

## **TOWN PLANNING SCHEME**

### **A Tool for Making Planning Work for City Development**

Over the past three decades, India has witnessed rapid urbanisation and industrialisation. It is the world's second most populous country, with a population of 1028 million and, of this, 285 million (27.8%) live in its 7,935 cities and towns (as per census 2011). Economic reforms have given a push to the process of urbanization and it is expected that by 2050, half of its population will be living in cities and there will certainly be an increase in the number of cities and towns. The land available for development is scarce in cities, with serviced urban land being scarcer and mostly privately owned. It is therefore imperative to design a land management tool catering to both the existing developmental need and the future urban growth. Indian cities have the urban development planning process being done in a hierarchical level. Urban development is regulated to the macro level plan by the Development Plan or Master Plan which is a statutory instrument to control, direct and promote the growth of the development and redevelopment of the urban area. The

development plan is prepared with the view of achieving maximum social and economic benefits. Micro level plan, on the other hand, indicates details and specific location of various activities and facilities as suggested in the development plan. Therefore, town planning schemes are necessary for the implementation of the development plan.

The various ways in which the prevailing land transformation alternatives can be differentiated are as follows:

1. Laissez-faire Development:

In Laissez-faire development the town planner approves the layout and thereafter the development is initiated by private groups. In this case, there is no provision for infrastructure, land for the urban poor, civic amenities, making for non-contiguous and leapfrog growth. The market decides the direction and quantum of development.

2. DP + Laissez-faire Development:

In this case, the development plan exists but there is no legal or financial resource framework for the implementation of the DP. Thus, with the absence of micro-level planning, there will be little control on the market by DP proposals with absence of micro level infrastructure, SEWS (socially and economically weaker sections) land and higher chances of land speculations.

### 3. Land Acquisition + Development

The development authority acquires the whole development area and takes possession of the land under the acquisition process. The planned development is made at macro and micro level, with auctioning of land parcels for various uses. It requires huge capital investments by public authority. In this case, the market is controlled by the public authority. Real monopolistic and artificial market situation exists within this development process.

### 4. Private Townships or Colonizer License System

The developer assembles land, plans and builds roads, amenities and the government provides regulatory support and connective infrastructure in exchange for collection charges such as Delhi-Gurugram development. Here the planning body is only a regulator and there are very slim chances of timely development of all zonal areas of the DP.

#### 5. The Development Plan-Town Planning (DP-TP) Mechanism

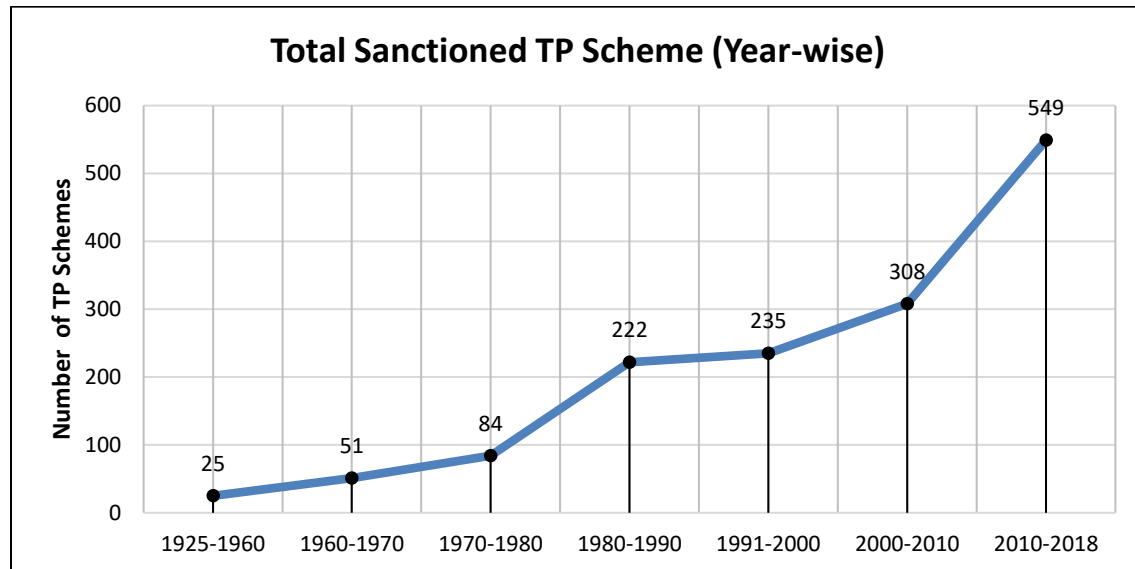
The DP-TP mechanism is a relatively well functioning land transformation system since the planning is done at both the macro and micro level, with development control regulations by the planning authority. The town planning schemes were initially made and thereafter the need of a greater development plan was found and made at the macro level. The need of an integrated DP and TP mechanism was then finally understood, whereby the proposals at the city level as proposed in the DP get implemented by the local level TP schemes.

