

BENGALURU: WAY FORWARD

Expert Committee: BBMP Restructuring
June 2015

EXECUTIVE SUMMARY



BBMP
RESTRUCTURING

Chairman: B.S. Patil, IAS (Retd)

Members: Siddaiah, IAS (Retd)

V. Ravichandar

V. Yashvanth, IAS (Secretary)

FOREWORD

There was a time not so long ago, when Bengaluru with abundance of greenery was truly the 'Garden City'. But today 'Bangalored' has become a byword around the world, synonymous with 'cutting edge' idea power, thanks to the brilliant crop of young minds' springing out at every nook and corner of the State who have made Bengaluru a software capital of the world. However, along the way it has unfortunately lost its character too. The metropolitan city in the last decade registered the highest growth rate of 44.6%. Unplanned growth has led to huge infrastructure deficiencies, coupled with poor urban service. Bengaluru's urban management has come under severe criticism from one and all. There are no quick solutions as the city has over grown in size and shape. Despite this, we owe to the young brave hearts and the future generations that Bengaluru lives up to its reputation. For this we have a long way to go. But attempt and achieve we must.

Mindful of this, the Govt. of Karnataka under the visionary leadership of our Chief Minister, Shri Siddaramaiah, invited me to chair the 3-Member Expert Committee of Shri Siddaiah, IAS (Retd.) and Shri V. Ravichandar to lay out a road map in pursuit of that dream. We are indeed honoured to be charged with this noble task.

The Committee over the last 8 months met over 1,000 stakeholders representing democratically elected representatives, political parties, officials, members of civil society and citizens' forum. The Committee also studied in great detail various city governance structures, across the world, took into consideration suggestions of several leading urban experts as well as reports of expert groups constituted for similar purpose. The details are set out in our web site www.bbmprestructuring.org. The Committee before addressing the solutions had to understand the current status of the Municipal Corporation (BBMP), be it be the organizational structure, finances, human resources, delegation of powers, role responsibilities of Council, zonal offices and wards, etc. The Committee sought the services of eminent institutions such as Azim Premji University, WRI India, IISc, IIM-B, IIHS, ISEC, Janaagraha and other expert bodies. These institutions put in place research teams of experts to compile information, submit best practices and solutions. The committee is, therefore, beholden for their very valuable inputs in the preparation of this report.

The difficult task of recommending an appropriate structure for the governance for BBMP could only be possible if urban experts were available full time to undertake the task. We were fortunate to have among our committee two eminently qualified members in the team. Shri. Siddaiah, I.A.S, (Retd.), with whom I shared some of the glorious years of my service, is a person of invaluable experience and knowledge on BBMP having served as the Commissioner on two occasions. His contribution to the report especially in delineating the jurisdiction of the five corporations is invaluable where he has kept the emotional aspects and sentiments of Bengalureans while suggesting the final configuration. He particularly brought in deep insights on improving citizen participation through ward committees, improving revenues through better property tax administration and delineating the HR set up for our proposed structure. Another member, Shri V. Ravichandar has in the past 15 years worked very closely on urban issues and contributed in bringing in innovative tax reforms within the BBMP. He brought in domain knowledge on urban management and global city governance structures, to facilitate in finalising the report. He worked like a 'One-man Army' for the last 8 months. I, therefore, wish to place on record their total contribution to this report.

The Committee would also like to place on record its appreciation for the inputs received from several heads of the Government Departments and the heads of the Parastatal agencies for their forthright observations, suggestions and inputs. The Committee also expresses its deep appreciation to two of its officers who served the Committee as Secretaries during the period, Shri Manivannan P, I.A.S, and Shri V. Yashvanth, I.A.S. Similarly the Committee expresses deep sense of gratitude to Dr. Puttaswamy who in a record time of few days was able to complete translation of the report into Kannada compendium. There are others too who helped in finalizing the report whom we acknowledge with appreciation. Their names figure in the Appendix to the report.

The report establishes a need for urgent structural changes in Bengaluru Metropolitan Area (BMA). The Committee has taken a 25-year horizon in making its recommendations considering the present population figure at 10 million going up to 20 million by 2040. Recent experiences worldwide indicate a move towards City-Region governance. The Committee after considerable deliberations came to the conclusion that a 3-tier structure of governance for BMA would be an ideal architecture which will address the needs of the city and its citizens. Our report suggests an apex body at the Tier-1 – the Greater Bangalore Authority/Council with the functions of Local Planning Authority, infrastructure development, integration of parastatal agencies, economic

development, etc. At the second tier, the Committee has proposed five Municipal corporations. Karnataka State was a pioneer in initiating devolution of powers under the Panchayat Raj. The Committee believes that similar devolution of powers should be provided at the ward level where the voice and aspirations of the citizens provides the spirit of the 3rd tier.

While recommending the above structure of governance, the Committee kept in mind deep sentiments expressed by large sections of the society that 'Brand Bengaluru' should not lose its identity. The Committee by recommending Greater Bangalore Authority has ensured Bengaluru remains as one city governance just the way London is today.

We are privileged to have been called upon to propose a plan for the future of this great city. Admittedly we have dreamt big, but our beautiful city deserves nothing less. We are firmly convinced that the recommendations made are eminently achievable given the combined forces at the command of the State.

The Committee expresses its deep gratitude to the Hon'ble Chief Minister Shri Siddaramaiah and the Members of his Cabinet for giving us this unique responsibility to present our recommendations for a better future for all Bengalureans.

We, the 3-member Committee, take great satisfaction in submitting its report on 'BBMP Restructuring' to the Govt. of Karnataka for consideration and acceptance.

B.S. Patil, I.A.S (Retd)
Chairman

We would additionally like to place on record our deep appreciation of the leadership, wise counsel and sage advice that our Chairman, Mr. B.S. Patil provided through the entire BBMP Restructuring exercise. In keeping with his known penchant for being a tough task master throughout his service years, he kept us on track to meet the overall goals of this exercise!

Siddaiah, I.A.S (Retd)

V. Ravichandar

1 EXECUTIVE SUMMARY: BBMP RESTRUCTURING

1.1 WHY RESTRUCTURING?

The Expert Committee was initially constituted to suggest how the existing Bruhat Bengaluru Mahanagar Palike (BBMP) could be divided into smaller municipal areas. In the view of the Government of Karnataka (GoK), Bengaluru had grown too large and unwieldy to be managed by a single Corporation. The 2007 amalgamation of the erstwhile Bangalore Mahanagar Palike (BMP) with 7 City Municipal Councils (CMC), 1 Town Municipal Council (TMC) and 110 villages had not yielded the expected gains. For instance, the villages added to BBMP still languish without basic amenities like underground sewerage, drainage and piped water.

The Committee discussed with the GoK about the proposed mandate suggesting division. There were discussions whether the citizens multiple woes on the deteriorating quality of life could be addressed by wielding the scalpel and creating miniature versions of BBMP. It was felt there were serious challenges with multiple civic agencies operating in silos and a BBMP set up that lacked appropriate governance, administration and people capacity. GoK agreed that unless one took a holistic view of what ails the current set up (BBMP, Other civic agencies) in delivering on citizen expectations, arriving at the contours of a comprehensive solution was infeasible. Hence the case made by the Committee for a larger mandate that focussed on improving quality of life for all citizens (particularly the underprivileged) in Bengaluru through (i) Access to quality infrastructure and services and (ii) Accountability of service providers, was accepted by GoK and the mandate of the Expert Committee was upgraded accordingly.

The Committee met with over 1,000 Stakeholders (Elected representatives, Senior officials of government agencies, Institutional groups, Resident Welfare Associations (RWA), NGOs, Community Based Organisations, etc.). A web site, www.bbmprestructuring.org, was set up as a two way communication platform between Citizens and the Expert Committee. The Committee reviewed best practices (Domestic / International), heard citizen suggestions, set up teams for spatial databases, public finance, HR, governance / administration, activity mapping, legal & planning aspects and held multiple deliberations. This report is the culmination of these efforts and done with the support of many institutions and individuals.

1.1.1 Infirmities in the current system

Discussions and analysis of available data indicate a tale of multiple deficits that plague BBMP currently:

- Ineffective Governance and Administration
 - Overriding influence of the State over Bengaluru manifested through a weak, one year 'titular' mayor system, administrative measures and financial control through the grants process
 - Negligible citizen participation at the third tier of city governance

- The existence of silo 'parastatals' like BWSSB, BESCO, BDA, BMTC that operate outside the control of the city leadership leading to serious coordination challenges
- Large Corporation Council with over 260 members; limited deliberations about local development issues
- Omnibus, ineffective Standing Committees in BBMP with around 132 Councillors across 12 Committees
- Insufficient independent powers with Zonal Commissioners.

- Citizens do not have a voice in the current system
 - The 74th Constitutional Amendment mandates citizen participation through the vehicle of ward committees but this is routinely breached
 - There is a citizen participation law on paper but giving veto power to the Councillor effectively negates any voice for the citizens
 - Farcical Ward Committee arrangements with poorly defined roles and responsibilities, member composition, meetings that are rarely held, etc.
 - Demands for 'speed money' for commonly required civic services.

- Trust deficit
 - Leakages in civic works; inflated contract values are considered the norm and financial indiscipline is the norm at BBMP
 - This coupled with poor state of infrastructure and service delivery has led citizens to distrust BBMP –for example, low revenue realisations (property tax payers < 50%).

- Lack of Accountability
 - No one seems responsible for the state of the city, be it something as serious as citizens washed away in drains or pot holed roads, delayed projects, mounting garbage, lack of walkable footpaths, building violations, encroachments, etc.
 - The presence of multiple agencies leads to a blame game – the road cutting and non-restoration in time is a classical manifestation of this problem
 - Negligible mapping of activities across civic agencies with clear cut delineation of responsibilities of elected representatives and officials.

- Poor state of Human resources
 - The C&R (Cadre & Recruitment) Rules, 1971 that govern BBMP is obsolete and not in tune with the times
 - In-house employees lack urban expertise and have no training
 - External resources deputed at senior levels too have limited capabilities. They have no long term commitment to BBMP and hence are detrimental to developing a healthy internal culture

- City management needs urban professional resources with high domain knowledge. This is a huge vacuum across civic agencies
- Negligible specific job oriented training. No induction program
- Staff shortage (about 35% vis-à-vis sanctioned capacity).
- Lack of Transparency
 - The operations and finances are shrouded in secrecy. There is no visibility on where the money is spent. There is no MIS system in place and senior officers are severely handicapped in taking decisions. A Fund Based Accounting System implemented in 2003 which had these features was circumvented and allowed to lapse
 - There is no appetite for proactive disclosure, be it about projects underway or how the money was spent
 - More shockingly, the Central Accounts Office of BBMP was not part of the limited functionality, computerised accounting system in place at the Zonal level. So with no financial audit for over four years and poor internal records, it is near impossible to know the true state of affairs at the Corporation.
- Financial Mismanagement
 - BBMP which currently has own revenue sources of around Rs. 1800 crores annually (including arrears), had pending bills as of Apr 1, 2015 of Rs. 2,300 crores, a loan of around Rs. 2,200 crores and Spill over works of Rs. 3,000 crores indicative of serious financial stress
 - In 2014-15 less than 50% of the estimated 23 lakh properties paid property tax indicative of a lax approach towards revenue mobilisation. Further, property tax rates that are based on land guidance value have not been revised since 2007
 - Interest in mopping up revenue from other promising sources like leased assets and advertising hoardings has been negligible allowing operators to flourish at the expense of the Corporation.
- Planning deficiencies for the Local Planning Area
 - The Comprehensive Development Plan (CDP) exercise which is expected to determine the future of the city, produces static land use maps and regulations that are obsolete when compared to the needs and changing pace of the city
 - Coordination and cooperation between the planning and implementing agencies is dismal
 - The lack of town planning professionals is a serious impediment to planning, coordination and management of the city coupled with an inability to come up with proactive and innovative solutions for the city's myriad problems
 - Reactive approach to haphazard urban developments on the outskirts of the BBMP area.

