

OUR CITY OUR MONEY

DIFFERENT STROKES

BBMP has skewed ratio

New York City government (NYC) has approximately 280,000 employees making the Citizen: Staff ratio of NYC 30:1, as against 401:1 for BBMP. This means every employee of BBMP has to take care of 400 citizens as against 30 by a NYC employee. NY has a population of 8.2 million as against 8.4 million of Bangalore. On an average, the NYC employee earns three times in a month, what a BBMP employee earns in a year. If we need better strategies, plans and infrastructure and overall better quality of governance, we need top class talent in city governments. To attract top class talent, governments will need to pay market-linked salaries. To afford such salaries, they need a strong financial base.



Garbage city needs a major shakeup

Challenges before Future City

PricewaterhouseCoopers did a study on 151 world cities on their growth during 2008 and estimated growth up to 2025. The study revealed that Bangalore ranked 20th fastest growing city of the world out of 151 cities, with an average growth rate of 6.5% per annum. It sounds good. But rapid urbanization and immigration has significant implications for governance. BBMP will have to cater to a larger, more diverse and newer population. This increase in population puts additional pressure on existing infrastructure and increases demand for investments in urban infrastructure.

Go in for PPP model

PwC's study on World 2025 shows Bangalore's GDP ranking is expected to rise from 84 in 2008 to 55 in 2025. But the only consideration made here was if the infrastructure creation happened under PPP model. BBMP requires investment of Rs 25,000 per Bangalorean in infrastructure whereas currently the Bangalorean on an average contributes less than Rs 2,500 per annum. The civic body should look at alternative mechanisms to improve delivery of services. This requires increased participation of civil society organisations and private firms for better services.



The civic body is accountable to its stakeholders, the Bangaloreans. So it would do well to have an audited and timely performance reporting mechanism

IF BBMP WERE A COMPANY



CLICK-START NOW: The city corporation should log onto corporates' system to learn all about performance measurement

Srikanth Viswanathan

Infosys, a corporate citizen of Bangalore, has been awarded 20 times in as many years for the outstanding quality of its annual accounts. Located in the same city just 18 km away, BBMP which is the city government of Bangalore, does not have annual accounts. It measures and discloses precious little. If BBMP were a company, it would have been in the Top 100 companies of India; it would

have disclosed audited annual accounts, quarterly earnings, related party transactions and a full-fledged annual report to its stakeholders. Its stakeholders would be the 8.4 million citizens of Bangalore.

The government through the Companies Act and SEBI (the stock exchange regulator) has mandated an elaborate scheme of reporting and disclosures for corporates like Infosys and Biocon to make them accountable to their stakeholders, main-

ly shareholders. Shareholders contribute capital to a company and therefore get a detailed account of how their funds are being managed by the company. By that reckoning, BBMP which spends Bangaloreans' money is accountable to each of us and needs to disclose and explain at predetermined regular intervals how it manages our funds. That it does not have a profit motive furthers the argument for performance measurement and disclosures rather than weaken it. Mea-

Pics: TOI

THE ACCOUNTABILITY CONTRAST

Scale of Operations	CITIZENS		GOVERNMENT
	Infosys	Biocon	The BBMP
• Sales in Rs Crores for YE 31 March 2012 ¹	33,734	2,148	9,360
• Ranking by Sales in ET 500 Rankings (2011)	27	238	79
• Number of shareholders to whom directly accountable ²	464,974	125,419	8,425,970
• Number of employees	149,994	6,200	11,786
• Number of locations where they operate	65	5	1
Snapshot of Disclosures			
• Auditor's Report and Annual Accounts	✓	✓	✗
• Quarterly Results	✓	✓	✗
• Management Discussion & Analysis	✓	✓	✗
• Performance Analysis and Metrics (YoY and QoQ, by department) ³	✓	✓	✗
• Disclosure of conflicts of interests ⁴	✓	✓	✗
Why this Contrast?			
• Why do Companies report/discard and NOT the BBMP?	Governed by Companies Act and SEBI Guidelines	Governed by KMC Act	
• Penalty for non-compliance	Directors could go to jail plus pay fines	NO PENALTY	

Source: PROOF, Janaagraha Centre for Citizenship and Democracy

¹ Budget of the BBMP for 2011-12 has been imputed as its Turnover, YE-Year Ended

² Shareholders in the case of the BBMP refers to its citizens

³ YoY-Year on Year; QoQ-Quarter on Quarter

⁴ Refers to relationships between management/government and key stakeholders (e.g. between a corporator and a contractor)

TIMES civic audit



Measurement of social outcomes requires a more sophisticated approach, and value-for-money spends by BBMP have wider social ramifications, than is the case with companies.

