conducts the Casual elections at a periodical interval of six months. Tamil Nadu State Election Commission has conducted three Casual Elections during 2006-07 and 2007-08 as detailed below:

Table 2.3

No. of seats and offices for which Casual Elections were held

Year & Month of election	Vacancy upto	Village Panchayat Ward Member	Village Panchayat President	Panchayat Union Ward Member	District Panchayat Ward Member	Total
Feb.'07	31.12.06	451	33	4	2	490
Sep.'07	31.07.07	389	40	10	2	441
Feb.'08	31.12.07	426	38	15	2	481

2.6.2. Indirect Casual Elections

The Indirect elections to fill up the casual vacancies arising from time to time are conducted every month. Number of offices filled in the year 2006-07 and 2007-08 are given below:

Table 2.4

No. of offices for which Casual Elections were held

Sl. No.	Category	No. of Offices filled in	
		2006-07	2007-08
1.	District Panchayat Chairman
2.	District Panchayat Vice-Chairman	..	1
3.	Panchayat Union Chairman	2	1
4.	Panchayat Union Vice-Chairman	..	4
5.	Village Panchayat Vice-President	17	128

2.7. District Planning Committee Elections, 2007

The second Ordinary Elections to elect the members of the District Planning Committee were held on 30.4.2007. The first meeting of the newly elected members was held on 05.05.2007.

Rural Segment	160 seats
Urban segment	92 seats

Table 2.5

Casual Elections for District Planning Committees

District	Date of Election	Segment	No. of vacancies
Ramanathapuram	14.01.2008	Rural segment	1
Thiruvarur	14.01.2008	Rural segment	1

2.8. Successful conduct of elections in Pappapatti, Keeripatti, Nattarmangalam and Kottakachiyendal Village Panchayats

Although ordinary and casual elections to rural Local Bodies were held regularly throughout Tamil Nadu from 1996 onwards, the four Village Panchayats of Pappapatti, Keeripatti and Nattarmangalam in Madurai District and Kottakachiyendal Village Panchayat in Virudhunagar District posed a problem as elections could not be properly held for prolonged periods owing to local opposition to the posts of Presidents being reserved for Scheduled Castes. In Pappapatti, no nominations were filed for the posts of President as well as ward members in the ordinary and casual elections held from October 1996 to October 2001. In the casual elections held in April 2002, the President alone was elected but he resigned immediately after assuming office. In October 2002, two nominations were filed for the post of President, but were later withdrawn. In April 2003, no nominations were filed. In October 2003, the President alone was elected but he resigned immediately after assuming office. In September 2004, no nominations were filed. In April 2005, two nominations were filed, but due to death of one candidate, election did not take place. No ward member was elected during the 10-year period 1996-2006.

In Keeripatti, no nominations were filed for the posts of President as well as ward members in the ordinary and casual elections held from October 1996 to October 2001. In the casual elections held in April 2002, the President alone was elected but he resigned immediately after assuming office. In the casual elections held in October 2002, April 2003 and October 2003, nominations were filed for the post of President only but were subsequently withdrawn. In September 2004, no nominations were filed. In April 2005, the President alone was elected; but on the date of assumption of charge, he resigned. No ward member was elected during the 10-year period 1996-2006.

In Nattarmangalam, during the casual elections held on 25.12.1996, the President and ward members were elected and continued in office for 5 years i.e. up to October 2001. But during the ordinary elections held in October 2001 and in the subsequent 6 casual elections held till April 2005, no nominations were filed for the posts of President as well as ward members.

In Kottakachiyendal, no nominations were filed for the posts of either President or the 2 posts of ward members reserved for SCs in the ordinary elections held in October 1996 and in the subsequent casual elections held till 2001. However, elections were held for the non-reserved posts of ward members and the Vice President was also indirectly elected. This arrangement continued till 2001. During the ordinary elections held in October 2001, and in the subsequent 6 casual elections, none came

forward to file nominations for the posts of President as well as ward members. Hence no elections were held.

This Government solved, what appeared to be an intractable problem, by successfully conducting elections to the posts of Presidents and ward members in all the four Panchayats during the ordinary elections held in October 2006. While the posts of Presidents of Village Panchayats reserved for Scheduled Castes were rotated after ten years, the Government took a deliberate decision not to apply the rotation in respect of these four Panchayats. Various communities of these Panchayats have overcome their past differences and have wholeheartedly accepted the newly elected Scheduled Caste Presidents.

A function "Samathuva Peruvizha" to felicitate the newly elected Presidents, Vice-Presidents and community leaders of Pappapatti, Keeripatti, Nattarmanglam and Kottakatchiyendal Village Panchayats was held on 13.11.2006 and was presided over by the Honourable Chief Minister of Tamil Nadu. A special incentive grant of Rs.20 lakhs was allotted to each of these Village Panchayats for developmental works.

3. LOCAL DEMOCRACY - DEVOLUTION OF POWERS

3. LOCAL DEMOCRACY - DEVOLUTION OF POWERS

3.1. High Level Committees:

Local Government is a State subject enumerated as item 5 in List II of the Seventh Schedule to the Constitution of India. Article 243 G of the Indian Constitution encapsulates the basic principles of devolution of power to the rural Local Bodies. As per this article, subject to the provisions of the Constitution, the Legislature of a State may, by law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-Government and such law may contain provisions for the devolution of powers and responsibilities upon Panchayats at the appropriate level, subject to such conditions as may be specified therein, with respect to the preparation of plans for economic development and social justice; the implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to the 29 matters listed in the Eleventh Schedule.

High Level Committees:

- *L.C.Jain Committee (1996)*
- *Ko.Si.Mani Committee (1997)*
- *M.K.Stalin Committee (2007)*

The devolution of powers to local bodies rests on the cardinal principle of 'subsidiarity'. The theory of subsidiarity rests on the principle that a central authority should have a subsidiary function, performing only those tasks which cannot be performed in a more local level. This principle of subsidiarity is citizen-centric in the sense that the citizens as sovereign in a democracy are also the final decision makers. Therefore the citizens who form the corner-stone of democracy should exercise as much power and authority as practicable and delegate upward the rest of the functions to the rest of the Panchayat Raj Institutions, to the State and the Central Government. Democratic decentralization has emerged from this principle of 'subsidiarity'.

Local democracy and decentralization though often used synonymously are quite distinct from each other. While decentralization can pass on powers and responsibilities from a higher authority to lower authority it need not necessarily bring in local democracy, if the power and responsibilities do not encompass the citizens as a whole but vest with a group of vested interests. While a centralized structure definitely will not be conducive to participation of citizens in decision making process, decentralization alone cannot bring in citizen participation and ownership. Therefore for decentralization of powers and responsibilities to be real and meaningful, it should encompass the citizens as a whole and facilitate direct participation. With the above principles of democratic decentralization, the Government has attempted devolution of powers to the Village Panchayats in real terms. The devolution is not a one-time process, but is a continuous one. Therefore this Government has always

been aiming at devolution of more and more powers to the local bodies over the years.

The Government of Tamil Nadu is committed to ensuring that the Panchayat Raj Institutions function as effective institutions of Local Self-Government. In 1996, soon after the first ordinary elections to the three tiers of Panchayats, the Government constituted the First High Level Committee under the Chairmanship of Thiru.L.C.Jain, the then full-time Member of the State Planning Commission to give recommendations on the entrustment of powers and functions to the three tiers of Panchayats. The Committee submitted its report to the Government in April, 1997.

Many of the recommendations of the L.C.Jain Committee were accepted by the Government which paved way for empowerment of the Panchayats. Various departments of the Government whose functions have a direct linkage with the rural masses like the Rural Development, Agriculture, Animal Husbandry, Forests, Social Welfare, Revenue, Khadi and Village Industries, Education, Health and Family Welfare, Adi-Dravidar Welfare, Co-operation, Food and Consumer Protection, issued orders for devolution of powers and functions to the three tiers of Panchayats.

Again, the Government by G.O. Ms. No. 320, Rural Development (C1) Department, dated 11.11.1997 constituted the Second High Level Committee under the Chairmanship of Thiru. Ko.Si.Mani, the then Hon'ble Minister for Rural Development and Local Administration with experienced persons including sitting MLAs of various political parties as members of the Committee to recommend more devolution of powers and functions to the Panchayats. This High Level Committee submitted its report on 11.01.1999 with 1,209 recommendations to the Government. The Government accepted 718 recommendations and issued orders for their implementation.

3.2. High Level Committee under the Chairmanship of Thiru. M.K. Stalin

This Government, in continuance of its commitment to devolve greater powers and responsibilities to rural and urban Local Bodies,

M.K.Stalin Committee made 99 Recommendations categorized under 39 subjects.

constituted the Third High Level Committee under the Chairmanship of the Hon'ble Minister for Rural Development and Local Administration, Thiru. M.K. Stalin vide G.O.Ms.No.6, Rural Development and Panchayat Raj (C1) Department, dated 22.01.2007 with select District Panchayat Chairpersons, Panchayat Union Chairpersons and Village Panchayat Presidents besides certain subject experts as members. The Committee was required to study the duties, functions and powers already entrusted

to the rural and urban Local Bodies and make recommendations for further devolution of powers and functions in order to make them more effective.

The Third High Level Committee decided to get the views of as many stakeholders as possible before formulating its recommendations and adopted certain unique strategies to ensure this.

(i) Conduct of State Level Conference: A State Level Conference of Chairpersons of District Panchayats and Panchayat Unions, besides the urban Local Bodies was held in the presence of the Hon'ble Chief Minister on 18.03.2007 at Chennai. A total of 27 District Panchayat Chairpersons and 363 Panchayat Union Chairpersons, besides the heads of urban Local Bodies participated in the Conference. Various issues pertaining to effective functioning of Local Bodies were deliberated upon and discussions held in this Conference.

(ii) Conduct of Regional Conferences of all Village Panchayat Presidents: Despite the very large number of Village Panchayats (12,618) in Tamil Nadu, recognizing the fact that Village Panchayats represented the tier closest to the people and performing important functions - the Hon'ble Minister for Rural Development and Local Administration, Thiru.M.K.Stalin, convened Regional Conferences of all Village Panchayat Presidents at Erode (24.07.2007), Tiruchirapalli (25.07.2007), Tiruvannamalai (03.08.2007) and Virudhunagar (23.08.2007) to ascertain their views on devolution and the difficulties, if any, in their functioning. 11,984 Village Panchayat Presidents out of a total of 12,618 Presidents participated in these Regional Conferences and made 47,108 suggestions.

(iii) Internal meetings: Internal meetings were held to deliberate on various issues brought forth to the Committee through various forums, including the State Level and Regional Conferences of Local Body representatives.

(iv) Meeting with Higher Officials: Meetings were also held by the Chairman of the High Level Committee with Secretaries and Heads of Departments of various departments on 11.10.2007 and 12.10.2007 to deliberate on the devolution of further powers to rural Local Bodies.

3.3. Recommendations of the M.K. Stalin Committee

The Committee presented its report to the Hon'ble Chief Minister on 10.12.2007 and submitted a total of 99 recommendations categorized under 39 subjects.

The High Level Committee made far reaching recommendations on the functions, powers, duties and responsibilities of the Rural Local Bodies.

3.3.1. Grama Sabha

For strengthening the Grama Sabha as an effective instrument of Social audit the Committee recommended the following:

1. Selection of beneficiaries for all individual beneficiary oriented schemes implemented by various departments be done by the Village Panchayats and placed before the Grama Sabha for information/ approval.

2. The Grama Sabha should act as a forum of social audit of all schemes by various departments and the Government should evolve and issue suitable guidelines in this regard.

3. Enhancement of expenditure of Grama Sabha meetings from Rs. 500/- to Rs. 1,000/- per Grama Sabha.

3.3.2. Delimitation of rural Local Bodies

4. The number of Village Panchayats in Tamil Nadu is very large compared to many other states and the population also varies from below 500 to above 25,000. In many case the Panchayat Village boundary is not co-terminus with that of Revenue Village. There is also a wide variation in the population and size of the Panchayat Unions. Further, large number of requests for upgradation, downgradation, bifurcation and amalgamation of rural Local Bodies have been received by the Government. Hence, there is a need for delimitation of rural Local bodies and suitable action to be taken in this regard.

5. An attempt should be made to bring about the rationalization of the boundaries of Panchayats so that it is co-terminus or integral of revenue villages atleast before the next ordinary elections in October, 2011.

6. The multi member ward system should be abolished and replaced with single-member ward system, as in the case of Panchayat Unions and District Panchayats. The Village Panchayat wards may be reorganized and the number of wards made equivalent to the number of members with a minimum of 3 wards/ members.

3.3.3. Stability in the tenure of Local Body Representatives

7. As frequent no confidence motions on unjustifiable ground affect continuity in planning and implementation and are detrimental to public interest, the committee while retaining the privilege of the members to move no confidence motion recommended for making the moving and passing the no confidence motion more difficult and the period to bring in another no confidence motion on the same person be enhanced.

3.3.4. Local Bodies Day

8. The local bodies have the maximum public interface. For further strengthening this interface and to bring about greater transparency in the functioning of local bodies and for highlighting the achievements and for carrying out various information education and communication campaigns relating to civic administration and implementation of the schemes, a particular day in the calendar year should be designated as Local Bodies' Day.

3.3.5. House Tax Revision

9. House Tax should be compulsorily revised every 5 years. Government to issue orders for carrying out the quinquennial revision.

3.3.6. Equalisation of State Finance Commission Grants: Empowering of Weaker Village Panchayats

10. State Finance Commission Grants is mostly linked to population and hence the smaller Village Panchayat get less grant. In order to provide for the fixed costs from the State Finance Commission Grants, the Committee viewed that a floor amount of Rs.3 lakhs be earmarked for each of the Village Panchayats irrespective of population and only after the apportionment of this minimum amount, the remaining amount should be distributed among the Village Panchayats in proportion to the population.

3.3.7. Central Finance Commission Grant : Empowering of Village Panchayats

11. As the onerous duties of provision and maintenance of Water Supply, Sanitation and Street Lighting and the maintenance of Village roads, ponds, shandies, libraries, sports and recreation centres have been cast upon the Village Panchayats, the entire Central Finance Commission grant be allocated to the Village Panchayats in order to enable them to bear the expenditure of water supply, electricity charges and sanitation in the Villages.

3.3.8. Assigned Revenues: Streamlining the procedure to benefit rural Local Bodies

12. The existing system of collection and distribution of Assigned Revenues to various Local Bodies at the district level involved delay in transfer of funds and also tremendous paper work. The distribution was also inequitable. The District Panchayats did not get any share on the component. The procedure for apportioning of Assigned Revenue to be streamlined so that the local bodies get these in time.

13. The Government may compensate the rural Local Bodies for the revenue loss due to the remission of Land Revenue.

3.3.9. Enhancement of Administrative Powers

14. In order to cut short the delay in according administrative sanction by the Collectors, and in view of the steep increase in devolution of funds and the costs of construction, the administrative sanction powers of Village Panchayats, Panchayat Unions and District Panchayats be enhanced to Rs.2 Lakhs, Rs.10 Lakhs and Rs.20 lakhs respectively, so that the Panchayat Raj Institutions have greater operational independence.

3.3.10. Rationalisation of Village Panchayat Accounts

15. The Village Panchayat Accounts system should be rationalized in order to achieve the objective of empowering the village Panchayat presidents to pay TNEB and TWAD Board from the funds at their disposal and at the same time prevent them from diverting these funds for less important purposes and to prevent unauthorized drawal of money from scheme fund/NREGS fund Accounts without authorization by Block Development Officers (Village Panchayat) concerned.

3.3.11. Identity Cards

16. As the heads and members of the three tiers of rural Local Bodies have to meet various line department officials, other public representatives in their official capacity and also have to travel inside and outside the State, it is necessary for them to have an Identity Card.

3.3.12. Empowering Block Development Officer (Village Panchayats)

17. In order to post senior and experienced Block Development Officers as Block Development Officers (Village Panchayats), the Block Development Officers (Village Panchayats) should be made as an independent Pay Drawing Officer.

3.3.13. Vehicles for rural Local Bodies

18. For effective supervision of the works, fuel allocation for the Chairpersons of the Panchayat Union, Block Development Officer (Village Panchayats) and Block Development Officer (Block Panchayat) be enhanced.

19. Panchayat union Chairpersons should be given an independent vehicle like the District Panchayat Chairperson and the two Block Development Officers to have one vehicle each to facilitate better supervision of schemes.

