

BBMP Budget 2017-18

Budget Performance Report H1 (Apr to Sept 2017)

October 2017

KEY HIGHLIGHTS

- 66% of budgeted property tax of INR 2600 crores collected in H1. Highest in the last 5 years.
- INR 1200 crores of Pending Bills cleared. Spends on current year's works at INR 177 crores.
- 2422 Tenders for INR 925 crores raised against a residual budgeted spend of INR 5758 crores

Analysis of Expenditure

BBMP has spent INR 2,030 crores (26% of the total planned capex & maintenance on infrastructure), out of which INR 177 crores is towards works budgeted for the current financial year

- BBMP has allocated INR 7,788 crores towards various works, out of which allocation towards capital works amounts to INR.6,088 crores and allocation towards maintenance /revenue works amounts to INR 1,700 crores.

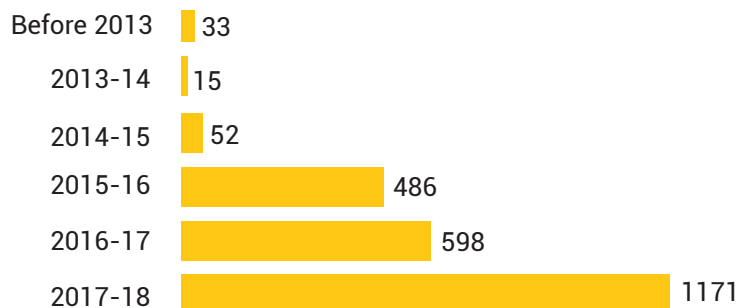
Budget vs Actuals

INR in Crores	BE 17-18	H1 17-18	% spend
Current work	4,482	177	3.9
Pending bills	1,171	1,198	102.3
Spillover work	2,134	655	30.7
Total	7,788	2,030	26.1

Source: BBMP Budget 17-18, Bills Register April '17-Sep'17

- **The key takeaways**
 - » Only 26% of the budgeted expenditure has been made in the first 6 months of the current financial year.
 - » 91% of the total expenditure in the current period pertains to pending bills and spillover works.
 - » Only 3.9% of the budgeted expenditure towards current works was spent.
 - » **To meet the budget targets, the BBMP has to spend INR 5,758 crores over the next 6 months**

Year on year comparison of pending bills (in Crores)



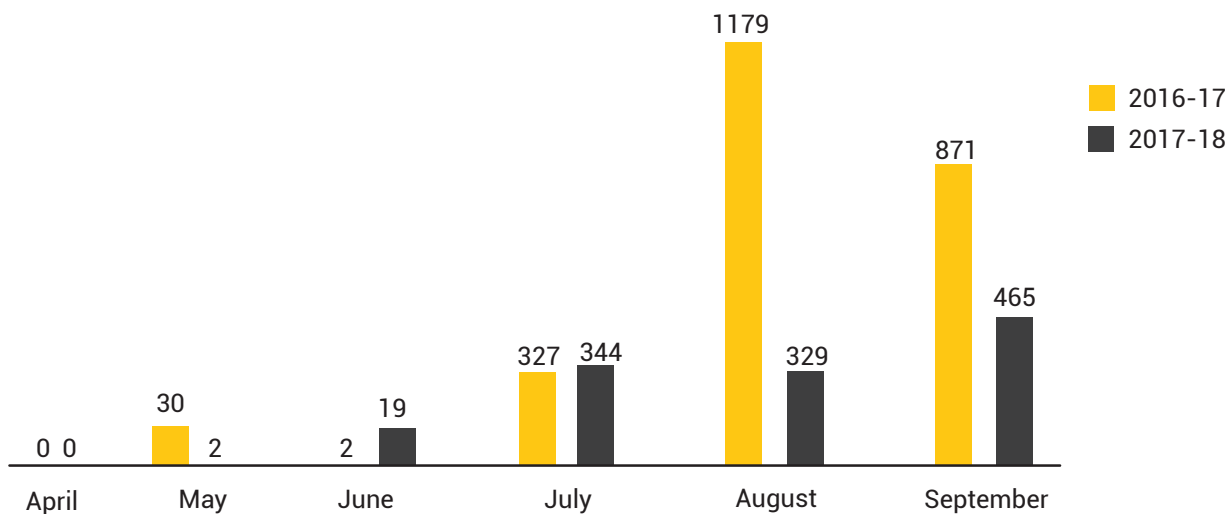
- Historically, budget estimate of pending bills increased from INR 15 crores in 2013-14 to INR 598 crores in 2016-17, indicating rise in backlog of capital/maintenance works bills.
- For BBMP to focus on works budgeted for the current year, it is essential to address the issue of pending bills year on year.

