



Urban Governance Reforms For Maharashtra

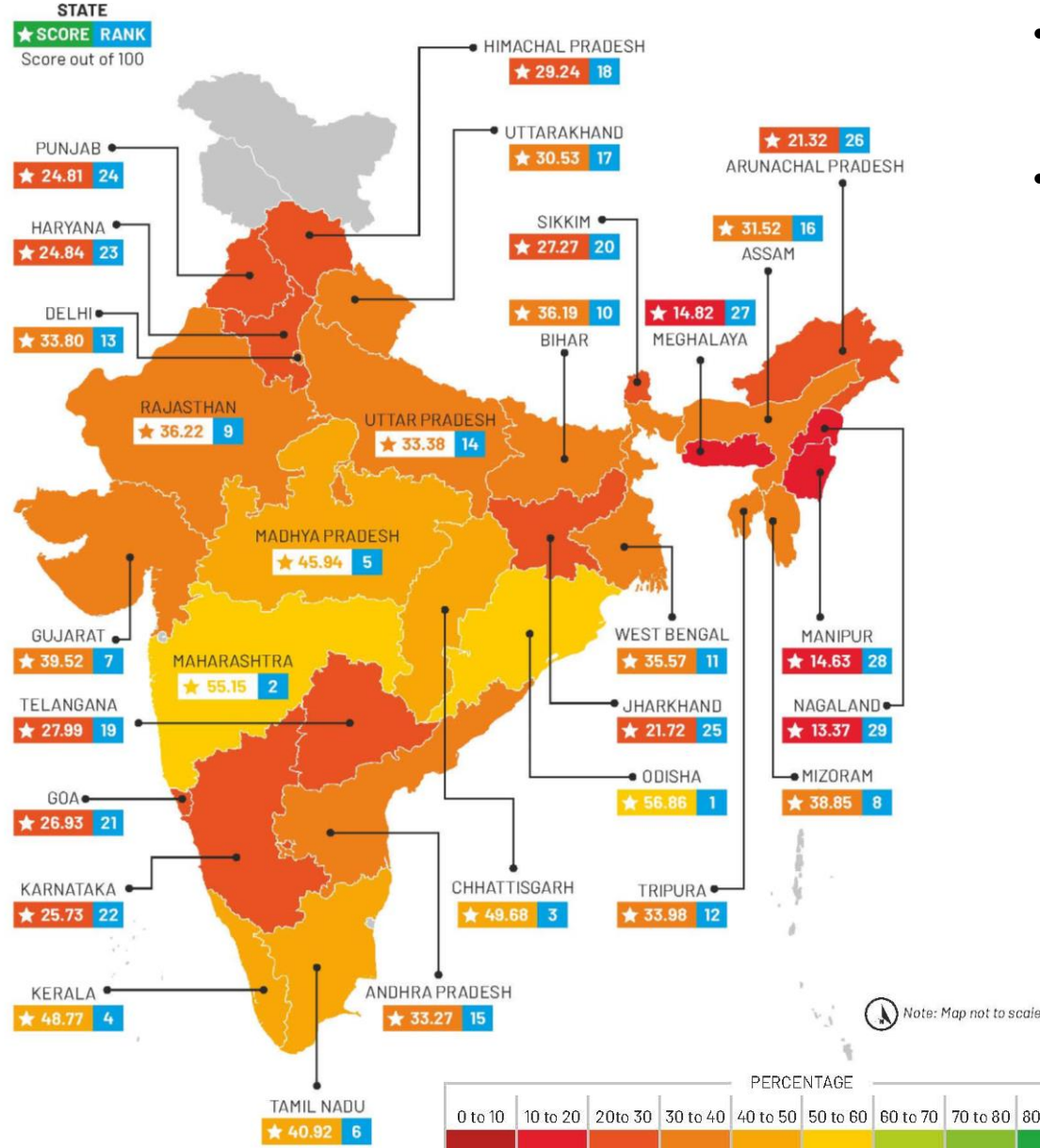
Study on Corporation Procedure Rule

7th December 2022





1. Urban Governance Status of Maharashtra



- In December 2020, Praja released 1st Urban Governance Index (UGI) to map urban governance reforms across the country.
- In this Praja's Urban Governance Index (UGI) 2020 report, Maharashtra State has secured an overall UGI rank of 2 (out of 29) with score 55.15%.