- Implementation challenges
 - Negligible prior planning, poor process / financial discipline and low people capacity manifests itself in extremely poor project execution on the ground in terms of final utility and time taken
 - Project pre-audits are often by-passed and consequently Return on Investments are impossible to measure
 - Inter-agency coordination is a major challenge due to lack of appropriate integration platforms and multiplicity of authorities. Road cutting woes faced by citizens is a glaring example of this failure
 - Poor control on expenditure and limited use of third party inspection resulting in runaway costs with poor outcomes
 - Poor enforcement and blatant violations of the law of the land leading to unfavourable outcomes – visible examples in land use / building plan violations, land title disputes, encroachment of lakes / government properties, unaccounted for water (50%), riding on footpaths, jumping traffic signals, etc.
 - The garbage problem in Bengaluru has now been festering for over three years without a positive resolution.

1.1.2 Addressing the infirmities

The Expert Committee on BBMP Restructuring focussed on finding systemic remedies to the existing infirmities that is holding Bengaluru back from realising its true potential as the best city in India and one of the truly liveable global cities in the world. Beyond making the city a more liveable one, it needs to be an engine of economic growth creating livelihoods and attracting investments. This will call for political will and administrative support in realising the holistic vision of what Bengaluru can become and getting there.

The subsequent sections in this summary analyses options and sets out the Committee's recommendations.

1.2 THE SUGGESTED ARCHITECTURE FOR MANAGING BENGALURU: RATIONALE

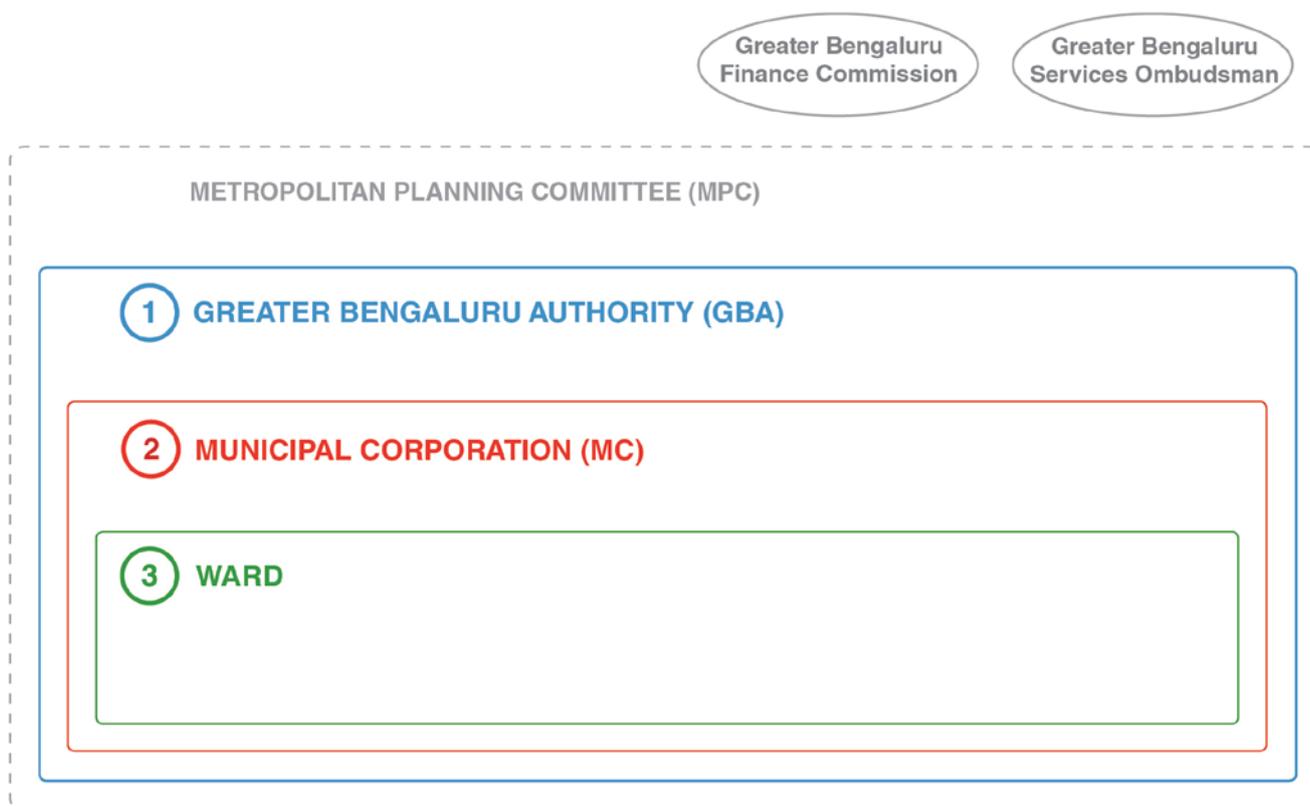


Fig 1a: The 3 Tier Governance frame work

The Committee recommends a holistic structure for managing Bengaluru which is guided by the following philosophies:

- Recommendations to be rooted in constitutional principles with a focus on the 74th CAA
 - Providing for the Metropolitan Planning Committee (MPC) at the Regional level with the Greater Bengaluru Authority (GBA) as a Local Planning Authority (LPA)
 - Strengthening the ward committees at the lowest level.
- Giving voice and a place for citizens at the 'table' to address local urban issues in their neighbourhood
 - A representative Ward committee with clearly defined functions
 - Wards empowered to take necessary action to fix issues faced by the locality.
- Political Devolution and Decentralised Accountability
 - Subsidiarity principle wherein any activity is undertaken at the level where it is best placed to deliver – Ward, Zone, Corporation and Greater Bengaluru Authority
 - Powers accordingly devolved to smaller governance units with a credible leader at the Municipal Corporation level.
- Co-existence of larger Metropolitan governance structures while protecting the devolved powers at the lower levels

- For visioning, strategic planning, integration, coordination, economic development
- To protect and reinforce brand Bengaluru.
- ‘Watch dog’ mechanisms as custodians of citizens’ interests
 - For fair and equitable distribution of resources and problem resolution, a Greater Bengaluru Finance Commission
 - A Greater Bengaluru Services Ombudsman for citizens to make their case for better civic services from the agencies rather than approaching the Courts
 - Ensuring a transition path for village areas as their character changes to predominantly urban, through a Municipalisation Committee housed in the BDA within the Greater Bengaluru Authority.

Arising from the above (Fig 1a), we have suggested a 3 tier governance framework for Bengaluru [Ward, Municipal Corporation, Greater Bengaluru Authority (GBA)] with the footprint of the current Bengaluru Metropolitan Area of 1,307 sq kms and the MPC with BMRDA footprint of 8,005 sq kms.

1.3 WARD DELIMITATION IMPERATIVE

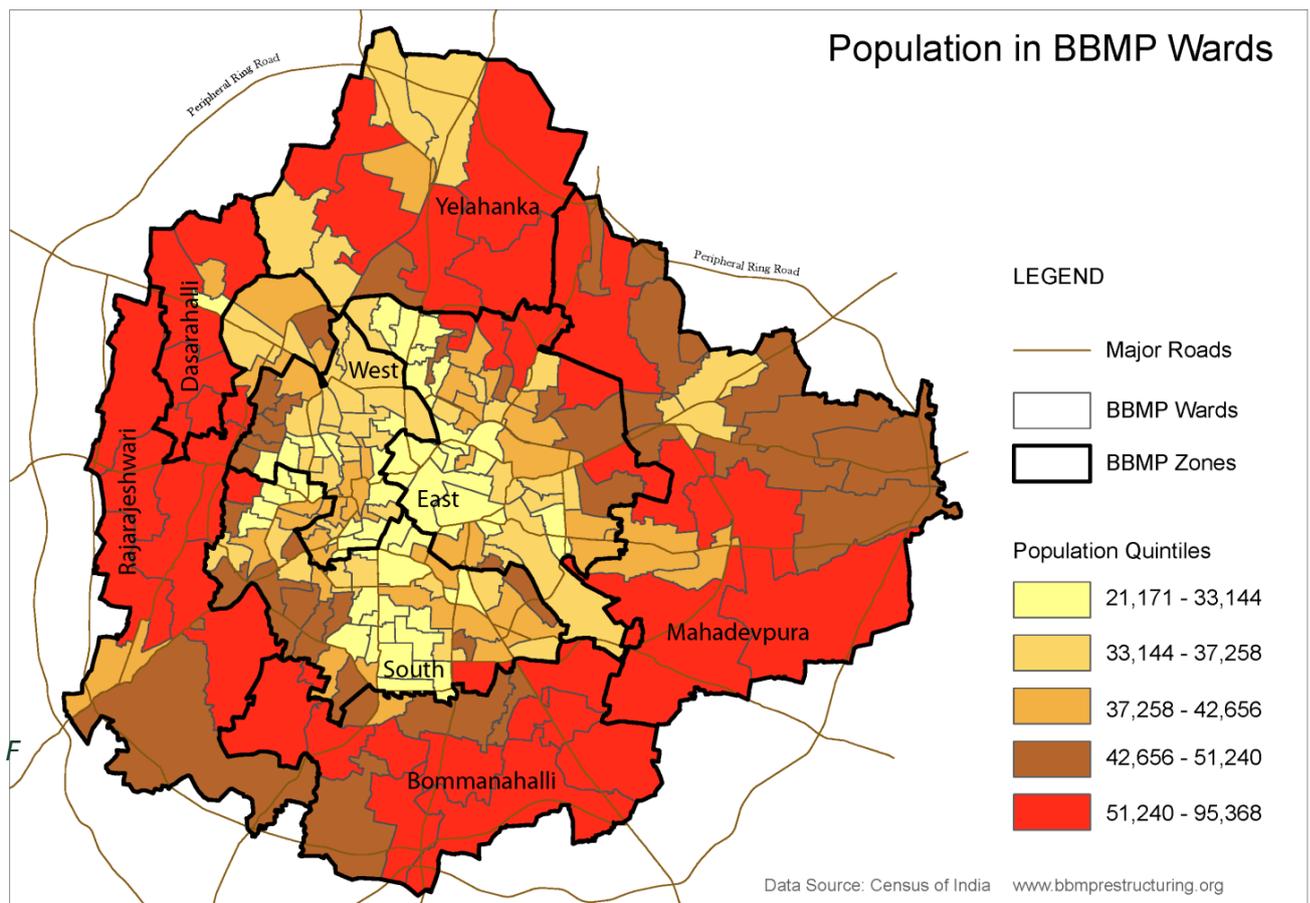


Fig 1b: Ward Population as per Census 2011

The existing 198 wards in the BBMP area of 709.5 sq kms formed during the amalgamation of 2007 were based on the 2001 census. During the decade 2001-11, Bangalore grew by 44.6%, the highest in its comparable class in the world. If we view Bengaluru today it has an inner core (within Outer Ring Road) and outer periphery with equal population of about 50 lakhs each. During 2001-11 the inner core grew by about 18%, the outer periphery grew by over 100%. This has resulted in grossly mismatched wards. 21 wards have a 2011 population of < 30,000 while 43 wards have a population > 50,000. The largest ward Horamavu (95,368 in 2011) is well over 1.1 lakhs currently.

While the current 198 wards need a delimitation exercise to rationalise their sizes, it was felt that an ideal ward size needs to be around 25,000 improving scope for a more decentralised administration. It is noted that areas in the core of the old city area are growing slowly (or even losing population) while the periphery is growing rapidly. Consequently the ward population could be fixed at 20,000 (growth areas) - 30,000 (core areas) to allow for a balance to be developed over the next decade at which time the delimitation could be again revisited. For the current population of around 10 million, the Committee suggests about **400** wards to be delineated in the current BBMP area. The Committee is of the opinion that ward delimitation (exact number to be determined) is a necessary prerequisite for the restructuring.

1.4 STRENGTHENING WARD GOVERNANCE AND ADMINISTRATION

Any fix to our city structures need to start at the lowest level of interface between the citizen and the elected Councillor / Administration system. Consultations with citizen groups have revealed a huge trust deficit between citizens and government, manifest in an extremely dysfunctional ward committee arrangement – the composition of the ward committee is flawed, its functions are not clear and the Councillor has veto powers on any decisions taken there. Meetings are not held in many cases, and most Councillors ignore the Ward committee on the grounds that they are elected by the citizens and themselves sufficiently represent the will of the people. The Committee recommends a set of reforms for the Ward Committee and operations at the Ward level that is rooted in the spirit of the 74th Constitutional Amendment mandating ward committees.