3.3.14. Telephones for Village Panchayats

20. To enable the common public as well as Block Development Officials communicate with the Village Panchayat Presidents easily, each Village Panchayat

should be provided with a landline Telephone connection. This will also enable the Village Panchayats to have access to the internet.

3.3.15. Wireless for Panchayat Unions

21. As the wireless connection is helpful during the times of natural disasters and also for effective supervision and monitoring of rural development works, a communication network between the Collectorate and Panchayat Unions including the vehicles of key functionaries be provided.

3.3.16. Computers

22. Computers that are available with the Village Panchayats to be more effectively utilized.

3.3.17. Purchase of Hand Pumps, Power Pumps - Empowering Village Panchayats

23. The delegation of powers and enabling the Panchayat Presidents to maintain the Water Supply system upto a particular financial limit without depending on the official machinery should continue in the future also.

3.3.18. Purchase of Street Lights - Empowering Village Panchayats

24. The Policy of the Government taken in 1998 enabling the Village Panchayat Presidents to exercise freedom in the maintenance of street lights should continue in future also.

3.3.19. Training of rural Local Bodies' Representatives

25. Periodic training should be imparted to the elected representatives of Local Bodies in various Centrally sponsored and State funded schemes through the State Institute of Rural Development and the Regional Institutes of Rural Development (RIRD). To ensure quality training to the elected representatives and officials, the facilities in the 5 RIRDs should be improved.

3.3.20. Protection of Water Resources

26. All the minor irrigation tanks need to be rejuvenated through National Rural Employment Guarantee Scheme and any other special schemes formulated in this regard. Minor irrigation tanks and other water course promobokes vested with Panchayat Unions and Village Panchayats should not be alienated/ transferred for other purposes.

3.3.21. Rural Road Works

27. The Rural Roads wing of the Highways department should not take up improvement of the roads vested with Panchayat Unions and Village Panchayats unless they are first upgraded as Other District Roads (ODRs) and transferred to Highways Department after following due procedures.

3.3.22. Transfer of erstwhile District Board properties from the Highways Department

28. The Government should take action to transfer the properties of the erstwhile District Boards presently with the Highways Department to the Rural Development and Panchayat Raj Department.

3.3.23. Making National Rural Employment Guarantee Scheme (NREGS) Works mandatory for Village Panchayats

29. In order to ensure that the Village Panchayat Presidents implement the NREGS scheme in true letter and spirit, the implementation of the NREGS may be notified as a mandatory function of the Village Panchayats by incorporating it as one of the duties under section 110 of the Tamil Nadu Panchayats Act, 1994.

3.3.24. Revival of Namakku Naame Thittam

30. The Namakku Naame Thittam, with the basic principle that the local community should identify their needs in terms of infrastructure and contribute partly or fully to the work and carry out the works through self involvement introduced in 1998, should be revived.

3.3.25. Panchayat Union School Renovation

31. There are about 22,000 Panchayat Union Primary Schools and 5,500 Panchayat Union Middle Schools, which are maintained by the Block Panchayats. In these schools, new buildings are constructed under various schemes like Jawahar Rozgar Yojna (JRY), Employment Assurance Scheme, Operation Black Board (OBB), Sampoorna Grameen Rozgar Yojana (SGRY), Member of Legislative Assembly Constituency Development Scheme (MLACDS), Member of Parliament Local Area Development Scheme (MPLADS) and Sarva Shiksha Abhiyan (SSA) besides others. Many of the buildings have become dilapidated over a period of time due to inadequate maintenance. The Panchayat Unions should be specifically empowered to repair and renovate all Panchayat Union Schools.

3.3.26. Libraries for all Village Panchayats

32. Libraries for all Village Panchayats is being set up under Anaithu Grama Anna Marumalarchi Thittam Scheme. The Village Panchayats should be empowered to appoint librarians who are retired persons and have love for books and are ordinarily the residents of the Village.

3.3.27. Sports Centres in all Village Panchayats

33. Establishment of Sports centres is a compulsory item under Aniathu Grama Anna Marumalarchi Thittam (AGAMT). Village Panchayats should be empowered to maintain the Sports centres established under AGAMT and suitable financial powers to be given to them in this regard.

3.3.28. Sanitation

34. Suburban Village Panchayats may be grouped into clusters so as to form a viable unit for contracting out solid waste management and sewage disposal. They may also enter into partnership with the neighbouring Corporation or Municipality.

3.3.29. Health

35. The Village Panchayat Presidents and Panchayat Union Councillors and Chairpersons should be empowered to inspect and supervise the functioning of Primary Health Centres and Health Sub- Centres lying within their jurisdiction.

36. The Block Medical Officer should convene a meeting of Village Panchayat Presidents / Panchayat Union Councilors on the last Tuesday of every month along with the Medical Officer and have discussion regarding the functioning of the Primary Health Centres and Health Sub- Centres.

37. The money allocated by Health Department for IEC works for building awareness on the health issues including preventing the diseases like Chikungunya should be spent in the Villages through the Village Panchayats under the technical supervision of the Health Department officials.

38. All the beneficiaries for the individual beneficiary schemes should be recommended by the Village Panchayats concerned and finally selected by the Health department based on eligibility norms.

39. Instead of constituting separate Village Level Committees for Health and Family Welfare Department schemes, the Village Panchayat should serve as the Village Level Committee for all such schemes.

3.3.30. Social Welfare

40. Village Panchayat Presidents should be empowered to supervise the functioning of Noon Meal Centres and ICDS centers in the Village Panchayat area.

41. The Village Panchayats should be empowered to recommend the name of beneficiaries for all schemes implemented by Social Welfare and Nutritious Meal Programme Department. The Social Welfare Department officials will only verify as to whether the recommended beneficiaries are eligible as per the norms. The list of selected beneficiaries should be placed before Grama Sabha for information.

42. The Village Panchayat President should be empowered to inspect Orphanages, Crèches and Old Age Homes under control of the Social Welfare and Nutritious Meal Programme Department.

43. Instead of constituting a separate Village Level Committee for Social Welfare Department, the Village Panchayat should itself serve as the Village Level Committee for all such schemes.

44. The pension due to beneficiaries under various individual beneficiary oriented schemes of the Department of Disabled may be disbursed through the Village Panchayats instead of sending the amount by Money Order from the District level as done at present.

45. The beneficiaries for the individual beneficiary oriented schemes of the Disabled Rehabilitation Department should be recommended by the Village Panchayats and the list should be placed before Grama Sabha for approval.

46. The individual beneficiary oriented schemes of Social Defence Department may be implemented through the Village Panchayats.

3.3.31. Adi- Dravidar and Tribal Welfare

47. The Village Panchayat Presidents and the Panchayat Union Chairpersons should be empowered to inspect and supervise the schools and hostels run by Adi-Dravidar and Tribal Welfare Department.

48. The Village Panchayats should be empowered to give the panel of names for the selection of beneficiaries for individual beneficiary oriented schemes of TAHDCO as per the norms of TAHDCO and TAHDCO will select the beneficiaries based on the recommendations of the Village Panchayat and eligibility norms. The list of the selected beneficiaries should be placed before the Grama Sabha for information and ratification.

49. The Village Panchayats should be given the power to recommend the names of beneficiaries eligible for the issuance of free house site pattas for SCs/STs.

50. The Village Panchayats should be empowered to spend the amount given as incentive by Adi-Dravidar Welfare Department to such Villages which have taken pioneering action in the reduction of untouchability.

51. The rehabilitation of the released bonded labourers should be supervised by the Village Panchayats concerned.

52. Instead of constituting separate Village Level Committees for Adi-Dravidar and Tribal Welfare Department schemes, the Village Panchayat should itself serve as the Village Level Committee for all such schemes.

3.3.32. Backward Classes and Most Backward Classes

53. The Village Panchayat Presidents may be empowered with the supervision of schools and hostels of Backward Classes, Most Backward Classes, & Minorities Welfare Department.

54. The selection of beneficiaries of individual beneficiary oriented schemes may be recommended by the Village Panchayats and the Department will select the beneficiaries based on eligibility norms.

55. The identification of land for issue of house sites pattas to be given to the beneficiaries by the Backward Classes, Most Backward Classes, & Minorities Welfare Department may be done in consultation with the Village Panchayats.

56. Instead of constituting separate Village Level Committees for Backward Classes, Most Backward Classes and Minorities Welfare Department schemes, the Village Panchayat may itself serve as the Village Level Committee for all such schemes.

3.3.33. Education

57. The Village Panchayat President and the Panchayat Union Chairperson concerned should be empowered to supervise the Elementary and Middle Schools.

58. The Village Panchayat President and the Panchayat Union Chairperson concerned should be empowered with the supervision of Adult and Non-formal Education Centres.

59. The Village Education Committee constituted under SSA may comprise of the President and members of the Village Panchayat and other co-opted members, nominated by Education Department.

60. Instead of constituting separate Village Level Committees for School Education Department schemes, the Village Panchayat can itself serve as the Village Level Committee for all such schemes.

61. The Village Panchayat Presidents and the Panchayat Union Councillors concerned may be included in the Parent Teachers' Association of the Government and Aided Schools concerned lying within the Village Panchayat as ex-officio members.

62. The Panchayat Union being the custodian of the buildings of Elementary and Middle Schools, the construction of new buildings and repair to buildings constructed by Panchayat Unions should continue to be undertaken by the Panchayat Unions. However, payment of electricity charges for those schools, which have been electrified, should be done by the Parent Teachers' Association or School Education Department so as to reduce the financial burden of rural Local Bodies in this regard.

63. The Government may evolve a new scheme to repair and renovate the school buildings and allocate sufficient funds for the same.

64. The Village Panchayat Presidents and Panchayat Union Chairpersons should be given representation in the Block and District level Committees for non-formal education schemes.

3.3.34. Public Distribution

65. The Panchayat Presidents should be empowered to inspect the Public Distribution Shops within their jurisdiction.

66. A Taluk level meeting should be conducted by the Taluk Supply Officers once in a quarter and the Village Panchayat Presidents should be invited for the meeting to put-forth the outcome of their inspection and suggestions to improve the Public Distribution System.

67. The details of the crop loans sanctioned by the Primary Agricultural Cooperative Banks along with the list of beneficiaries should be placed before the Grama Sabha once in a quarter.

68. The updated 'A' Register of Public Distribution System should be placed before the first Grama Sabha meeting of every year with all the details like deletions and additions etc. made upto that period.

69. Instead of constituting separate Village Level Committees for Co-operation, Food and Consumer Protection Department schemes, the Village Panchayat can itself serve as the Village Level Committee for all such schemes.

70. The Village Panchayat President may be appointed as ex-officio members of the PACBs concerned.

3.3.35. TNEB Issues

71. The tariff for E.B. Service connections utilized for public lighting and water supply services by rural Local Bodies be reduced from Rs.3.40 to Rs 3 per unit.

72. The penalty payable by Village Panchayats to TNEB towards dues above 45 days, be reduced from the present rate of 12%. The period for payment of electricity consumption charges be enhanced from the present 20 days to 60 days.

73. All the outstanding penalty of the Village Panchayats be written off.

74. To avoid delay and excess expenditure in installation of new street lights, a uniform rate per pole for installation of new street lights by rural Local Bodies be adopted.

75. TNEB should also issue a meter card for each service connection. TNEB authorities concerned should make an endorsement in such cards where the arrears have been cleared by the District authorities that "no arrears are due pertaining to the service connection concerned". This will enable the Panchayat Presidents to pay their dues on a clean slate in future.

76. TNEB should raise bills based on initial and final readings of the meters, invariably in future.

77. The Village Panchayats should be requested to identify the non electrified hamlets/houses and furnish the same to the TNEB and TNEB can take up the work by availing funds under Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) Scheme.

78. The Government should study the feasibility of setting up of collective wind farms by the rural Local Bodies. In such cases, the TNEB should assist the Village Panchayats for collectively setting up wind farms in the State. TNEB should take up the matter with Tamil Nadu Electricity Regulatory Commission (TNERC) to permit the Village Panchayats to sell electricity produced, at the tariff rate at which they charge the rural Local Bodies for street-lights and water supply.

79. TNEB should take action to appoint sufficient field staff for providing services to maintain street-lights in the Village Panchayats.

80. The remuneration payable to the TNEB linemen by the rural Local Bodies for replacing the Street-light tubes and other electrical materials be enhanced so that the linemen show sufficient enthusiasm to attend to this work.

81. Instead of constituting separate Village Level Committees for Energy Department schemes, the Village Panchayat can itself serve as the Village Level Committee for all such schemes.

3.3.36. Agriculture

82. The Village Panchayats should be empowered to recommend the names of beneficiaries for all individual beneficiary oriented schemes implemented by Agriculture Department. The final list will be decided by the Agriculture Department officials from this list, based on norms.

83. Under the Comprehensive Wasteland Development programme of Government of Tamil Nadu, tree plantation is undertaken in private lands also. The scheme may be implemented through Village Panchayat instead of forming a separate Village Level Committee in this regard.

84. Instead of constituting a separate Village Level Committee for Agriculture department, the Village Panchayat should itself serve as Village Level Committee for all such schemes.

3.3.37. Animal Husbandry

85. The Village Panchayat Presidents should be empowered to inspect and supervise the Veterinary Sub-centres, Visiting-centres and Mobile Dispensaries of Animal Husbandry Department in order to assess the functioning of the above units.

86. The Assistant Director of Animal Husbandry Department concerned should conduct quarterly meeting of Village Panchayat Presidents along with the veterinary doctors, and veterinary assistants concerned and take remedial action based on the feedback got in such meetings.

87. The Village Panchayats should extend their co-operation to the Animal Husbandry Department to prevent and tackle the out-break of diseases amongst cattle and poultry and at the same time, the Animal Husbandry Department should route its IEC money to the Villages through the Village Panchayats concerned under the overall technical supervision of the department officials.

88. The Rural Development and Panchayat Raj Department should co-ordinate with Animal Husbandry Department officials to link the Milch and Poultry loans forwarded to SHGs under SGSY with the Milk and Poultry Societies concerned respectively.

89. The fishery rights given to the Village Panchayats in G.O.Ms.No.166, Animal Husbandry (AH2) Department, dated: 27.07.1997 should be reiterated and informed to all the Village Panchayats.

90. Co-ordinated efforts should be taken between Rural Development and Panchayat Raj Department and Animal Husbandry Department to raise fodder on the Grazing grounds/Mandaveli Porambokes through Village Panchayats.

91. Instead of constituting separate Village Level Committees for Animal Husbandry, Dairying and Fisheries Department schemes, the Village Panchayat can itself serve as the Village Level Committee for all such schemes.

3.3.38. Public Works Department

92. It is recommended that 70% of the sale proceeds from the auction of the fishery rights of PWD tanks may be apportioned to the Village Panchayats.

3.3.39. Revenue

93. A copy of the Birth and Death certificate registered by the VAO may be given every month to the Panchayat Office along with regular updating, and both the VAO and the Panchayat should be authorized to issue birth and death certificates.

94. The authority for issuance of Residence/ Domicile Certificate, Marriage Certificate and BPL Certificate should be vested with the Village Panchayat Presidents concerned.

95. The Revenue Department and Rural Development and Panchayat Raj Departments should take efforts to harmonize the BPL list prepared by Rural Development and Panchayat Raj Department with the eligibility requirement for multifarious schemes of other departments also.

96. The list of Old Aged Pensioners (OAP), Widow Pensioners, Physically Handicapped Pensioners, Deserted Women Pensioners, Destitute, Agricultural Labourer Pensioners etc. should be placed before the Grama Sabha and the Grama Sabha should verify whether any eligible names have been left out and ineligible names included. The Grama Sabha after verification should record the name of ineligible persons to be deleted from the scheme and name of the eligible person to be included in the beneficiary list. The recommendation of Grama Sabha in this regard should be duly acted upon based on eligibility criteria by the Revenue Department.

97. List of beneficiaries for such welfare schemes as House site pattas, two-acres Waste lands Distribution Scheme, Colour Television and Gas Stove Schemes etc., prepared by the Revenue department should also be communicated to and got approved by the Grama Sabha.

98. Revenue Department should give the details of the vested-Poramboke lands along with FMB sketch to respective Panchayat officials in the Districts at the earliest.

99. Instead of constituting separate Village Level Committees for Revenue Department schemes, the Village Panchayat can serve as the Village Level committee for all such schemes.