Top 5 States

	Out of 100	
ODISHA	★ 56.86	1
MAHARASHTRA	★ 55.15	2
CHHATTISGARH	★ 49.68	3
KERALA	★ 48.77	4
MADHYA PRADESH	★ 45.94	5

Praja hosted a consultation on Urban Governance Reforms for Maharashtra in June 2021.

The participants of the consultation, built consensus on a 6 point reform agenda for implementation to empower urban governance in Maharashtra



1. **Standardised robust and detailed municipal corporation procedure and conduct of business rules to be drafted** and approved for all municipal corporations in Maharashtra.
2. Provision **for Regular and Mandatory trainings for councillors** in the state municipal acts of Maharashtra should be made and strictly implemented.
3. Citizen participation through platforms like a robust e-governance system in with provision for **Open Government Data, Transactions, Public Grievance Redressal Mechanism and Citizen Participation Forum**.
4. Mayor should have de jure and de facto executive powers through **Mayor-in-Council system and direct election of Mayor** in Maharashtra.
5. There is need for forming a **special municipal cadre having required skills**.
6. The city governments need to **be empowered financially** through direct transfer of GST and with authority to raise own finance through increasing the collection of property tax and introduction of new taxes.

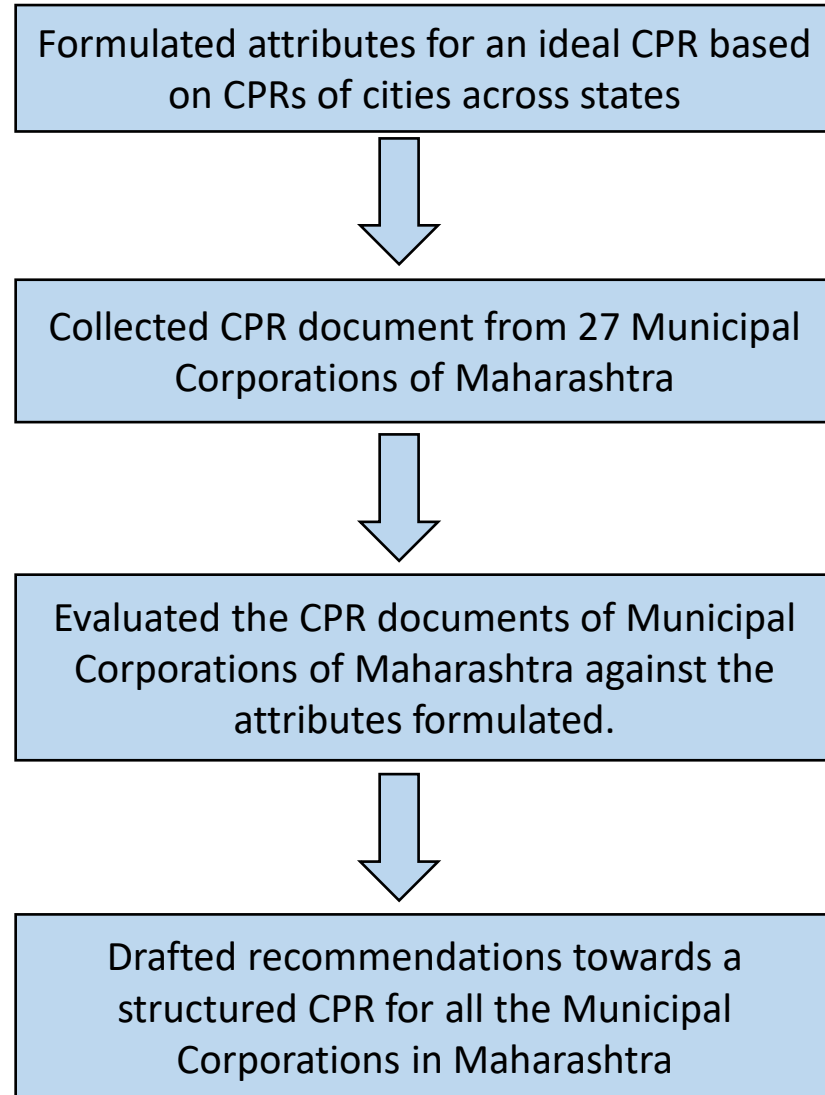
Based on the suggestion from the consultation in 2020, we have further studied reforms which can be implemented at the municipal corporation level :

- 1. Standardised and robust Corporation Procedure Rule (CPR)**
- 2. Regular and mandatory training for Municipal Councillors**
- 3. Increasing citizen participation through e-Governance platforms**
- 4. Fiscal Empowerment of City Governments**

As of December 2022, municipal elections are due for 23 out of the 27 Municipal Corporations in Maharashtra and are expected to happen in the near future. The interim period can be used effectively to introduce provisions and build mechanisms for further strengthening Urban Governance.



