

SECOND INTERIM REPORT ON BBMP RESTRUCTURING EXERCISE: Mar 18, 2015

CONTEXT

A preliminary report of the Expert Committee on BBMP Restructuring was submitted to the Chief Minister, Government of Karnataka on Dec 23, 2014. Post that submission, the Committee has met with a lot of Stakeholders, reviewed best practices, commenced data collection activities and held a series of internal meetings to decide the road map for the restructured BBMP to improve the quality of life in Bengaluru. This is the second interim report on the BBMP Restructuring exercise. The Expert Committee has been working on 3 tracks:

- Stakeholder consultations:
 - 16 MLAs and 28 Corporators
 - Senior Officials of 20 government agencies
 - 6 Institutional groups
 - Over 1000 citizen representatives of RWAs / NGOs across 8 BBMP zones
 - Over 70 citizen feedback / suggestions on the website www.bbmprestructuring.org . The web site has garnered over 9000 views till mid-March 2015
- Literature review
 - Bengaluru, Indian and International case studies, reports – over 50 reports, publications being studied
- Data collection, analysis as a deep dive exercise along the following segments is underway. This will guide the specifics of the proposed restructuring:
 - GIS, Spatial database with a 2013 satellite base map and over 145 layers of information to make informed choices about possible ward groupings
 - Public Finance analysis from 2009 to date on amounts spent on Bengaluru by various agencies (BBMP, BDA, BWSSB, BMTC, BMRCL, PWD, Police, etc.), source of funds (Central, State, Own, Debt, Fee income, etc.) and direction of spend (capital assets, O&M, salaries, debt repayment, etc.). To also act as a guide for the Public Finance model for the proposed structure
 - BBMP Manpower, Competency requirements, Training & development needs, C&R rules to determine how to raise the personnel bar in BBMP
 - Ward governance and administration including granular thoughts about the ward committee composition, role, dealings with elected Corporator, etc.
 - Activity mapping of all civic functions (front facing and back end) that is needed for addressing quality of living in a city. This determines the ideal scale at which the activity should be undertaken (ward, zone, municipality, region), the nature of activity (planning, setting standards, capital asset creation, O&M, monitoring) and who is accountable
 - Study of provisions of KMC Act, Citizen participation law, etc. with a view to consider a single Act that could govern the needs of a 10 million + metropolis like Bengaluru
 - Municipalisation strategy for the immediate region to provide a transition path for overgrown urban villages to be assimilated into the urban eco system
 - Economic geography mapping with a focus to understand characteristics and needs of the working populace
 - Scenario analysis for how Bengaluru will be in 2040.

FEEDBACK FROM THE STAKEHOLDER CONSULTATIONS

A summary of the key points made across stakeholder groups:

- There was near unanimity that the current governance and administrative arrangement was flawed and failing in its duties
 - 'Business as usual' was unacceptable
 - Change was needed
- Citizens expressed deep anguish and frustration with the problems in their wards that were not getting addressed
 - Garbage, water, roads, traffic were commonly mentioned woes
- Ward committees in its current form were criticised by many RWAs
 - Farcical arrangement where meetings were neither held nor were ward committee views listened to by the Corporators
 - Deep desire for making the ward committee arrangement work
- Lack of transparency and accountability from Elected reps and government agencies
 - Mention of the many scams citizens read about in the papers
 - No financial visibility on where their tax money is being spent
 - No transparency in operations
- Leakage in civic contracts
 - Alarming loss of revenue while executing projects
- Poor implementation of projects
 - In terms of planning, quality, within budgets and timeliness
- No one in charge or interested in Bengaluru
 - No clarity on who is finally answerable to Bengaluru citizens
- BBMP had become extremely large and unmanageable by a single central unit irrespective of the decentralised zones and other administrative arrangements.
 - Current wards unscientific: population of 21,000-95,000 and area of 0.3-26 sq kms
 - The 8 zones too were not scientifically designed
 - The Officers, particularly in higher executive positions were seriously stretched in meeting their role obligations and managing a system with 198 elected representatives (nearly the size of the State Assembly) was an extremely difficult task and not efficient in terms of responsiveness and service delivery to citizens
- The KMC Act needs a relook
 - Maybe a single new Act to govern Bengaluru
- There is no inter agency coordination (eg. BWSSB, BESCOM, BBMP)
 - The issue of what to do with parastatals
- Administrative empowerment of JCs in BBMP and a strong Chief Commissioner needed
 - The place can be fixed by better decentralised administration
- Many opined that BBMP must not be divided
 - On further quizzing the sentiment seemed to be that brand Bengaluru must never be compromised
 - It appears that citizens, administrators and elected representatives want a central set up in any new arrangement that represents brand Bengaluru
- Many felt that smaller governance units is the way to go ahead
 - Political devolution and administrative decentralisation
 - A regional set up to do the integration
- Garbage should be handled locally
 - Better served by multiple Corporations since each unit could take local responsibility for their waste disposal