1.4.1 Ward Committee Composition

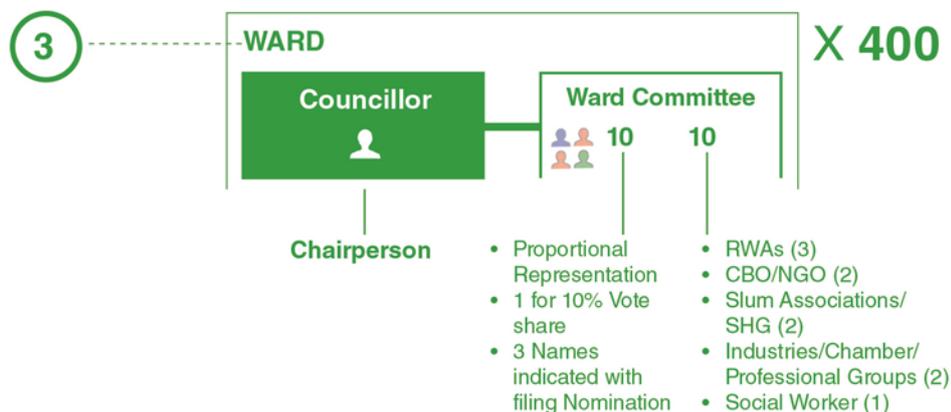


Fig 1c: The Ward Committee Composition

We have provided for a Ward Committee with wider representation of political parties through proportional representation and also provide for more members nominated from civil society. A 20 member Ward Committee chaired by the Ward Councillor has been suggested (Fig 1c):

- 10 in the Elected category (through proportional representation)
 - Every competing Councillor would indicate at least 3 nominees for the Ward Committee at the time of filing the nomination
 - Every 10% vote share for a candidate results in a seat in the Ward Committee under the Elected category
 - The unfilled seats (out of 10) through this allocation process can be filled by the winning Councillor as per their choice
 - This will make the elected group representative of the voting preferences of the ward.
- 10 in the Nominated category
 - 5 diverse civil society groups with suggested representation
 - There will be a process of selection from the applicants based on appropriate criteria managed by a Selection Committee.

1.4.2 Ward Committee Functions

Currently there are no clear definitions on the roles and responsibilities of the Ward Committee. This has been addressed:

- The Ward Committee will be entrusted with more powers to ensure that most civic issues in the ward can be addressed at the ward level itself
- Provide inputs for annual and 5 year plans for the ward
- Provide desired ward budget estimates as an input to the Municipal Corporation for the budget finalisation exercise
- Supervisory and audit powers. This is expected to address the key problems on the ground related to quality, completeness of works undertaken and the financial leakages in civic projects
- Communicate to the citizens of the ward about projects and the decisions taken.

1.4.3 Financial devolution to the ward

Currently Wards are given either Rs. 2 crores or Rs. 3 crores annually as a ward budget. This has no scientific basis. Further, the one area where the ward Councillor (with assistance from the Ward Committee and citizenry) can be in control of their revenue resources is property tax collections. It is necessary to find a fair basis for allocation. It is also desirable to incentivise the ward to enhance their property tax collection through the following measures:

- The Proposed Greater Bengaluru Finance Commission should set out a basis for financial devolution to the ward on fair, equitable principles
- Wards that have historical infrastructure deficiencies would need additional intervention through the proposed GBA
- A proportion of the property tax collected by the ward subject to a minimum amount should devolve to the ward for financing their ward plans at the discretion of the Ward Committee. This will go a long way to ensure higher property tax compliance.

1.4.4 Aligning Service agency jurisdictions to wards

One of the key expectations of citizens is to have BBMP and other civic service providers align their activities at the ward level. This is a considerable challenge given the varying jurisdictions and the specific internal organisation structures of organisations like BWSSB, BESCOM, Police, BMTC, etc. It is unreasonable to expect them to reorganise themselves ward wise given the operation logistics, infrastructure and costs involved. Further wards get delimited from time to time and repeated reorganisation will be a challenge. However, one needs to find a way to have them align their activities at the ward level.

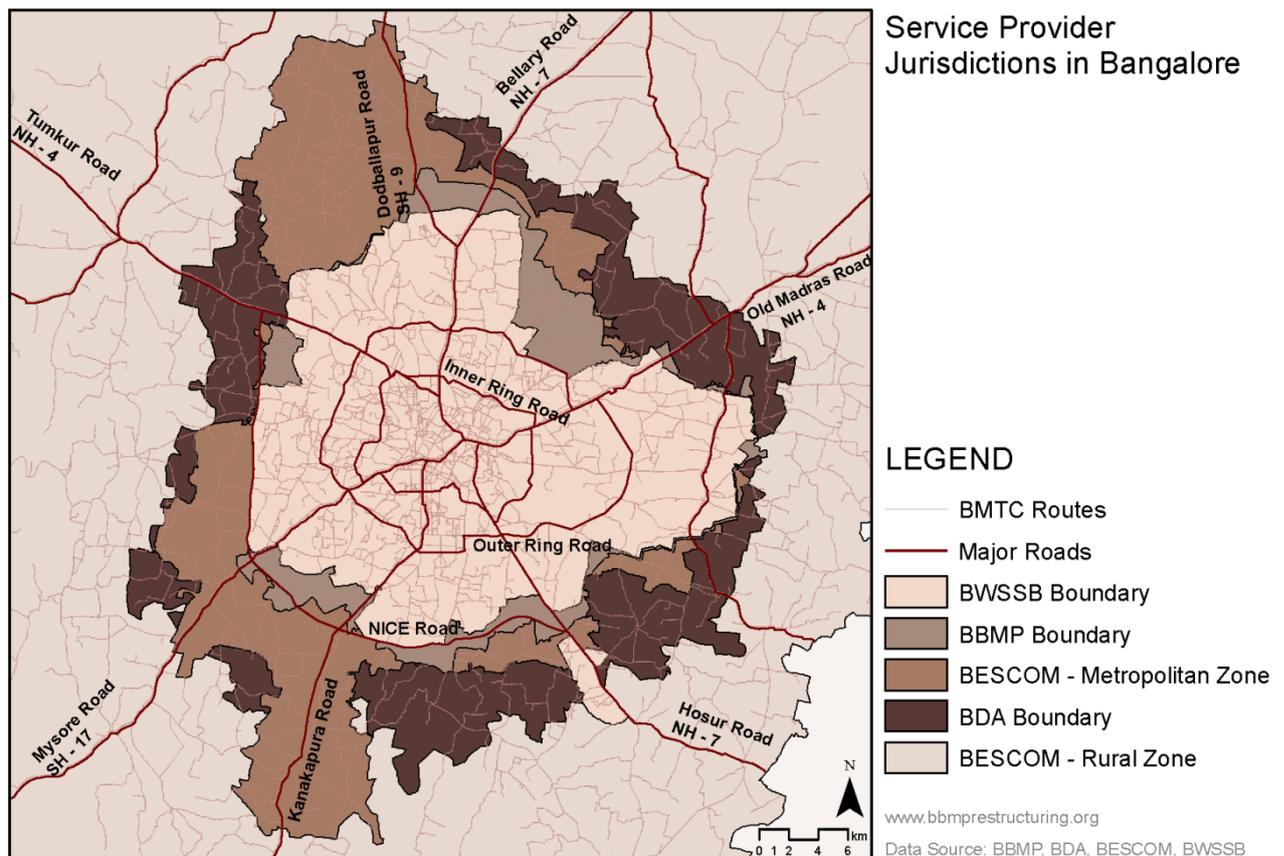


Fig 1d: Varying jurisdictions of some 'parastatal' agencies

We have some suggestions to help align parastatals to citizens at the ward level:

- Each of the parastatal agencies should have a designated ward 'Single Point Of Contact' (SPOC) officer who is well versed with the agencies organisation structure, jurisdiction, processes and activities. These SPOCs should be capable of resolving any citizen query or requests related to their agency. Based on the internal organisation of the parastatals, an individual will be a SPOC for multiple wards
- A virtual 'avatar' of these SPOCs could be mirrored online where most of the typical citizen queries can be addressed without the need for human intervention
- Coordination between multiple government parastatal agencies - The integration of parastatals like BWSSB, BESCOM, Police (Law & Order, Traffic), BMTC for a ward will be achieved through a monthly coordination meeting at the zonal level.

1.5 SETTING OUT THE MUNICIPAL CORPORATION LAYER

The current single BBMP model is unsustainable. The system is not effective currently, and with a likely population of over 20 million by 2040, steep deterioration in the quality of living can be expected to set in rapidly. It has been near impossible for a single BBMP Commissioner to effectively administer such a wide populace spread over a large geographic area. Further growth will only make this challenge harder.

For effective governance, the devolution of powers from large, centralized governmental bodies to smaller, decentralized units are necessary. Devolution includes both political and administrative decentralization whereby decision-making powers are handed over from higher levels of the government to lower levels. Considering the principle of subsidiarity, the Municipal Corporations must be made directly responsible for only those issues that cannot be solved at lower levels.

1.5.1 The debate about One vs. Multiple Corporations

There have been considerable discussions with Stakeholders and in the media whether we need Multiple Corporations at the proposed second tier of our 3 tier governance framework. The proponents of the single Corporation as a 'command and control' centre with empowered Zonal units (8 Zones as exists in BBMP currently) believe that a hard dose of administration is all that is necessary to make the place liveable. However, the experience of a single Corporation from 2007 to 2015 has been otherwise – many of the infirmities (unwieldy size, poor governance and administration, limited voice for citizens, low revenue generation, financial mismanagement, etc.) have been set out earlier. One of the key objectives of amalgamation was to provide infrastructure in outlying areas. This has not happened. Wards in the outer areas (and currently nearly half of Bengaluru lives there) have suffered in terms of infrastructure with many areas having less than 50% underground drainage and piped water. Citizens in these areas have complained of neglect and apathy towards their problems and just getting prominent political leaders or high ranking officers to visit the area is seen as a victory! Most of them want a governance structure that is sensitive to their needs and closer to them.

Then there is the historical experience from across the world. There is no city with Bengaluru's population of 10 million and 709.5 sq kms area that operates as a single Corporation entity. Our research has shown the following:

- Top mega-cities follow multi-municipal structures
- Decentralization and devolution of powers is felt to be useful as cities grow
- Finding optimal scale and size of governance is an iterative process
- The number of Corporations is based on balancing power, economy & accountability
- Clarity in roles and responsibilities between local, metropolitan and regional levels is necessary
- The case for political and administrative decentralization is quite strong across the world.

Finally, it is worthwhile pondering on the growth of Bengaluru from 2001 and the likely scenario over the next 25 years till 2040. The growth apart from being rapid (Fig 1e) has taken place beyond the Outer Ring Road and this trend will sustain over the years.

In 2015, the population within the Outer Ring Road (ORR) and outside it within BBMP is about the same. This will increase in the coming years in favour of the Outer areas. We need to proactively consider multiple Corporations to manage the growth in the area. Continuing with the current 261 member single BBMP model, would only imply adopting an ostrich policy to a potential problem.