2. Study on Corporation Procedure Rules



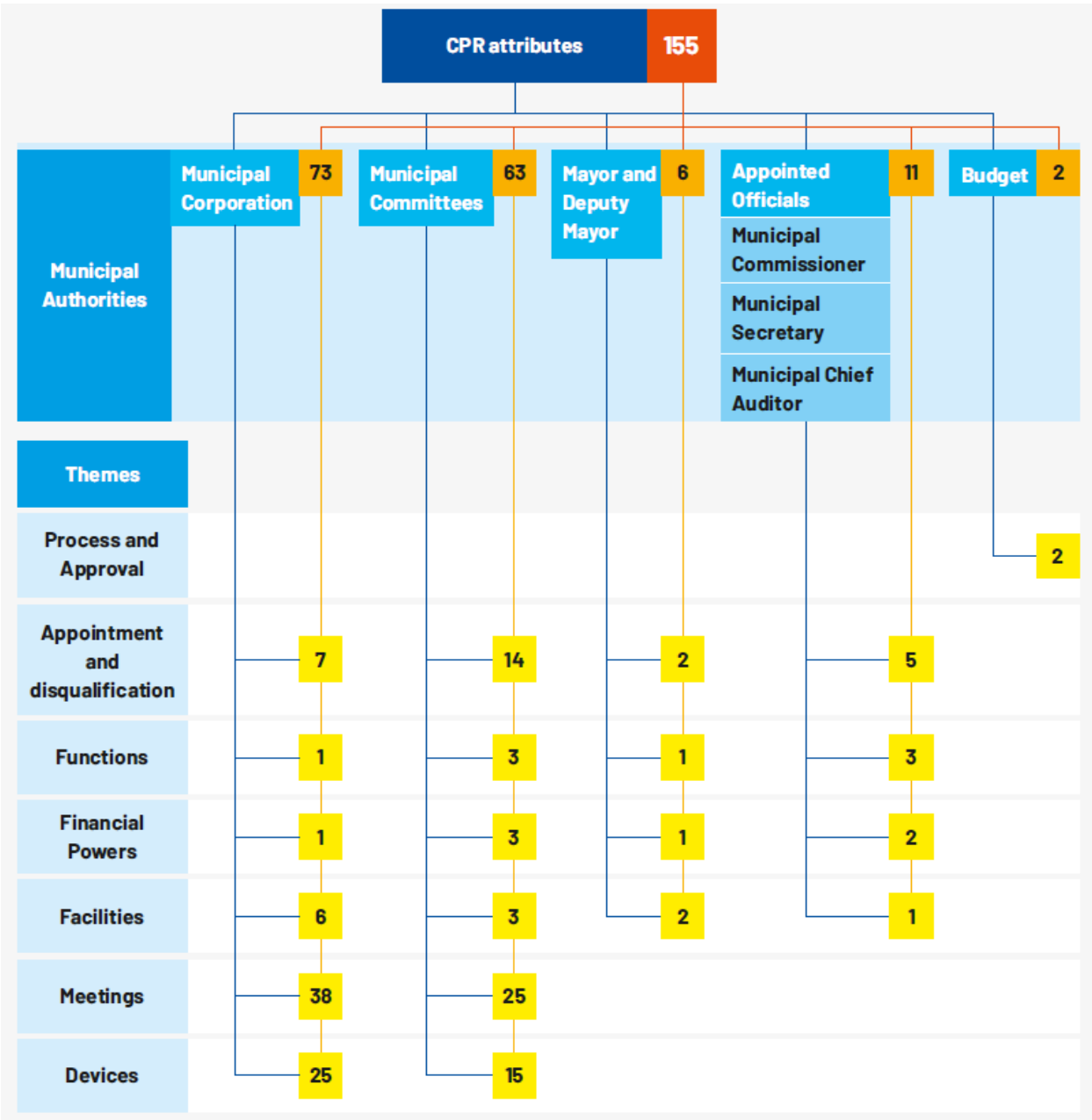
The CPRs from cities of Maharashtra and across the country were studied to understand the scope of the CPR document. Based on the content of the CPRs a list of attributes were created that should be included in an ideal CPR.