3.4. Orders issued by the Government on the recommendations of the M.K. Stalin Committee

Out of the total 99 recommendations including the interim recommendations made by the M.K.Stalin Committee, the Government have so far issued orders on 61 recommendations. The details of the orders issued by the Government are given below:

(i) Grama Sabha

1. The High Level Committee had recommended that for strengthening the Grama Sabha as an effective instrument of social audit, the selection of beneficiaries for all individual beneficiary oriented schemes implemented by various departments be done by Village Panchayats and placed before the Grama Sabha for information/ approval. The Government in G.O.Ms.No.148, Adi Dravida and Tribal Welfare Department, dated 26.12.07 issued orders entrusting the selection of the beneficiaries under the individual benefit oriented schemes of TAHDCO to the Village Panchayats and that the selection list should be made known to the Grama Sabha. The Government vide G.O.(3D) No.4, Cooperation, Food and Consumer Protection (F1) Department, dated 31.1.08 has also issued similar orders. Other departments of the Government will be issuing similar orders in due course.

2. The High Level Committee had recommended that the Grama Sabha should act as a forum of social audit of all schemes implemented by various departments.

The Grama Sabha is doing social audit of the works taken up under National Rural Employment Guarantee Scheme (NREGS). In the Grama Sabha meetings held on 15.08.07, 02.10.07 and 26.01.08, the social audit of the NREGS was taken up. The Grama Sabha is also functioning as an organisation of social audit for various other schemes implemented by the Rural Development and Panchayat Raj Department.

As per the recommendation of the Committee, the Government have issued orders in G.O.Ms.No.160, Rural Development and Panchayat Raj (PR.1) Department, dated 30.09.08 empowering the Village Panchayat Presidents to incur an expenditure upto Rs.1,000/- per Grama Sabha.

(ii) Delimitation of rural Local Bodies

The High Level Committee noted that there is need for delimitation of rural Local Bodies and recommended that an attempt should be made to bring about the rationalization of the boundaries of the panchayat so that the boundaries of revenue villages and panchayat villages are co-terminus or form an integral part of the other. As this would affect the terms of office of thousands of Village Panchayat Presidents and members, the Committee recommended that this rationalization should be done atleast before the next ordinary election in October, 2011.

The Government in G.O.Ms. No.131, Rural Development and Panchayat Raj (C1) Department, dated 16.03.07, prescribed the procedure to be followed by the Collectors before sending proposals to the Government for delimitation of rural Local Bodies. The Government order prescribes two meetings to be conducted by the Collectors and the third meeting to be held by the Heads of Department, if necessary.

The Government is examining the recommendation of the High Level Committee that the multi-member ward system should be replaced with single member ward system in the Village Panchayats as in the case of Panchayat Unions and District Panchayats. As any orders issued in this regard now will affect thousands of members of Village Panchayats, the Government is examining to issue orders before the next ordinary election in October 2011.

(iii) Stability in tenure of Local Body Representatives

Based on the High Level Committee recommendation that the proposals for moving and passing 'No Confidence Motion' be made more difficult and the period to bring 'No Confidence Motion' on the same person may also be enhanced, the Government by Ordinance No.9 of 2007 and in continuation of that, by Act No.10 of 2008 amended section 211 & 212 of the Tamil Nadu Panchayats Act 1994.

As per this amendment, notice of intention to bring 'No Confidence Motion' against the Vice-President of Village Panchayat, Chairperson, Vice-Chairperson of Panchayat Union Council/District Panchayat can be made only if it is signed by not less than three-fifth of the sanctioned strength of the Village Panchayats/Panchayat Union/District Panchayat as against the existing number of One-half of the sanctioned strength. Similarly, the earlier position of the removal of Vice-President of Village Panchayat and Chairperson and Vice Chairperson of the Panchayat Union Council and District Panchayat, if the motion is carried with the support of not less than two-thirds of the sanctioned strength has been enhanced to four-fifths of the sanctioned strength of the Village Panchayats/Panchayat Union/District Panchayats as the case may be. Similarly, as per the present amendment 'No Confidence Motion' on the

Village Panchayat Vice-Presidents and the Chairpersons/Vice Chairpersons of the Panchayat Union Council/District Panchayat cannot be brought within one year of the assumption of the office or during the last year of the term of office.

(iv) Local Bodies Day

Based on the interim recommendations of the Committee, the Government issued orders in G.O.Ms.No.632, Rural Development and Panchayat Raj (C1) Department, dated 26.10.07 designating November 1 of every year as 'Local Bodies Day' which is to be celebrated by all rural Local Bodies.

(v) Equalization of State Finance Commission Grants - Empowering of weaker Village Panchayats

As the Village Panchayats in Tamil Nadu vary widely in population ranging from below 500 to above 25,000 and as the devolution of State Finance Commission grants is mostly linked to population, the smaller Village Panchayats get less grant than bigger Village Panchayats. Irrespective of the size of Village Panchayats, there are certain fixed costs associated with the running of panchayats. The State Finance Commission grant of the Village Panchayat should be sufficient to cover atleast fixed cost. In order to provide fixed cost from the State Finance Commission grant, the High Level Committee viewed that the floor amount of Rs.3 lakhs be earmarked for each of the Village Panchayats irrespective of the population and only thereafter the remaining amount be apportioned among the Village Panchayats in proportion to the population. Based on the interim discussion of the Committee, the Government passed orders in G.O.Ms.No.199, Finance (FC.IV) Department, dated 25.05.07 sanctioning the minimum grant of Rs.3 lakhs to each Village Panchayat as a measure of equalization.

(vi) Central Finance Commission Grant : Empowering of Village Panchayats

As per the interim recommendation of the High Level Committee that the entire Central Finance Commission Grant be apportioned to the Village Panchayats in view of its onerous responsibilities of provision and maintenance of water supply, sanitation, street lights and maintenance of village roads, ponds, shandies, sports and recreation centres etc, the Government in G.O.Ms.No.19, Rural Development and Panchayat Raj (C2) Department, dated 26.02.07 ordered that the entire Central Finance Commission grant be given to Village Panchayats alone and that the allocation be made on the basis of the population. The Government ordered that Central Finance Commission grant should be utilised by the Village Panchayats entirely for the operation and maintenance cost of water supply, street lights and sanitation.

(vii) Assigned Revenues: Streamlining the procedure to benefit rural Local Bodies

The Assigned Revenues of Local Bodies include the class of taxes and levies like Entertainment Tax levied under Entertainment Tax Act, 1939, surcharge and stamp duty levied under the Tamil Nadu Panchayats Act 1994 and Local cess/Local cess surcharge on Land Revenue levied under the Tamil Nadu Panchayat Act 1994 which are collected by the Government and assigned to the Local Bodies. The Entertainment tax is collected by the Commercial Tax department and adjusted directly to the Local Bodies on quarterly basis. Stamp duty and surcharge on stamp duty on transfer of property is collected by the Registration Department and adjusted directly to the Local Bodies by the District Collectors on quarterly basis. The Local Cess and Local Cess Surcharge collected along with Land Revenue by the Revenue Department are adjusted directly to the Local Bodies by the District Collectors after completion of Jamabandhi. The existing system of collection and distribution of assigned revenue to the various local bodies at the District level involve delay in transfer of funds and also tremendous paper work. The distribution was also inequitable. The District Panchayats did not get any part of the component. The High Level Committee therefore recommended that the procedure of apportionment of assigned revenue may be changed so that the Local Bodies get these in time.

Accordingly, the Government in G.O.Ms. No.168, Rural Development and Panchayat Raj (C4) Department, dated 04.10.07 ordered that the assigned revenue to the rural Local Bodies from the proceeds of the Local Cess Surcharge, Surcharge on Stamp Duty and Entertainment Tax shall be pooled at the State level and that two-third of the apportionment of the assigned revenue to the rural Local Bodies shall be done by the Director of Rural Development and Panchayat Raj on quarterly basis following the procedure applicable for the State Finance Commission devolution. The balance portion of one-third of the pooled amount will be credited to a Fund on behalf of the rural Local Bodies on half-yearly basis as contribution and the funds shall be utilized for implementing specific development schemes in the rural Local Bodies.

(viii) Enhancement of Administrative Powers

In 1998, the Government permitted Village Panchayats, Panchayat Unions and District Panchayats to accord Administrative Sanction for works upto the value of Rs.One lakh, Rs.Five lakhs and Rs.Ten lakhs respectively from their own General Funds. For Administrative Sanction beyond these limits, the proposals have to be sent to the Collectors/Director of Rural Development/Government depending on the value of the work.

In order to cut short delay in according Administrative Sanction by the Collectors and in view of the steep increase in devolution of funds and the costs of construction, the High Level Committee recommended that the Administrative Sanction powers of the Village Panchayats /Panchayat Unions/District Panchayats be enhanced to Rs. Two Lakhs/Ten Lakhs/Twenty lakhs respectively to enable the Panchayat Raj Institutions to have greater operational independence. Accordingly, the Government notified the 'Tamil Nadu Panchayats (Preparation of Plans and Estimates for works and mode and conditions of Contracts) Rules, 2007' (G.O.Ms.No.203, Rural Development and Panchayat Raj (PR 1) Department, dated 20.12.07). As per the rules, Village Panchayats, Panchayat Unions and District Panchayats have been empowered to accord Administrative Sanction for works costing upto Rs.2 lakhs, Rs.10 lakhs and Rs.20 lakhs respectively.

(ix) Rationalization of Village Panchayat Accounts

The rationalization of Village Panchayat Accounts and the procedure for operation of accounts was issued by the Government in 1997 and 1998. As the Accounting system posed certain difficulties and had certain drawbacks, the High Level Committee recommended that the Panchayat Accounting System should be rationalized to achieve the twin objectives of empowering Village Panchayat Presidents to pay TNEB and TWAD Board dues from the funds at their disposal while at the same time preventing them from utilising these funds for less important purposes and to prevent unauthorized withdrawal of money from scheme funds/NREGS accounts without authorization by Block Development Officer (Village Panchayats) concerned. The Government in G.O.Ms.No.146, Rural Development and Panchayat Raj (C4) Department dated 17.08.07 issued orders rationalizing the Village Panchayat Accounts. As per the rationalization, each Village Panchayat should maintain 3 separate accounts, viz. Village Panchayat fund account, Village Panchayat payment to TNEB /TWAD Board account and Village Panchayat scheme fund account. The fourth account, Village Panchayat NREGS account should also be maintained in villages where National Rural Employment Guarantee Scheme is being implemented.

(x) Identity Cards

The High Level Committee recommended that the Photo Identity Cards be issued to the Heads and members of the three tiers of rural local bodies since they have to meet various line department officials, other public representatives in their official capacity and also to travel outside and inside the State. Accordingly, Photo Identity Cards have been issued to the Heads and members of the rural local bodies by the Collectors.

(xi) Empowering Block Development Officers (Village Panchayats)

The High Level Committee during the interim discussion recommended that Block Development Officer (Village Panchayats) should be made as a Pay Drawing Officer so that senior and experienced Block Development Officer could be posted as Block Development Officer (Village Panchayats). The Government vide G.O.Ms.No.141, Rural Development and Panchayat Raj (SGS 1) Department, dated 09.08.07, issued orders making Block Development Officer (Village Panchayats) independent drawing officer as in the case of Block Development Officer (Block Panchayats).

(xii) Vehicle for rural Local Bodies

As per the interim recommendation of the Committee the Government in G.O.Ms.No.127, Rural Development and Panchayat Raj (SGS 4) Department, dated 12.07.07 enhanced fuel allocation for the Block Development Officer (Village Panchayats) and Block Development Officer (Block Development) from 100 litres to 150 litres and for the Panchayat Union Chairperson from 75 litres to 100 litres.

The Government vide G.O.Ms.No.36, Rural Development and Panchayat Raj (PR1) Department, dated 04.03.08 accorded permission for the purchase of vehicles to Panchayat Union Chairpersons. Accordingly, vehicles have been procured and handed over to the Panchayat Union Chairpersons in a function presided over by Honourable Chief Minister on 28.07.2008.

(xiii) Telephone for Village Panchayats

The High Level Committee recommended that each Village Panchayat should be provided with a landline telephone connection enabling the Block Development Officers and the Village Panchayat Presidents to communicate to each other easily. Accordingly, the Government vide G.O.Ms.No.118, Rural Development and Panchayat Raj (SGS 4) Department, dated 02.07.07 accorded sanction for installation of landline telephone in 7,238 Village Panchayats which did not have telephone facility. The Government also accorded permission for incurring an expenditure upto Rs.750 per month on telephone charges.

(xiv) Wireless for Panchayat Unions

As per the interim recommendation of the Committee, the Government vide G.O.Ms.No.134, Rural Development and Panchayat Raj (SGS4) Department, dated 02.08.07 issued orders for the establishment of wireless communication network in 24 Districts at a cost of Rs.3.76 crores.

(xv) Purchase of materials for Hand Pumps and Power Pumps– Empowering Village Panchayats

As per G.O.Ms.No.83, Rural Development and Panchayat Raj (SGS.3) Department, dated 29.08.2006, the Government permitted the Village Panchayat Presidents to take up maintenance of Hand pumps and Power pumps upto Rs.600 and Rs.7,500 respectively without reference to the Engineers for preparation of estimates or passing of bills. The Committee recommended that this delegation of powers enabling the Village Panchayat Presidents to maintain water supply systems upto a particular financial limit should continue in future also. Accordingly, the Village Panchayat Presidents are being allowed to exercise the existing powers in the maintenance of water supply system.

(xvi) Purchase of spares for Streetlights – Empowering Village Panchayats

As per G.O.Ms.No.149, Rural Development (T3) Department, dated 16.07.98 Panchayat Presidents can directly purchase ISI/ISO 9000 certified spares for streetlights from local shops. The Committee viewed that this policy should be continued in future also. Accordingly, the status quo continues and it has not been altered.

(xvii) Training to rural Local Bodies Representatives

Based on the interim recommendation of the Committee, the Government in G.O. Ms.No.103, Rural Development and Panchayat Raj (C3) Department, dated 19.06.07 issued orders for an annual allocation of Rs.3 crores as Training Corpus Fund for training elected rural Local Body representatives-.

Under Part II Scheme 2007-08, the Government has sanctioned an amount of Rs.3,51,25,000/- for infrastructure development including construction of new hostel building in the five RIRDs. Under Part II Scheme 2008-09, the Government has also sanctioned Rs.25 lakhs for the five RIRDs for replacement of furniture and equipments.

(xviii) Making NREGS works mandatory for Village Panchayats

The Government of India enacted the National Rural Employment Guarantee Act 2005 to provide livelihood security to the households in rural areas by providing 100 days of guaranteed wage employment to every household who volunteers to do unskilled manual work. In 2006-07 the Scheme was implemented in 6 Districts. In 2007-08 it was extended to 10 districts. From 01.04.08 this has been extended to all the districts. The Government of Tamil Nadu has appointed the President of Village Panchayat as implementing authority for this Scheme to ensure that Village Panchayat Presidents implement the Scheme in true letter and spirit. The High Level Committee recommended that the implementation of NREGS should be made as a mandatory

function of the Village Panchayat Presidents by incorporating it as one of the duties under Section 110 of the Tamil Nadu Panchayats Act 1994.

The Government have amended Section 46 the Tamil Nadu Panchayats Act, 1994 vide Act No. 41 of 2008 making it mandatory for the President to execute or implement all schemes, programmes or activities as may be entrusted to Village Panchayats from time to time.

(xix) Revival of Namakku Naame Thittam (NNT)

As per the recommendations during the interim discussion of the High Level Committee, the Government in Rural Development and Panchayat Raj (SGS3) Department by G.O.Ms.No.172, dated 15.10.07 revived this Scheme and made an allocation of Rs.50 crores for the year 2007-08.

(xx) Panchayat Union School Renovation Programme

As per the interim recommendation of the Committee that the Panchayat Unions should be specifically empowered to repair and renovate all Panchayat Union Elementary and Middle Schools, the Government by G.O.Ms.No.94, Rural Development and Panchayat Raj (SGS 4) Department, dated 12.06.07 issued orders empowering the Panchayat Unions to take up repair of elementary and middle schools of AGAMT 2006-07 and 2007-08 with an outlay of Rs.135 Crores.

(xxi) Libraries for all Village Panchayats

Based on the interim discussions of the Committee, the Government as per G.O.Ms.No.177, Rural Development and Panchayat Raj (SGS2) Department, dated 25.10.07 permitted the Village Panchayat Presidents to appoint Honorary Librarians initially on contract basis for a period of 2 years on an honorarium of Rs.750/- per month.

