

Janaagraha

Recommendations to the Committee on Restructuring of BBMP

12th March, 2015

Expert Committee Mandate

- To improve the quality of living and living environment in the city both in the short term and long term
- To advice the government to create suitable government systems and infrastructure to Bengaluru including increased services expected by citizens
- Suggest steps to be taken to make Bengaluru as one among the 50 best cities
- Suggest specific actions to be taken to restructure BBMP

What are the Key Determinants of Quality of Life in Bengaluru?

We believe the following “City-Systems” are key determinants of Quality of Life:

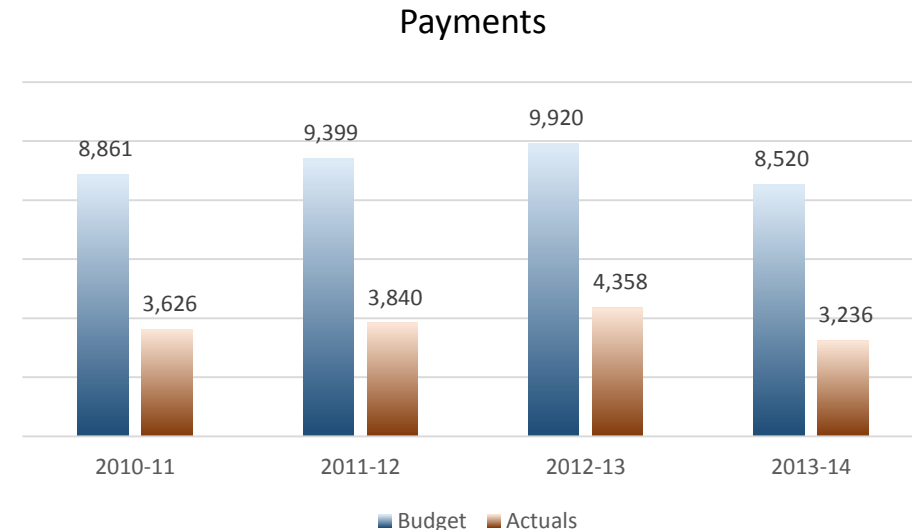
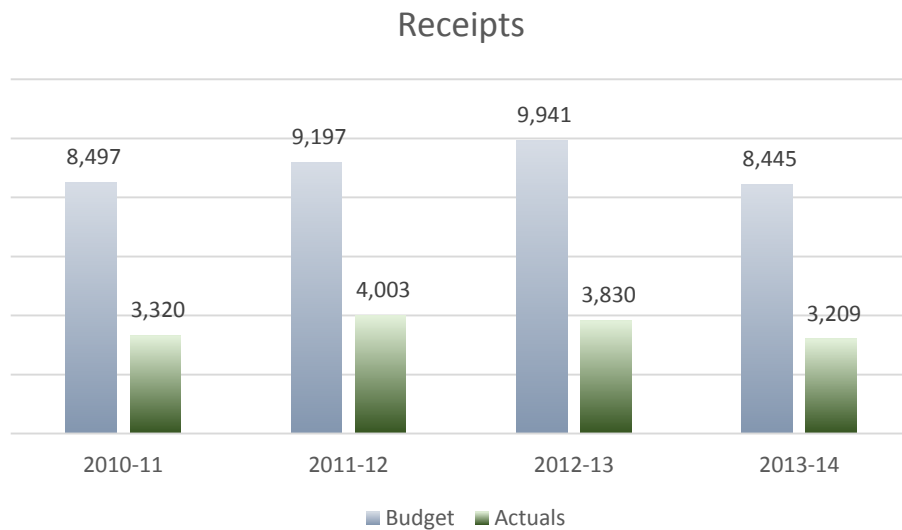
- Spatial Planning and Design
- Municipal Finance
- Municipal Staffing
- Political Leadership
- Transparency and Citizen Participation
- Accountability

Our Focus Areas today

- Spatial Planning and Design
- Municipal Finance:
 - **Do you have enough money ?**
- Municipal Staffing:
 - **Do you have adequate staff ?**
 - **Do they have the right skills and competencies ?**
- Political Leadership
- Transparency and Citizen Participation:
 - **Do you disclose civic works and budget data ?**
 - **Do you listen to the voice of the citizen ?**
- Accountability
 - **Are your audited accounts up to date ?**
 - **Do you achieve your target service levels ?**
 - **Do you have a performance MIS ?**