Note - : To analyse the budget performance of BBMP for H1FY18, we have referred the BBMP Budget 2017-18, Bill Register from Apr'17 to Sep'17 and other related data from the BBMP.

Supported by

2,515 Job Codes* were raised from 1 April 2017 to 30 September 2017 for INR 1,206 crores. In the previous year 3,269 Job Codes amounting to INR 2,409 crores were raised from 1 April 2016 to 30 September 2016

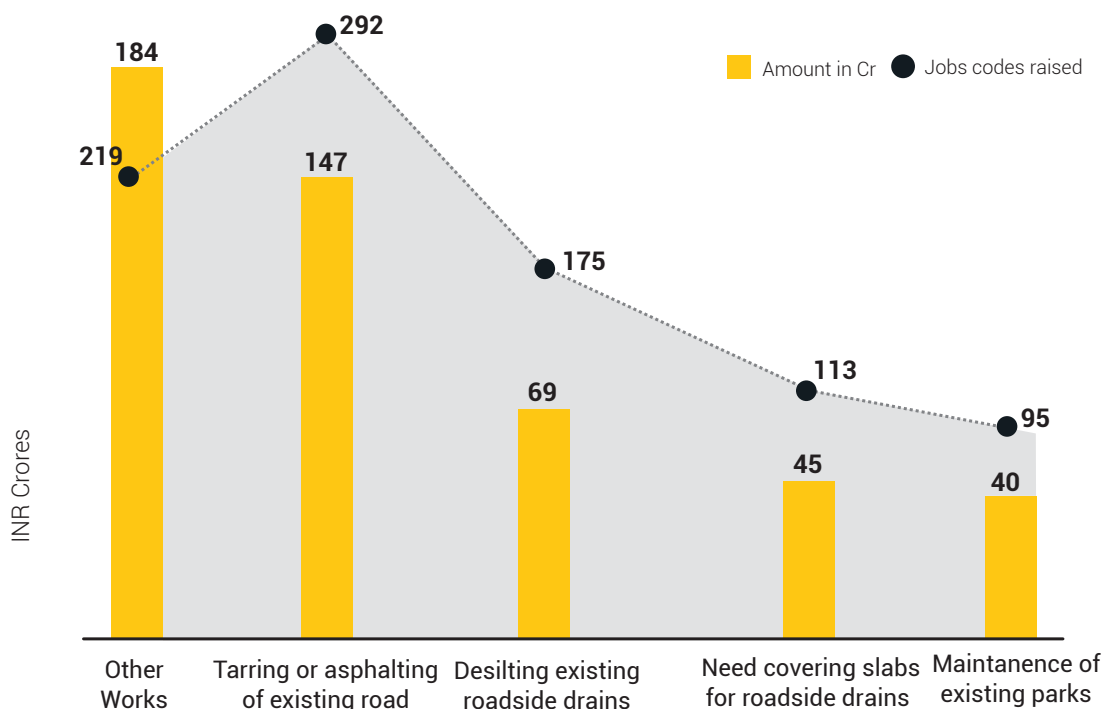
Value of Job Codes raised - H1FY18 vs H1FY17



Source: BBMP Bills Registers 2016-17 and 2017-18

- Out of INR 1,206 crores of job codes raised in H1FY18, INR 56 crores pertain to works under the Nagarothana Grants.
- On comparing the job codes raised in H1FY18 to H1FY17, we note that there is a 52% drop in the value of job codes raised during H1FY18, thus indicating that work on job codes created in FY17 could still be in progress.
- Currently the status of job codes across years is not available.