CPR documents were collected from the 27 Municipal Corporations in Maharashtra through visiting or reaching out to the Municipal Secretary or the respective official in the Municipal Corporation.

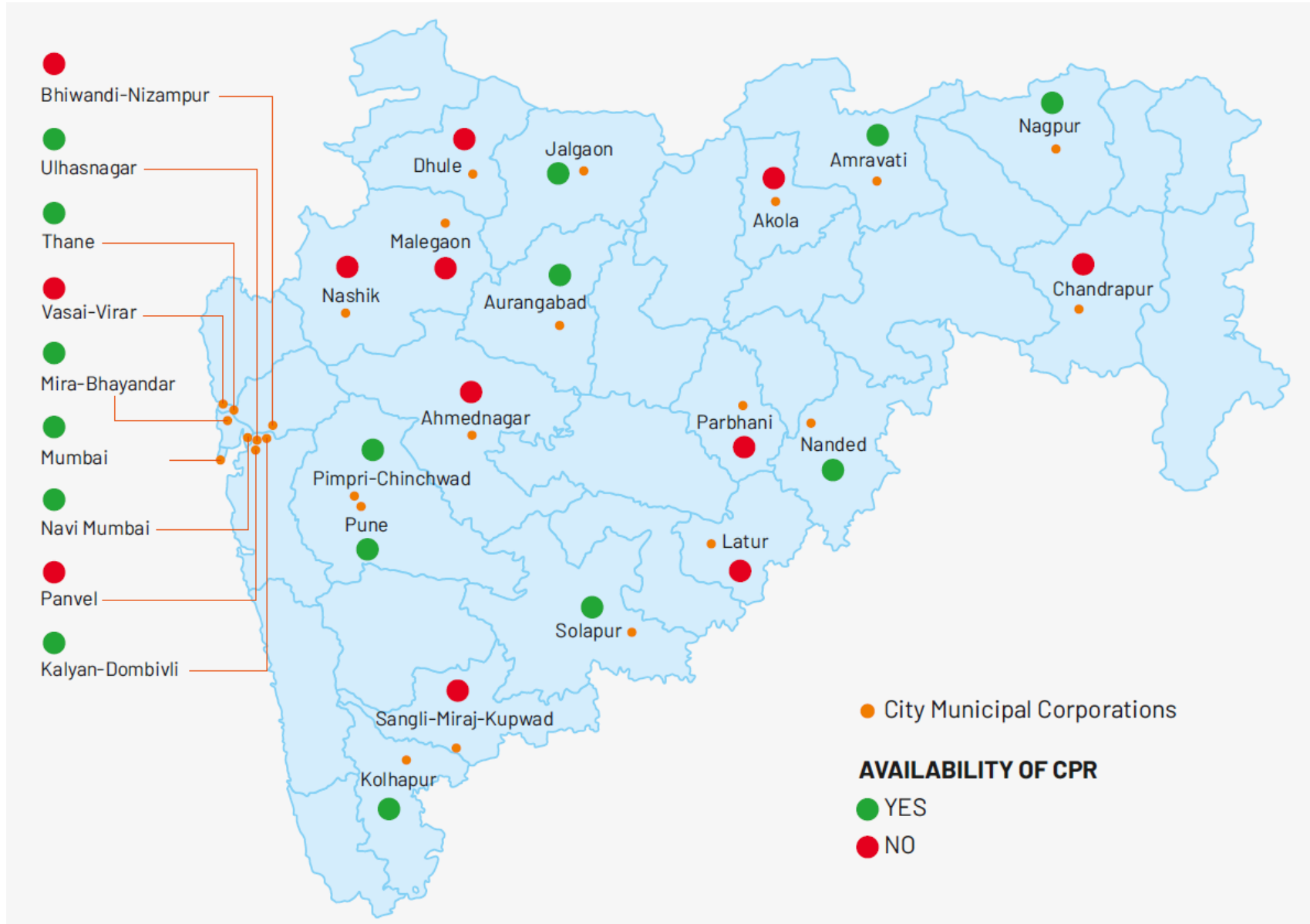
The available CPR documents were then evaluated against the attributes formulated.