Do you have enough money ? : **BBMP** is starved of Capital

- Overestimation of Budget figures, by well over 100 per cent
- Represents weak planning ; undermines the Budget process



- CRISIL report submitted to Govt. of Karnataka estimated a capital requirement of Rs 20,000 crores by 2012#
- We believe underinvestment just during 2010-11 to 2013-14 is likely to be c. Rs 15,000 cr +, and is climbing each year

Do you have enough money ? : **BBMP is broke**

- Outstanding loans of over Rs 3,000 crores plus c.Rs 1,500 crores of outstanding contractor bills.
- Annual own revenues of c.Rs 2,000 crores.
- 3 consecutive years of Revenue decline; dip by 20% from 2011-12 to just over Rs 3,000 Cr

	Rs Cr					
BBMP Debt	Actual 2010-11	Actual 2011-12	Actual 2012-13	RE 2013-14	BE 2014-15	Total
Loan Availed	721.1	788.5	539.4	-	-	4,974
Principal Repaid	258.9	450.4	142.5	220.9	335.0	1,967
Estimated Debt stock	2,916	3,254	3,650	3,430	3,095	
-Interest Repaid	255.4	274.4	377.2	194.7	225.0	1,713
Total Repayments (Principal Repaid+Interest Repaid)	514.3	724.8	519.7	415.6	560.0	3,680
Net Loan Receipts (for reference only)	206.8	63.6	19.7	-415.6	-560.0	
Pending Bills			2,342.0	1,442.0	1,478.0	

Do you have enough money ? : 14th FC recommendations

- Property Tax from Central and State Government properties
 - The FFC has called for properly compensating local bodies for the civic services provided by them to government properties
 - Supreme Court ruling in Municipal Corporation of Rajkot vs Union of India specifies Govt. properties need to pay service charges
- Improving Rental incomes, revisit taxes such as Advertisement tax, Entertainment tax, Profession tax and sharing of land conversion charges by the State governments
- Compliance to FFC recommendations can help BBMP avail performance grants of upto Rs 419 crore#
- In addition, States themselves are expected to receive larger share of untied funds from the Union
- Strengthen State Finance Commission

14th FC/FFC : 14th Finance Commission

** Report no- 35 of 2010-11 for the period ended March 2009 Performance Audit of Defence Estates Management: Significant amount of land would be rendered surplus if the Ministry's own norms are applied to these stations....will make land available for housing and other development.*

Estimated from Allocation to Karnataka and population of Bengaluru

Do you have enough money ? : Monetizing Land and Buildings

- Rental yields of Markets very low compared to prevalent rates

Total Annual Rent/Lease (Rs)	No of Units	Avg. Rent per unit (Rs)
2154,73,314	9294	23,184

Do you have enough money ? : Monetizing Land and Buildings

- 20 properties accounting for just 335,621 sq ft contribute Rs 7 mn in annual rent
- 24 properties in the Millers Tank Bed area account for just Rs 3 lacs of rent per annum, likely to be over 10 acres of land
- As per BBMPs estimated market value of its properties was in excess of Rs 10,000 cr in 2011

No. of Properties	Annual Rent (Rs)
212	86,90,394
131	NA
343	86,90,394

- The Armed Forces have over 5,000 acres or over 20 sq km of land, equivalent to 3 % of the total area; has 1,272 acres of excess land in Bengaluru
- The Metro Corridor, Railway land too could potentially be leveraged

* Report no- 35 of 2010-11 for the period ended March 2009 Performance Audit of Defence Estates Management: Significant amount of land would be rendered surplus if the Ministry's own norms are applied to these stations....will make land available for housing and other development.

