





## List of Attendees

| Sr. No. | Name               | Designation/Organisation                           |
|---------|--------------------|--|
| 1       | Ain Treesa         | Citizens Forum for Mangalore Development (Interns) |
| 2       | Ajit Kumar Hegde   | Commissioner, Mangaluru City Corporation           |
| 3       | Ajoy Silva         | Social Activist                                    |
| 4       | Amal Babu          | Citizens Forum for Mangalore Development (Interns) |
| 5       | Arjun Mascharenas  | MCC Civic Group                                    |
| 6       | Ashok Kumar D.K    | Former Councillor, Mangaluru City Corporation      |
| 7       | Dayananda Shetty   | Former Councillor, Mangaluru City Corporation      |
| 8       | Dilip Yas Naik     | Citizens Forum for Mangalore Development           |
| 9       | G. K. Bhat         | MCC Civic Group                                    |
| 10      | G. Suresh hegde    |  |
| 11      | Gayathri Nayak     | Deputy commissioner, Mangaluru City Corporation    |
| 12      | Guru Prasad Kamble | Project Officer, Praja Foundation                  |
| 13      | Harsha             | Deccan Herald                                      |
| 14      | Harshil Suresh     | Project Officer, Praja Foundation                  |
| 15      | Jonas D'Souza      | MCC Civic Group                                    |
| 16      | JR Lobo            | Former MLA (Ex Commissioner, MCC)                  |
| 17      | K mohhamad         | Former Councillor, Mangaluru City Corporation      |
| 18      | K.S.Shet           | MCC Civic Group                                    |
| 19      | Keshava            | Former Councillor, Mangaluru City Corporation      |
| 20      | Lyansloto Pinto    | Former Councillor, Mangaluru City Corporation      |
| 21      | Madhu Manohar      | Environment Engineer, Mangaluru City Corporation   |



## List of Attendees

| Sr. No. | Name              | Designation/Organization                           |
|---------|-------------------|--|
| 22      | Meghna Bandelwar  | Project Officer, Praja Foundation                  |
| 23      | Milind Mhaske     | Director, Praja Foundation                         |
| 24      | Nafisaka Lyngdoh  | Citizens Forum for Mangalore Development (Interns) |
| 25      | Naveen Chandra K  | Former Councillor,<br>Mangaluru City Corporation   |
| 26      |                   | National Environment Care Federation               |
| 27      | Nigel Albuquerque | MCC Civic Group                                    |
| 28      | Padmanabha Ullal  | MCC Civic Group                                    |
| 29      | Prathibha Kulai   | Former Councillor, Mangaluru City Corporation      |
| 30      | Rajendra Kiran    | MCC Civic Group                                    |
| 31      | Ramachandra Bhat  | Citizens Forum for Mangalore Development           |
| 32      | Ravi Maipoly      | MCC Civic Group                                    |
| 33      | Revathi K         | Former Councillor,<br>Mangaluru City Corporation   |
| 34      | Rohan. M. Shiri   | MCC Civic Group                                    |
| 35      | Roopan Fernandes  | MCC Civic Group                                    |
| 36      | Roshan            | MCC Civic Group                                    |
| 37      | S. Appi           | Former Councillor, Mangaluru City Corporation      |
| 38      | Sabitha Misquith  | Former Councillor, Mangaluru City Corporation      |
| 39      | Takoyangba Lemtur | Citizens Forum for Mangalore Development (Interns) |
| 40      | Vidya Dinker      | Citizens Forum for Mangalore Development           |
| 41      | Vincent D'Souza   | New India Express                                  |



## • Summary of discussions by Roundtable participants

### Summary

The Roundtable facilitated discussions in understanding the key problems facing cities in Karnataka and possible solutions surrounding these issues. It was agreed that city governments need to be empowered for efficient service delivery. Funds, functions and functionaries should be also devolved to the city government and interference of the state government needs to be reduced. The participants mentioned that the Karnataka government has not implemented the 74<sup>th</sup> Constitution Amendment Act completely. The city governments are given limited powers to ensure effective service delivery.