LITERATURE REVIEW

The interim report sets out the best practices from elsewhere. Key highlights:

- Top mega-cities follow multi-municipal structures
- Decentralization and devolution of powers felt 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 the local and the regional levels is necessary
- The case for political and administrative decentralization is quite strong across the world.

GUIDING PRINCIPLES FOR THE COMMITTEE

Some of the core guiding principles adopted by the Committee:

- Citizen centric exercise. All thinking with the citizen at the heart of the proposed restructuring
- The spirit and recommendations of the 74th Constitutional Amendment Act (CAA) must prevail in any solution suggested. This implies thinking in terms of Metropolitan Planning Council (MPC) and ward committees strengthening
- Whatever is recommended must stand the test of time till around 2040. So the solution must be scalable over time
- Brand Bengaluru must not be compromised and must be made stronger over time. So any suggestion must not dilute the Bengaluru brand
- Building robust institutional structures backed by capacity building in personnel
- Role for citizen participation
- Accountability of service providers and elected representatives to citizens
- Greater transparency in the city eco system
- Build in a system of check and balance at every level of governance / administration
- Use of technology, etc.

CURRENT THINKING WHICH WILL FORM PART OF THE FINAL RECOMMENDATIONS

This section sets out the initial recommendations of the Expert Committee. The specifics will be honed based on the data collection exercise set out earlier. The way ahead is to design a 3 tier city-region, starting with the wards at the basic level, a set of municipalities in the mid layer and a regional layer at the top. These 3 tiers reinforce each other, and together form a solution set.

Tier 3: Ward level governance and administration systems

Any fix to our city structures need to start at the lowest level of interface between the citizen and the elected Corporator / Administration system. Our 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, and its functions are not clear. Meetings are not held in many cases, and most Corporators ignore the ward committee on the grounds that they are elected and themselves sufficiently represent the will of the people.

Consequently the final recommendations will focus on detailing the following:

- Composition of the ward committee that is truly reflective of the ward characteristics – whether elected or nominated or a mix of both
- Functions of the ward committee. There seems to be a case to involve the ward committee in annual plans to be drawn up by the Corporator and financial audit of ward works – the former addresses the desire for some form of citizen participation and the latter the key on ground problems related to quality and completeness of works undertaken and the financial leakages in civic projects. These two steps will also help implement the 74th CAA related to the setting up and functioning of ward committees.
- Role of the Elected Corporators and activities for which they will have bottom line responsibility
- Fiscal devolution of part of the property tax directly to the ward level to use for funding their plans. This will build in an incentive system for the Corporator and Ward Committee to ensure greater tax compliance.
- Measures to allow the officials at the ward level to undertake their jobs as per government guidelines sans interference
- Changes in law required to enable the Committee's recommendations with respect to ward governance and administration.

Tier 2: Multiple municipal structures

The current model of a single BBMP is unsustainable. The system is not effective currently, and with a likely population of 20 million by 2040, steep deterioration in the quality of living can be expected to set in rapidly. There is no other city in the world with this population (10 million) and area (709 sq km) that is managed under a single Municipality. Over 90% of the 198 Corporators have not got a chance to speak in the Council over the last five years.

The current arrangements do not allow any effective discussion, resolution and administration of city development issues. It has been near impossible for the BBMP Commissioner to effectively administer such a wide populace spread over a large geographic area. Further growth will only make this challenge even harder to meet.