It is ironical but true that BBMP can get away without disclosing its audited accounts because it is a local government; it would not happen if BBMP were a company. This is amply evident from BBMP's track record in not reporting and disclosing in successive years.

What needs to be done to remedy the situation? BBMP needs to be subject to a more elaborate accountability framework (such as the Public Disclosure Law) with in-built penalties for non-compliance. Such a framework should have prevalent private sector standards. If Biocon, also a citizen of Bangalore with half of BBMP's headcount and quarter of its turnover and

accountable to less than 2% of its stakeholder size, has to and can comply with stringent reporting and disclosures, then why can't BBMP? Secondly, the citizens of Bangalore, not least its corporate citizens, need to actively demand accountability for their money from BBMP in the form of quarterly and annual accounts and performance data. City data such as ward budgets, works expenditure and performance metrics, rather than individual complaints on potholes and garbage, need to become the cornerstone of citizen engagement with BBMP. Disclosure of information will lead to healthy and constructive engagement between Bangaloreans and BBMP, resulting in a self-sustaining accountability cycle. This will equally benefit BBMP and the Bangalorean.

But first, can we have the data please?

The writer is manager, Public Record Of Operations and Finance (PROOF), the public disclosure and accountability initiative of Janaagraha

VIEW FROM THE TOP

BBMP lacks an effective management, though its commissioner Shankarling Gowda and the senior staff of his are capable. The problem lies with the lower rung of officials. There are not many talented persons with vision. Besides, the 198 corporators who lack prior experience of management have their own vested interests. Their interest and Bangaloreans' interest do not match. Political interference has spoiled BBMP. There is hardly any project review done and no internal audit! It's high time BBMP took up management restructuring and hired candidates who have work experience. Such recruitment must be on a five-year sabbatical. We need a mayor like RK Misra, who is honest and an authority himself on road engineering and urban infrastructure.



- TV Mohan Das Pai | FORMER INFOSYS DIRECTOR



If BBMP were to be a company? I cannot rate it, I would only remove it from the list for its poor work. Not just BBMP, but the state government itself has failed to perform its duties. There are structural faults primarily. There is huge credibility deficit, trust deficit and performance failure. Which project of BBMP is done in time and has succeeded? Drains overflow and roads crumble. What is BBMP doing? All that we hear is about scams. Though BBMP commissioner MK Shankarling Gowda is an efficient IAS officer, it seems as though he hardly has any powers.

- Kiran Mazumdar-Shaw | CHAIRMAN AND MANAGING DIRECTOR, BIOCON LTD



BBMP is in a mess, having people at the helm, who are not qualified as urban planners. Particularly when it comes to urban growth at the rate the city has witnessed. State government benefits from the earnings of Bangalore and uses it to subsidise others across the state leaving BBMP in a fund-crunch state always. There is a need for fundamental organisational change in BBMP, like election of mayor directly by people like in London. There is no political will to create infrastructure which again boils down to governance deficit.

- Capt GR Gopinath | AVIATION ENTREPRENEUR



The reason why we have been harping on government being run like a corporate is three fold - accountability, transparency and results. The focus on shareholders is a non-issue, as most times, the critical stakeholder is definitely not the citizen but BBMP itself! Defining public good has always been tough. Potholes have no wealth creation options but still have to be attended to. Suggestions could be longer term leadership with greater accountability, a clear structure on the corporator/BBMP connect. Progress reports and a clear ownership on lapses will go a long way in assuring citizens that they know what is going on.

Priya Chetty Rajagopal | PARTNER & VICE PRESIDENT, STANTONCHASE INTERNATIONAL

Please send your suggestions and comments to speakoutbangalore@timesgroup.com with "Times Civic Audit" in the subject

Staff shortage hits service delivery

Sunitha Rao R | TNN

For Bangaloreans who regularly eat out, this may come as a shock. The city boasts of only one food inspector to check about 20,000 hotels because BBMP has suspended the other inspectors.

The ambitious voters' registration drive taken up in April 2012 across 198 wards hardly reached eligible voters thanks to BBMP's busy revenue officials who were overloaded with property tax collection during the same time.

Both examples illustrate one key problem - lack of staff.

Currently, BBMP has a sanctioned 12,000-strong workforce but there are only about 7,000 on the rolls. Vacant posts are largely of pourakarmikas. As per analysis done by Janaagraha based on data made public about BBMP staff, vacancies have remained at a ridiculously high 44% during 2007-08 to 2009-10. The lack of staff is over 70% in health and engineering wings, both essential services. The maximum vacancies are in horticulture (54%), health (48%), engineering (43%) and environment (98%).

Even as the city battles the challenges of unscientific waste disposal and the sad state of lakes, the environment wing has working strength of 6, against the sanctioned strength of 241.