Town Planning Schemes are prepared under the Gujarat Town Planning and Urban Development Act, 1976 to implement the development plan. The TPS is planned at the micro level for approximate 100 to 150 hectares of land which is under the pressure of urban development and require priority attention. There is a GTP&UD Rule, 1976 which enumerates the detailed procedures and various legal clauses for the same.

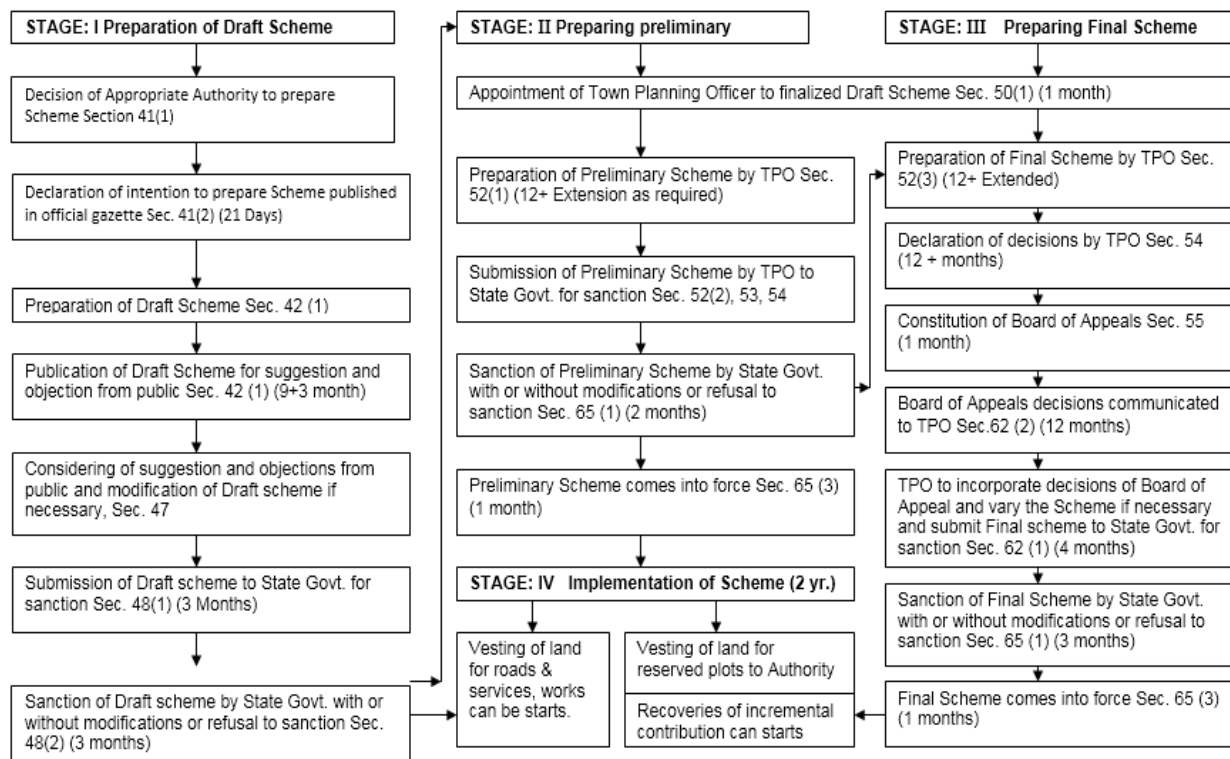
The town planning scheme in Gujarat can be attributed as a success story with all actors like farmers, developers, revenue authorities, planning authorities and government supporting it. The TPS also supports the land market by rapid supply of serviced land, promoting competitiveness, easy availability of SEWS land and lower chances of speculative land price rise.