* <http://timesofindia.indiatimes.com/city/bengaluru/Bruhat-Bangalore-Mahanagara-Palikes-lease-largesse-costs-city-dear/articleshow/28653843.cms>

Our Focus Areas today

- Spatial Planning and Design
- Municipal Finance:
 - **Do you have enough money ?**
- Municipal Staffing:
 - **Do you have adequate staff ?**
 - **Do they have the right skills and competencies ?**
- Political Leadership
- Transparency and Citizen Participation:
 - **Do you disclose civic works and budget data ?**
 - **Do you listen to the voice of the citizen ?**
- Accountability
 - **Are your audited accounts up to date ?**
 - **Do you achieve your target service levels ?**
 - **Do you have a performance MIS ?**

Do you have adequate staff? : BBMP's staffing levels appear to be low

Grade	A		B		C		D	
	Total Sanctioned Posts	Total Working Posts	Total Sanctioned Posts	Total Working Posts	Total Sanctioned Posts	Total Working Posts	Total Sanctioned Posts	Total Working Posts
Health	57	28	113	57	949	589	9600	3596
Horticulture	1	0	6	9	24	14	934	574
Engineering	225	310	305	354	664	609	1601	866
Education	12	12	161	139	731	264	33	14
General Admn.	35	29	24	17	1418	986	1074	801
Accounts	19	15	35	50	40	17	NA	NA
Revenue	9	9	93	22	922	781	87	51
Forest	2	2	2	17	0	18	NA	NA
Law	4	3	21	8	NA	NA	NA	NA
Total	364	408	760	673	4748	3278	13329	5902

Source: BBMP



- Of the sanctioned staff strength of 19,201, only 10,261 (53 per cent) are working (*excl. the contractual pourakarmika workers*)
- Significant vacancies in the Revenue and Law Department across grades

Do you have adequate staff? : **BBMP's staffing levels appear to be low**

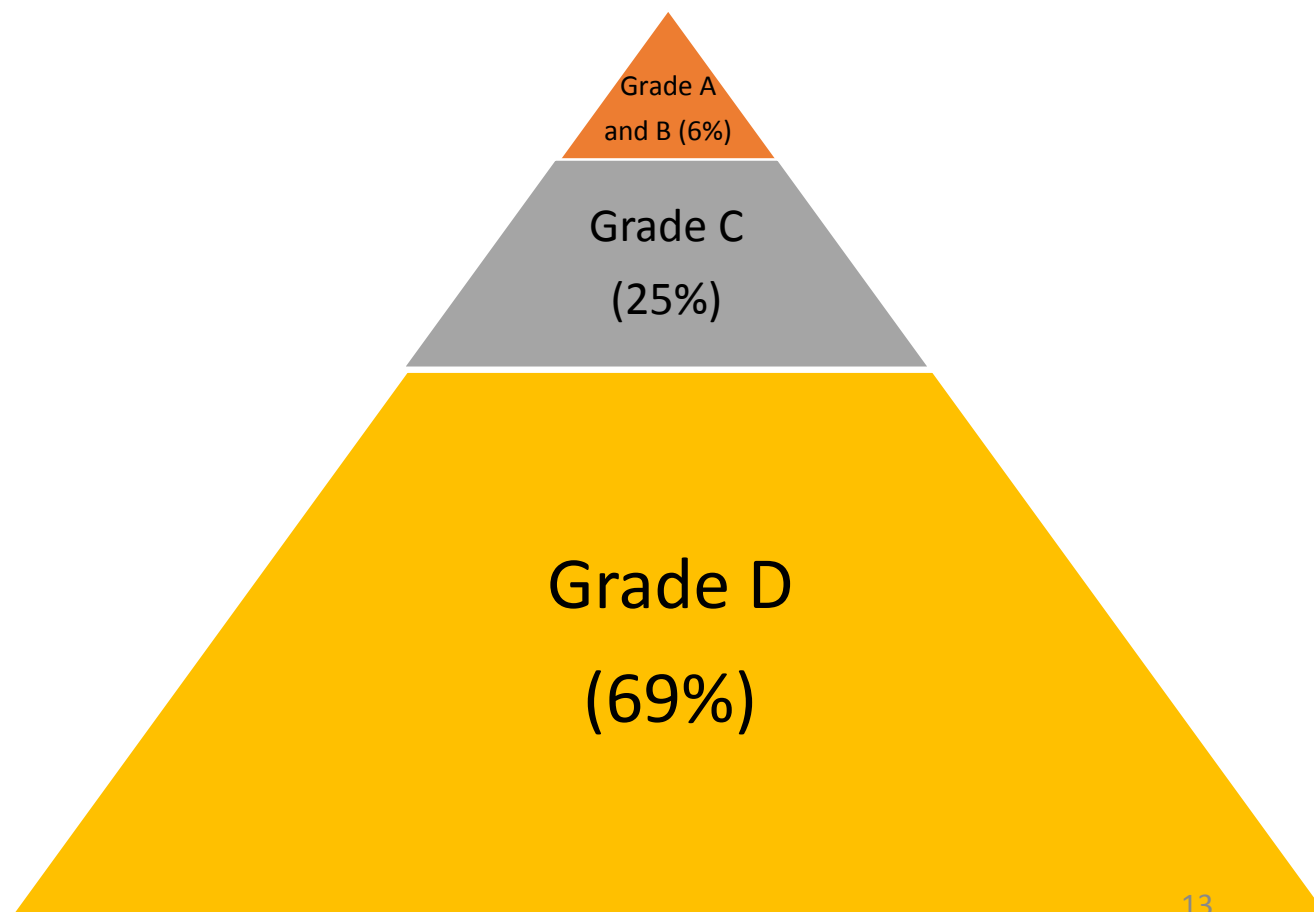
- Significant vacancies in Revenue has a direct impact on the tax collection (60% underperformance)
- Lack of adequate doctors and teachers has a severe impact on the quality of life for citizens