(xxii) Sports Centres for all Village Panchayats

During interim discussions, the High Level Committee recommended that the Village Panchayats should be empowered to maintain the Sports Centres established under AGAMT and suitable financial powers be given for them in this regard.

The Government in G.O.Ms. No.80, Rural Development and Panchayat Raj (SGS2) Department, dated 30.05.2007 permitted Village Panchayats to incur an expenditure upto Rs.10,000 per annum from the General Funds for the upkeep of the Sports Centre.

(xxiii) Social Welfare

As per the recommendations of the High Level Committee, the Government in G.O.Ms. No.60, Social Welfare and Nutritious Meal Programme (SW6) Department, dated 02.06.08 issued following orders:

- (i) Government reiterated its instructions that the Village Panchayat Presidents may supervise the functioning of the Noon Meal Centres and ICDS schemes implemented in the villages.
- (ii) The Village Panchayat Presidents will recommend the names of the beneficiaries under Moovalur Ramamirtham Ammaiyar Ninaivu Marriage Assistance Scheme, Sivagami Ammaiyar Memorial Girl Child Protection Scheme of the Social Welfare Department. The Social Welfare Department Officials will verify whether these persons fulfill their required eligibility criteria and send the names of the selected persons to the Grama Sabha for information.
- (iii) For the names recommended by the Village Panchayats for the individual beneficiary oriented schemes – Rehabilitation for the Disabled, approval should be given by Grama Sabha.
- (iv) Village Panchayat Presidents should supervise and monitor the Physically Handicapped Pension scheme as to whether they are issued in time and as per guidelines and if there is any deficiency, it should take corrective action through the Village Panchayat Welfare Committee.
- (v) Panchayat Welfare Committee may function as a Monitoring Committee for the schemes implemented by the Social Welfare Department.

(xxiv) Adi Dravidar and Tribal Welfare

The Government in G.O.Ms. No.148, Adi Dravidar and Tribal Welfare Department, dated 26.12.2007 issued orders on the recommendations made by the Committee regarding Adi Dravidar and Tribal Welfare Department.

- (i) The Government reiterated orders issued in G.O.Ms.No.85, Adi Dravidar and Tribal Welfare Department, dated 14.07.99 empowering Village Panchayat Presidents to inspect the schools and hostels.
- (ii) The Village Panchayat Presidents are empowered to select beneficiaries under the individual beneficiary oriented schemes implemented by TAHDCO and TAHDCO would select the beneficiaries based on the eligibility criteria and send the list of selected persons for information to Grama Sabha.

- (iii) Under the free patta scheme for SC/ST, the Village Panchayat Presidents may select the names and the Special Tahsildar should verify these names from this list and issue pattas as per the eligibility norms. The Presidents are given power for monitoring and supervising the rehabilitation of released bonded labourers.
- (iv) The Village Panchayats are empowered to supervise the incentive amount given by the Adi Dravidar and Tribal Welfare Department through the agencies in certain villages.
- (v) The members of the Adi Dravidar and Tribal Welfare Department may be appointed as the members of the Village Panchayat Committee.

(xxv) Backward Classes, Most Backward Classes and Minorities Welfare

The Government in by G.O.Ms.No.93, Backward Classes, Most Backward Classes and Minorities Welfare (BW3) Department, dated 23.11.07 issued orders on the recommendations of the High Level Committee.

- (i) The Village Panchayat Presidents are empowered to inspect the schools and hostels run by the Department.
- (ii) The Panchayat Presidents are empowered to select the beneficiaries for issue of free pata for the persons belonging to Backward and Most Backward Classes and Minorities for selection of beneficiaries. However this list and the suitability of the land could be verified by the District Backward Classes and Most Backward Classes Officer.
- (iii) The beneficiaries under the Economic Development Scheme will be selected by the Panchayat Presidents and sent to the District Backward Classes and Most Backward Classes Officer. District Backward Classes and Most Backward Classes Officer would review the list and select the eligible beneficiary from that list.

(xxvi) Education

- (i) The Government in G.O.Ms.No.88, School Education Department, dated 21.04.08 reiterated its orders issued in G.O.Ms.No.268, School Education Department dated 27.08.99 empowering the Village Panchayat Presidents and Panchayat Union Chairpersons to inspect adult education and non formal education centres.
- (ii) The Government in G.O.Ms.No.90, School Education (S2) Department, dated: 21.04.2008 reiterated the orders issued in G.O.Ms.No.248, School

Education Department, dated 11.06.1997 empowering the Village Panchayat President, Panchayat Union Chairperson and the District Panchayat Chairperson to supervise the provision of water supply, toilet facilities and repairs to schools and send a report in this regard to Assistant Elementary Education Officer concerned. The Assistant Elementary Education Officer should take action on their report and give a report on the action taken by participating in the monthly Panchayat Union Council meetings. The District Elementary Education Officer should review the action taken by the Assistant District Elementary Education Officers and ensure that necessary follow up actions have been taken within one month.

(xxvii) Public Distribution System

The Government in Cooperation, Food and Consumer Protection Department by G.O.Ms.No.4 (3D) dated 31.01.08 issued orders on the recommendations of the High Level Committee.

- (i) Panchayat Presidents are empowered to supervise the Public Distribution System shops in their jurisdiction.
- (ii) The Taluk supply Officer should convene meetings once in a quarter and invite the Village Panchayat Presidents for the meeting to give their advice and point out grievances. The Cooperative Sub Registrar and other Public Distribution Officers should also be called for this meeting.
- (iii) On every Republic Day, a new 'A' register with all additions and deletions should be submitted to the Grama Sabha.
- (iv) The details regarding crop loan sanctioned and the beneficiary list should be placed before the Grama Sabha once in a quarter.
- (v) The Village Panchayat will serve as Village Level Committee for all schemes implemented by the Cooperation, Food and Consumer Protection Department.

(xxviii) TNEB Issues

The Government in Energy Department has issued various orders on the recommendations of the High Level Committee:

- (i) The Government in its letter Ms. No.70, Energy (D2) Department, dated 24.07.2007 reduced the tariff charges on street lights and water supply with effect from 12.04.07 for the Village Panchayats from Rs.3.40 to Rs.3 per unit.

- (ii) The Government in its letter Ms.No.93, Energy (D2) Department, dated 04.10.07 reduced the belated payment surcharge levied on local bodies from 12% per annum to 6% per annum and extended the time limit from the existing 20 days to 60 days for levying belated payment surcharge.
- (iii) The Government in Energy Department letter No.77 dated 14.08.07 waived belated outstanding as on 30.03.07 amounting to Rs.18.46 crores.
- (iv) The Government in Rural Development and Panchayat Raj (SGS3) Department by G.O.Ms.No.111, dated 26.06.07 issued orders fixing Rs.9,500 as fixed rate for installation of new Electricity Board pole.
- (v) The Government have also issued orders to fix the meters to all electricity service connections and to issue demand based on the meter readings.
- (vi) The bill should be on the meter readings.
- (vii) As per G.O.Ms.No.55, Rural Development and Panchayat Raj Department, dated 01.04.08, Government have enhanced the remuneration payable to TNEB linemen for replacing streetlights and streetlight materials. For replacing of incandescent bulbs remuneration was enhanced from Rs.0.50 to Rs.5, for changing tubelights and sodium vapour lamps from Rs.2 to Rs.20 and for changing choke, starters and condensers to Rs.10.

(xxix) Revenue

The Government in G.O. Ms. No.231, Revenue Department (RA.3.2) Department, dated 29.04.2008 have issued the following orders on the recommendations of the High Level Committee.

- (i) The registration of Birth and Death will continue to be done by Village Administrative Officers. A copy of the Birth and Death certificate registered by the Village Administrative Officers will be given every month to the Panchayat Office along with regular updating. Village Administrative Officers and Village Panchayat Presidents will be empowered to issue birth and death certificates. Both the Village Administrative Officers and the Village Panchayat Presidents should share the information relating to the issue of birth and death certificates.
- (ii) The Residence/ Domicile Certificate and BPL Certificate will also be issued by the Village Panchayat Presidents concerned. The Revenue Department and Rural Development and Panchayat Raj Departments will take efforts to harmonize the BPL list prepared by Rural Development and Panchayat

Raj Department with the eligibility requirement for multifarious schemes of other departments also. Marriage certificate will continue to be issued by the Registration Department.

- (iii) The list of Old Aged Pensioners (OAP), Widow Pensioners, Physically Handicapped Pensioners, Deserted Women Pensioners, Destitute, Agricultural Labourer Pensioners etc. should be placed before the Grama Sabha and the Grama Sabha should verify whether any eligible names have been left out and ineligible names included. The recommendation of Grama Sabha in this regard should be duly acted upon based on eligibility criteria by the Revenue Department and the action taken in this regard should be informed to Grama Sabha.
- (iv) List of beneficiaries for such welfare schemes as House site pattas, Two Acres Waste land Distribution Scheme, Colour Television and Gas Stove Schemes etc., prepared by the Revenue department should also be communicated to the Village Panchayats every month and also should be placed before the Grama Sabha every quarter. The objections of the Grama Sabha if any should be duly enquired by the Revenue Department and the decisions in this regard should be communicated to the Grama Sabha.
- (v) Revenue Department should give the details of the vested-Poramboke lands along with FMB sketch to respective Panchayat officials in the Districts.
- (vi) As and when any Committee is constituted by the Revenue Department the representatives of Village Panchayats should be included in those Committees.

4. ACT AMENDMENTS

4. ACT AMENDMENTS

4.1 Amendments to Tamil Nadu Panchayats Act, 1994

Democratic decentralization is a continuous process. This calls for amendments to the Act and Rules framed for the local self-government. The Acts and rules, if they are to be vibrant should reflect the aspirations of the people for whom these were enacted and have to be dynamic. The dynamism of the Act and Rules is reflected in the Governments' ability to amend them so that these Acts and Rules project the needs of the people and do not get fossilated. The Government has been ever vigil to the aspirations and needs of the people and have therefore brought in several Act amendments as narrated below in the two year period from June 2006 to March 2008.

4.1.1. Village Panchayats

(i) Appointment of Special Officers for Village Panchayats by District Collectors:

The power of appointment of Special Officers for Village Panchayats in certain circumstances is vested with the Government. In order to avoid delay and to ensure uninterrupted administration of Village Panchayats, a new Section 9-C has been inserted in Tamil Nadu Panchayats Act, 1994, by Act No.38 of 2006 so that the District Collectors concerned can appoint Special Officers for Village Panchayats which could not be constituted even after resorting to the election process.

9-C. Appointment of Special Officer in certain circumstances.-

Notwithstanding anything contained in this Act, or in any other law for the time being in force, in respect of Village Panchayat, which could not be constituted on the 25th day of October 2006, even after resorting to election process, the Inspector may, by notification, appoint a Special Officer to exercise the powers and discharge the functions of the said Village Panchayat, until the day on which the first meeting of the said Village Panchayat is held after election to the said Village Panchayat.

(ii) Deletion of 'Special Village Panchayats' and Modification in the size and population of Village Panchayats

The downgradation of Town Panchayats and creation of a new category called as 'Special Village Panchayats' carried out by the Government in 2004 did not serve the professed purpose of getting additional grants from the Government of India. Most of these Town Panchayats had a distinct characteristics of an urban area rather than a rural area. Therefore, it was in the fitness of things that the Town Panchayats continued as Town Panchayats and graduate to Municipalities with further development in infrastructure and increase in the income. It was therefore decided that the category

of 'Special Village Panchayats' should be removed and redesignated as Town Panchayats as they were in existence earlier. Necessary amendment was issued to the Tamil Nadu Panchayats Act, 1994 by Act No.17 of 2006 with effect from 14.07.2006.

As per the earlier provisions of the Act, the Inspector of Panchayats shall declare every local area with a population of not less than 500 as a Panchayat Village and any area with population of less than 500 shall be included in any contiguous Panchayat village. Sixty-six Village Panchayats which had population of more than 500 as per the 1991 census were having less than 500 population as per the 2001 census. There had been representations against merger of these Panchayat Villages. The next ordinary election to the Village Panchayats was to be conducted before 24th October 2006. If fresh delimitation of wards was taken up based on the 2001 census, the Panchayat elections could not be conducted before the due date. It was also be appropriate to take up delimitation of panchayat Wards after the delimitation of Parliament and Assembly constituencies. Therefore the Government decided to remove the minimum population limit of 500 for the formation of a Panchayat Village and introduced a new section 28A relating to special provision relating to the elections to be held in 2006 by retaining the territorial area of wards, the number of wards in every Village Panchayat, Panchayat Union and District Panchayat and the number of members to be returned by each such ward to be as it existed then.

Consequent on the redesignation of Special Village Panchayats as Town Panchayats, the number of members of the Village Panchayats exclusive of its President needed to be restricted to 15 from the existing 21. The prescription of one member for every 5,000 population for the Panchayat Union Council as a yardstick could not be prescribed in view of vast variation in the area and population of the Panchayat Union. Hence, an amendment was issued by Act No.17 of 2006 with effect from 14.07.2006 removing this restriction and that the number of members was to be at the rate of one member for such population as may be prescribed.

4.1.2. Elections

(i) The period of ineligibility to contest elections, of the elected representatives of the Village Panchayats removed for irregularities was not very stringent. The President, Vice President of the Village Panchayats, Chairman, Vice Chairman of the Panchayat Union Council and of the District Panchayats and the members of these Panchayats removed for irregularities were ineligible for the election

Section 205

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(13) Any person in respect of whom a notification has been issued under sub-section (11) removing from the office of President shall, unless the notification is cancelled under sub-section (12), be ineligible for election as President until the expiry of three years from the date specified in such notification as postponed by the order, if any, issued under sub-section (12).

to these offices until the date of notice of the next ordinary election to the respective panchayats or the expiry of one year from the date specified in the notification for removal or from the date as postponed by the Government for their removal, as the case may be, whichever was earlier. To make it more stringent, the period of ineligibility was enhanced from one year to three years and it was decided to disqualify them from contesting the election including election for filling up of ordinary vacancy in the said offices till the expiry of period of three years. This was brought by an amendment of Tamil Nadu Panchayats Act No. 16 of 2007 with effect from 08.06.2007.

Section 207

xxxx xxxx xxxx

(13) Any person in respect of whom a notification has been issued under sub-section (12) removing him from the office of Chairman shall be ineligible for election as Chairman and for holding any of those offices until the expiry of three years from the date specified in the notification.

Section 210-A

xxxx xxxx xxxx

(3) Any person removed under sub-section(1) from the office of President, Vice-President, Chairman, Vice-Chairman or member, as the case may be, shall not be eligible for election to the said office until the expiry of three years from the date specified in such notification, issued under sub-section (1).

(ii) Empowering Tamil Nadu State Election Commission to exercise powers of Disqualification effectively

Section 37(4) of the Tamil Nadu Panchayats Act, 1994 empowers Tamil Nadu State Election Commission to declare a person to be disqualified for being chosen and for being a member or President if he fails to lodge the account of election expenses within the time. However, the earlier provisions of Section 41 hindered the efficacious exercise of such powers by Tamil Nadu State Election Commission. Therefore

In Section 41 of the Tamil Nadu Panchayats Act, 1994, in sub-section (1), for the expression-

“disqualified under sections 33, 35, 37, 38 and 40”, the expression “disqualified under section 33 or section 35 or sub-section (1), (2) or (3) of section 37 or section 38 or section 40” has been substituted.

this section was amended by the Government vide Act No.17 of 2007 with effect from 09.07.2007 to enable the Tamil Nadu State Election Commission to exercise its powers in the case of non-filing of accounts of election expenses.

(iii) Public Holiday to enable the Electors to exercise their franchise in panchayat elections.

There was no provision in the Tamil Nadu Panchayats Act, 1994, to grant paid holiday on the day of polling, to those who are employed in any business, trade, industrial undertakings or other establishment who are entitled to vote.

In the Ordinary Elections to Local Bodies conducted in 2006, there were several instances wherein business, trade, industrial undertakings and other establishment did not grant holiday on the day of polling to their employees and therefore they were unable to exercise their franchise. With a view to avoid this, specific provision was made in the Act by casting a duty upon the business, trade, industrial undertakings and other establishments to grant paid holiday on the day of poll to their employees who are entitled to vote and also specify penalty for contravention, on the lines of the provisions under the Representation of People Act, 1951, by Act No.12 of 2007 with effect from 31.05.2007.

