

Educational (1900) Department.

ORDINARY MS.

G.O., No. 543

DATED 30-10-00

INDEXED.

[Despatch Abstract.]

Recording propo. P. to D. Comg the resolution
of the govt. of India revising the rules
relating to the construction or purchase
of buildings for the residence of govt. officers
& to the assessment of rent.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

ED CURRENT No. 1457

BUILDINGS AND ROADS.
CIVIL WORKS.



Government {1900} of Madras,
PUBLIC WORKS.

order
no. 543d/202000
Recorded.

Recd.

Enclosures

Regd.

24-10 } 1900.

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G.O., No. 2736 W., 5th October 1900.

OCTOBER.

Buildings for the Residence of Government Officials

Communicating to officers of the Public Works Department and to departments of Secretariat resolution of the Government of India revising rules relating to the construction or purchase of — and to the assessment of rents, and directing the Superintending Engineers and the Consulting Architect to furnish Government with certain information in connection therewith.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Buildings and Roads.
Civil Works.

READ—again the following papers :—

G.O., Nos. 2431-32 W., dated 3rd October 1895.

ABSTRACT.—Forwarding to the Government of India an abstract of opinions of officers of the Public Works Department and other departments on the working of the existing rules regarding the purchase or construction of residences for Government officials, and requesting that the views of the Chief Engineer, concurred in by His Excellency the Governor in Council, may be urged on the Government of India.

G.O., Nos. 2160-61 W., dated 14th August 1899.

ABSTRACT.—Suggesting to the Government of India that the allowance for repairs prescribed in the rent rules of the Code be reduced to 2 per cent.

READ—also the following papers :—

Resolution of the Government of India, Public Works Department (Civil Works—Buildings), dated Simla, 6th August 1900, Circular No. 9, Public Works.

[Revision of rules relating to the construction or purchase of buildings for the residence of Government officials and to the assessment of rents.]

Read—

Government of India, Public Works Department, letter No. 68 B., dated the 27th February 1895, to Local Governments and Administrations, and replies received thereto.

Read also—

Letter from the Government of Bombay, dated 6th March 1896, No. 107-A.-353.

Letter from the Government of the Punjab, dated the 13th May 1896, No. 2891.

Letter from the Government of Burma, dated the 15th October 1896, No. 10320—453 C.B.

Letter from the Honourable the Agents to the Governor-General, Rajputana and Central India, dated the 10th August 1897, No. 2828 S.

Letter from the Honourable the Chief Commissioner, Central Provinces, dated the 15th December 1898, No. 94/8944.

Letter to the Government of Bombay, dated 24th April 1899, No. 353 C.W.B.

Letter from the Honourable the Agents to the Governor-General, Rajputana and Central India, dated the 22nd June 1899, No. 2395 S., and enclosure.

Letter from the Government of Madras, dated the 14th August 1899, No. 2161 W., and enclosures.

Resolution.—The increasing difficulty experienced by Civil officials in procuring suitable house accommodation at the stations where their duties require them to live induced the Government of India to invite an expression of opinion from Local Government and Administrations on the following questions :—

- I. The expediency of relaxing the stringency of the restrictions imposed by the existing rules (paragraphs 15 to 17, Chapter X, Volume I, Public Works Department Code) relating to the purchase or construction of residences for Government officers.

- II. The working of the existing rules regulating the rents to be charged for Government buildings as given in paragraph 28 of the same Chapter and the necessity for any additions or alterations.

- III. The practice in regard to the payment of municipal taxes on Government buildings, especially in the case of rent-free houses.

2. Having carefully considered the views and suggestions submitted by Local Governments and Administrations in their replies to this reference, the Government of India have revised the existing rules so as to give effect to their decisions on the several points at issue. The revised rules will shortly be issued in a new edition of Volume I of the Public Works Department Code.

3. The alterations and additions which have been made may be briefly explained. As regards the first point referred to Local Governments, there is a consensus of opinion as to the increasing necessity for providing residences for Government officials in localities in which private enterprise either cannot be relied upon for the purpose at all, or else only at the risk of placing Civil officials in an undesirable position towards house proprietors, and it is urged that Local Governments should be given a wider discretion in sanctioning the purchase or construction of residences for Government officials in such localities. The Government of India agree that this is necessary and have provided in the revised rules for an extension of the powers of Local Governments in this respect. Provision has also been made to give effect to the suggestion made by the Government of Bombay and the Honourable the Agent to the Governor-General, Rajputana, that residences may be acquired on lease wherever practicable instead of purchasing or constructing them.