Recommendations were drafted for a robust and standard CPR across Maharashtra.

The CPR documents were evaluated against 155 attributes towards making a standardised, detailed and robust CPR.



Status of CPR availability in Maharashtra



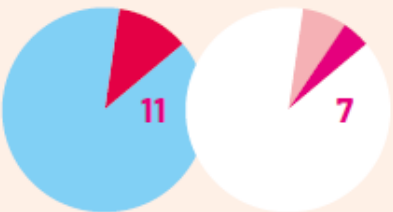
- Out of the 27 Municipal Corporations, only **15 Municipal Corporations** have CPR documents.
- Out of the 15 CPR documents, **10 documents** are approved by the **State government**, rest **5** are passed by the **Municipal Corporation** in the **General Body/ Corporation meeting**.



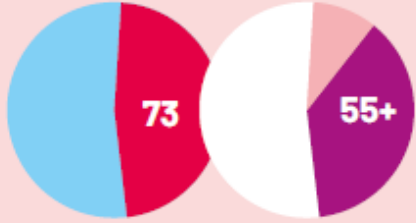
The CPR documents of **Jalgaon, Mira-Bhayander, Mumbai** and **Pune** have processes outlined for more than **95 attributes** out of the **155 attributes**.



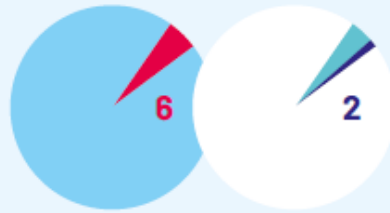
CPR of **Pimpri-Chinchwad, Kolhapur, and Solapur** has processes outlined for less than **55 attributes** out of the **155 attributes**.



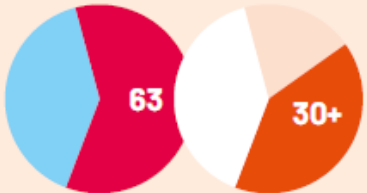
Out of the **11 attributes** for the processes related to Municipal Officials, procedures for **seven attributes** are outlined in CPR of **Mumbai**. However, All other CPR documents under study have procedures for **five attributes**.



Out of the **73 attributes** for procedures of Municipal corporation, the CPR document of **Mumbai, Thane** and **Navi Mumbai** has a process for **more than 55 attributes**.



Out of the **six attributes** for the process of Mayor and Deputy-Mayor, only **Mumbai** CPR has processes for **two attributes**. However, there is no provision outlined in the CPR of **Nagpur** and **Solapur**.



Jalgaon, Nanded-Waghala, Mira-Bhayander, Pune and **Ulhasnagar** have processes outlined for **more than 30 attributes** out of the **63** for the functioning of municipal committees. However, Solapur CPR has a process for only three attributes.



The **Mumbai CPR** has outlined procedures for most of the attributes (6/7) for appointment and disqualification of the corporation members. All other corporation CPRs have processes outlined for partial processes only.

Only **Mumbai CPR** has outlined processes and facilities for the corporation members in detail.



The CPR of **Thane, Navi Mumbai, Mira-Bhayandar, Pune** and **Ulhasnagar** have outlined the detailed process of using devices in the corporation meeting for more than **20 attributes out of 25**.



Mumbai and **Amravati CPR** have outlined the process for approval of plans and estimates of a specified amount by the municipal corporation.



The processes for conducting municipal meetings are outlined for more than **30 out of 33** attributes for **Navi Mumbai, Nagpur** and **Thane CPR**.



Only in the CPR of **Amravati**, **Mumbai** and **Pune** Municipal Corporation have outlined processes for approval of plans and estimates of a specified amount by the Municipal Committees.



The CPR documents of **Kolhapur**, **Pimpri-Chinchwad** and **Solapur** have not outlined the functions of municipal committees. While the CPR of all other Municipal Corporations has only one attribute out of the three outlined for the functioning of committees.



The CPR document of **Jalgaon**, **Mira-Bhayandar** and **Pune** have procedures laid out for the appointment and disqualification of members of municipal committees.