Section 80-A. Grant of paid holiday to employees on the day of poll.

(1) Every person employed in any business, trade, industrial undertaking or any other establishment and entitled to vote at election to any Panchayat shall, on the day of poll, be granted a holiday.

(2) No deduction or abatement of the wages of any such person shall be made on account of a holiday having been granted in accordance with sub-section (1) and if such person is employed on the basis that he would not ordinarily receive wages for such a day, he shall nonetheless be paid for such day the wages he would have drawn had not a holiday been granted to him on that day.

(3) If an employer contravenes the provisions of sub-section (1) or sub-section (2), then such employer shall be punishable with fine which may extend to five hundred rupees.

(4) This section shall not apply to any elector whose absence may cause danger or substantial loss in respect of the employment in which he is engaged.

(iv) Term of Office of the State Election Commissioner

As already mentioned in 2.1, an amendment was made to Section 239, vide Act No.24 of 2007 with effect from 08.06.2007, fixing the age of retirement of State Election Commissioner as 65 years and the term of office as two years. He shall be eligible for reappointment for two successive terms of two years each so that no person shall hold office of the State Election Commissioner for more than 6 years in the aggregate.

4.1.3. Finance

(i) The major source of Assigned Revenue to rural local bodies are Local cess, Local cess surcharge, Surcharge on stamp duty and Entertainment tax. As there was considerable delay in adjusting the various Assigned Revenues by the Collectors to the Village Panchayats and Panchayat Unions and also inequity in distribution of revenues, an alternative sharing formula for the Assigned Revenues facilitating quick and easy disbursement and which is also equitable was called for. Therefore the Act was amended to enable pooling of the four main items of Assigned Revenues namely

Local cess, Local cess surcharge, Surcharge on stamp duty and Entertainment tax at the State level and apportioning them among the 3 tiers of the Panchayats by adopting the same formula as done for the State Finance Commission grants.

(ii) The provision of Tamil Nadu Panchayats Act, 1994 enables the Government to make rules for fixing the proportions in which the proceeds of Local cess, Local cess Surcharge and Surcharge on the duty of transfer of property shall be distributed among the Village Panchayats, Panchayat Union Council and the District Panchayats. To enable the Government to distribute the major portion of the proceeds of Local cess, Local cess Surcharge and Surcharge on the duty of transfer of property among the 3 tiers of the Panchayats adopting the procedure applicable for the State Finance Commission devolution and the remaining part of the said proceeds for the execution

169. Orders regarding collection of Local Cess, Local Cess Surcharge and Surcharge on the Duty on transfers of property.-

The Government may, by notification, -

(a) regulate the collection of Local Cess under Section 167, Local Cess Surcharge under Section 168 and Surcharge on the Duty on transfers of property under Section 175;

(b) fix the proportions in which the proceeds of Local Cess, Local Cess Surcharge and Surcharge on the Duty on transfers of property shall be distributed among Village Panchayats, Panchayat Union Councils and District Panchayats and grant any amount from the said proceeds for the execution of specific scheme, project, programme or plan in any Village Panchayat, Panchayat Union Council or District Panchayat; and

(c) deduct the expenses incurred by the Government in the collection of Local Cess, Local Cess Surcharge and Surcharge on the Duty on transfers of property.

of several schemes, project, programmes or planning in any Village Panchayat, Panchayat Union Council and District Panchayat, suitable amendments were carried out to the Tamil Nadu Panchayats Act, 1994 by Act No.11 of 2008 with effect from 12.03.2008.

4.1.4. Moving and passing of No Confidence Motion:

Moving of 'No Confidence Motion' is a democratic right vested with the members of the rural local bodies to remove indirectly elected leader of that body in the event of loss of confidence of the majority of the members. Many 'No Confidence Motions' are being moved against the Vice-Presidents of Village Panchayats,

Section 211. Motion of no confidence in Vice-President of Village Panchayat.

xxxx xxx xxxx

(2) Written notice of intention to make the motion, signed by members of the Village Panchayat ¹[not less in number than three-fifth of the sanctioned strength] of the Village Panchayat, together with a copy of the motion which is proposed to be made and a written statement of the charges against the Vice President, shall be delivered in person to the Tahsildar of the Taluk by any two of the members of the Village Panchayat signing the notice.

Chairpersons and Vice Chairpersons of Panchayat Union and Chairpersons and Vice Chairpersons of District Panchayats for non-genuine and frivolous reasons. This tends to divert the attention of the Panchayat administration from the issues concerning the welfare of the people such as basic civic needs, infrastructure facilities and other development schemes. Smooth conduct of meetings in the Panchayat is also affected. Therefore while retaining the powers for moving and passing 'No Confidence Motion', these were made more stringent by amending section 211 and section 212 of the Act, by Ordinance No.9 of 2007 and in continuation of that by Act No.10 of 2008. This amendment was given effect from 13.12.2007.

As per the amended provision of, 'No Confidence Motion' on the Village Panchayat Vice-Presidents and the Chairpersons/Vice Chairpersons of the Panchayat Union Council and Chairpersons/Vice Chairpersons of District Panchayats cannot be brought within one year of the assumption of the office or during the last year of the term of the office. Further, the notice of intention to make the motion should be signed by not less than 3/5th of the members of that Panchayat. The Vice President of Village Panchayat, Chairperson/Vice Chairperson of the Panchayat Union Council and District Panchayat would

xxxx xxxx xxxx

(13) If the motion is carried with the support of not less than four-fifth of the sanctioned strength of the Village Panchayat, the Inspector, shall by notification, remove the Vice-President of the Village Panchayat.

(14) If the motion is not carried by such a majority as aforesaid, or if the meeting cannot be held for want of the quorum referred to in sub-section (13), no notice of any subsequent motion expressing want of confidence in the same Vice-President shall be received until after the expiry of one year from the date of the meeting.

(15) No notice of a motion under this section shall be received, -

(i) within one year of the assumption of office by; or

(ii) during the last year of the term of office of a Vice-President.

212. Motion of no confidence in Chairman or Vice-Chairman of Panchayat Union Council. -

xxxx xxxx xxxx

(2) Written notice of intention to make the motion, signed by members of the Panchayat Union Council not less in number than three-fifth of the sanctioned strength of the Panchayat Union Council, together with a copy of the motion which is proposed to be made and a written statement of the charges against the Chairman or Vice-Chairman, shall be delivered in person to the Revenue Divisional Officer of the division by any two of the members of the Panchayat Union Council signing the notice.

xxxx xxxx xxxx

(13) If the motion is carried with the support of not less than four-fifth of the sanctioned strength of the Panchayat Union Council, the Government shall, by notification, remove the Chairman or Vice-Chairman of the Panchayat Union Council.

(14) If the motion is not carried by such a majority aforesaid, or if the meeting cannot be held for want of the quorum referred to in sub-section (13), no notice of any subsequent motion expressing want of confidence in the same Chairman or Vice-Chairman shall be received until after the expiry of one year from the date of the meeting.

be removed only if the motion is carried with the support of not less than 4/5th of sanctioned strength of the Panchayat.

(15) No notice of a motion under this section shall be received, -

(i) within one year of the assumption of office by; or

(ii) during the last year of the term of office of a Chairman or Vice-Chairman.

5. RULE AMENDMENTS

5. RULE AMENDMENTS

5.1. Grama Sabha

The Grama Sabha is the grass root level democratic institution in each Village Panchayat. A vibrant Grama Sabha is essential for the effective functioning of Village Panchayats by promoting transparency and accountability in administration, enhancing public participation in the planning and implementation of schemes and in the choice of beneficiaries, and paving the way for social audit.

In order to streamline the procedure for the conduct of Grama Sabha, the Government in G.O.Ms.No.130, Rural Development and Panchayat Raj (C4) Department, dated 25.09.06 made certain amendments to the Tamil Nadu Grama Sabha (Quorum and Procedure for convening and conducting of meetings) Rules, 1998. As per the amendment the Grama Sabha is to meet in each of the Village Panchayat wards by rotation. Since a quorum of 10% of the voters was unattainable and unwieldy for the bigger Village Panchayats, the quorum was reduced based on the population.

It has also been specified that out of the quorum, at least 1/3rd shall be women and the number of SC/STs participants shall bear the same proportion to the quorum as the population of SCs / STs bears to the total population of the Village Panchayat. Recording of Grama Sabha attendance and proceedings through proper registers and keeping photographic record have been made mandatory.

Table 5.1

Revised Quorum for Grama Sabha

Sl. No.	Population of the Panchayat	Quorum for the Grama Sabha
1	Upto 500	50
2	501-3000	100
3	3001-10000	200
4	Above 10000	300

5.2. Reservation of seats and offices and Rotation

Reservation and rotation of seats for Scheduled Castes, Scheduled Tribes and Women in rural Local Bodies is provided under Article 243D of the Constitution. The Tamil Nadu Panchayats Act, 1994, the Tamil Nadu Panchayat Elections (Reservation of Seats and Rotation of Reserved Seats) Rules, 1995 also provide for this. The Rules provide for the reservation of seats by adopting a list of wards or Panchayats arranged in the descending order of the percentage of SCs, STs and Women and applying a 'cut off' at the point where the number of reserved seats and offices is equal to the prescribed ratio. The periodicity of rotation is also fixed as 10 years under the Rules. The Government in Rural Development and Panchayat Raj (C4) Department by G.O.Ms.No.105 dated 01.09.06 amended the rule 7 of the Tamil Nadu Panchayats

(Reservation of seats and rotation of reserved seats) Rules 1995 by virtue of which the posts of Presidents of Village Panchayats and Chairpersons of Panchayat Unions and District Panchayats reserved for SCs, STs and Women were rotated - after 10 years - for the October 2006 elections. While the posts of ward members of all the 3 tiers reserved for Women were rotated - after 10 years – those reserved for SCs and STs were not rotated; in other words, they would continue to be reserved as such until the Government direct otherwise. However, the Government took a conscious decision not to rotate the posts of Presidents of Pappapatti, Keeripatti and Nattarmangalam Village Panchayats in Madurai district and Kottakachiyendal Village Panchayat in Virudhunagar district reserved for SCs where elections could not take place for a prolonged period due to local opposition to reservation.

5.3. Election Rules

(i) In order to ensure free and fair elections to the rural local bodies, the Tamil Nadu Panchayats Election Rules 1995 was amended by G.O.Ms.No.86, Rural Development and Panchayat Raj (C4) Department, dated 27.07.06 making provision for the Tamil Nadu State Election Commission to nominate an Observer who shall be the Officer of the Government to watch the conduct of elections within a revenue division or a part of the division or a group of division and to perform the functions as may be entrusted to him by the State Election Commission. The Observer so nominated has also been given powers to direct the Returning Officer concerned to stop counting of votes at any time before declaration of the result or not to declare the result under certain circumstances.

(ii) As the expenses connected with the elections campaign has increased over years, the Government in Rural Development and Panchayat Raj (C4) Department by G.O.Ms.No.90, dated 02.08.06 issued amendment to Tamil Nadu Panchayats (Elections) Rules, 1995 by amending rule 121 which prescribes the maximum election expenses that can be incurred by the candidate.

The revised ceiling of expenditure in connection with the election is as follows:

- a. For election of Ward Member of a District Panchayat Rs.75,000
- b. For election of Ward Member of a Panchayat Union Rs.37,500
- c. For election as President of a Village Panchayat Rs.15,000
- d. For election as Ward Member of a Village Panchayat Rs.3,750.

5.4. Panchayat Building Rules

The Tamil Nadu Panchayats Building Rules, 1997, provide for appeal against the orders of the Executive authority on the approvals. This appeal would lie with the

Collectors of the district within 30 days from the receipt of the order and the orders of the Collector was final. In order to provide a chance for one more appeal by the aggrieved persons the Tamil Nadu Panchayats Building Rules was amended by G.O.Ms.No.85, Rural Development and Panchayat Raj (C2) Department, dated 27.07.06 by which provision was made for an appeal against the orders of the Collector to the Government within 60 days from the date of receipt of such orders. The orders of the Government on such appeal shall be final.

5.5. Preparation of Plans and Estimates for works and Mode and conditions of Contract Rules

The Government by G.O.Ms.No.203, Rural Development and Panchayat Raj (PR1) Department, dated 20.12.07 framed the Tamil Nadu Panchayat (Preparation of Plans and estimates for works and mode and conditions of contracts) Rules, 2007 in supersession of similar rules framed in 1998. These rules are applicable in respect of works of Village Panchayats, Panchayat Union Councils and District Panchayats executed out of the General Funds and under Central Government sponsored and State Government funded schemes. The rules detail about the Administrative Sanction powers and Technical Sanction for works and about the powers of measurement and check measurement of various works. The tender inviting authority and tender accepting authority have also been detailed. The Government have notified the authorities for scrutinizing the tender proposals.

The administrative sanction powers of Village Panchayats, Panchayat Unions and District Panchayats have also been enhanced to Rs.2 Lakhs, Rs.10 Lakhs and Rs.20 lakhs respectively so that the Panchayat Raj Institutions have greater operational independence.

5.6. Amendment to Rules consequent to pooling of Assigned Revenues

The Act was amended to enable the pooling of Assigned Revenues at State level so as to avoid delays that have been occurring in adjustment to rural Local Bodies made at district level, earlier by the Collectors. Consequent to this, the Tamil Nadu Village Panchayats (Receipts and Expenditure and Maintenance of the Accounts of Village Panchayats) Rules, 2000, was also amended vide G.O. Ms. No.14, Rural Development and Panchayat Raj (PR1) Department, dated 14.01.2008, to omit the relevant rule provisions that specified adjustment of duty on transfers of property, local cess and entertainment tax at District level.

5.7. Restriction of exemptions granted to Educational Institutions from House Tax

The Third State Finance Commission had recommended that all fee collecting institutions like Nursery, Matriculation Schools, Tutorial Colleges, self financed Engineering, Medical Colleges / Dental Colleges, Para Medical institutions, Teacher Training institutions, Coaching centres etc shall be subjected to House tax. Further, in its ruling on the applicability of exemptions for the educational institutions from the levy of House tax, the Hon'ble Madras High Court in *Sriram Educational Trust and 45 Others Vs. State of Tamil* observed that the *"Rule 15(c) is in an unqualified term. There are no words of restriction attached to the portion dealing with educational purposes."* The Government accepted the recommendation of the Third State Finance Commission that the properties belonging to self financing unaided educational institutions shall be subjected to levy of House tax by the local body and suitably amended rule 15 (c) of the Tamil Nadu Panchayats (Assessments and Collection of Taxes) Rules, 1999 vide G.O. Ms. No.38 RD & PR (PR.1) Department, dated 05.03.2008. Hence, the said rule is no longer in an unqualified term and the amended provision enables the Village Panchayats to levy and collect House Tax on the buildings used by Self financing educational institutions and also from the Government-aided institutions which are conducting self-financing unaided courses.

**6. IMPORTANT GOVERNMENT ORDERS
ISSUED IN 2006-07 & 2007-08**

6. IMPORTANT GOVERNMENT ORDERS ISSUED IN 2006-07 & 2007-08

6.1. Meetings

(i). Reading of one Thirukural in the meeting

The Government in G.O.No (2D) 59 of Rural Development and Panchayat Raj (C3) Department, dated 19.09.07 issued orders that in all the meetings of the District Panchayats, Panchayat Union Councils and Village Panchayats, one Thirukural should be read out and meaning explained before the commencement of the meeting.

(ii) Enhancing fixed TA for the Heads and Members of the 3 Tiers of Rural Panchayats

The fixed monthly TA for the Heads and members of the 3 Tiers of the Rural Panchayats was last fixed in 1999. Several developmental schemes are implemented by the Government through the Panchayat Raj system now. Therefore the Heads and the members of the 3 Tiers of the Panchayats have to take up frequent tours for implementation of works. They have also to attend the meetings and meet the officials at the District Headquarters. Therefore the fixed TA for the representatives of the Panchayat Raj Institutions has been revised vide G.O. (D) No. 569, Rural Development and Panchayat Raj (C1) Department, dated 28.09.2007 as follows:

Table 6.1

Monthly FTA for rural Local Body representatives

Sl. No.	Designation	Previously fixed FTA (in Rs.)	Revised Monthly FTA (in Rs.)
1	Village Panchayat President	330	500
2	Panchayat Union Chairperson	550	750
3	Panchayat Union Member	220	400
4	District Panchayat Chairperson	1,100	1,500
5	District Panchayat Member	330	500

6.2. Panchayat Elections

Payment of ex-gratia compensation to Government and Non Government employees who die or get injured while on election duty

In 1997 and 1999 Government have issued orders for payment of ex-gratia to Government and Non-Government employees who die or get injured while on election duty during the general election/bye election. The Government in G.O.Ms.No.102, Rural Development and Panchayat Raj (C4) Department, dated 18.06.07 issued orders for payment of ex-gratia compensation to Government and Non Government employees who die or get injured while on election duty in the panchayat elections. Compensation paid is Rs.5,000 in case of minor injury, Rs.10,000 in the case of major injury and Rs.50,000 in the case of death.