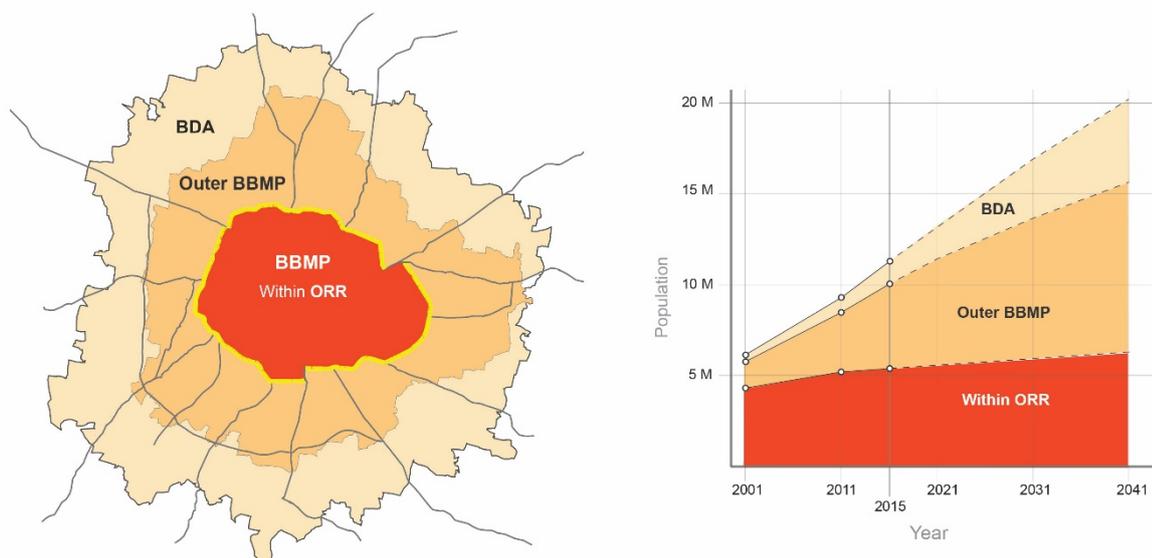


Fig 1e: Bengaluru's growth 2001-2041 (estimated)

1.5.2 Multiple Municipal Corporations

It is clear that we need multiple Municipal Corporations. But what is the correct number of new Corporations? One guide in deciding an ideal size is to think of the span of control that can be effectively managed over the long term (from now to 2040) in terms of population and area. It is also important to take care to ensure that the Municipal Corporations are more or less balanced in terms of their financial viability and future growth potential of both the economic base and the population.

The Committee made multiple iterations trying out combinations of 3, 4, 5, 6 and 8 Municipal Corporations. Though 3 was okay in the short term it did not scale too well over the long term – the area covered and population were too large currently to absorb future growth. 8 Corporations were too many and getting 'balance' among so many units was also a challenge. The best fit Corporation which 'balanced' the various areas and kept intact the essential character of Bengaluru was a 5 Corporation solution. This had the scope to scale well over the next twenty five years. The benefits of a 5 Corporation solution was expected in terms of significantly better revenue realisation due to greater focus on raising resources and incentives for higher property tax collections. The garbage issue could be more effectively resolved over 5 Corporations with a focus on segregation at source and decentralised processing by waste streams. 5 Commissioners and 10 Zonal Commissioners overseeing the administration in their designated areas would be a lot more effective than the current set up. It would also make for healthy competitive spirit between the 5 entities.

The proposed 5 Corporation solution is set out in Fig 1f. The 2014 Population (#), Decadal Growth rate (DGR) 2001-11 (%), Area (sq kms) and 2014-15 Property tax (Rs. crores including arrears) is set out against each of the 5 Corporations. The property tax potential is expected to be around twice the figure indicated. We have estimated the infrastructure availability for these 5 Corporation areas (Chapter 3 and Appendix IV) – this can be used to decide on investment decisions to raise the infrastructure quotient in the under developed wards. Finally, this map is indicative – the actual boundaries need to be drawn after the ward delimitation exercise is completed. It is advisable at that stage to align the Corporation boundaries to the key arterial or main roads wherever possible.

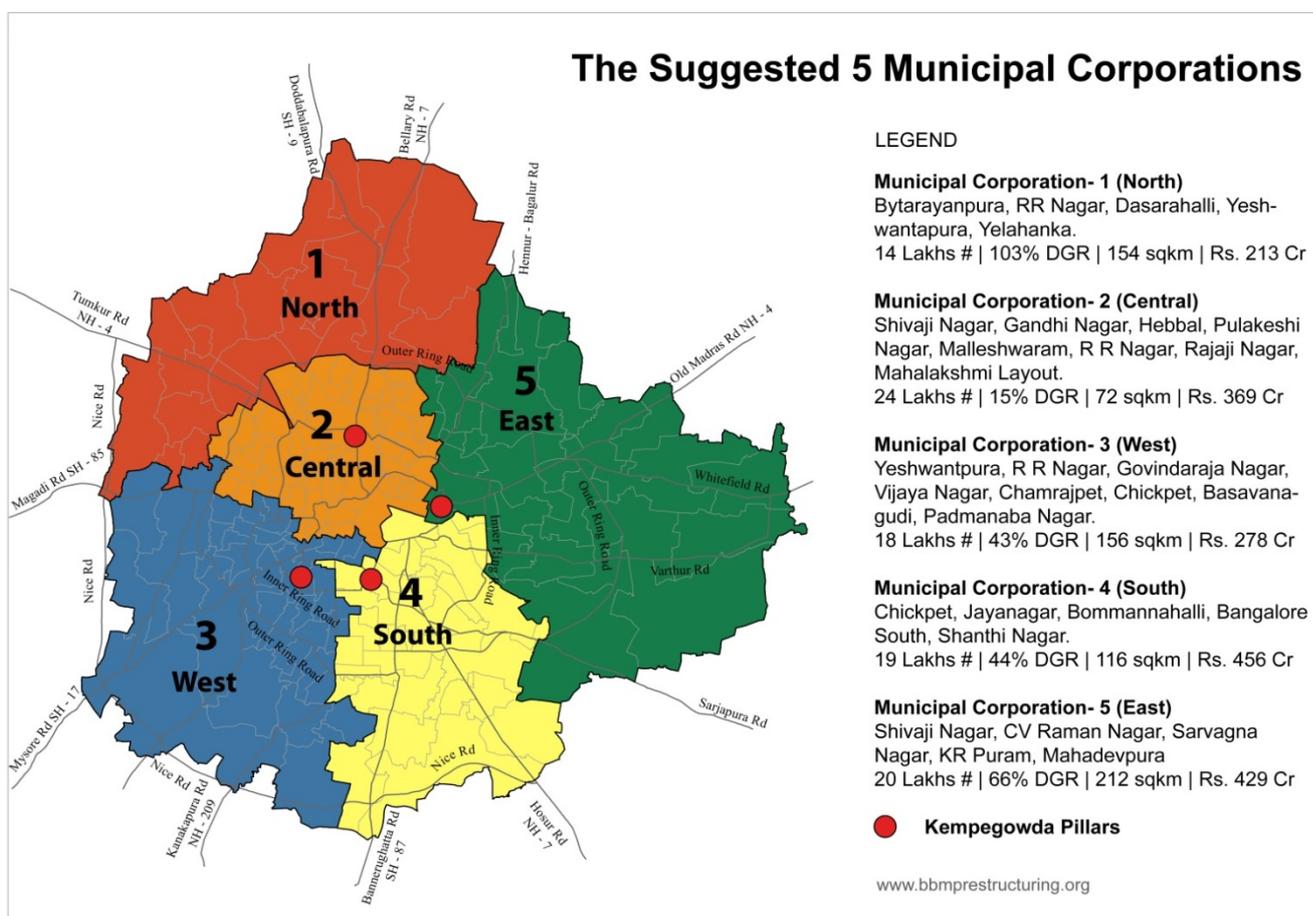


Fig 1f: The Suggested 5 Municipal Corporations

Historical connection: The 5 Corporation model epitomises a Bengaluru aligned to its historical roots while reaching out to seek its tryst with the modern world. Corporation 1 is in the Yelahanka area, where Bengaluru’s founder Kempegowda first set up base. Kempegowda II moved base to Bengaluru and the 4 pillars he erected to represent the boundaries of Bengaluru in the sixteenth century. The four Corporations (2-5) have a portion of the city centre and share a pillar each, making a connection with a historical landmark.

Key characteristics of the 5 Corporations

Parameters	MC 1	MC 2	MC 3	MC 4	MC 5
Direction	North	Central	West	South	East
Population 2,011#	1139035	1948517	2182475	1583352	1590296
Population decadal growth %	103	15	43	44	66
Area (sq km)	150.5	71.1	157.2	118.7	211.6
Population density 2,011 #/(sq.km)	7,568	27,405	13,883	13,339	7,515
Buildings 2,014#	206820	200833	309205	223589	256717
HH Census 2,011 #	2,93,251	4,69,055	5,37,806	3,97,429	4,04,290
Est Builtup area 2,014 (sq m)	4.7 cr	6.1 cr	7.2 cr	6.9 cr	8.2 cr
2,014-15 Property tax (Rs. crores)	213.6	369.9	278.6	456.1	429.4
Road length (kms)/Sq. Kms	16.7	25.4	23.7	19.7	14.7
DWCC 2,014 #	20	51	56	37	32
Open spaces/Area %	4.85	2.63	2.53	4.9	5.48
Police stations #	14	31	22	18	18
Bus stops #	663	747	1,068	731	765
2,011 HHs with UGD (%)	56.4	95.4	87.9	86.3	58.4
2,011 HHs with Piped water supply (%)	45.7	88.1	79	72.5	58.5

One of the arguments against splitting BBMP in the public debate has been the fear of the loss of the Bengaluru brand. This implicitly assumes brand Bengaluru is dependent on BBMP remaining as a single unit forever. This is not the case. Brand Bengaluru is shaped by its people, its ethos, its culture, its vibrancy, its promise among a host of other factors. BBMP by no yardstick can be considered to be the sign post of brand Bengaluru and it is extremely unlikely that the Founder of Bengaluru visualised a future day BBMP as the flag bearer of the city. The recommendation to make it into multiple units is driven by a desire to make the city more manageable and more liveable. London has 33 boroughs but its brand is one of the best in the world – the former mayor Ken Livingstone had opined that ideally London should have been 5 super boroughs for a stronger borough presence and better management of the area. Our recommendation for a Greater Bengaluru Authority will help build, sustain and nurture brand Bengaluru.

1.5.3 Municipal Corporation Composition

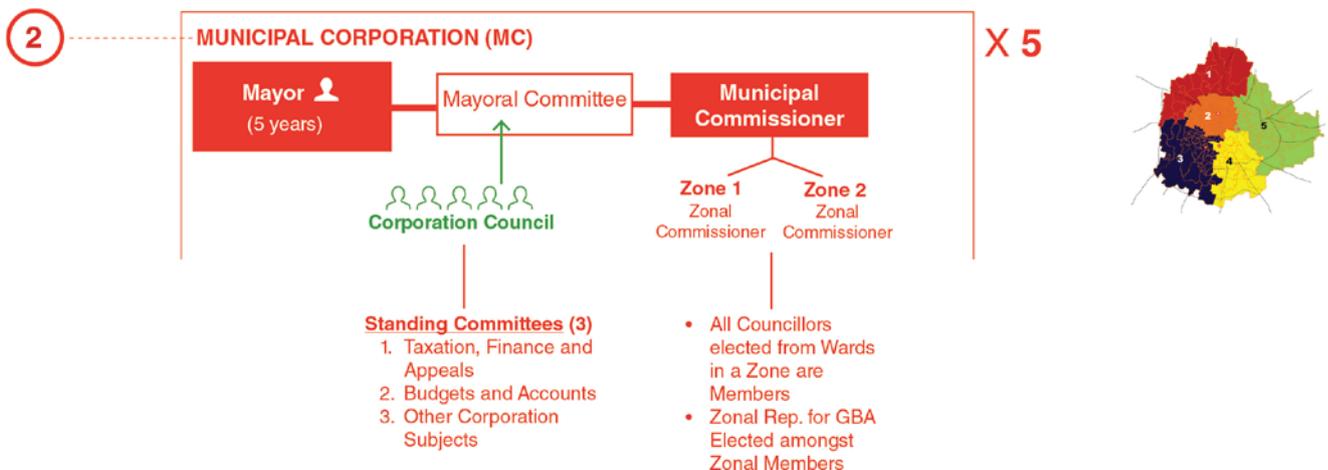


Fig 1g: Municipal Corporation structure

Our recommendations for strengthening the Municipal Corporations have revolved around strengthening the Mayoral system and reimagining the institution of the Standing Committees and the Zonal arrangements:

- We propose a 5 year Mayoral term with the Mayor as the head of the Corporation with a Mayor's council supported by the Municipal Commissioner in executing the role and responsibilities. The 1 year, titular, revolving mayor is detrimental to the management of the Corporation and should certainly be done away with. The issue of Corporation leadership and management is too complex to think that it can be headed by a ceremonial, powerless head
- On the issue of the selection of the Mayor, we are in favour of a directly elected Mayor at the time of the Corporation elections. There could be challenges in terms of managing the Council if the Mayor is from a different political party than the majority party or an Independent candidate. This could be overcome by the greater acceptability among the populace and will act as precursor to a later day directly elected Metropolitan Mayor of the proposed Greater Bengaluru Authority
- However, we realise that the alternative option of a Mayor in Council elected by the Corporation Councillors has been considered by previous committees on urban management. This is in sync with practices in the rest of the country but less preferable than a directly elected mayor
- We strongly advocate rationalising the number of Standing Committees to three, with their role focused on framing rules and policies.