Top 5 categories of Job codes raised in H1FY18



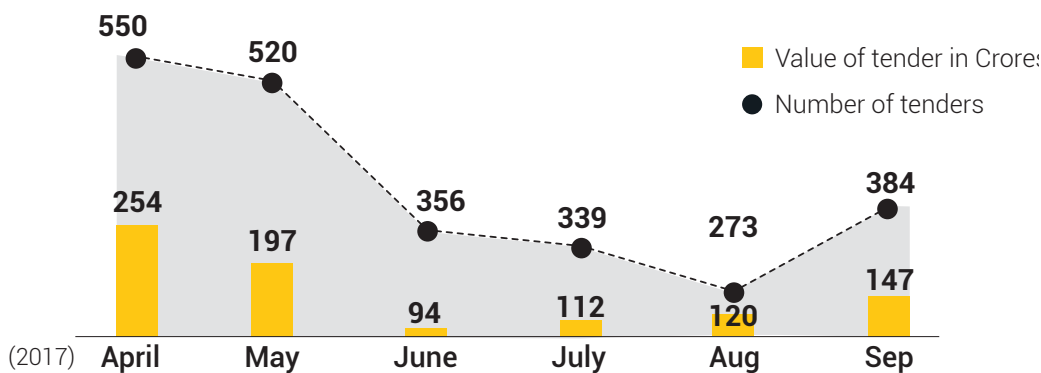
Source: BBMP Budget books

- The job codes raised during H1FY18 predominantly pertain to tarring or asphaltting of existing roads.

*Job Codes : Unique identification codes given to projects that are being undertaken by the BBMP

For the INR 5,758 crores of budgeted expenditure yet to be spent over the next 6 months, tenders have been raised for 13% of the total amount during H1FY18

Details of tenders raised in H1FY18

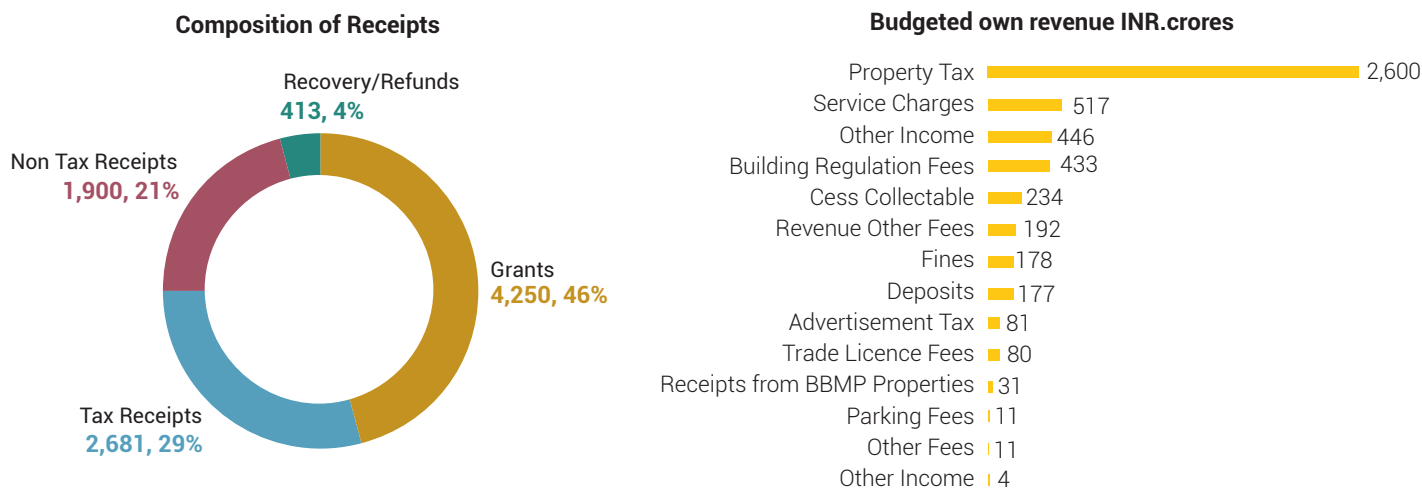


Source: e-procurement portal, Karnataka

- 2,422 tenders amounting to INR 925 crores were raised during H1FY18, out of which, 1,760 tenders amounting to INR 755 crores are towards job codes of the current year. This is against a residual budgeted spend of INR 5,758 crores for H2FY18.