6.3. Delimitation of Panchayats

The Government prescribed the detailed procedure for delimitation by G.O.Ms.No.131, Rural Development and Panchayat Raj (C1) Department, dated 16.03.07. As per this procedure, the District Collectors are to conduct public hearings in connection with the upgradation of local bodies, merger/amalgamation of local bodies, bifurcation of local bodies and when delimitation is necessary for other reasons. The Collectors should convene a 'First sitting' of the public hearing for delimitation for which notice should be sent to the MPs, MLAs, elected representatives of rural and urban local bodies, District Secretaries of the recognized political parties, reputed NGOs, residential associations etc. In 'Second sitting' of the public hearing, the Collectors will scrutinize the proposals received and individually hear the representations of the concerned local bodies, political parties and others who have made their representations. Based on the hearing, the Collectors should prepare draft recommendation and send to Heads of Department while simultaneously publishing it at designated public offices for inviting objections. If necessary, the Heads of Department may conduct 'Third sitting' at the District level and hear the requests and objections on the draft recommendation. The Heads of Department will give their final recommendations to Government.

6.4. District Planning Committee

(i) Role of District Planning Committee

The District Planning Committee is in existence in each District from 1997. The Government by G.O.Ms.No.119, Rural Development and Panchayat Raj (C1) Department, dated 15.09.06 issued orders prescribing the functions of the District Planning Committee.

Functions of the District Planning Committee

1. To collect and compile the data on the District's natural and human resources and estimate the natural resource by means of maps for preparation of the District Development Plans.
2. Compiling the plans prepared for the economic development and various welfare schemes by the Local Bodies and the line departments. To prepare draft District Development Plans in line with the guidelines of the Government after discussion in the District Planning Committee.
3. To undertake spatial planning; to assist in facilitating the basic infrastructure development and protection of environment by discussing and co-ordinating the services with regard to sharing of water and natural resources for overall development.
4. To identify the factors affecting the development and to find out the specific schemes and strategies for the districts and to prepare action plans.
5. To monitor and supervise the development programmes/works implemented including the Central Government schemes.

(ii) Members of District Planning Committee

As per G.O.Ms.No.13, Rural Development and Panchayat Raj (C4) Department, dated 09.02.07, the Government specified the number of persons to be elected as members of the District Planning Committee of each district from among the members of the respective District Panchayats, Town Panchayats and Councilors of the Municipal Corporations and Municipal Council in the respective districts.

6.5. State Finance Commission

a. Constitution of State Council for rural and urban Local Bodies

The Government in Rural Development and Panchayat Raj (C2) Department by G.O.Ms.No.139, dated 09.10.06 constituted the State Council to discuss general policy issues, common goals to the urban and rural local bodies with Honourable Chief Minister as the Chairman of the Committee as recommended by the Second State Finance Commission. The terms of reference of the Council has also been fixed in the Government order.

b. Devolution of resources from the State Government to Local Bodies

Based on the recommendations of the Third State Finance Commission, the Government in G.O.Ms.No.199, Finance Department, dated 25.05.07 issued orders

on the devolution of resources from the State Government to local bodies. The order specifies that:

- i. Devolution of funds from State's own Tax revenues for the year 2007-08 will be 9%.
- ii. The vertical ratio of the 58:42 between rural and urban local bodies will be followed during the award period.
- iii. From the share of rural local bodies, the grant shall be distributed to Village Panchayats, Panchayat Unions and District Panchayats in the ratio of 60:32:8 respectively.
- iv. The Government shall reserve 5% out of 60% share of Village Panchayats towards Infrastructure Gap Filling Fund.
- v. From the Infrastructure Gap Filling Fund, 50% will be allocated towards AGAMT, a portion of amount to Director of Rural Development for providing basic amenities and the rest to District Collectors.
- vi. The minimum of 3 lakhs will be provided to each Village Panchayats as a measure of equalization.
- vii. The devolution grant shall be distributed within each tier of rural local bodies based on 2001 population.

6.6. Creation of Training Corpus Fund with an annual allocation of Rs.3 crores

For imparting systematic training to the representatives of Panchayat Raj, the Government by G.O.Ms.No.103, Rural Development and Panchayat Raj (C3) Department, dated 19.06.07 issued orders for creation of a training corpus fund with an annual allocation of Rs.3 crores, from the State Finance Commission grant to be utilized in the ratio of 8:32:60 for the District Panchayats, Block Panchayats and Village Panchayats respectively.

6.7. Revised guidelines to the District Panchayats on the utilization of State Finance Commission grant

The Government in G.O.Ms.No.138, Rural Development and Panchayat Raj (C2) Department, dated 09.08.07 issued revised guidelines for the District Panchayats on the utilization of State Finance Commission grant. As per the revised guidelines, the grants may be used for formation of cement concrete roads, upgradation of gravel road into Black topped roads, drinking water supply. They can use an amount not exceeding 50% for other works. District Panchayats may utilize 10% of the devolution or Rs.15 lakhs whichever is less for administrative expenses.

6.8. Guidelines for utilization of Infrastructure Gap Filling Fund

As per the Government orders 5% of the devolution fund is available as Infrastructure Gap Filling Fund. 50% of this allocation has been ordered to be allocated for AGAMT scheme. Of the balance 50%, 25% will be available for the Director of Rural Development and Panchayat Raj for providing basic amenities in the Districts and 75% to the District Collectors based on the population for utilization funds for basic amenities. In G.O.Ms.No.182, Rural Development and Panchayat Raj (C2) Department, dated 02.11.07, Government issued orders framing guidelines for utilising this Infrastructure Gap Filling Fund.

6.9. Allocation of Rs.135 crores for Panchayat Union School Renovation Programme

As per G.O.Ms.No.157, Rural Development and Panchayat Raj (C2) Department, dated 10.09.07 Government allocated Rs.135 crores for Panchayat Union School Renovation Programme from State Finance Commission grant.

6.10. Twelfth Finance Commission Grant

Increase in the share of Village Panchayats from 80% to 100% of 12th Finance Commission grant

As the Village Panchayats have the onerous responsibility of maintaining street lights, water supply and sanitation, the Government in Rural Development and Panchayat Raj (C2) Department by G.O.Ms.No.19 dated 26.02.07 decided that the entire 12th Finance Commission Grants may be given to the Village Panchayats instead of giving to the Village Panchayat and Panchayat Unions in the ratio of 80:20. The allocation to the Village Panchayats will be made on the basis of population. 12th Finance Commission grants given should be utilized by the Village Panchayats entirely for the operation and maintenance costs of water supply, street-lighting and sanitation.

6.11. Assigned Revenue

(i) Pooling of Assigned Revenues at State level and apportionment to local bodies

The Government in G.O. Ms.No.168, Rural Development and Panchayat Raj (C4) Department, dated 04.10.07 ordered that the assigned revenue due to the rural local bodies from the proceeds of the Local Cess, Local Cess Surcharge, Surcharge on Stamp Duty and Entertainment Tax shall be pooled at the State level and that two-third of the apportionment of the assigned revenue to the rural local bodies shall be done by the Director of Rural Development and Panchayat Raj on quarterly basis

following the procedure applicable for the State Finance Commission devolution. The balance portion of one-third of the pooled amount will be credited to a Fund on behalf of the Rural Local Bodies on half-yearly basis as contribution and the funds shall be utilized for implementing specific development schemes in the rural Local Bodies.

(ii) Constitution of fund for priority schemes in rural areas

As per orders of the Government in G.O.Ms.No.168 Rural Development and Panchayat Raj (C4) Department, dated 04.10.07, Government ordered pooling of select Assigned Revenues at State level and apportioning one-third of it to a fund constituted separately for implementing specific developmental schemes in rural areas. Accordingly, as per G.O.Ms.No.191 Rural Development and Panchayat Raj (C4) Department, dated 22.11.07, the Government constituted a fund by name 'Fund for Priority Schemes in Rural Areas'. This fund is to be utilized for executing works to create basic infrastructure in rural areas. The Government also formulated detailed guidelines for utilization of these funds and sanction of schemes.

6.12. General Fund Works

(i) Priority works that may be taken up from General Funds of Panchayats

As per G.O.Ms.No.68, Rural Development and Panchayat Raj (C2) Department, dated 03.07.06, Government issued guidelines that priority may be given for laying of cement concrete roads, black topped roads and for providing sodium vapour lamps by the three tiers of the Panchayats for the works taken up from their General Funds.

(ii) Norms for laying of cement concrete roads and fixing of sodium vapour lamps

The Government in G.O.Ms.No.74, Rural Development and Panchayat Raj (SGS3) Department, dated 11.07.06 fixed guidelines for providing cement concrete roads and sodium vapour lamps. As per the guidelines for habitations with a population of less than 500, two sodium vapour lamps, for population 501-1000, four per habitation and for population above 1000, 6 per habitation would be provided. Similarly for the cement concrete roads, 250 metres of roads for habitation with a population less than 500, 750 metres for population from 501-1000, 1.5km for population of 1001-3000 and 3 kms for habitation with a population of above 3,000 has been fixed.

6.13. Water Supply

Increase in Annual Maintenance Cost of Hand pumps and powerpumps

As per G.O.Ms.No.63, Rural Development and Panchayat Raj (SGS3) Department dated 29.06.06, Government enhanced the Annual Maintenance Cost of Hand Pumps from Rs.300 to Rs.600 and powerpumps from Rs.7,000 to Rs.7,500.

6.14. Street Lights

(i) Fixing of Rs. 9,500 for new poles

In order to avoid higher expenditure and delay in preparation of estimates for fixing of new pole for streetlights, the Government by G.O.Ms.No.111, Rural Development and Panchayat Raj (SGS3) Department, dated 26.06.07 ordered fixed cost of Rs.9,500 per new streetlight pole with effect from 13.06.07.

(ii) Reduction of electricity tariff for Village Panchayats from Rs. 3.40 per unit to Rs.3 per unit

The Government, by letter No.70, Energy (C3) Department, dated 24.07.07 issued policy directive to the Tamil Nadu Electricity Regulatory Commission for reduction in electricity tariff rates for streetlights and water supply connection for Local Bodies from existing Rs.3.40 to Rs.3 per unit with effect from 12.04.07. The Government in G.O.Ms.No.95, Energy (D2) Department, dated 02.10.07 sanctioned subsidy for this reduction.

(iii) Reduction of rates for belated payment

The Government by its letter Ms.No.93, Energy (C3) Department, dated 04.10.07 reduced the belated payment surcharge levied on local bodies from 12% per annum to 6% per annum with effect from 13.03.07. The time limit for levying the belated payment surcharge was also enhanced from 20 days to 60 days.

(iv) Provision of electrification for the buildings constructed by Rural Development and Panchayat Raj Department and used by other departments.

The Rural Development and Panchayat Raj Department constructs various categories of buildings not only for the usage of rural Local Bodies but also for the usage of a number of other departments. Based on the 'user pays' principle, it is for the occupying departments to pay the electricity consumption charges. Since the buildings were owned by Rural Development and Panchayat Raj Department, the user departments were unable to apply for electricity connections in their name. In order to overcome this problem, the Government have, vide G.O.Ms.No.206, Rural Development and Panchayat Raj (SGS.1) Department, dated 31.12.2007 given a blanket 'No Objection Certificate' to the other user departments for which the Rural Development and Panchayat Raj Department has built buildings through its schemes, to enable them to apply to TNEB for electricity connections and pay the recurring current consumption charges to TNEB, without any financial commitment to the rural Local Bodies.

6.15. Rationalization of Village Panchayat Accounts

The rationalization of Village Panchayat Accounts and the procedure for operation of accounts was issued by the Government in 1997 and 1998. As the Accounting system posed certain difficulties and had certain drawbacks, the Government decided to rationalize the Panchayat Accounting System to achieve the objectives of empowering Village Panchayat Presidents to pay TNEB and TWAD Board dues from the funds at their disposal while at the same time preventing them from utilising these funds for less important purposes and to prevent unauthorized withdrawal of money from scheme funds/NREGS accounts without authorization by BDO (VP) concerned. The Government in Rural Development and Panchayat Raj Department (C4) in G.O.Ms.No.146 dated 17.08.07 issued orders rationalizing the Village Panchayat Accounts. As per the rationalization, each Village Panchayat should maintain 4 separate accounts, viz. Village Panchayat fund account, Village Panchayat payment to TNEB / TWAD Board account, Village Panchayat Scheme Fund account and Village Panchayat NREGS account.

6.16. Roads

(i) Strengthening of Panchayat and Panchayat Union roads under CRIDP

The Government in G.O.Ms.No.78, Rural Development and Panchayat Raj (SGS2) Department, dated 17.07.06 and in G.O.Ms.No.163, Rural Development and Panchayat Raj (SGS2) Department, dated 21.11.06 have sanctioned a sum of Rs.25 crores for strengthening of Panchayat and Panchayat Union roads to facilitate smooth transportation under Comprehensive Rural Infrastructure Development Programme (CRIDP).

(ii) Strengthening of Panchayat and Panchayat Union roads under NABARD RIDF.

The Government in G.O.Ms.No.118, Rural Development and Panchayat Raj (SGS2) Department, dated 14.09.06 accorded sanction for strengthening 899 bus plying and non-bus plying Panchayat and Panchayat Union roads at a cost of Rs.107.39 crores as a loan assistance from NABARD under Rural Infrastructure Development Fund.

(iii) Upgradation of Panchayat/Panchayat Union Roads in 2006-07 AGAMT villages under NABARD-RIDF

The Government in G.O.Ms.No.185, Rural Development and Panchayat Raj (SGS2) Department, dated 16.11.07 accorded sanction for upgradation/construction of 1491 Panchayat/Panchayat Union Roads which are in bad condition, which lead

directly or indirectly to or which are in the vicinity of Anaithu Grama Anna Marumalarchi Thittam Villages taken up during 2006-07 and also link roads which are important for industries, tourism and from marketing points of view to such villages at a cost of Rs.410.05 crores with loan assistance from NABARD under Rural Infrastructure Development Fund XIII.

(iv) Maintenance of Panchayat and Panchayat Union Roads under Twelfth Finance Commission Grant for the year 2006-07

The Government in G.O.Ms. No.222, Highways (HF1) Department, dated 01.11.2006 have sanctioned Rs.103.60 crores for improvement of Panchayat and Panchayat Union roads upto B.T. 1,898 Kms of roads have been improved by utilizing the above amount during the year 2006-07.

(v) Upgradation of Panchayat/Panchayat Union Roads in 2007-08 AGAMT villages under NABARD-RIDF

The Government in G.O.Ms.No.105, Rural Development and Panchayat Raj (SGS.1) Department, dated 19.06.2008 accorded sanction for upgradation/construction of 1,241 Panchayat/Panchayat Union Roads and 3 bridge projects which are in bad condition, which lead directly or indirectly to or which are in the vicinity of Anaithu Grama Anna Marumalarchi Thittam Villages taken up during 2007-08 and also link roads which are important for industries, tourism and from marketing points of view to such villages in all 30 Districts at a cost of Rs.414.56 crores with loan assistance from NABARD under Rural Infrastructure Development Fund XIV.

(vi) Maintenance of Panchayat and Panchayat Union Roads under Twelfth Finance Commission Grant for the year 2007-08

The Government in G.O.Ms. No.176, Highways (HF1) Department, dated 13.07.2007 have sanctioned Rs.103.60 crores for improvement of Panchayat and Panchayat Union roads upto B.T. 1,801 Kms of roads have been improved by utilizing the above amount during the year 2007-08.

6.17. Communication

(i) Provision of Fax machines and Photocopiers to Assistant Director (Audit) offices

Various Central and State schemes are implemented through out the State by 12,618 Village Panchayats, 385 Panchayat Unions and 29 District Panchayats. Weekly and monthly periodical and physical and financial progress reports and proposals have to be sent from various offices to the State Government and Central Government.