1.5.4 Zonal level arrangements

Further, even in a multi Municipal Corporation set up, following the principles of devolution and decentralisation, we will need zones to manage a set of wards. We suggest 2 zones per Municipal Corporation each managing about 35-40 wards in a 400 ward city. The Zonal Commissioners will be in charge of the zones to deliver on the decisions of the Municipal Corporation.

For the zone to be a legitimate unit of governance, it must bring together both political and administrative capacity. Hence, we propose regular monthly meetings headed by a Zonal Commissioner and consisting of all ward councillors belonging to the zone.

One of the important activities proposed at the zonal level is solid waste management. The current system of dumping municipal solid waste of a city of 10 million in villages with population of 500-1000 outside BBMP is morally and ethically wrong. Neither is it sustainable as a long term practice. With segregation and decentralized handling, the waste of a set of wards within a zone should be predominantly managed within its boundaries or at least within the relevant Municipal Corporation boundaries. And if there are constraints in doing so, they need to forge arrangements with other Corporations to take their waste on commercial terms.

Quarterly Zonal meetings

Apart from the monthly Zonal Committee meetings which the Zonal Commissioner convenes with the relevant Ward Councillors, every zone also needs to have a quarterly meeting with wider participation. The quarterly meeting should include, along with the Councillors from the zone, all the Members of the Legislative Assembly whose constituency falls wholly or partly within the jurisdiction of the Zone. It should also include the zonal level heads of all the departments of the Municipal Corporation and representatives from parastatal agencies who are designated for the zone.

These meetings would help resolve the issues faced by each Zone in a better manner due to the participation of representatives from various levels of government. The advantage of having MLAs from the Zone participating in these meetings is that, they can take stock of the various issues faced by the constituents in the Zone and take it up at higher levels as required. While MLAs are expected to play a role in the Legislature, the reality on the ground is that their constituents expect them to fix local civic issues too. These meetings will give them a handle on the state of civic affairs of their wards and a forum for them to provide their valuable inputs.

1.5.5 Municipal Corporation and Zone functions

The Municipal Corporation functions derive themselves from the Article 243-W of the Twelfth Schedule of the Constitution. At the Corporation level, three Standing Committees covering subjects of Taxation / Finance, Budget / Account and Other subjects is suggested. We foresee most of the execution roles being undertaken at the Ward and Zone level with the Municipal Corporation as the policy making and deliberative body.

The Committee has also undertaken a detailed Activity level mapping of all civic functions and set out the level at which this is best carried out. One of the key activities across the board at the Municipal Corporation level is the dimension of 'Service Level promise' to the citizens (eg. time taken for khata transfer or issuing a birth certificate) – the Municipal Corporation in most cases will specify service levels that can be expected and put in place measures to deliver on the promise.

1.6 GREATER BENGALURU AUTHORITY (GBA) AS THE TOP TIER

The Tier 2 and Tier 3 arrangements will work only if we have a Greater Bengaluru layer (Tier 1) that integrates all the civic activities and takes responsibility for planning and administration of the Bengaluru metropolitan activities. One of the causes of Bengaluru's current woes is the lack of attention and future planning for the extended region.

The haphazard development and lack of infrastructure provisioning in the outlying areas has impacted the quality of life in Bengaluru adversely. The apex body is strongly advocated on multiple counts:

- Nearly all stakeholders consulted have voiced concerns about ensuring that the Bengaluru brand is protected, nurtured and further grown over time. The Greater Bengaluru Authority (GBA) will ensure that all activities in the metropolitan area will be in sync with building brand Bengaluru.
- There are many civic requirements that are best executed on a larger scale (e.g. bus services, utilities provisioning, major road infrastructure, etc.). One of the complaints of Bengaluru citizens is the lack of inter-agency coordination due to organisation silos which requires integration. The GBA arrangement will have place for the parastatals (eg. BWSSB, BESCO, BMT, etc.) and allow for both inter-agency and inter-municipal coordination
- Our Comprehensive Development Plans (CDP) drawn every decade end up being no more than land use plans, and even these are poorly executed. The CDP sections involving mobility, energy, environment, water supply, sewerage, though nicely written up, are not followed through in practice. By anchoring the Planning function in the GBA set-up as part of the Local Planning Authority (LPA) under the BMRDA region, the plans drawn up have a better chance of seeing the light of day and ensure compliance
- Attracting investments and job creation is critical. An Economic Development Agency anchored at the GBA level and run as PPP has huge scope for Bengaluru to be at the forefront on city economy innovation in the country.

1.6.1 Footprint of the Greater Bengaluru Authority

The footprint of the GBA is ideally the Bengaluru Metropolitan Area (BMA) also known as the BDA area currently. The Committee examined multiple options for the footprint of the GBA (Fig 1h) – these included staying with BBMP 709.5 sq kms (will not be sufficient even till 2025), BMA area, Bengaluru Urban District 2190 sq kms (has considerable non-urban settlements), following the growth corridors 1710 sq kms (a bit scattered - does not follow any existing district jurisdictions). On considering all the alternatives, the BMA footprint (BBMP + BDA) of 1307 sq kms was considered most appropriate for GBA – it already is the declared LPA under the regional structure anchored under the BMRDA.

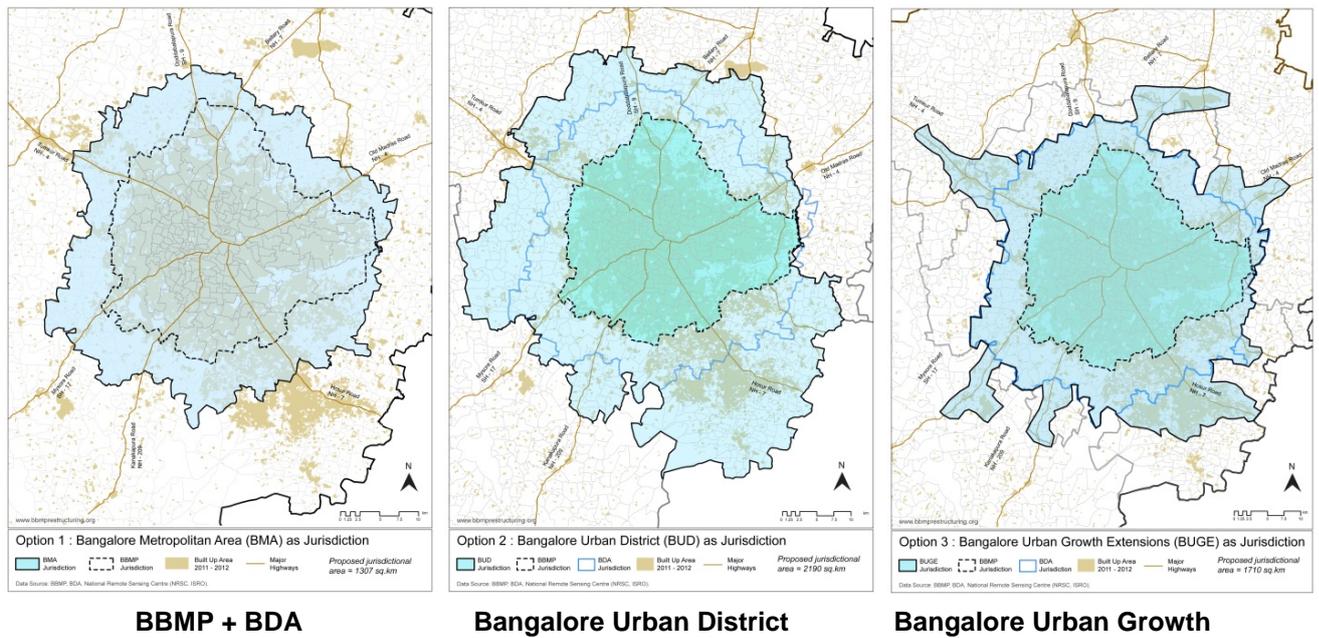


Fig 1h: Alternatives for the GBA footprint

1.6.2 Greater Bengaluru Authority (GBA) Composition

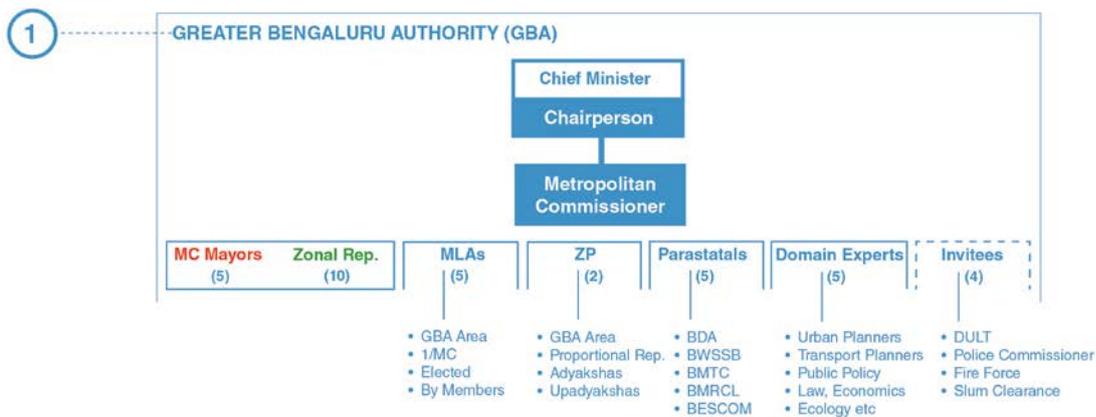


Fig 1i: GBA Members

It is suggested that the proposed Greater Bengaluru Authority be headed initially by the Chief Minister. Since the State has had a major role in the city for decades and there are multiple, complex legacy issues, it is suggested that the State continues to play a role in steering the new arrangement at the Metropolitan city level. Over time (within a 5 to 10 year period), as the system matures and the initial teething problems are resolved, Bengaluru should go in for a directly elected 'Metropolitan Mayor' for the Greater Bengaluru Authority. There is currently no legal arrangement at the State level for managing a Metropolitan city. A new Bengaluru region Act will be needed to enable it.

The following are the key constituents of the 34 member GBA:

- Chairperson (subsequently Metropolitan Mayor) and Metropolitan Commissioner
- 15 out of 400 representatives from the Municipal Corporation level through Mayors and Zonal representatives
- 5 out of 27 Bengaluru City MLAs who are members of the relevant Municipal Corporation
- 2 Zilla Parishad representatives from the BDA area
- 5 Parastatals
- 5 Domain experts about city issues
- Permanent invitees like the Police, DULT, etc. to help coordinate city wide activities.