4. As regards the rules of assessment of rents which formed the subject of the second point in the reference to Local Governments, opinions are not so unanimous. The basis of assessment as laid down in the present rules in paragraph 28 of Chapter X, Volume I, Public Works Department Code, is that the rent shall be such as to cover interest at 4 per cent. on the capital cost of the house and its site *plus* the estimated average cost of repairs. The "capital cost" is defined as the outlay on works *plus* the cost of establishment and tools and plant, which, when the actual cost cannot be ascertained, is to be taken at 10 per cent. on the works outlay, while the rules require that the average cost of repairs should not ordinarily be taken at less than 3 per cent. on the capital cost, as just defined, in the case of permanent buildings, or 6 per cent. in the case of temporary buildings, an addition of 10 per cent. on such amount being made for establishment and tools and plant. Thus in the case of a new permanent building the rent would ordinarily be fixed at 8.03 per cent. on the estimated cost of works and site.

Some of the Local Governments consider that rents assessed strictly in accordance with these rules will in many cases be too high in view of the condition that the incumbent of an appointment for whom a house is acquired or constructed is compelled to occupy it. It is pointed out that the accommodation will in some cases be inadequate and in others more than the tenant requires, and further that there will be an obligation to vacate during periods in which the duties of the appointment are temporarily performed by others.

It is considered by some Local Governments that in such circumstances Government should not look for a full return of 4 per cent. on the capital cost of the buildings. The Government of the Punjab has suggested that the rate should be reduced to 3 per cent., calculated on the works cost alone without taking into account charges for establishment or tools and plant incurred on either construction or maintenance. The Rajputana and Central India Administrations consider that it is unfair that the tenant should bear the whole cost of maintenance of buildings, including all special repairs and renewals. They point out that the older and more dilapidated a building becomes, and consequently the larger the renewals, so much the higher does the rent rise, and that officers occupying these buildings strongly protest against being charged with the cost of deterioration through old age and to their rents being raised with the age of the building when no advantage is gained in accommodation.

The Government of Madras object to the present rule which lays down that the cost of maintenance for permanent buildings should ordinarily be taken at 3 per cent. on the capital cost on the ground that this is much in excess of the general average cost.

5. In regard to this question of maintenance, the Government of India consider that the actual cost of upkeep including all special repairs or periodical renewals is a charge which should fairly be borne by the tenants, and that the estimated average cost of maintenance for all buildings in a province, or portion of a province, should be so framed as to include provision not only for ordinary annual and quadrennial repairs, but also for periodical renewals and replacements such as are fairly debitable to the revenue accounts of the buildings. It is the duty of the Public Works Department to estimate these charges for different classes of buildings and to arrange such a systematic order of repairs as will ensure this estimate not being exceeded. The present annual returns of buildings do not facilitate or permit an effective control over this expenditure. When any special repairs are necessary for particular buildings the fact is given as a sufficient explanation of the low returns, but the expenditure that may be incurred annually on the whole of the buildings in a province in Public Works circle is restricted rather by the funds that may be made available, either originally or by re-appropriation, than by a fixed working limit to be rigidly adhered to. The Government of India consider that a fixed general percentage of any kind to cover cost of maintenance is undesirable, but that rents should be assessed on an estimate of the repairs of all kinds likely to be required in a long series of years in order to maintain the building in an efficient condition. The allowance for special repairs will form but a small percentage on the capital cost of the whole of the buildings in a province, and the inclusion of such an allowance in the estimate on which rents for a building in good order are assessed will have the effect of preventing future tenants from paying an undue share of the cost of deterioration. In the revised rules, the method of estimating the average cost of maintenance has been fully and clearly stated so as to ensure adequate provision for special and periodical repairs, such as are necessarily required in all buildings, while the rules for building accounts will be revised so as to ensure all expenditure being restricted in the long run to the amounts of the maintenance estimates on which rentals are based, or failing this a systematic revision of these estimates.

6. As regards the return on the capital cost, the Government of India consider that if the rents are based upon an adequate estimate of the average cost of maintenance which cannot in practice be exceeded, it will not be necessary to provide for a return of more than 3 per cent. on the capital cost of the building as defined under existing rules. It has, however, been represented that the present practice of adding 10 per cent. to the capital works cost of a building, and also to the expenditure on maintenance in consideration of establishment and tools and plant charges, causes a great deal of misapprehension and complicates the returns, and that so long as the percentage on this account is constant, it would be better to eliminate it altogether by fixing a somewhat higher return on the works cost only of a building (which will include the value of the site). The Government of India accept this view and the revised rules accordingly provide that rents shall be assessed so as to ensure a return of $3\frac{1}{2}$ per cent. on the works cost of the building, no account being taken of percentages for establishment and tools and plant.

The Government of India do not, however, consider that the rents now assessed can be regarded as generally too high. For although the basis of assessment under the present rules is one which should secure a return of 4.4 per cent. on the works cost instead of $3\frac{1}{2}$ per cent. as now proposed, such a return is very seldom realized owing generally to the allowance made for the cost of maintenance being insufficient to cover all special repairs and periodical replacements, and also to the operation of the rule limiting rents to 10 per cent. of the tenant's salary. The Government of India consider therefore that no reduction should be made in existing rents until the Local Government is satisfied that they will suffice to adequately cover the full and true cost of maintenance in addition to yielding a return of $3\frac{1}{2}$ per cent. on the works cost of the building.