This involves taking multiple copies of the reports. In view of this, the Government by G.O.Ms.No.73, Rural Development and Panchayat Raj (SGS4) Department, dated 25.05.07 sanctioned two Heavy Duty Photocopier to the Director of Rural Development and Panchayat Raj, 414 Photocopiers and 414 Fax machines to the offices of Assistant Director (Audit) in the Districts and 385 offices of Panchayat Unions.

(ii) Telephones for Village Panchayats

The Honourable Minister for Rural Development and Local Administration announced on the floor of the Assembly that each Village Panchayat will be provided with a landline telephone connection enabling the Block Development Officers and the Village Panchayat Presidents to communicate to each other easily. Accordingly, the Government in G.O.Ms.No.180, Rural Development and Panchayat Raj (SGS4) Department, dated 02.07.07 accorded sanction for installation of landline telephone in 7,238 Village Panchayats which did not have telephone facility. The Government also accorded permission for incurring an expenditure upto Rs.750 per month on telephone charges.

(iii) Wireless for Panchayat Unions

As per G.O.Ms.No.134, Rural Development and Panchayat Raj (SGS4) Department, dated 02.08.07, the Government issued orders for the establishment of wireless communication network in 24 Districts at a cost of Rs.3.76 crores.

6.18. Vehicles

The High Level Committee constituted under the Chairmanship of Hon'ble Minister for Rural Development and Local Administration had recommended in the suggestion No.13.2 that "there used to be just one vehicle in each block, which was shared by the Panchayat Union Chairperson, the two Block Development Officers and the two Block Engineers. Between 1997 and 1999, all the Blocks were given the second vehicle to enable the officers to inspect the works in their blocks more frequently. Despite the separate fuel entitlement, the Committee understands that one of the vehicles is mostly at the disposal of the Chairperson. The Committee recommends that the Panchayat Union Chairperson should be given an independent vehicle like District Panchayat Chairperson and the two Block Development Officers should have one vehicle each to facilitate better supervision of schemes".

2. Based on the above recommendation of High Level Committee, the Government have sanctioned purchase of vehicles for the Panchayat Union Chairpersons, Block Development officers and to Assistant Executive Engineers (RD) subdivision from the Scheme component of Pooled Assigned Revenue vide

G.O.Ms.No.36, Rural Development and Panchayat Raj (PRI) Department, dated 04.03.2008.

3. Accordingly, the Committee constituted under Scheme Component of Pooled Assigned Revenue comprising the Secretary, Rural Development and Panchayat Raj Department, Director of Rural Development and Panchayat Raj and Superintending Engineer (RD), have on 10.03.2008, given the approval for the purchase of 385 vehicles for Panchayat Union Chairpersons at the rate of Rs. 4.75 lakhs per vehicle approximately (as per DGS&D rate) to the total estimate of Rs.18.287 crores and to incur the expenditure from the Scheme Component of Pooled Assigned Revenue.

4. Orders have been placed with M/s TATA Motors Ltd., Chennai to supply 385 TATA SPACIO GOLD (BSIII) vehicles to the Panchayat Union Chairpersons. The purchase orders were given in two phases to ensure proper delivery and easy monitoring. In the first phase, orders have been placed with M/s TATA Motors Ltd., on 10.03.2008 to supply 200 vehicles at the rate of Rs.4,26,372/- (DGS&D Rate Rs.3,73,378+CST @ 12.5%- Rs.46,672 + Transportation Charges Rs.6,322) and to the total cost of Rs.8,52,74,400. In the second phase, orders were placed for the remaining 185 vehicles on 29.04.2008 at the then prevailing rate of Rs.4,37,882 (DGS&D rate Rs.3,83,609 + CST @ 12.5% Rs.47,951 + Transportation Charges Rs.6,322 = Rs.4,37,882). Accordingly, the entire 385 vehicles were got delivered at the total cost of Rs.16,62,82,570.

5. Under Pooled Assigned Revenue 2007-08, 168 Block Development Officers (Village Panchayats), and 32 Assistant Executive Engineers (RD) were provided with Mahindra Bolero Vehicles at a cost of Rs.8.95 Crores. Subsequently, 207 Block Development Officers (Block Panchayats) and 2 Assistant Executive Engineers (RD), Sub Division were provided with Mahindra Bolero Vehicles at a cost of Rs.10 Crores.

6.19. Fuel

As per the interim recommendation of the High Level Committee the Government in G.O.Ms.No.127, Rural Development and Panchayat Raj (SGS4) Department, dated 12.07.07 enhanced fuel allocation for the Block Development Officer (VP) and Block Development Officer (BP) from 100 litres to 150 litres and for the Panchayat Union Chairperson from 75 litres to 100 litres.

6.20. Village Panchayat Establishment

(i) Fixation of Time-Scale of Pay to the Village Panchayat Assistants

Hon'ble Minister for Rural Development and Local Administration Department announced in the Assembly on 11.08.2006 that the Panchayat Assistants and Part-time Clerks working in the Village Panchayats would be brought to regular time scale with effect from 01.09.2006. Accordingly Government by G.O.Ms.No.175, Rural Development and Panchayat Raj (C5) Department, dated 05.12.2006 issued orders fixing the time scale for the Panchayat Assistant Grade I as Rs.1300-20-1500-25-2000 and Panchayat Assistant Grade II as Rs.625-10-725-20-925. The G.O. also allowed filling up of 592 vacancies of Panchayat Assistants. The Government orders also prescribed the qualifications, administrative control and duties and responsibilities for the post of Panchayat Assistants.

(ii) Creation of the post of Makkal Nala Paniyalargal

The Government in G.O.Ms.No.51, Rural Development and Panchayat Raj (C5) Department, dated 12.06.06, revived the posts of Makkal Nala Paniyalargal and created 12,618 posts of Makkal Nala Paniyalargal. The Makkal Nala Paniyalargal would be given an honorarium of Rs.1,000/- per month and a travelling allowance of Rs.50/- per month. The duties and responsibilities of Makkal Nala Paniyalargal was also prescribed.

As per G.O.Ms.No.176, Rural Development and Panchayat Raj (C5) Department, dated 05.12.06 Government created an additional post of 482 Makkal Nala Paniyalargal.

(iii) Time-scale of pay to Fitter-Assistants in Panchayat Union

As per G.O.Ms.No.55, Rural Development and Panchayat Raj (C5) Department, dated 15.06.06, 933 Fitter-Assistants who were appointed on daily wages upto 01.04.97 were brought under regular time-scale and appointed as Night Watchman and Office Assistants in Panchayat Union.

6.21. Declaration of certain Village Panchayats as Heritage Towns

The Government in G.O.Ms.No.5, Rural Development and Panchayat Raj (C2) Department, dated 19.01.2007, declared 10 Village Panchayats as heritage towns. This order enables these Village Panchayats to apply for a grant of Rs.50 lakhs from the Town and Country Planning Development Fund for the heritage improvement projects.

6.22. Awards

Uthamar Gandhi Village Panchayat Award for 15 best performing Village Panchayats

Uthamar Gandhi Village Panchayat Award was instituted vide G.O.Ms.No.111, Rural Development and Panchayat Raj (C2) Department, dated 05.09.2006. This award is being given each year from 2006-07 onwards for those Village Panchayats which have undertaken outstanding works, special initiatives and innovative efforts during the preceding 5 years. The chosen Panchayats are given a certificate, shield and a cash prize of Rs.5 lakhs each while the Presidents are given a certificate and a medal. Awards can also be given posthumously. For 2006-07, 124 proposals were received from Collectors, out of which 45 proposals were short-listed for field verification by a team headed by an IAS Officer. 15 Village Panchayats were chosen for conferment of the Uthamar Gandhi Village Panchayat Award. The Award was presented by the Hon'ble Chief Minister on 10.10.2007.

For 2007-08 also, an amount of Rs.75 lakhs was sanctioned and awards have been distributed to 15 Village Panchayats.

7. FINANCES OF THE PANCHAYATS

7. FINANCES OF THE PANCHAYATS

7.1. State Finance Commission Grant (2006-07)

Article 243-I and 243-Y of the Constitution of India incorporated by the 73rd and 74th Amendment Acts provides for the constitution of a State Finance Commission in order to examine and recommend measures to augment the resources of the local bodies and financial

2nd SFC fund sharing pattern

Village Panchayats : 47%

Panchayat Unions : 45%

District Panchayats : 8%

devolution to the local bodies by the State Government. As per the recommendations of the Second State Finance Commission (2002-03 to 2006-07) 8% of the State's total own net tax revenues (other than entertainment tax) was devolved to the rural and urban local bodies in the ratio of 58:42 respectively during the year 2006-07.

87% of the allocation for rural local bodies was shared among the three tiers in the ratio of 47:45:8 among Village Panchayats, Panchayat Unions and District Panchayats respectively. This grant was released to the local bodies on monthly basis. The balance 13% consists of Equalization fund (6%), Incentive fund (5%) and Reserve fund (2%). The SFC grant was generally utilized for the following:

- a) salaries, pensions, office maintenance, etc.,
- b) maintenance of drinking water facilities.
- c) maintenance of street lights, payment of electricity charges.
- d) maintenance of Village Panchayat and Panchayat Union roads.
- e) maintenance of minor irrigation tanks.
- f) public health, sanitation, sewerage, etc.

In 2006-07, Government released Rs.1,224.76 crores as the State Finance Commission grant for the rural local bodies.

7.2. State Finance Commission Grant (2007-08)

The Third State Finance Commission was constituted on 02.12.2004, for the award period of 2007- 08 to 2011-12. The Government vide G.O.Ms.No.199, Finance (FC IV) Dept., dt: 25.05.2007 accepted the following recommendations of the Third State Finance Commission

- ❖ To increase the devolution grant from existing 8% to 9% of the State's own tax revenue in 2007-08. The devolution grant was to be shared between the rural and urban local bodies in the ratio of 58:42.

3rd SFC fund sharing pattern

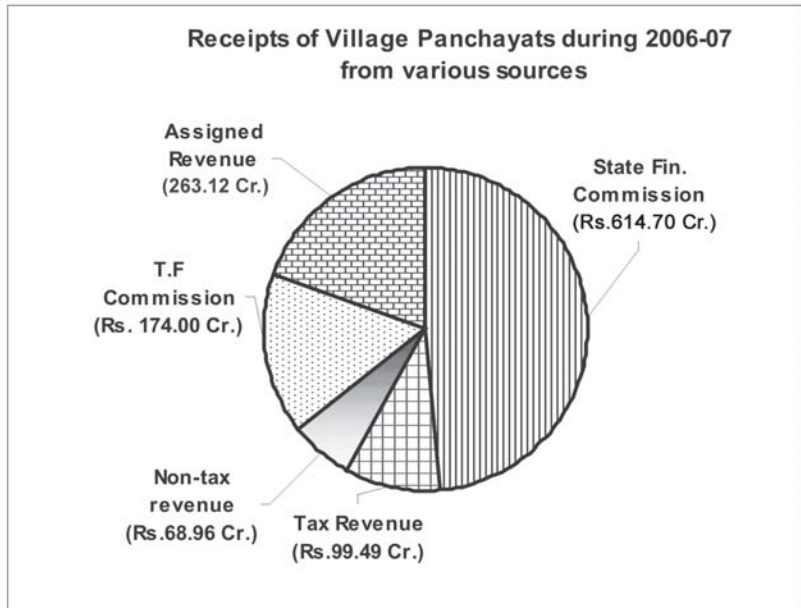
Village Panchayats : 60%

Panchayat Unions : 32%

District Panchayats : 8%

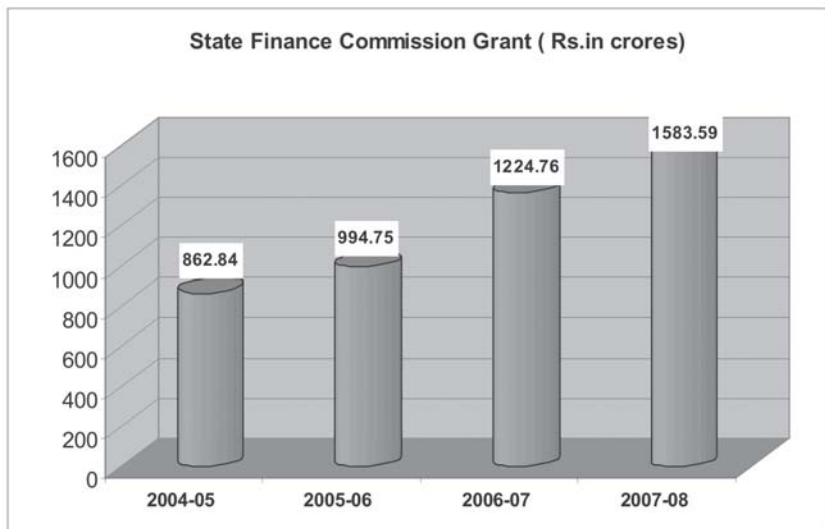
- ❖ The 58% devolution grant to rural local bodies to be distributed among the rural local bodies in the ratio of 60:32:8 from the year 2007-08 for the Village Panchayats, Panchayat Unions and District Panchayats in the State.

- ❖ The allocation of State Finance Commission funds to the Village Panchayats based on the criteria adopted in the earlier years was not sufficient for many Panchayats to meet the minimum payment of electricity charges to TNEB and water charges to TWAD Board. Hence, the Government have ordered that the



Village Panchayat's share will be raised to 60% of the Devolution grant allocated for Panchayat Raj Institutions to enable them to discharge their onerous duties of provision and maintenance of basic amenities such as drinking water supply, sanitation, roads and street lights.

- ❖ Out of 60% share of Village Panchayats, 5% is reserved for Infrastructure Gap Filling Fund. From out of the Village Panchayats share of 55%, a minimum grant of Rs.3 lakhs per annum to each Village Panchayat is to be provided as a measure of



equalization. The balance amount is to be released based on population.

During the year 2007-08, the Government released an amount of Rs.950.15 crores to the Village Panchayats, Rs.506.75 crores to the Panchayat Unions and Rs.126.69 crores to the District Panchayats, totalling a release of Rs.1,583.59 crores.

7.3. Central Finance Commission Grant

On the basis of the recommendations of the Twelfth Finance Commission (TFC), the Government of India allotted a sum of Rs. 870 crores for the period from 2005-06 to 2009-10. The guidelines issued by the Government of

*CFC fund sharing pattern
(2006-07 first half year)
Village Panchayats : 80%
Panchayat Unions : 20%*

India stipulate that the TFC Grant should be used for improving the service delivery in respect of water supply and sanitation. The grant can also be utilized for repairs, rejuvenation and also operation and maintenance costs incurred for water supply and sanitation. The grant was shared between the Village Panchayats and Panchayat Unions in the ratio of 80:20. A sum of Rs.174 crores was released for the year 2006-07.

As the Village Panchayats have the responsibility of maintenance of street lights and sanitation, the Government decided that the entire 12th Finance Commission grants may be given to the Village Panchayats instead of giving to the Village Panchayats and Panchayat Unions

*From second half year of 2006-07,
100 % TFC allocation is given to Village
Panchayats*

in the ratio of 80:20. The allocation to the Village Panchayats will be made on the basis of population. The 12th Finance Commission grants given should be utilized by the Village Panchayats entirely for the operation and maintenance costs of water supply, street lights and sanitation. Accordingly Government issued orders in G.O.Ms.No.19, Rural Development and Panchayat Raj (C2) Department, dated 26.02.07.

An amount of Rs.174 crores was released for the year 2007-08.

7.4. Assigned Revenue (2006-07)

The Assigned Revenues to the rural Local Bodies include Local Cess, Local Cess Surcharge, Surcharge on Stamp Duty, Entertainment Tax, Lease amounts and Seigniorage fees on Mines and Minerals and proceeds from Social Forestry auctions. Local Cess and Local Cess Surcharge are levied by rural Local Bodies and collected by Revenue department. The Surcharge on Stamp Duty is collected by Registration Department and Entertainment Tax by Commercial Tax Department. The Assigned Revenues were released to the rural Local Bodies through the District Collectors concerned.

(i) Local Cess, Local Cess Surcharge

Section 167 of the Tamil Nadu Panchayats Act, 1994 provides for the levy of local cess on every rupee of land revenue realized in the State. The total amount realized from this source was distributed entirely to Village Panchayats. Similarly, Section 168 of the Act provides for the levy of Local Cess Surcharge by the Panchayat Union Council. The levy, collection and adjustment to Village Panchayats and Panchayat Unions is done by Revenue Department in the districts.