The initial move in TP scheme was made in the year 1925 and over the years till 2018, the total number of TP schemes (i.e. draft level, preliminary level, final level and varied schemes) sanctioned amount to

1474. Thus 1,20,000 hectares i.e. 1200 sq km of land is developed under the town planning scheme in the state of Gujarat.



The stages of town planning schemes are:



## CASE STUDY

## 1. Prahaladnagar Town Planning Scheme

The Prahaladnagar Town Planning Scheme is considered as the model TPS . It comprises of four TP Schemes (TP No. 23, 24, 25 and 26). The total land area of the TP Scheme is 162 ha. With average deduction of each plot at 32.4%. The total expenditure by the AUDA was 166.3 Cr @ Rs 1,025 per sq m and the total collection by AUDA was 1306.9Cr. The total collection in Prahaladnagar TPS is thus eight times higher compared to the expenditure in infrastructure development. At present, the general practice is to start development after four to five years of the draft TP stage, where the development comes first, and infrastructure follows. As per the above statistics, they will generate eight times revenue from sellable land compared to infrastructural cost after six to seven years. So, they can borrow the loan at draft TP stage from 'HUDCO' or a financial institution as there is excellent surplus at the end of 6-7 years, thereby being able to pay off the capital interest and other charges after getting possession of plots at the preliminary

TP stage. By doing this, the delay of development infrastructure can be avoided.

## 2. Amaravati Town Planning Scheme

The vision for Amaravati development is to be 'The People's Capital', where citizens reap the benefits of its progress. Within just 60 days of implementation, the government managed to persuade 25,000 farmers to give up 30,000 acres of land. As of June 2018, over 33,700 acres have been consolidated through the scheme. Some of the social benefits being given include providing Rs 2,500 per month for a period of 10 years to all the landless families and one-time agricultural loan waiver up to Rs 1,50,000 per family to farmers who are surrendering their lands under LPS.

## 3. SP Ring Road, Ahmedabad Case

The SP Ring Road is an arterial road, facilitating traffic movement within Ahmedabad city conceptualised to reduce traffic congestion on peripheral roads, segregate regional and urban traffic, increase connectivity, guide the development and expansion of Ahmedabad in a



larger region. The entire length of this road is 76.313 km and this is being done on Build, Operate and Transfer (BOT) basis. The total cost of construction of the four-lane road is estimated at Rs 378 crores (year 2003 estimate). The AUDA declared most of the part of the ring road as a Town Planning (TP) Scheme area. The TP schemes were formulated in such a manner that the ring road could traverse through the proposed scheme. This unique idea inspired land owners and tenants to hand over their land for development of the ring road. The land for 60 m ROW was taken from them 'by consent' without giving any financial reward. The total road Length obtained under TP process is 63.2 km and thereby some of the inferences include: advance possession of land was made possible before the TP proposals, saving of Rs 1137.6 Cr of land cost and converting the final constructed ring road to a toll road.

#### 4. Bhuj Town Planning Scheme

After the devastating earthquake, about 70% of the land was not accessible by ambulance or fire engine or debris removing vehicles like JCB. It was thereby a life security and health hazard, and thus a severe

issue. In such circumstances, the Gujarat government decided to go for the town planning schemes (land readjustment schemes) which were prepared within the walled city. The density of plots compounded the problems as there were 12,000 plots in a 130-hectare area, i.e., nearly 100 plots per hectare. Official public consultations on the development plan were financed by the Gujarat Urban Development Company or GUDC (100% owned by the Gujarat State Government) under an Asian Development Bank (ADB) loan. However, the stakeholder consultation process was set into motion in Bhuj by the Environment Planning Collaborative (EPC) (in collaboration with TCG International, LLC, Washington, DC) well in advance of the development plan project, through the USAID-FIRE (USAID/India and Indo-US Financial Institutions Reform and Expansion) funded Initiative for Planned and Participatory Reconstruction.