7. A proposal has, however, been made, the adoption of which will give Local Governments some latitude in distributing the demand and will render the rules considerably more elastic than they are at present. It is that all the buildings in each Superintending Engineer's circle of superintendence be clubbed together to form a group, the rents being so fixed that the aggregate rental of the whole group shall cover the total estimated cost of maintenance and give the required return on the aggregate capital outlay, and that provided this condition is fulfilled in respect of the group, Local Governments shall be free to fix the rents of particular houses in it as they please with reference to local conditions, subject only to the maximum limit of 10 per cent. on salary. The Government of India have approved this proposal which they believe will be acceptable to all Local Governments and Administrations, but they would add that the grouping need not necessarily be confined to the Superintending Engineer's circle, if better results can be attained by enlarging the unit so as to comprise all the buildings in the province. But it is left to the discretion of each Local Government and Administration to decide whether the circle or the province shall be adopted as the unit.

8. With regard to the last point referred to Local Governments, the Government of India consider that municipal taxes which are assessable on owners should be paid by Government and should be included in the estimate of annual maintenance, but that municipal taxes which by local rule or custom are leviable on the occupant should always be paid by the tenant even when he is entitled to rent-free accommodation.

The Governments of Madras and Bombay, Public Works Department, General and Railway Branches.
The Governments of Bengal, the North-Western Provinces and Oudh, and the Punjab.
The Government of Burma, Public Works Department, General and Railway Branches.
The Honourable the Chief Commissioners of the Central Provinces, Assam and Coorg.
The Honourable the Resident at Hyderabad.
The Honourable the Agents to the Governor-General for Rajputana, Central India and Baluchistan.
The Accountant-General, Public Works Department.
The Director-General of Military Works.
The Director-General of Telegraphs.
The Director of Railway Construction.

Order.—Ordered that this resolution, together with a copy of the revised rules, be communicated to the Local Governments, Administrations and officers noted in the margin for information and guidance.

Ordered, also, that it be communicated to the several departments of the Government of India for information.

(Signed) O. C. LEES,
Under Secy. to the Govt. of India.

To the Secretary to the Government of Madras,
Public Works Department.

From O. C. LEES, Esq., Under Secretary to the Government of India, Public Works Department (Civil Works—Buildings), to the Secretary to the Government of Madras, Public Works Department, dated Simla, 22nd August 1900, No. 912 C.W.B.

I am directed to request that the number of Government of India, Public Works Department, Circular, dated the 6th August 1900, regarding the revision of rules relating to the construction or purchase of buildings for the residence of Government officials and to the assessment of rents, may be altered from 5 to 9, and that the following corrections may be made in the pamphlet forwarded therewith:—

Paragraphs 1047, 1054 and 1058. For Chapter XX, read Army Regulations, India, Volume XII.

Paragraph 1057. For Chapter XX, paragraph 112, read Army Regulations, India, Volume XII, paragraph 195.

Paragraph 1068, III (a). For 4 per cent., read $3\frac{1}{2}$ per cent.

Paragraph 1070. For Chapter XX, paragraphs 147 and 151, read Army Regulations, India, Volume XII, paragraphs 237 and 239.

Paragraphs 1070 and 1073 I. For Chapter XX, paragraphs 147 and 167, read Army Regulations, India, Volume XII, paragraphs 237 and 282.

ORDER—No. 2736 W., dated 5th October 1900.

The resolution of the Government of India recorded above will be communicated to officers of the Public Works Department and to departments of the Secretariat.

2. The copies of the revised rules relating to the construction and purchase of residences for Government officials and to the assessment of rents received from the Government of India with the above resolution will be circulated to Superintending Engineers, and they will be informed that additional copies have been telegraphed for and will be distributed when received.

3. Superintending Engineers and the Consulting Architect will submit statements of data for the calculation of rents of buildings, revised in accordance with the new rules, the percentage allowance recommended for special repairs and the amount provided for ordinary maintenance charges being supported by full explanatory data. If application is made for reduction of the rents leviable under the rules now issued under paragraph 1068 (g) or otherwise, it should be accompanied by complete information.

4. The same officers will favour Government with their views on the questions raised in paragraph 7 of the Resolution as embodied in paragraph 1068 (i) of the new rules.

(True Extract.)

Admckenzie
for Under Secretary to Government.

To Superintending Engineers.
„ the Consulting Architect to Government.
„ the Superintendent of Works, Lighthouse Division.
„ the Examiner, Public Works Accounts.
„ the Chief Engineer for Irrigation.
„ Departments of the Secretariat.

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