The themes covered in the discussion were Devolution of 18 Functions, City Government – composition and function and Municipal Finance. Presented below are summary of the views of various urban governance stakeholders that were a part of the Karnataka State level consultation in Mangaluru.

#### **1. Status of devolution of 18 Functions as per 74<sup>th</sup> Constitution Amendment Act**

Out of the 18 functions, only 4 are independently controlled the city government, 13 are handled by multiple authorities and 1 is completely under State control. The participants such as Councillors, city administration and civil society organisations agreed that devolution of functions and powers has not happened properly which is why corporation does not have vital role in the decision making for the development of the city.

The participants agreed that all the 18 functions should be with the city government but currently they are not devolved to the city corporation. Mangaluru Urban Development Authority and the city corporation were supposed to work in coordination and eventually merged but the difficulties have increased. There should be a single window system for delivery of 18 functions.

#### **2. City Government Composition and Function**

Session 2 of the Karnataka State Level Consultation discussed the status, key takeaways and possible urban governance reforms in Mayoral System, role of Councillor, Committees, multiple agencies, urban schemes and resources.



## • Summary of discussions by Roundtable participants

### 2.1 Mayoral System

Mayor in Karnataka has a tenure of 1 year which is not coterminous with the office of corporation. The Mayor should also be empowered. Currently, there are limited powers vested with the Mayor. Since the Mayor changes every year, it affects the development, planning and implementation of the projects.

The participants agreed that the executive accountability should vest with the Mayor but with proper accountability. The Commissioner should report to the Mayor. The Mayor should have authority to prepare Annual Confidential Report of the Commissioner and key administrative officials. Participants mention that the administrative wing should be accountable to the elected wing of the corporation.

### 2.2 Role of Councillor

There are 4 Standing committees consisting of seven members each. Therefore, not all councillors are a part of at least one deliberative committee. The participants mentioned that the councillors are involved in the service delivery but lack powers to ensure efficiency. The Councillors not only have limited powers but also lack capacity. The participants agreed that there is need for capacity building of the Councillors through trainings and workshops which is lacking in Mangaluru.

### 2.3 Committees

For a city government to function effectively it is essential to provide the citizens with an effective mechanism to register complaints. There is no platform for grievance redressal and citizen participation. There is a provision for formation of ward committees in the Karnataka Municipal Corporation Act, 1976, but they have not been formed in Mangaluru. There is a judgement of Hon. High Court dated 8/8/2019 making it mandatory for the city government to form ward committees and area sabhas. However, the responsibility to ensure formation of the ward committee and area sabhas lie with the council.

The participants mentioned that the ward committee serves as effective platform for citizen participation and deliberation of issues and it should have statutory binding. The participants also mentioned that the composition of ward committees should be such that there is representation from elected wing, administrative wing, citizen ground and citizens in the committee



## • Summary of discussions by Roundtable participants

### 2.4 Multiple agencies

Apart from the Mangaluru City Corporation, agencies such as Karnataka Urban Water Supply & Drainage Board (KUWS&DB), Mangaluru Urban Development Authority (MUDA), Karnataka Urban Infrastructure Development and Finance Corporation (KUIDFC) and Karnataka State Pollution Control Board (KSPCB) are also involved in the delivery of services. The participants mentioned that for preparation of master plan, MUDA is involved. But the jurisdiction of MUDA and the master plan is more than the jurisdiction of Mangaluru municipal corporation. MUDA should send draft of the master plan to the city corporation for approval from the elected representatives.

The participants mentioned that the roads are the most affected due to coordination problems between multiple agencies. Therefore, the city government should be the nodal agency involved in delivery of services.

### 2.5 Urban Schemes

Mangaluru is a part of Smart City Mission. Under the area based development component of the mission, retrofitting of underground drainage is being done in 8 wards. Four councillors and Mayor are a part of the Special Purpose Vehicle (SPV) board but they do not have any powers. The participants expressed that elected representatives from Member of Parliament, Member of legislative assembly, Mayor and Councillors all should be a part of the SPV board and also be given powers. The SPV should be the implementing body and not the policy making body. If it does policy making, elected representatives should be involved in it.