(ii) Surcharge on Stamp Duty;

Under Section 175 of the Tamil Nadu Panchayats Act 1994, provision is made for crediting the proceeds under surcharge on Stamp duty to Village Panchayats. This is adjusted in quarterly instalments by the Registration Department in the districts.

<p><i>Rs.228.73 crores for the year 2006-07</i></p>
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(iii) Entertainment Tax

90% of the Entertainment Tax collected in rural areas is assigned to rural local bodies. This is distributed between the Panchayat Unions and Village Panchayats in the ratio of 30: 70 respectively by the Commercial Tax Department in the districts. An amount of Rs.185.57 lakhs was assigned from Entertainment Tax.

(iv) Mines and Minerals

The quarry lease income from minor mineral is shared with local bodies. Previously, it was with Revenue Department but subsequently it was entrusted to a separate department called Geology and Mining. The department had issued instructions for adjusting the amount at the end of April every year, after the closure of the financial year. From 02.10.2003, Public Works Department is operating the sand quarries and the income has gone to Government Account. However the Seigniorage fees have been apportioned to local bodies.

(v) Pooling of Assigned Revenue at State level (2007-08)

The Assigned Revenues to the rural Local Bodies include Local Cess, Local Cess Surcharge, Surcharge on Stamp Duty, Entertainment Tax, Lease amounts and seigniorage fees on Mines and Minerals and proceeds from Social Forestry auctions. Local Cess and Local Cess Surcharge are levied by rural Local Bodies and collected by Revenue department. The Surcharge on Stamp Duty is collected by Registration Department and Entertainment Tax by Commercial Tax Department. The Assigned Revenues were released to the rural Local Bodies through the District Collectors concerned. The existing system of collection and distribution of Assigned Revenues to

various rural Local Bodies at the district level involved delays in transfer of funds and also tremendous paper work. In addition, the distribution was also inequitable. The District Panchayats did not get any share from this component.

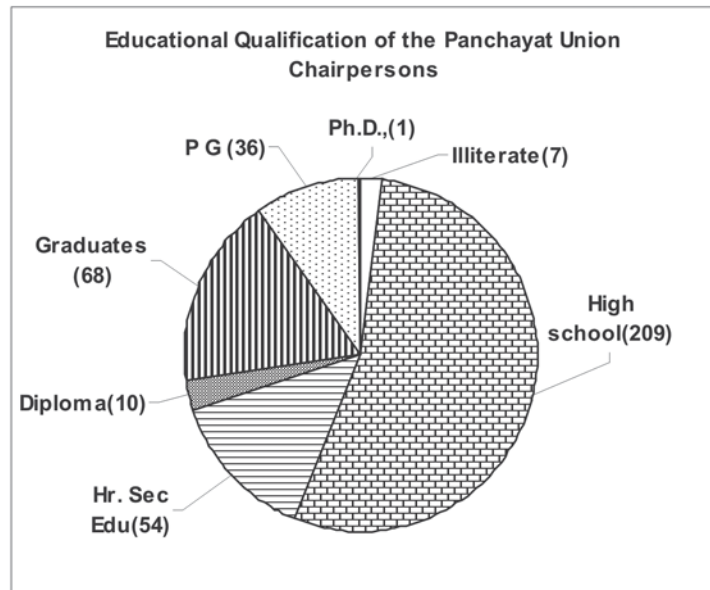
The Third High Level Committee had examined this in detail. Based on the interim discussions of the Third High Level Committee, the Government addressed the problems in apportioning the Assigned Revenues by issuing orders in G.O.Ms.No.168 Rural Development and Panchayat Raj (C4) Department dated 04.10.07 by which the Assigned Revenues (other than lease amounts and seigniorage fees on mines and minerals and proceeds from social forestry auctions) are pooled at the State level and apportioned to three tiers of rural local bodies. This has ensured quicker and more equitable distribution of financial resources among the rural Local Bodies.

Accordingly, Government allocated Rs.270 Crores for Pooled Assigned Revenue for the year 2007-08. Out of this amount, Rs. 180 Crores had been released to all the Village Panchayats, Panchayat Unions and District Panchayats on population basis and Rs. 90 Crores released to districts for priority schemes.

8. CAPACITY BUILDING

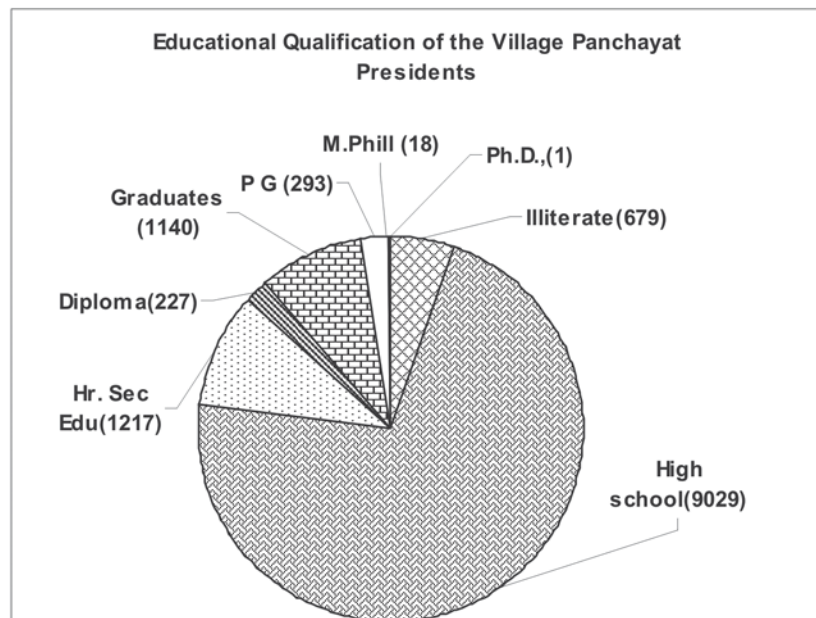
8. CAPACITY BUILDING

With the democratic decentralization, devolution of powers and legal empowerment of the Panchayat Raj Institutions, there is utmost need for the capacity- building of these institutions and the individuals who manage the affairs in these institutions. In the context of not-so high educational level of the representatives in these institutions, their capacity building assumes greater importance.



8.1. Role of SIRD and RIRDs in Capacity Building

Training programmes are conducted by the State Institute of Rural Development, Maraimalaingar Nagar and the five Regional Institutes of Rural Development to the elected representatives of the rural local bodies and officers and staff of the Rural Development and Panchayat Raj Department on various aspects. While the SIRD is functioning at Maraimalai Nagar as the apex training institute, the five Regional Institutes of Rural Development are functioning at S.V.Nagaram, Krishnagiri, Pattukottai, T.Kallupatti and Bhavanisagar and cater to the training needs of the districts earmarked to them.



8.2. State Institute of Rural Development

The State Institute of Rural Development (SIRD) is the state apex body for Training, Research and Consultancy functions in the Rural Development and Panchayat Raj Department. It works as an autonomous organization under the Rural Development and Panchayat Raj Department of Government of Tamil Nadu. SIRD was established in 1961 and attained autonomous status in 1990 and started functioning in Maraimalai Nagar campus since 1991.

8.2.1. Thrust areas of SIRD

SIRD has been playing a creditable role by facilitating qualitative changes in programme implementation through a process of the following components:

- **Training**
- **Research**
- **Consultancy and**
- **Information dissemination**

8.2.2. Training performance of SIRD 2006-07

During the year 2006-07, 196 batches of programmes under 18 banners were conducted covering 14,484 participants which include the Members of self-help Group, Block Development Officers, Assistant Project Officers, Ministerial staff, N.G.Os, Panchayat Assistants, Makal Nala Paniyalargal, Village Panchayat Presidents, District Training Co-ordinators, Members of self-help Group, PLF Secretaries, Project Officers, Trainers, District Project Managers, Assistant Project Managers, Members of the Project Facilitation Teams and others.

8.2.3. Training performance of SIRD 2007-08

In the year 2007-08, 158 batches of training under 22 banners were conducted covering 9,202 participants which include the Members of Self Help Groups, Block Development Officers, Assistant Project Officers, Ministerial staff, N.G.Os, Panchayat Assistants, Asst. Project Officers, Joint Directors, Project Economists, Assistant Directors, Assistant Executive Engineers and others.

8.3. Regional Institutes of Rural Development

Tamil Nadu has five Regional Institutes of Rural Development functioning at five regions located at S.V.Nagaram, Krishnagiri, Pattukottai, T.Kallupatti and Bhavanisagar catering to the training needs of the elected representatives of the Rural Local Bodies and the Middle level officers and staff at the block and village levels.

8.3.1. Management

The Regional Institute of Rural Development is under the control of the Government. An officer in the rank of Joint Director is posted at each RIRD as its Principal and he is assisted by Faculty Members who are on deputation from various other departments.

8.3.2. Training performance of RIRDs in 2006-07

The training programmes are conducted by the Regional Institutes of Rural Development to provide functional skills in Panchayat Raj as well as computer training. In 2006-07, RIRDs have conducted the Regular Training Programmes for Extension Officer (Panchayats), Other Extension Officers, Deputy Block Development Officers, Assistants, Rural Welfare Officers, Junior Assistants, Typist, Cashier, Panchayat Assistant, Road Inspectors and Overseer and computer training for the Deputy Block Development Officers, Extension Officers, Assistants, Junior Assistants, Rural Welfare Officers, Typist, Cashier. Refresher courses for Deputy BDOs, Engineers & Overseers were also conducted. In all, the five RIRDs have conducted 384 programmes covering 14,652 participants.

8.3.3. Training performance of RIRDs in 2007-08

During the year 2007-08, RIRDs have conducted the Regular Training Programmes for Extension Officer (Pts.), Other Extension Officers, Deputy Block Development Officers, Assistants, Rural Welfare Officers, Junior Assistants, Typist, Cashier, Panchayat Assistant and Road Inspectors and Overseer and computer training for the Deputy Block Development Officers, Extension Officers, Assistants, Junior Assistants, Rural Welfare Officers, Typist, Cashier. Refresher courses for Deputy Block Development Officers, Engineers & Overseers were also held. In all, the five RIRDs have conducted 603 programmes covering 17,717 participants.

8.3.4. Infrastructure Development of RIRDs

If the RIRDs are to impart quality training, their infrastructure has to be improved. Therefore the Government sanctioned a sum of Rs.1 crore under Part II scheme 2007-08 to the five RIRDs for improvement to the class room, kitchen and hostel. The Government also sanctioned Rs.1.25 lakhs for purchase of Fax machines for the RIRDs.

As the hostel facility is inadequate in the RIRDs, the Government sanctioned Rs.50 lakhs for each RIRD under Part II scheme 2007-08 for construction of a new hostel with modern kitchen.

8.4. Creation of Training Fund by Government of Tamil Nadu

The Honourable Minister for Rural Development and Local Administration announced on the Floor of the Assembly on 12.04.2007 that "A Training corpus Fund will be created for organizing training programmes to the elected representatives of the Panchayat Raj administration and implementation of Rural Development Schemes. An amount of Rs.3 crores will be set apart for the Training corpus Fund every year. The Training Corpus Fund will also be utilized to undertake exposure visits of the elected representatives within and outside the State in order to acquire first-hand knowledge about the good practices elsewhere".

Accordingly, the Government issued orders vide G.O.(MS)No 103, Rural Development & Panchayat Raj (C3) Department, Dated, 19.06.07. An amount of Rs.3 Crores was released by the Government for 2007-08 for the capacity building activities for the elected representatives of the rural local bodies.

A High Level Committee for administering the Training Corpus Fund was constituted to finalize the curriculum and specific training programme etc., under the Chairmanship of the Principal Secretary to Government, Rural Development and Panchayat Raj Department.

8.5. Two day Training cum Workshop:

In order to sensitize all the Village Panchayat Presidents a two day training cum workshop was organized for the Village Panchayat Presidents at various locations viz. Kancheepuram, Vellore, Cuddalore, Salem, Krishnagiri, Erode, Coimbatore, Trichy, Thanjavur, Dindigul, Madurai and Kanniyakumari. Eminent resource persons were invited and training input was given on Panchayat functioning, Panchayat finances, solid waste management, environment protection sustainable development, leadership qualities etc. 475 Village Panchayat Presidents participated in the programme. An expenditure of Rs.1.13 crores was incurred on this workshop.

8.6. Exposure Visits:

Under capacity building activities, visit to best practices was also taken up. Village Panchayat Presidents from the Districts were taken in batches on five day exposure visit. These visits covered Odanthurai Village Panchayat in Coimbatore District, Tamil Nadu Agricultural University, Coimbatore, Horticultural Research Station Ooty and solid waste management activities of the 'Siruthuli' in Coimbatore district. Transport, boarding and lodging were arranged through the Tamil Nadu Tourism Development Corporation. A total number of 433 Village Panchayat Presidents, in 8 batches participated in this visit. An expenditure of Rs.21.58 lakhs was incurred on this.

8.7. Publications

The Government has brought out valuable publications for the benefit of Panchayat Raj Institutions and officials.

(1) Compendium of Government Order, Guidelines & Instructions issued by the Government on Rural Development and Panchayat Raj

- Compendium of Government Orders (2006)
- Compendium of Government Orders (2007)

(2) Amendments to Act, Rules, Government Orders and Guidelines

All the important Amendments to Act, Rules, Government Orders, Guidelines and instructions pertaining to Rural Development and Panchayat Raj up to 2007 were compiled, published and distributed to all the offices of this Department at the State, District and Block level for ready reference, under the following titles:

- Important Rules and Government Orders relating to Panchayat Raj (Vol I)
- Important Rules and Government Orders relating to Panchayat Raj (Vol II)
- Compendium of Government Order, Guidelines & Instructions relating to Centrally Sponsored Schemes upto 2007
- Important Government Order, Guidelines & Instructions relating to State Funded Schemes upto 2007
- Service Rules, Important G.Os & Instructions relating to Establishment (Vol I)
- Service Rules, Important G.Os & Instructions relating to Establishment (Vol II)

(3) State Level Telephone Directory of important Officials and all the PRIs

In order to facilitate the elected representatives to communicate among the peers and also with the officers in sharing experiences, getting clarifications in all the matters relating to RD & PR, a State level Telephone Directory was compiled, printed and supplied to all the local bodies.

(4) District Level Telephone Directories

In the Regional level conferences of Village Panchayat Presidents, the District wise Telephone Directories were also printed and supplied.

The State Institute of Rural Development has brought out some valuable publications.

(1) Hand Book for the Village Panchayat Presidents

Two day orientation training was conducted for the newly elected Village Panchayat Presidents between 15.11.2006 and 30.11.2006 at 125 venues in all the districts in the State. Since more than 80% of the Village Panchayat Presidents were first-timers, they were sensitised on their roles and responsibilities, maintenance of accounts, conduct of meetings and implementation of schemes like NREGS, AGAMT etc. A hand book was printed and supplied to all the participants.

(2) Books on Panchayat Unions and District Panchayats:

A State level conference of Chairpersons of District Panchayats, Panchayat Unions and heads of urban Local Bodies was conducted on 18.03.2007 at Chennai in the presence of the Honourable Chief Minister. Various issues pertaining to effective functioning and empowerment of Local Bodies were deliberated upon and discussed in this conference. Books detailing the powers, duties etc. of Village Panchayats, Panchayat Unions and District Panchayats were printed and distributed to all the participants.

(3) Book on Village Panchayats and Manual on Right to Information Act-2005

Similar to the State level Conference, Regional level conferences of Village Panchayat Presidents were organized at Erode (24.07.2007), Tiruchirapalli (25.07.2007), Tiruvannamalai (03.08.2007) and Virudhunagar (23.08.2007) to ascertain their views on devolution and the difficulties, if any, in their functioning. 11,984 Village Panchayats Presidents out of a total of 12,618 Presidents in Tamil Nadu participated in these Regional Conferences. All the Conferences were Chaired by the Hon'ble Minister for Rural Development and Local Administration. Up dated book on Village Panchayats and a hand out on Right to Information were printed and supplied to all the Participants.

(4) Technical Handbook for newly recruited Engineers

In order to strengthen the Rural Development Engineering wing, Block level Engineers were newly recruited. Intensive training was imparted to them. A Technical Handbook was printed and supplied to all the participants as reference material.