Department	Post	Sanctioned Posts	Working Posts	% Vacant
Revenue	Asst. Revenue Officers	66	20	70%
	Deputy Revenue Officer	27	2	93%
Health	Health Medical officer	37	15	59%
	Asst. Surgeon	91	35	62%
Education	Associate Teacher (High school)	336	136	60%
	Associate Teacher (Primary school)	149	50	66%

Source: BBMP - Jan 2014

Do you have adequate staff? : **BBMP's staffing levels appear to be inadequate**

- Less than 2 per cent of total staff in Grade A and 4 per cent in Grade B
- Indicates thin managerial and technical staff



Do you have adequate staff? : Outer Zones Understaffed

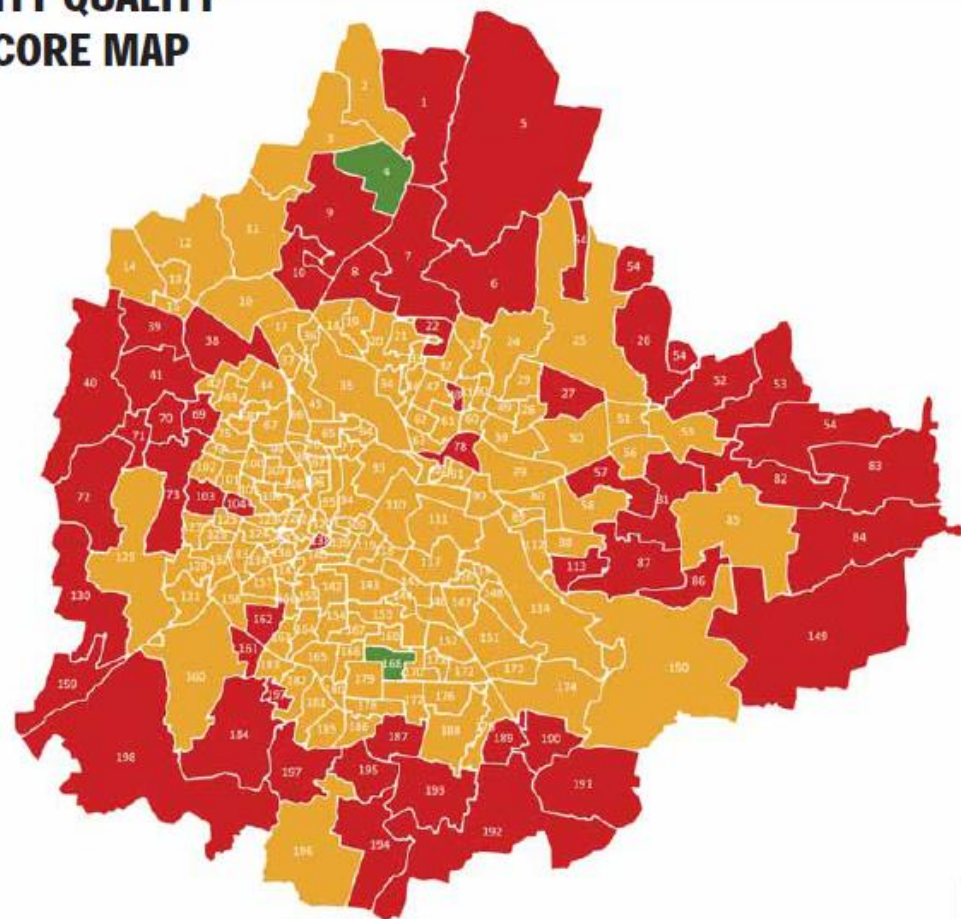
Zones	No of wards	Area (sq km)	Population	Road	No. of Jobs	Estimate value	SW generated/Zone (Tonnes/day)	Staff number in entire Zone	No. of Staff per lac population
			(mn)	Length (Km)		of Jobs (Cr)			
East	44	92	1.7	2,025	7,947	832	900	1,730	125
South	44	63	1.7	2,726	6,745	938	720	3,842	187
West	44	50	1.6	2,305	7,369	940	870	412	24
INNER	132	205	5	7,057	22,061	2,710	2,490	5,984	112
Bommanahalli	16	95	0.9	1,204	3,054	467	320	562	64
Dasarahalli	8	29	0.4	429	1,577	244	132	104	18
Mahadevapura	17	172	0.9	1,253	3,004	511	400	538	76
Rajarajeshwarinagar	14	108	0.7	901	4,428	596	155	354	86
Yelahanka	11	102	0.5	830	2,396	322	93	582	79
OUTER	66	506	3.4	4,620	14,459	2,140	1,100	2,140	65
Grand Total	198	711	8.4	11,677	36,520	4,852	3,590	8,124	103

Source: BBMP

- During the period 2001-2011, population growth rate in the outer zones was 6 times than that of the Inner zones
- The area serviced in the outer zones is nearly 2.5 times that of inner zones, but the corresponding staff strength remains low

Does Staffing Impact Quality of Services? : Ward Quality Score - 2013

CITY QUALITY SCORE MAP



- Wards Scoring between 2 - 4
- Wards Scoring between 4 - 6
- Wards Scoring between 6 - 8