Nanded-Waghala, **Jalgaon**, **Mira-Bhayandar**, **Kolhapur** and **Mumbai** CPR have outlined processes for devices to be used for raising questions in the committee meetings for more than five out of the 11 attributes.

The CPR documents of all Municipal Corporations except Nagpur and Solapur have outlined a **detailed procedure for election of Mayor.**

Since the Mumbai Municipal Corporation Act, 1888 and the Maharashtra Municipal Corporation Act, 1949 both **does not have provision for disqualification of Mayor**, the process is not outlined in the CPR documents.

None of the CPR documents outline the **function of the Mayor.**

Only in the CPR of **Amravati and Mumbai** have outlined processes for **approval of plans and estimates of specified amount** by the Mayor.

- There is a need for **formulation of a standardised and detailed Corporation Procedure Rule for all municipal corporations in Maharashtra**
- **Training and handholding program** should be outlined to support the Municipal Corporations to practice the provisions and processes outlined in the CPR



3. Regular Training of Municipal Councillors

- Every five years, when the elections of corporations in Maharashtra takes place, around **60-80 % councillors are newly elected or first term councillors**; 50% female reservation contributes for majority of the **first-time female councillors** as well.
- It is observed that the newly elected councillors **need two to three years to understand the procedure of working** of the corporation, municipal corporation act, the budget processes and departments.
- A structured, regular and mandatory training for the Councillors will ensure **effective deliberation from the formation of corporation and will not delay addressing problems and planning for the city.**

The state of Kerala has an institute Kerala Institute of Local Administration (KILA) for regular trainings of municipal councillors and officials. The institute does trainings on different subjects such as urban governance, finance management, local planning and development, etc. The institute empowers and equips the councillors on regular basis to effectively deliberate and work for the development of the councillor wards and the city.

Regular and mandatory training for Councillors:

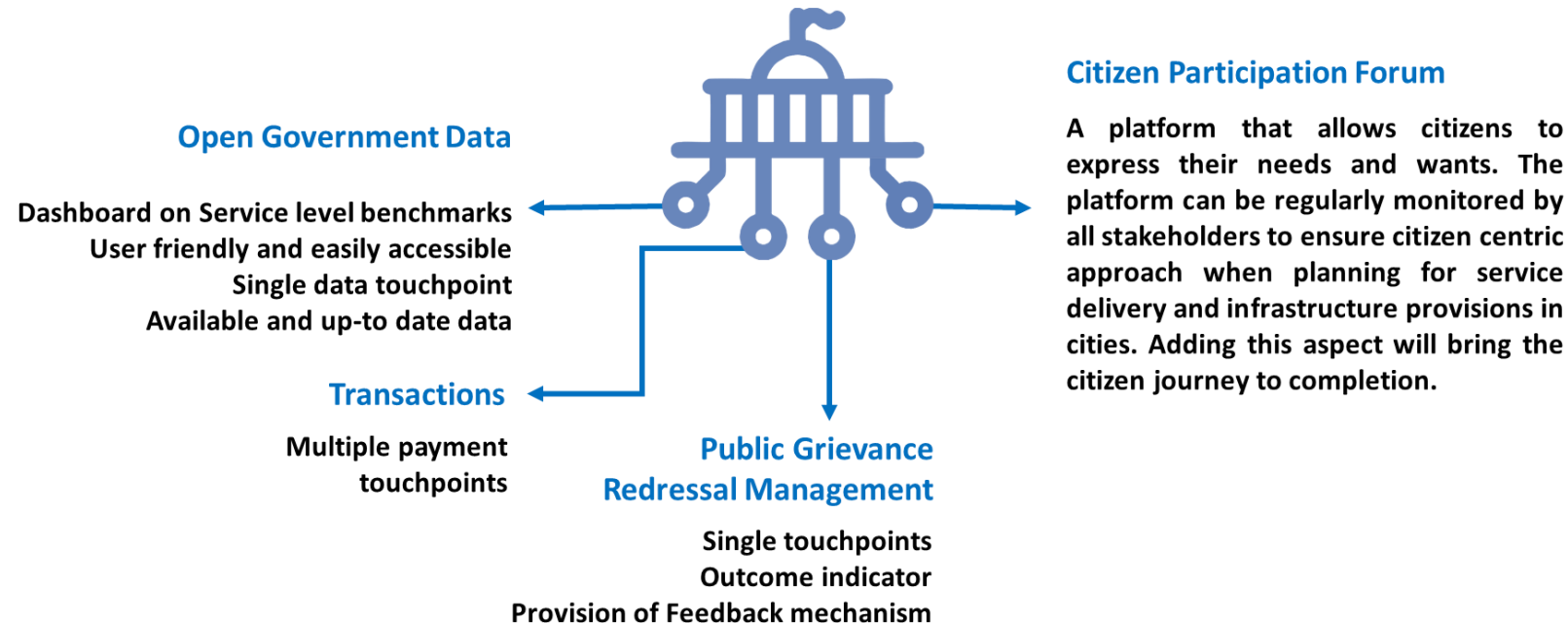
- It is most important to have a provision for **Regular and Mandatory trainings for councillors** in the state municipal acts of Maharashtra should be made and strictly implemented.
- The structured training for the councillors should include **systematic and interactive workshops** on understanding the **municipal corporation act, process of making the municipal budget, different schemes and programs implemented in the city, etc.**
- Different **organisations and institutions active in providing training should be actively involved** to conduct and facilitate training of Municipal Councillors.