1.6.3 GBA Function

The key functions that will be undertaken at the GBA level:

- Plan and Plan enforcement
 - Planning functions will encompass Strategic Visioning for the City's unified future, close inter-linkages between land use plans, mobility, infrastructure, economic development plans and detailing strategic projects
 - Municipalisation Committee for orderly transition of rural to urban areas in BDA
 - Enforcement is critical because currently the Comprehensive Development Plans which are more in the nature of land use plans, are not outcome oriented in terms of detailing out implementable projects and currently attempts to check violations
- Mega Infrastructure projects that span the city. Examples would be major arterial roads, storm water drains, flyovers, bus rapid transit systems, etc.
- Parastatal integration is a key activity of the GBA. There is a need to align the functioning of these bodies in line with the requirements of the city in a 'Principal-Client' manner. While BDA and BWSSB can report to the GBA, the other parastatal Corporation entities need to work in tandem with the overall goals of the GBA, Municipal Corporations
- Inter Municipal Corporation coordination
- Mobility plans and outcomes for the city including integrating the activities of the multiple mobility parastatals, the Municipal Corporations and the Traffic police
- Economic Development. This is a new function and extremely critical since the trend in the developed world is a competition among cities to attract investments and create jobs to be an attractive destination. A few key points about Economic development:
 - Economic development is knowledge and skills-enhancing; it builds long-term assets that benefit everyone; it is not real-estate development
 - Urban economic development is much more than economic growth; and its engine is not land value, but skills and value-addition
 - Basic services can be a tremendous economic development opportunity
 - The informal economy has high growth and development potential
 - Economic development cannot depend on free give-aways, but show enhanced public benefit and long-term accounting
 - Economic development requires a specialized economic development agency which can be run as a public-private partnership.

1.7 OTHER INSTITUTIONAL ARRANGEMENTS IN THE ECOSYSTEM

Fig 1k sets out the composite proposed 3 tier governance framework along with the other Institutional elements. The three institutions listed here are the Metropolitan Planning Committee (a 74th amendment requirement), Greater Bengaluru Finance Commission (for fair and equitable distribution) and a Civic Services ombudsman (as custodian of citizens’ interests).

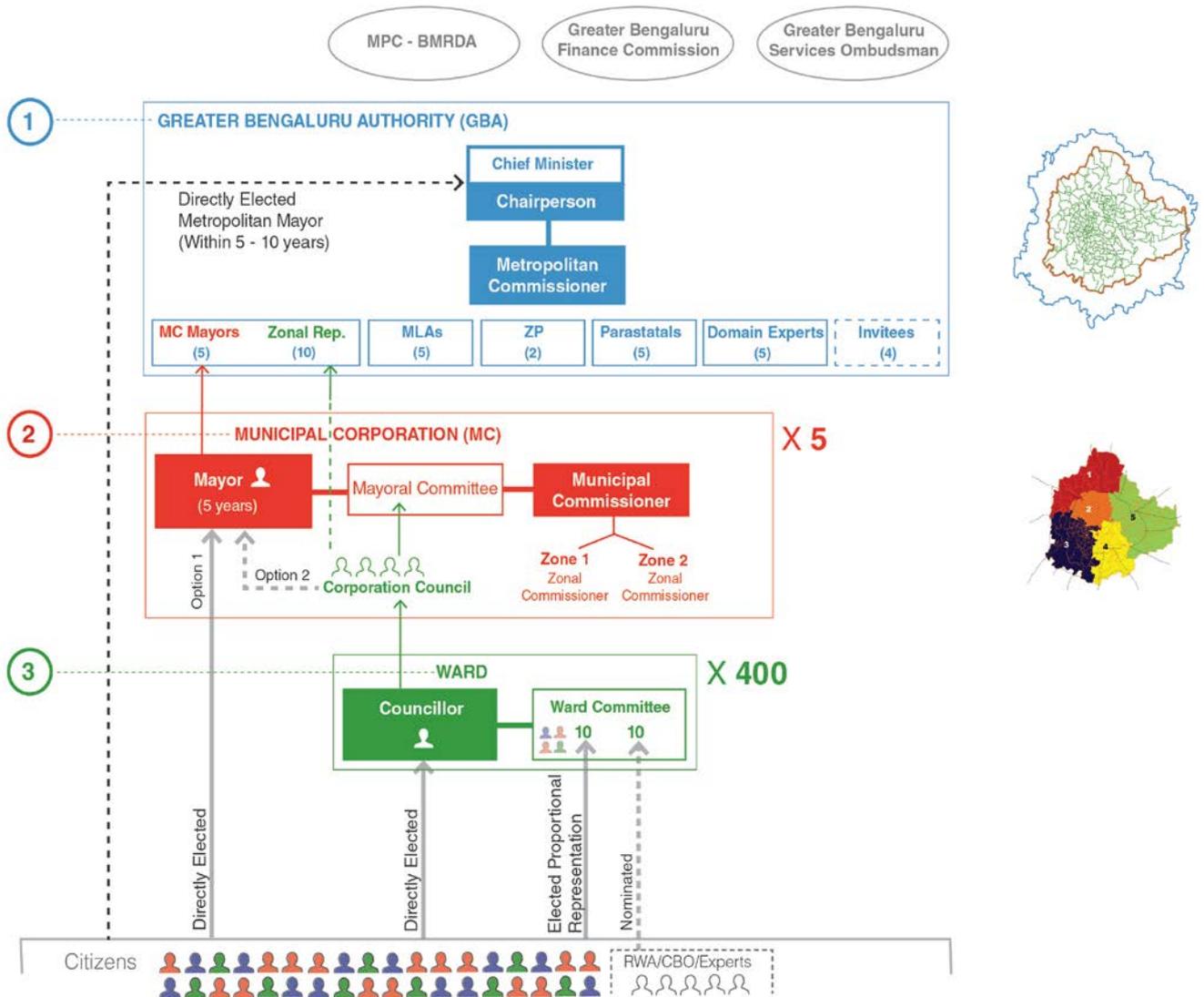


Fig 1k: The proposed 3 Tier Governance framework with eco system institutions

1.7.1 Metropolitan Planning Committee (MPC)

The MPC is a 74th Amendment mandatory requirement. In our view this should be at BMRDA regional level of 8,005 sq kms (Fig 1I):

- Bengaluru needs a planning body that looks out for development activities on its outskirts and help accommodate that elsewhere to reduce the burden on the city
- Land development in the region tends to happen before any government regulated expansion and hence planning for the future requires a larger jurisdiction
- The current metropolitan region houses several urban local bodies that are almost contiguous to Bengaluru and needs a metropolitan regional authority for coordination, negotiation and cooperation purposes
- Technically, the spirit of setting up the MPC is to coordinate plans of at least two or more Municipalities or Panchayats. The Development (Master) Plan despite splitting up of the BBMP should remain a single plan as it is one city.

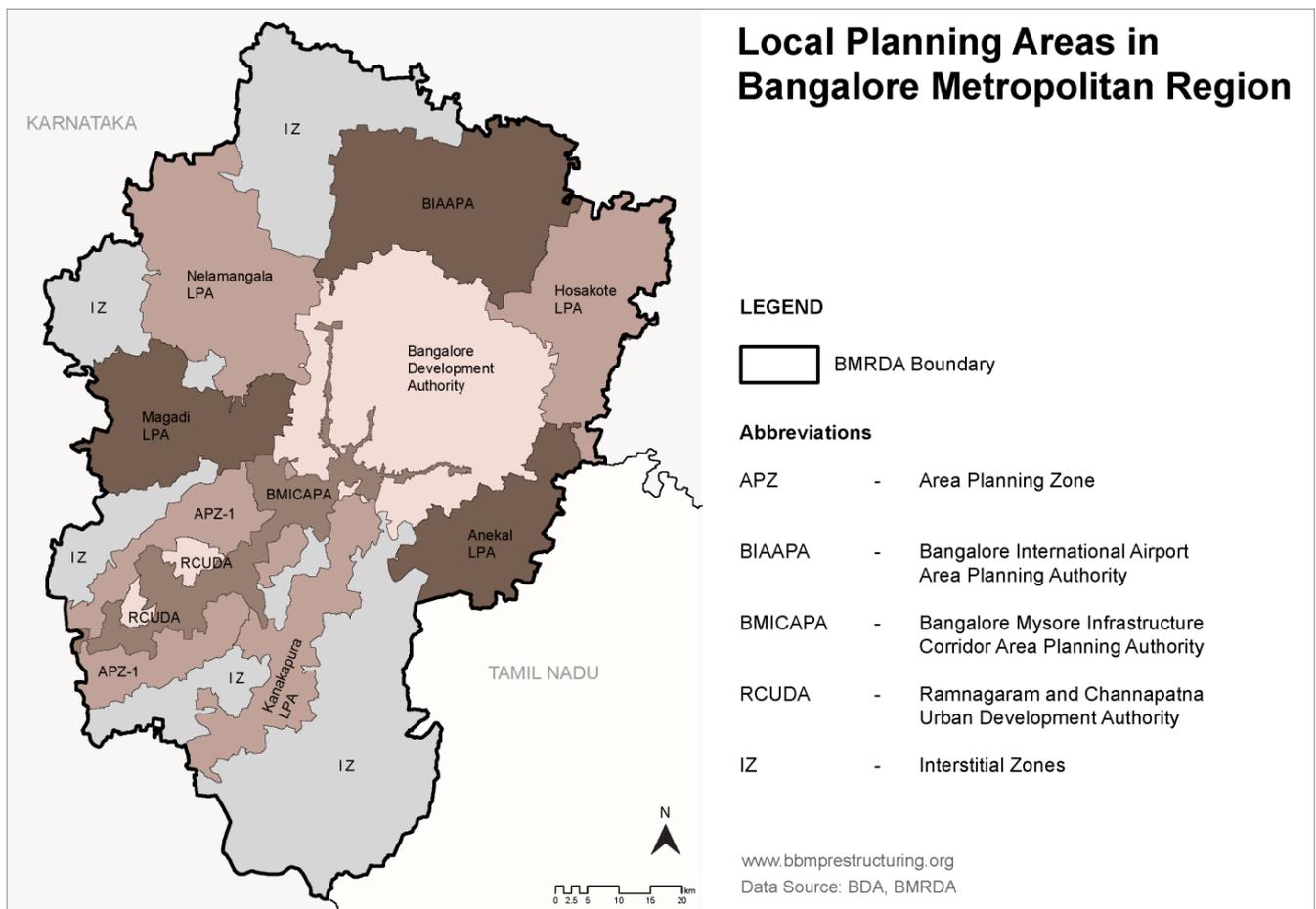


Fig 1I: BMRDA planning bodies (LPA)

Currently the MPC has been notified for the BDA area. No meetings have been held and the issue of MPC composition and functioning is in Court. It is suggested that the MPC be notified as the BMRDA area and the composition and functions of MPC building on the suggestions of the Dr. Kasturirangan committee are laid out in the report. The GBA would be a Local Planning Authority within the MPC.

1.7.2 Municipalisation Committee at GBA level

There are about 25 villages in the BDA area (and some beyond) which exhibit urban characteristics. More villages will grow to become more urban and need to be brought under an urban road map. Some of the larger settlements could be designated as Nagar Panchayats and over time grouped together with the Municipal Corporations as their populations grow. The restructuring exercise should include planned municipalisation of the portions of the GBA that are outside BBMP limits. In this area, there has been a significant rise in home construction, and many parts of this peri-urban region can no longer be governed through the panchayats in those areas. They end up being badly managed resulting in a later day pressure on Municipal Corporations when they are brought under their dispensation.

In current law, the municipalisation of new areas is based on the assumption that villages gradually and organically grow into larger and larger settlements. Accordingly, at a certain threshold of population, they are designated as 'urban' areas, and from that time onwards they are governed accordingly, instead of under the rural framework. While this assumption may once have held some meaning, it is clearly no longer valid. Throughout the country, the urban form today includes a mix of three demographic realities – the continuing densification of existing urban areas, engulfed rural and urban settlement in areas near the periphery of cities, and large new developments put up by private developers for thousands of new residents in apparently urban settings situated within the middle of panchayat areas. These settlements inhabit a no-man's-land of governance, being neither integrated into the panchayati raj system, nor established as new 'municipal' areas. The BDA area is full of such urban fragments (peri-urban growth, and townships in rural settings), which will need to be municipalised sooner or later. Indeed, BBMP itself is the result of the municipalisation and absorption of earlier villages which were outside the limits of the pre 2007 BMP.

Cities are the prime platforms for job opportunities and lifting people out of poverty. The key expectation of people is access to more efficient public services and infrastructure provision. Land speculation and haphazard urban growth patterns at peripheries scatter investments in expensive bulk infrastructure and dilutes the future potential of the city. While renewal and retrofitting of deteriorating core city areas is pertinent, so is planning for urban expansion and a relevant municipalisation strategy.