##### 5. Logistic Zone Town Planning Scheme (Nidhrad-Godhavi-Cekhlā)

AUDA proposed a TP Scheme plan for the area from Nidhrad to Chekhla which is at the South-West outskirts of Ahmedabad. They have carved

out two TP schemes as TP Scheme No. 439 (Nidhrad-Godhavi-Chekhla) for 76.7 ha and TP Scheme No. 438 (Nidhrad-Godhavi) for 103.4 ha. The total infrastructure cost for both the TP scheme is Rs 487 Cr, funds received from land owner as a betterment charge will be Rs 476 Cr and compensation to be paid to the land owner will be Rs 175.16 Cr. So, net cost will be Rs 296 Cr and the AUDA will be getting 4,77,000 sq m land to be sold to raise the infrastructure resources. By selling this land @ Rs 5630 per sq m, the AUDA will therefore get Rs 268.55 Cr. So, net surplus will be Rs 93.39 Cr. If we calculate the market land price, net surplus to the AUDA will be much higher as the TP scheme final plot valuation rate has been considered.

The main suggestions and arguments derived from the paper are:

**1. The need for infrastructural development along with the preliminary stage**

As the Urban Development Authority is going to generate higher revenue compared to expenditure, they should start the infrastructure development after the draft approval of the TPS

thereby saving the overall time taken in the implementation of the TP scheme.

## **2. The revenue generated from the TPS to be invested in other projects.**

The urban development authority will generate high revenue at the final stage or implementation stage of the TPS. The revenue is very high as compared to the expenditure on infrastructure development. Thus, authorities can divert money into other city-level infrastructure projects.

## **3. Junction improvement through the Town Planning Scheme.**

Junctions within the city limits where a smaller RoW meets a wider RoW road, creates bunching of vehicles and thereby effects congestion and pollution. Thus, it would be a good initiative to acquire lands adjacent to the junction by the TPS for a shorter length i.e. lesser than 100 metre, creating a wider intersection than the respective RoWs thereby enhancing the easy through movement of vehicles.

#### **4. The need for providing separate building by-laws as per the locality of the TPS.**

In the city, different areas have different characters and different uses with respect to potentiality, resources and people. Also, there are areas where only commercial or residential development will happen. While considering the different character of the area, building by-laws needs to be different for better development and this provision is there in the TP Act and it was a practice in the 1980s to have separate by-laws for different TP schemes. So, it can have separate by-laws in few special cases of TP schemes such as in Bhuj.

#### **5. Curbing the speculation of land after preliminary TP sanction.**

After the sanction of TPS, there are plots which have a high potential for development but are still not developed. To curb the land speculation, the urban development authority has to incentivise the development in a way such that it will promote development of each plot.

#### **6. Maintenance of an Escrow account by the LSGs or UDAs.**

An Escrow account of incremental contribution or betterment charges and sale proceeds of infrastructure plots is to be maintained by the LSGs or UDAs for the better functioning and implementation of the TPS.

## **7. Decentralisation of the city-level civic amenities.**

There is a need to use the excess surplus to invest in sustainable and environmental initiatives like construction of percolating wells and preservation of village tanks. Similarly, medium capacity sewage treatment plants or solid waste plants (for three to four TP schemes combined) can be created at the local level thereby using the treated water for garden use and the cost can be divided between the different TP schemes.

## **8. Inclusion of Urban Design**

The Town Planning scheme process is under practice over the last 90 years and the Act is flexible enough for the provision of special building by-laws. So, through this provision, the main commercial

streets can be designed through TP proposals and special by-laws for every strategic commercial area of the city can be made.