of the top 10 wards are INNER WARDS



of the bottom 10 wards are OUTER WARDS

i *None of the 198 wards scored in a range of 8-10.*
Did you know? There are no wards in the 0-2 score range as well.

5

ichangemycity.com/wqs

Ward Quality Score Databook 2013

6

* WQS 2013 was conducted by Janaagraha in 2013 to measure quality of life in each of the 198 wards

Do you have adequate staff? : Destination Organisation Charts

Create a Destination Organisation Chart for BBMP that would solve the quantity problem and the quality problem

Estimate scientifically the total staffing requirements, create a plan for meeting the same.
Create posts for critical functions immediately

Define skills and competencies, covering both technical/professional skills as well as managerial and behavioural skills, especially for middle and senior management positions

Implement composite modes of staffing: hiring from market, outsourcing, specialist team at city/state level (e.g. for PPPs), municipal cadres depending on workforce needs

Undertake comprehensive review of HR policy framework to hire competent workforce for running the city

Our Focus Areas today

- Spatial Planning and Design
- Municipal Finance:
 - **Do you have enough money ?**
- Municipal Staffing:
 - **Do you have adequate staff ?**
 - **Do they have the right skills and competencies ?**
- Political Leadership
- Transparency and Citizen Participation:
 - **Do you disclose civic works and budget data ?**
 - **Do you listen to the voice of the citizen ?**
- Accountability
 - **Are your audited accounts up to date ?**
 - **Do you achieve your target service levels?**
 - **Do you have a performance MIS ?**

Do you disclose civic works and budget data ? : **BBMP discloses little**

Extract from [Janaagraha's ASICS 2014 Report](#): Transparency, Accountability and Participation