The previous Regional Structure Plan for Bangalore (up to 2011) wrongly predicted that Bangalore – Mysore corridor and Nelamangala could attract rapid urban growth absorbing 60% of Bangalore's deflected population growth. This was expected to be made possible by modulating and containing development pressures in the eastern segment and attracting growth away from the city. The market trend was different; the revision of the Bangalore Master Plan (RMP 2015) and the Revised Structure Plan (BMR RSP 2031) indicate a flurry of investment and activity in the city's eastern, south-eastern and northern segments.

The way forward then is to have a more nimble and dynamic strategy that assesses and manages trends rather than trying to fight it. At a broader regional level, this could be achieved by a 'land capability analysis' which indicates zones more suitable to urbanisation and helps mandatorily conserve ecologically sensitive areas such as wetlands, valleys, drains and water bodies.

At a municipal and GBA level, agencies need to be more perceptive to trend and make shorter duration plans (5 year revision periods) legally ensuring strategic plots of land can be identified as sites for public space, infrastructure, transport, and then acquired before they are lost to development. To properly manage expansion, cities should balance expansion with added density and integrate regional and metropolitan planning in a comprehensive vision for development. This can include analysis to better understand natural and ecological networks, economic geography, growth patterns, transit connectivity between settlements, and other relevant factors. Good examples of managing urban expansion are Town Planning Schemes, new township and large development policies, public space policies, etc. Following such guidelines set out in new township location policies for example will ensure that islands of infrastructure excellence do not appear in the midst of arable, multi cropping agricultural land. The consequences of failing to plan for expansion are clear.

It is proposed to set up a Municipalisation Committee (within the BDA) for the GBA region (that could be used as a model for other peri-urban regions in the State) that would address the issues of proactively planning for the orderly transition of predominantly rural communities to an urban landscape in a timely manner.

1.7.3 Greater Bengaluru Finance Commission

The need for a Greater Bengaluru Finance Commission is evident for a 3 tier set up where decisions on fiscal flows need to be made in an objective, non-partisan manner. Decisions need to be made on the formula for flow of grants to the Multiple Municipal Corporations and the GBA based on assessed needs across the 5 Municipal Corporations. Further, it is suggested that Wards be incentivised by allowing a proportion of the property tax collected to be retained for Ward projects. In the new system, the SFC allotted funds would devolve to the GBA which would use the Greater Bengaluru Finance Commission norms to do the further distribution. They would also set out proportion of own funds that can be retained by the Municipal Corporations. Some of the terms of reference for the proposed Greater Bengaluru Finance Commission:

- Suggestions on the distribution of financial resources between agencies under the GBA jurisdiction, and between those agencies and their underlying zones/wards
- Recommend measures to augment financial resources of agencies in the GBA jurisdiction through both tax and non-tax revenues , including the GBA itself, its constituent municipalities and other parastatal agencies
- Review the financial position and financial performance of the GBA and its constituents and make recommendations on measures to improve financial sustainability, including appropriate Fiscal Responsibility and Budget Management mechanisms
- Review standards for Public Expenditure Management processes and systems, comprising financial reporting standards, budgeting standards, performance measurement and reporting standards, related data and information architecture and systems and standards pertaining to the same.

1.7.4 Greater Bengaluru Services Ombudsman

It is suggested to have a Greater Bengaluru Services Ombudsman to redress citizen grievances related to service delivery failure of civic agencies. The Ombudsman will differ from the Lok Ayukta in that s/he will concern himself only with service level complaints and not corruption / financial irregularities. This can be modelled on the office of the Local Government Ombudsman in the United Kingdom and the City Ombudsman in Cape Town, where the ombudsman is an independent body with the mandate to investigate and resolve only service related complaints.

A Greater Bengaluru Services Ombudsman will act as a trustee of citizens' interests vis-à-vis the civic agencies and could be an effective channel to reduce the need for citizens to move the Courts through Public Interest Litigation. We currently have instances of citizens going to court for footpaths or getting the BBMP and the Pollution Control Board to address the garbage issue effectively.

The key roles and responsibilities of Ombudsman will be restricted to civic services and often in the role of a mediator:

- The agency has not fulfilled its service obligations w.r.t. maintenance of roads, garbage disposal or any such function which falls under its jurisdiction
- The agency did not adhere to specified norms or procedures in its functioning or fulfilment of service obligations
- The agency has not addressed a citizen complaint fairly or adequately
- The Ombudsman shall take up cases related to interagency disputes or complaints related to territorial responsibility between agencies or municipalities.

For this to work, it needs to be constituted along the lines of similar oversight bodies like the Lok Ayukta. It can be a single member body with a five year tenure appointed by a Committee consisting of the Chief Minister of the State, the Speaker of the State Legislative Assembly and the Leader of the Opposition in the Legislative Assembly. An Ombudsman shall be a retired person of repute and shall have experience in civil services or public or municipal administration or management sector, and if such person is a former civil servant, s/he shall be not below the rank of an Additional Chief Secretary to the State Government or a retired Judge of the High Court having jurisdiction in the State.

1.8 THE LEGAL PROVISIONS REQUIRED

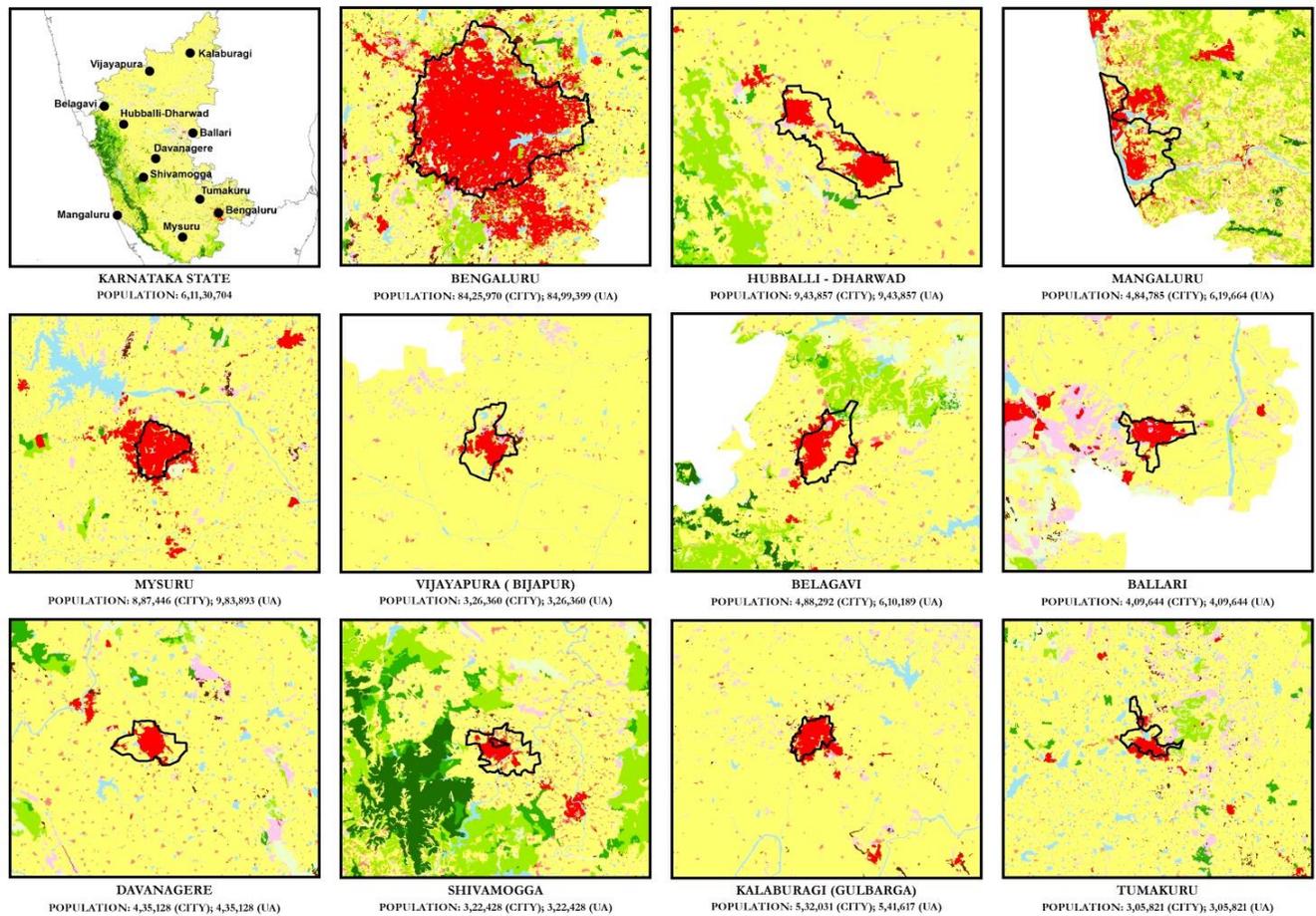


Fig 1m: 11 cities in Karnataka governed by KMC Act

Bengaluru Municipal Corporation with a population of 10 million is governed by the same KMC Act that is applicable for a 3 lakh city like Tumkur Municipal Corporation (Fig 1m). It is over 9 times bigger than the next largest city (Hubli Dharwad) in the State but the governance and administration rules that govern it are the same. This is untenable and Bengaluru needs a separate Act that is customised for its special needs as a large, growing metropolis. The report contains the key elements needed in the new Act for Bengaluru. The Committee strongly recommends that a new Act to enable the governance of Bengaluru as per the 3 tier framework set out be done at the earliest to substitute the KMC Act. The Karnataka Town & Country Planning Act (KTCP) is another Act that needs to address Bengaluru’s concerns separately – currently a small town like Beltangadi (population 7,746) follows the same KTCP rules applicable to Bengaluru.

1.9 ACTIVITY MAPPING ACROSS THE 3 TIERS

Activity mapping is very important to determine which activity is best done at what level of the 3 tier governance structure. The Activity mapping of civic functions (citizen facing and back end) sets out what is needed for addressing quality of living in a city based on parameters involving Citizen

interface, Criticality, Proximity, Externalities, Discretion and Economies of scale . This determines the ideal scale at which the activity should be undertaken (Ward, Zone, Municipal Corporation, GBA) for each activity (Setting technical standards, Making service level promise, Planning, Capital asset creation, O&M, Monitoring) and who is accountable.

Nearly 700 activities across 18 Government agencies has been mapped and set out in the Appendix. That is nearly 4,000 cells being mapped about where the activity should be undertaken. While this does not purport to be an exhaustive list, it can act as a starting list for agencies to review, modify and add as appropriate. Once that is done, this can roll out as process tasks, fixing accountability and an input for the job description.

1.10 ADDRESSING THE HUMAN RESOURCES CHALLENGE

The entire BBMP Restructuring exercise is dependent on the quality of Human Resources that will plan and implement the desired outcomes. If this capacity challenge in the system is not fixed, all the systemic improvements set out in this report will be of no avail. The key focus needs to be on setting up a professional cadre of human resources with specialists manning tasks that need deep domain knowledge. Training of existing resources is necessary but will take time and considerable effort. In our view lateral recruitments at senior levels with professional qualifications and experience is imperative if the overall mission is to succeed.

1.10.1 Professionalization of Human Resources: Municipal Corporations

- Revision of C&R Rules
 - The draft revised C&R Rules 2013-14 to be further revised with suggestions made in the report
- HR focus
 - A Human Resources cell (manned by a professional with over 15 years' experience) at the GBA level to oversee, plan and manage the HR function including manpower planning, organisation design, recruitment, performance management including promotion, training, transfers, etc.
- Lateral Entry
 - Professional heads of departments and specialised positions based on well-defined skills and competencies
 - Outsource the candidate selection process to independent, reputed academic institutions
- Minimize reliance on Deputation
 - Only in unavoidable cases
 - Selection subject to a rigorous process of selection through the HR cell
- Direct Recruitment
 - Encourage lateral recruitment
 - Build a cadre of professional urban services professionals over time based on scientific estimation of requirements and skills / competencies needed
 - Promotion through a process similar to selection
- Performance Assessment

- Performance linked incentives and disincentives
- Stringent annual performance review process including skill based certification.