A PricewaterhouseCoopers



SYSTEM FAILURE: If this is the state of the city after a pre-monsoon shower, then monsoon can bring in more misery if BBMP doesn't tackle staff crunch

study observed that less than 1% of employees in Urban Local Bodies in India belong to senior management. There's no reason to believe the situation is any different in BBMP. This reflects lack of sufficient depth in leadership and lack of managerial talent that can set correct strate-

gies. BBMP has the lowest citizen:staff ratio and staff per sqkm among six Indian cities. The former is lower by 50% compared to its closest entity, Greater Hyderabad Municipal Corporation. This is considering sanctioned posts. The result is ap-

palling if based on working strength. There are 16 staff per sqkm.

Each BBMP staffer looks after the public amenities for 401 citizens, whereas the ratio is 113:1 in Municipal Corporation of Greater Mumbai. In Ahmedabad, there are 259 persons for every staffer and in Pune, it's 180:1.

BBMP's Special commissioner K R Niranjan admitted that BBMP had the lowest staff strength in the country. "Our revenue spent on the salaries is less compared to any other metropolitan city. We have recently recruited 100 nurses. The government has taken up recruitment of doctors and teachers. Requisition has been made already. Because of lack of strength we have outsourced solid waste management, security and hospital maintenance to private institutions," he said.

THE MISMATCH

• Primary schools	11
• High schools	33
• Nurseries (pre-school)	77
• Junior colleges	12
• Parks	1,069
(developed parks only 700)	
• Referral hospitals	6
• Maternity homes or BBMP health centres	26
• Citizen help centres	18
• Total staff	12,000

Waiting for the B-Day

If BBMP were a company, it would present its budget on time. Since it's not a company, it doesn't bother to do so. And since it also doesn't care to be accountable to its stakeholders like a company, the delay has become routine. For a city grappling with its growth pangs, infrastructure and service delivery issues, one would think the corporation would come out with the annual budget on time. As per the Section 170 of Karnataka Municipal Corporation Act, "the civic authority is to present the budget three weeks before the new financial year commences. The whole process, including government approval, should be completed before March 31." And we are into May. The mayor has been speaking of the draft copy which he is yet to study, and of a 'realistic' budget. No new civic works can be taken up in the city till the budget is presented.

When will the B-day be?



ANNUAL EXERCISE: No word on budget yet

Palike must learn to leverage its potential, assets

Aparajita Ray | TNN



TTMCS SHOW THE WAY: A lesson on how to create public infrastructure and capitalize on those investments

From KEB to Bescom, from BTS to BMTC, from BMP to BBMP, Bangalore has grown by leaps and bounds. With growth comes competition. But BBMP never woke up to competition even when it grew from 100 to 198 wards.

Property tax collection which is a major source of revenue for the civic body has not been collected to its target level though the mobilisation has been improving for the last two years. Sample this. The target for 2011-2012 is Rs 1,800 crore and the collection so far has been Rs 614 crore. The rent charged by BBMP is so poor that many commercial establishments and buildings continue to pay a paltry Rs 100! BBMP is a poor example of how it has failed to tap its own resources.

On the contrary there is BMTC which has built 10 Traffic and Transit Management Centres (TTMC) by using the JnNURM funds. These buildings have bus bays, parking spaces

for commuters, office and administrative spaces for BMTC to operate them and additional commercial spaces, which it rents out to other government and non-government bodies and capitalizes on its investment.

BBMP, on the other hand, failed to take note of the development around it and be profitable. Nothing stopped the civic body from capitalising on the growth and pushing up its tax revenues.

The 2011 census records a population of 8,425,970 in BBMP limits. The quality of life across economic strata has remained the same despite the overall economic growth of the Silicon City. The Palike has to find ways to capitalize on its investment. It need not be with the intent for profit making, but if it makes profit, it can always plough it back to improve the quality of life of the citizens.

Creating infra will also lead to more employment opportunities, which will in turn improve standard of living and also expand opportunities for commercialisation of the

new infrastructure like the TTMCs. An investment of Rs 36,000 crore in basic infrastructure was required by 2012.

BBMP's area, of which BBMP should have invested Rs 20,000 crore as per the Kasturirangan Committee report of March 2008. But reality is different.

Perhaps, BBMP should take a leaf out of BMTC. BMTC managing director KR Sreenivas said: "It was an innovative idea conceived by the previous managing director to utilities the commercial potential of the land, where the TTMCs would be built, than just having a bus depot. BMTC then came up with the idea of creating passenger amenities using the spaces available and renting other spaces in the upper floors of the buildings to avail commercial benefits from the public infra created for public use. No other city or state transport corporation in India has come up with such an idea and it is the best way to create public infra and capitalize from the investments made on that."