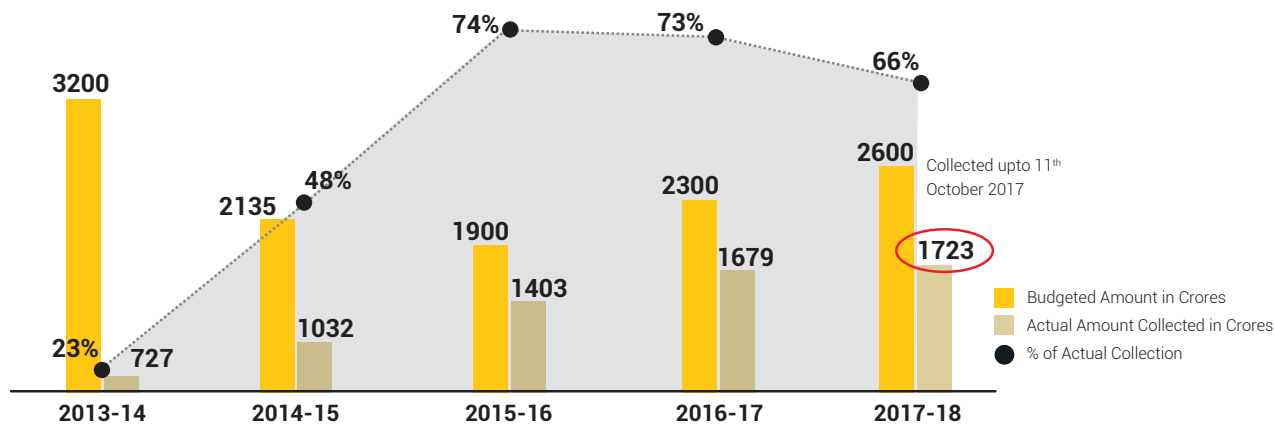
Analysis of Income

BBMP's Annual budget for 2017-18 is INR 9,243 crores, of which own revenues constitute INR 4,252 crores, which is 46% of total income. Own revenue constitutes of property tax, service charges, advertisement taxes and others. Property tax is the principal source of own revenue.



Collections of property tax is high in the first quarter of every financial year. Property tax collected during H1FY18 is INR 1,723 crores or 66% of the total budgeted.

Trend in property tax budgeted and collected over the past 5 years



Source: BBMP Budget book 2017-18 & data from BBMP Revenue Department

- The collections trends show that the annual tax collected is ~75% of the budgeted property tax in the last 2 years

17% of budgeted Grants amounting to INR.729 Crores was received during H1FY18

GRANTS

Table 2- Grants in FY18 – Budget vs Actuals

Grants	INR. in crores	
	BBMP Budget	Grants received in Q1FY18
Special Infrastructure Projects (SIP)	2,031	-
GOK Grants - Special Grants to BBMP from State Govt./Nagarothana	1,000	250
SFC Tied Grants Salary	293	147
SFC Untied Grants	286	72
SFC Tied Electrical Fee & maintenance	231	116
Lakes Development Grants	50	13
GoK Grants total – A	3,891	596
GOI Grants - 14th Finance Commission.	265	133
National Urban Health Mission Grants	73	-
GOI Grants - Swachha Bharath Abhiyana	10	-
GOI Grants - Amrut Project Development of Parks	10	-
Gol Grants total – B	358	133
Total Grants - A+B	4,250	729

- Grants are given by Centre and the State government to the BBMP. State Finance Grants are for revenue purposes, i.e., for recurring expenditure purposes. Only these grants have been received during the first quarter on a pro-rata basis and no other grants.
- There is an increase of ~ INR 1,000 crores in the budgeted State grants as compared to the previous year.

Table 3- Grants over the years

Particulars	Actuals	Actuals	Actuals	RE	BE
	2013-14	2014-15	2015-16	2016-17	2017-18
Nagarothana Grants	461	611	1,000	1,000	1,000
SFC Grants	370	529	521	786	810
Other state grants	0	306	426	1,129	2,081
Other grants	4	-	-	-	0
GoK grants (A)	835	1,446	1,947	2,915	3,892
13th FC grants	-	-	-	-	-
14th FC grants	65	115	287	310	265
Other GOI grants	2	0	2	42	83
AMRUT	-	-	-	10	10
Gol grants (B)	67	116	288	362	358
Total (A+B)	902	1,561	2,235	3,277	4,250

Source: BBMP Budget books