1.10.2 Proposed Reorganization of Departments

- Shifting Departments to GBA from BBMP
 - Major projects department to move to GBA
 - Department of Town Planning (for Bengaluru) & Legal cell
- Reorganization of Departments
 - For effective planning and control
- Merging revenue generating departments
 - Revenue, Advertisement and Markets under Department of Resources
- Creating a Department of Ecology and Environment
 - Parks, Forests, and Lakes under one department
 - Currently they are under 3 different departments
- Discontinue Education Department
 - Better handled by State Education department
 - Low operations compared to State schools
- Strengthening Ward Administration
 - To consider an additional Health inspector for Solid Waste Management
 - Senior most ward officer to be Ward Secretary to coordinate works
- Rationalization and estimation of the staff
 - Scientific study needed to develop norms for estimating staff requirement
 - Take into account skills and competencies required and use of technological aids.

1.11 THE PUBLIC FINANCE DIMENSION

Bengaluru collected about Rs. 1,25,000 crores from taxes and user fees (Central taxes at about Rs. 80,000 crores and balance from State and Local) in 2014-15. About Rs. 18,000 crores was spent on Bengaluru across all Civic agencies and Government departments last year. Of this, about Rs. 5,700 crores is Capital expenditure. The Karnataka ICT group (under IT / BT) has estimated that Bengaluru needs about Rs. 2.25 lac crores over 12 years – about Rs. 20,000 crores per year of capital infusion. We need to find resources (financial and human capital) to increase the infrastructure spend by about Rs. 5,000 per year through increased own revenues, collection efficiencies, new revenue sources, pooled finances, increased State grants, etc. Our suggestions for improving the financial health revolve around four themes – Financial Sustainability, Fiscal Decentralisation, Fiscal Responsibility and Budget Management, Transparency and Accountability.

1.11.1 Financial Sustainability

- Undertake an immediate medium term debt restructuring and fiscal recovery plan for the BBMP
- Set up the Greater Bengaluru Finance Commission every five years as detailed earlier
- Position a Finance and Accounting professional as Chief Financial Officer (CFO) at the GBA level to oversee full implementation of financial reforms and compliance
- Implement an integrated financial management system at the GBA and Municipal Corporation level
- Increased revenues from buoyant sources such as Property tax and Land based financing.

1.11.2 Fiscal Decentralisation

- Norms for flow back of proportion of select State taxes (eg. Stamps & Registrations) to GBA and Municipal Corporations
- Set up Land and Property management division under the CFO at the GBA
- Introduce Treasury function including liquidity and debt management at the GBA reporting to CFO
- Levy Service charges from all government / defence properties that avail municipal services.

1.11.3 Fiscal Responsibility & Budget Management

- Follow Karnataka Municipal Accounting & Budgeting rules 2006 at the Municipal Corporations
- Mandate 5 year Medium Term Fiscal Plan & how it will be met with annual budgets aligned to it
- Appoint independent Chartered Accountants as auditors of annual accounts, hasten the audit track and minimise audit delays.

1.11.4 Transparency & Accountability

- Develop Performance MIS systems (daily, weekly, monthly, etc.) for use by Municipal Corporation heads, Commissioners, Department, Zonal heads
 - Expose relevant data to citizens in Open data format
- Appoint a Chief MIS officer in the Municipal Corporation
- Move to an ERP system post full digitisation of Finance and Accounting
- Review and improve IT systems
- Use Karnataka Municipal Data Society for setting and measuring service levels
- Build credible balance sheet for the Municipal Corporation starting with an Opening balance.

1.11.5 Some improvement suggestions for revenues and cost control

- Measures to improve property tax collection
 - Link property tax payers to spatial geo referenced building database
 - Will identify non payers
 - Will identify those who are paying below estimated areas
 - Compare databases with BWSSB / BESCOM to identify non-residential users
 - A uniform Property Identification (PID) system to be followed by all agencies
 - Current ward based PID has to be replaced by an multi digit alphanumeric system since ward delimitation will make current PID redundant
 - Request Courts to use property tax payment declaration as basis to identify owner-tenant status in case of any complaints
 - Ensure guidance values updated regularly as basis for zone classification
 - Improve property tax systems at the back end
- Better, transparent works management
 - Pre-audit must be mandatory before any works undertaken
 - Broadcast works being undertaken online
 - Maintain and update history of works undertaken to identify and cancel 'ghost' works of a repetitive nature

- Post audit and bill payment status to be put online
- Revenue Augmentation
 - Scope for enhanced revenues from estates, hoardings, trade licences
 - Create digital record of estates and returns from leased properties
 - Use technology (holograms) to identify legitimate hoardings
 - Transparency key to achieving these outcomes
 - Reward higher than budgeted collections by sharing part of enhanced revenue.

1.12 CHANGES IN PLANNING PARADIGM

The practice of an identical process being used for master planning for a city of 10 million (Bengaluru) and a smaller city of just 10,000 must be revisited. The Karnataka Town and Country Planning Act (KTCP) 1961 must enable custom variations based on size, urban footprint and complexity of urban centres.

1.12.1 Scale of Plans

Our suggestions on the scale of plans within Bengaluru local planning area (LPA):

- At GBA level
 - Bengaluru Strategic Spatial Plan
 - Strategic projects as output
 - Land use and DCR oriented development plan
- Municipal level (Zone / Ward)
 - Zone and Ward plans; Projects and Schemes.

1.12.2 Strategic Spatial Planning

Strategic Spatial Planning (SSP) is suggested at the GBA level as a transformational idea for planning. It separates the visioning tool from the regulatory tool. A few characteristics about SSP:

- Driven by strategies for Mobility, Infrastructure Development (Sectoral) and Economic Development
- Strategic projects are an output of SSP
 - Strategic projects target spatial fragments that have catalytic effect
- High inter Stakeholder consultations and negotiations
- SSP complements other planning tools
- Links to budget, monitoring, evaluation, feedback, adjustment and revision.

1.12.3 BASIC: Bengaluru Spatial Information Centre

As part of data collection and analysis, the Committee embarked on a drive to collect and compile all spatial (and relevant non-spatial) data from the various government agencies. This was brought onto a common GIS platform which we have christened BASIC – Bengaluru Spatial Information Centre. We have about 102 layers (point, line, polygons) of information with attributes about various aspects of the city (eg. lakes, buildings, roads, police stations, dry waste collection centres, bus routes, property tax, etc.). This spatial database was critical for the Committee in finally arriving at the proposed 5 Corporations. On a regular basis, this spatial database could be a very useful

planning and assessment tool. This needs to be kept current and data sharing protocols with the agencies and public needs to evolve. For instance, the commons like lakes, forests, parks, etc. with the buffer areas could be put out for the public to view online. They could then become custodians of the public properties and not fall prey to any unscrupulous sellers.

We propose having a Spatial Repository Act for handling spatial digital assets and housing the large spatial database at an appropriate centre. This will make the entire exercise sustainable over the long run.

1.13 WILL THE SUGGESTIONS HELP FIX THE MULTIPLE DEFICITS?

At the outset we had identified a set of infirmities with the current BBMP system. The table below sets out how some of the multiple deficits are addressed by the Committee's suggestions:

Deficit	Addressing the deficit
Ineffective Governance & Administration	3 tier Governance structure; 5 year Mayoral term; Empowered Zones; Parastatal integration; Corporation departments' reorganisation
No voice for citizens	Empowered Ward Committees; Greater Bengaluru Services Ombudsman
Trust deficit	Financial transparency; Proactive disclosure; More voice for the citizens
Accountability	Activity mapping for clearer role definitions; Greater Bengaluru Services Ombudsman; Smaller governance and administration structures
Poor Human Resources	Change in C&R rules; Lateral recruitment; Urban services cadre; Training
Lack of transparency	Financial transparency; Proactive disclosure
Financial Mismanagement	Smaller governance set up to improve property tax collections; Expenditure control measures; Greater Bengaluru Finance Commission; Computerisation
Planning deficiencies	Strategic & Spatial Plans; Economic Devt agencies; Municipalisation Committee
Implementation challenges	Better human resources; Citizen oversight; Mega projects from GBA; Mandated inter agency coordination and cooperation

This report sets out the desired direction across Legal aspects, Activity map, Human Resources, Finance, Planning, etc. Once the broad recommendations are accepted, these suggestions can be honed and finalised during the implementation phase.

1.14 ADDRESSING FREQUENTLY VOICED CONCERNS

During the course of the discussions with Stakeholders and in media articles, there have been concerns voiced about making changes to the current system. Some of the common concerns and our response:

- *Better administration and empowered Zones would do the job. Why are we splitting the Corporation and putting in a 3 tier structure?*
 - The current system of 261 Council members in a single central Corporation with the myriad Standing Committees is dysfunctional and over half the citizen population on the outskirts are being neglected
 - Devolution coupled with decentralised operations and citizen participation at the ward level has a better chance of meeting citizen needs and aspirations
 - Parastatal integration, Mega infrastructure provisioning, Mobility solutions and Economic Development will be facilitated by the GBA
 - We need a solution that works over time as the population doubles in 25 years. A single central unit cannot manage the population sprawl. The Municipalisation Committee will ensure a managed transition of overgrown villages into the city eco system.
- *The Bengaluru brand will be affected by splitting the BBMP Corporation*
 - Not at all. In fact it will be further strengthened since the smaller Municipal Corporations will allow for the place to be better managed through devolution and decentralisation
 - The change in Governance structure and the reform measures suggested will improve the quality of life in the city making Bengaluru an attractive destination for investment and jobs
 - The GBA set up will ensure that the Bengaluru brand does not get diluted.
- *Will there be inter Municipal conflicts? What about Municipal Corporations that are relatively poor in resources and infrastructure*
 - We foresee healthy competition among the Municipal Corporations in terms of service level promise and delivery. There has been no conflict between wards and zones currently
 - There are coordination mechanisms for inter Municipal issues at the GBA, inter Zone at the Municipal Corporation and inter ward at the Zonal level
 - The Greater Bengaluru Finance Commission will suggest the necessary financial transfer mechanisms to cover for relatively poor Municipal Corporations.
- *The costs of a multiple Municipal Corporation set up will be high*
 - There will be additional costs that we estimate at around Rs. 150 crores with 5 Corporations and 10 Zones (20% increase in current salary and administration costs with

- infrastructure investments). This will be more than offset with the gains from the Restructuring
- Smaller units and incentives for wards to raise additional property tax is expected to bring in at least Rs. 1,000-1,500 crores initially and a steady stream of regular additional income / savings as the smaller units are more alert to further revenue mobilisation and expenditure control
 - Focus and measure return on investment rather than looking at it as additional costs.
 - *The character of Bengaluru will be lost through the division*
 - Not at all. The 5 Municipal Corporations have been carefully selected to ensure a fine balance of the essential demographics and characteristics of Bengaluru
 - *Bengaluru's major problems relate to garbage and traffic. How will these suggestions fix it?*
 - The smaller Corporation set up and the emphasis on resolving the garbage processing within the Corporation limits will go a long way to move away from the current model of transportation and dumping to badly managed land fills
 - Mobility will be handled by the GBA by bringing in all the transport related stakeholders together. This is expected to provide better outcomes over the current silo arrangements.

1.15 TRANSITION PLAN

If the Government decides to go ahead with the Committee's recommendations, a list of next steps has been set out under the implementation and transition plan. About 6 months would be needed to transition to the new arrangement. It is dependent on the legal sanctions which is likely to impact the overall time plan for shifting to a new set up detailed under the proposed BBMP Restructuring. The Committee is confident that adopting the measures set out will make Bengaluru regain its rightful position among the world's leading cities.

Area-Month	1	2	3	4	5	6
Legal Acts, Enactment						
Ward delimitation						
Corporations & Zones						
BBMP - HR policy roll out						
Activity mapping						
Municipalisation Committee						
GB Finance Commission						
GB Services Ombudsman						
GIS Repository Act & Spatial centre						
Economic Development Agency						
BBMP process improvements						
BBMP asset transfer planning						