Has the ULB adopted Open Data Standards and principles in respect of:

Annual report of works done last year	X
Financial information (budgets) of the corporation and of respective wards.	X
Raw and synthesized data on civic works (lifecycle of works, neighbourhood/street-level)	X
Annual/Quarterly audited financial reports	X

- Adopt Open Data standards, publish both raw and synthesised static data in public domain
- Implement a real-time works management system that is accessible to citizens at neighbourhood/street level and which helps track lifecycle of each civic work

Do you listen to the voice of the citizen ? : **BBMP does not engage with citizens**

Participatory Budgeting	X
Citizen Volunteering	X
Area Sabhas / Jana Sabhas	X

-
- Implement a simple, practical Participatory Budgeting cycle. The Pune MC has a working model.
 - Open a window from say Jul-Oct for citizens to put in PB request forms; begin with outer zones and set aside say Rs 3 Cr per outer ward
 - Evaluate citizen request forms during budget preparation
 - Publish Commissioner's draft budget, provide annexure of citizen's budget in BBMP's Budget document
- Create a citizen volunteering program: Links back to both Municipal Finance, Municipal Staffing as well

Our Focus Areas today

- Spatial Planning and Design
- Municipal Finance:
 - **Do you have enough money ?**
- Municipal Staffing:
 - **Do you have adequate staff ?**
 - **Do they have the right skills and competencies ?**
- Political Leadership
- Transparency and Citizen Participation:
 - **Do you disclose civic works and budget data ?**
 - **Do you listen to the voice of the citizen ?**
- Accountability
 - **Are your audited accounts up to date ?**
 - **Do you achieve your target service levels?**
 - **Do you have a performance MIS ?**

Are your audited accounts up to date ? : **No Audit of Accounts**

- Last audited annual accounts of the BBMP are as of 2010. Even these are not publicly available.
- Review of the Statutory Auditor's Report on the Accounts of BBMP for the year ended 31 March 2010 revealed audit paragraphs that were outstanding as of November 2012, involving financial irregularities amounting to Rs 1,511.85 crore for the period from 1964-65 to 2008-09
- Empanel Chartered Accountants as external auditors of the BBMP, clear backlog of accounts and get audited annual accounts upto date by March 2016. Publish Annual report of BBMP by 30 September each year.

Do you achieve your target service levels? **No SLBs data available**

- BBMP's Service Level Benchmarks ([SLBs](#)) are not available in public domain.
- Unclear if SLBs are being tracked
- Put in place an information system that measure citizen service levels of the BBMP and publish the same at frequent intervals (for e.g. half-yearly)

Do you have a performance MIS ? : City Report

- Currently, the BBMP does not have a functional process or a system for performance measurement and reviews of each of its functions
- Complying with KMAB Rules, other ULBs in Karnataka publish city [performance reports \(Tumkur\)](#)
- Implement a BBMP Information System, mandate monthly performance dashboards and reviews. Publish monthly dashboards and minutes of reviews.

Key Determinants of Quality of Life in Bengaluru

- Municipal Finance
- Municipal Staffing
- Transparency and Citizen Participation
- Accountability

- We believe systemic reforms (“city-system” reforms) are required to deliver better quality of life in a sustainable manner to citizens of Bangalore. Our comprehensive diagnostic of Bangalore’s city-systems and areas that require reforms are elucidated in the [ASICS 2014 Report](#).
- The City-System reforms we have highlighted here are in our view urgent and necessary conditions for further reforms; these are needed, irrespective of *how* other large issues are resolved: Size of the BBMP, Direct/Indirect election of the Mayor, fragmentation of service delivery across parastatals etc.
- **We would also caution the Expert Committee that challenges faced by the BBMP and Citizens in areas such as Municipal Finance, Municipal Staffing, Transparency and Citizen Participation and Accountability, if not addressed *a priori* could in fact multiply, rather than reduce.**
- **Our recommendation to the Expert Committee is therefore to prioritise these reforms over the next 18-24 months and make them necessary pre-conditions to any decision it may arrive upon.**
- **We would be delighted to engage further with the Expert Committee**

Thank you

asics@janaagraha.org