4. Enhancing citizen participation through e-governance

Citizen Participation:

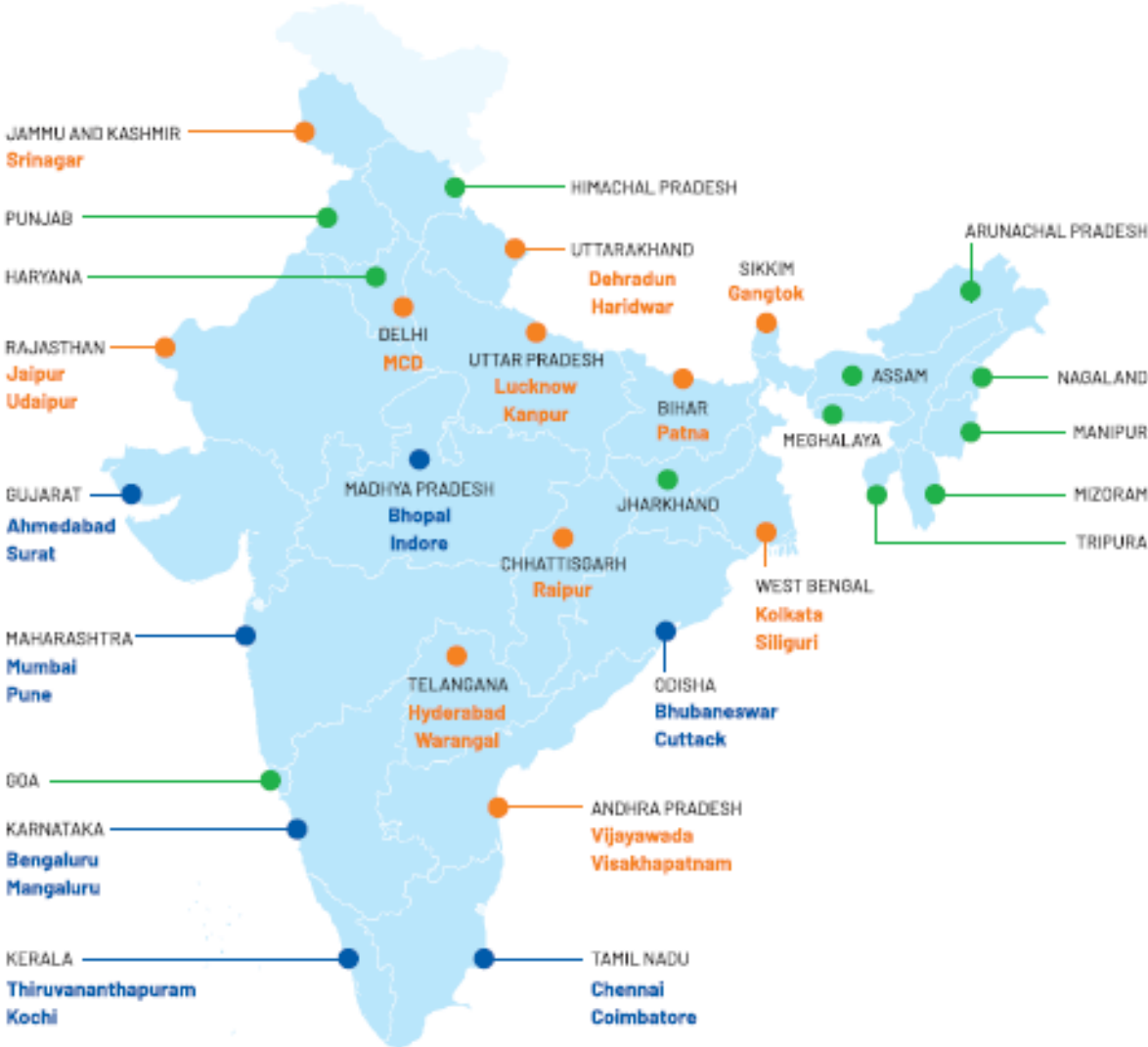
- To facilitate the growing needs of the citizens in the cities, it is important that the city government focusses on inclusive governance where the citizens are involved in the process.
- Enhancing citizen participation in through a robust **e-governance system** with provision for **Open Government Data, Transactions, Public Grievance Redressal Mechanism and Citizen Participation Forum**.