It is clear that we need multiple municipalities. But what is the correct number of new cities? One guide in deciding an ideal municipality 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. Preliminary indications are that a Municipality of around 8-10 lakhs that grows to 16-20 lakhs over 25 years within an area of around 60-70 sq kms would be ideal. That would call for around 12 municipalities. However, for a city that has been run with just one municipality, this may be considered radical. We believe that fewer municipalities would represent a more locally suited step. We should also think of governance / administration units in modules as set out above. This will ensure a closer connect between those who govern / administer and the citizens.

On balance, at this point of time we believe we could consider

1. 5-8 Municipalities (16-20 lakhs; 120-140 sq kms) and each Municipality having 2 zonal councils (8-10 lakh population; 60-70 sq kms each). The exact number of Municipalities and Zonal councils will be set out by end June 2015 based on a spatial analysis of multiple parameters including revenue potential, infrastructure indices, population demographics, etc.
2. It is also important to take care to ensure that the Municipalities are more or less equally balanced in terms of their financial viability and future growth potential of both the economic base and the population. Higher Revenue mobilisation and reduction of wasteful expenditure will materialise through this arrangement.

One thing is certain. In the view of the Committee, the BBMP in its current form has no place in the revised structure. In its place, there should be a new set of Municipalities in the second tier to be governed by incorporating modifications in the KMC Act. At this point of time, we also believe that we could have a directly elected mayor to each of these Municipalities. This will force prospective mayoral candidates to appeal to citizens across wards thus helping build a wider consensus for the Municipality actions. Further any transition plan to a future directly elected metropolitan mayor for the entire city region should start by first electing mayor directly to the local municipalities.

Tier 1: Regional arrangement-The Greater Bengaluru Authority

The Tier 2 and Tier 3 arrangements will work only if we have a Regional layer that integrates all the civic activities and takes responsibility for planning and administration of the region's 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 Regional layer is strongly advocated on multiple counts:

- The 74th CAA mandates a Metropolitan Planning Council (MPC) that plans for the regional area to be specified by the State Government. Two thirds of the MPC Council needs to be drawn from elected representatives in the region which is possible from the Tier 2 Municipalities. Ideally, the other one-third should be experts in different fields of work that are pertinent to urban development. The MPC for the State capital region could be called the Greater Bengaluru Authority, and similarly local names could be used in other MPCs of the state, to give each one a distinct local identity
- 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 will ensure that all activities in the region will be in sync with building brand Bengaluru.
- There are many civic requirements that are best executed on a larger regional scale (e.g. bus services, utilities provisioning, etc.). One of the bane of Bengaluru citizens is the lack of inter-agency coordination due to organisation silos which requires integration. The Regional

arrangement will have place for the para-stats (eg. BWSSB, BESCOM, BMTC, 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, while nicely written up, are not followed through in practice. By anchoring the Planning function in the regional set-up as part of the MPC functions, the plans drawn up have a better chance of seeing the light of day
- The Committee is studying how to grow the Bengaluru economy in a sustainable manner. Attracting investments and job creation is critical. An Economic Development Agency anchored at the Regional level and run as PPP has huge scope for Bengaluru to be at the forefront on city economy innovation in the country.

The footprint of the region has to be the Bengaluru Metropolitan Area (BMA) also known as the BDA area currently. The current jurisdiction of BDA (1309 sq kms) is already touching the current BBMP on the Eastern front. Consequently, there is a need to increase the regional footprint of the BMA to say around 1600-1800 sq kms, to accommodate future urban agglomeration. The larger villages in the BDA area (25 of them with population over 5000, with the largest around 25,000) need to be brought under an urban road map. Some of the larger units could be designated Nagar panchayats under the region right away, and over time grouped together into new municipalities as their populations grow.

The primary functions of the Regional authority will be Planning, Plan enforcement and Administration. The proposed Greater Bengaluru Authority could be headed initially by the Chief Minister. Since the State has had a major role in the city for decades and will need to oversee proper utilisation of grants for designated purposes, it is suggested that the State continues to play a role in steering the new arrangement at the Regional level. Over time, as the system matures, Bengaluru could go in for a directly elected 'metropolitan mayor' for the Greater Bengaluru Authority, and this person could head the MPC. There is currently no legal arrangement at the State level for managing a Metropolitan region. A new Bengaluru region Act will be needed to enable these functions.