5. Municipal finance

CITIES COVERED UNDER THE FISCAL EMPOWERMENT STUDY



●	Phase 1 (14 cities across 7 states)
●	Phase 2 (17 cities across 11 states - including Delhi and UT of Jammu and Kashmir)
●	Phase 3 (13 cities across 12 states)
Total 44 cities across 30 states (including Delhi and UT of Jammu and Kashmir)	

Two cities from larger states and one city from small states were chosen for the study, which includes a capital city and the second largest city based on population size.

Objectives of the Study are:

- A. To assess the data availability
- B. To assess the fiscal empowerment in the city governments
- C. To study the financial growth of the city governments

Mumbai (FY 2017-18 To FY 2020-21)

	Tax Revenue	Property Tax	Non Tax	Own Source
Compound Annual Growth Rate (CAGR)	-16.98%	4.00%	-0.63%	-7.04%
Per capita	Rs. 5,406	Rs. 1,054	Rs. 10,601	Rs. 16,007
Percentage to total income	24.22%	4.77%	47.89%	72.11%
Percentage to own source revenue	Not applicable	6.72%	Not applicable	Not applicable

Pune (FY 2017-18 To FY 2020-21)

	Tax Revenue	Property Tax	Non Tax	Own Source
Compound Annual Growth Rate (CAGR)	11.27%	11.30%	10.54%	10.92%
Per capita	Rs. 4,292	Rs. 4,292	Rs. 4,283	Rs. 8,576
Percentage to total income	22.66%	22.65%	22.57%	45.23%
Percentage to own source revenue	Not applicable	50.31%	Not applicable	Not applicable

Devolution of Financial Power

- The Mumbai Municipal Corporation Act, 1888 have authority with the city government to introduce new taxes/charges from assigned list of charges, to revise existing tax rates and authority to approve budget.
- The Maharashtra Municipal Corporation Act, 1949 does not have authority with the city government to introduce new taxes/charges from assigned list of charges.

Budget

- The format of budget document should be according to the National Municipal Accounting Manual
- The budget should also include outcome budgeting, gender, poverty and ward wise budget.

Transparency and Accountability

- Budget document and Audit reports of all the city governments should be published on the website of city government.

Sources of revenue

- Rates of taxes should be reviewed and revised regularly.



6. Summary of Reforms for Maharashtra

Corporation procedure rule:

- There is a need for **formulation of a standardised and detailed Corporation Procedure Rule for all municipal corporations in Maharashtra**
- **Training and handholding program** should be outlined to support the Municipal Corporations to practice the provisions and processes outlined in the CPR

Regular and mandatory training for Councillors:

- It is most important to have a provision for **Regular and Mandatory trainings for councillors** in the state municipal acts of Maharashtra should be made and strictly implemented.
- The structured training for the councillors should include **systematic and interactive workshops** on understanding the **municipal corporation act, process of making the municipal budget, different schemes and programs implemented in the city, etc.**
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Citizen Participation:

- Enhancing citizen participation in through a robust **e-governance system** with provision for **Open Government Data, Transactions, Public Grievance Redressal Mechanism and Citizen Participation Forum.**

Municipal Finance

- The Maharashtra Municipal Corporation Act, 1949 should include **authority to introduce new taxes/charges** from assigned list of charges.

Thank you

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