### 2.6 Resources

The Mangaluru city corporation has 32% (547) vacant positions in the corporation. There is lack of human resources to ensure effective service delivery and monitoring of functions performed by the corporation. The participants mentioned that lack of human resources results in delay of complaint redressal. The city corporation has to take sanction from the State government for recruitment of employees and the procedure of recruitment is also done by the State government which is a time consuming process. There is a Municipal cadre in Karnataka recruited by Karnataka Municipal Administrative Services.



## • Summary of discussions by Roundtable participants

### 3. Municipal Finance

#### 3.1 Budget

The budget of Managaluru City Corporation for year 2019-20 is ₹ 527 Crores. However, the corporation has debt of about ₹ 35 crores and have dependency on State government for funds. The participants mentioned that there is urgent need to take initiatives for revenue generation of the city government. Elected representatives can play a major role in the augmentation of revenue sources.

#### 3.2 Sources of revenue

Property tax is a major source of revenue for the city government. Revenue income from property tax can be increased if the collection is done efficiently and 100% coverage is achieved. There is no online mechanism for payment of property tax. The participants urged the city government to ensure easy payment options for payment of property tax which will increase the revenue. This will also reduce manual human resources required for collection of property tax. Suggestions to conduct GIS survey and link property tax to the survey were also given.

There should be a provision in the act for defaulters of payment of property tax. Currently the act specifies filing of suit against the defaulters which is not feasible. Therefore, other measures should be explored to reduce defaulters of property tax. The participants mentioned that in cities like Mulki and Ullal the property tax consists of car parking charges also. This should also be implemented in other cities.

There is garbage cess collected in other cities as well. The corporation has no authority to revise tax rates. For any revision or addition of taxes, the city government has to approach the State government and take approval.

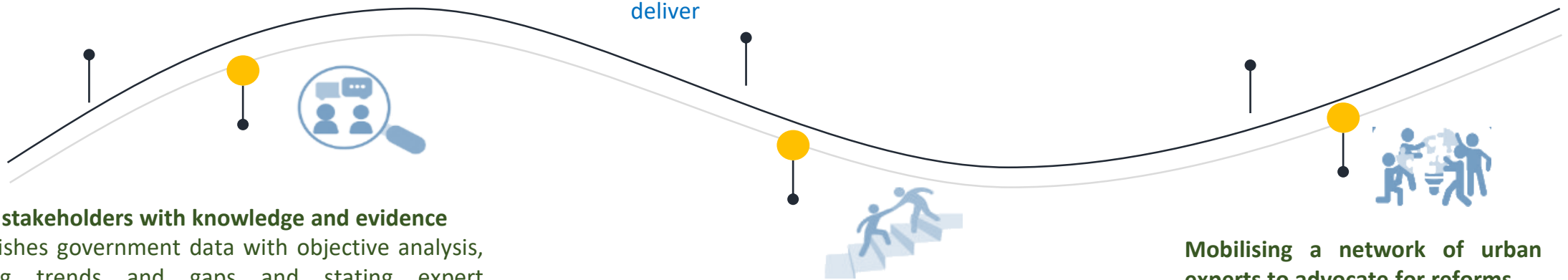


# Over the past two decades Praja has been devoted to bringing transparency and is now embarking on an ambitious journey to transform urban governance

1 Citizens experience poor quality of services and shortage of basic infrastructure like clean water, sanitation, health & education facilities, affordable housing and public transportation. Elected representatives don't have access to data or quality standards to push for improvements

2 Lack of empowerment of local elected representatives to hold the executive accountable coupled with the inadequate skills, knowledge and leadership to be able to effectively deliver

3 City governments are responsive to the needs of the citizens but they are not future-ready



### Equipping stakeholders with knowledge and evidence

Praja publishes government data with objective analysis, highlighting trends and gaps and stating expert recommendations for change, and also create parameters to gauge the quality of urban infrastructure and service delivery



Availability of data and service delivery index provides higher transparency

### Engaging Stakeholders

Praja will build local elected representatives' capacity by both increasing their knowledge and developing their skills. Praja would advocate for democratization of city governments with clearer accountability structures.



Elected city government can appoint, monitor, review and take action against city service providers

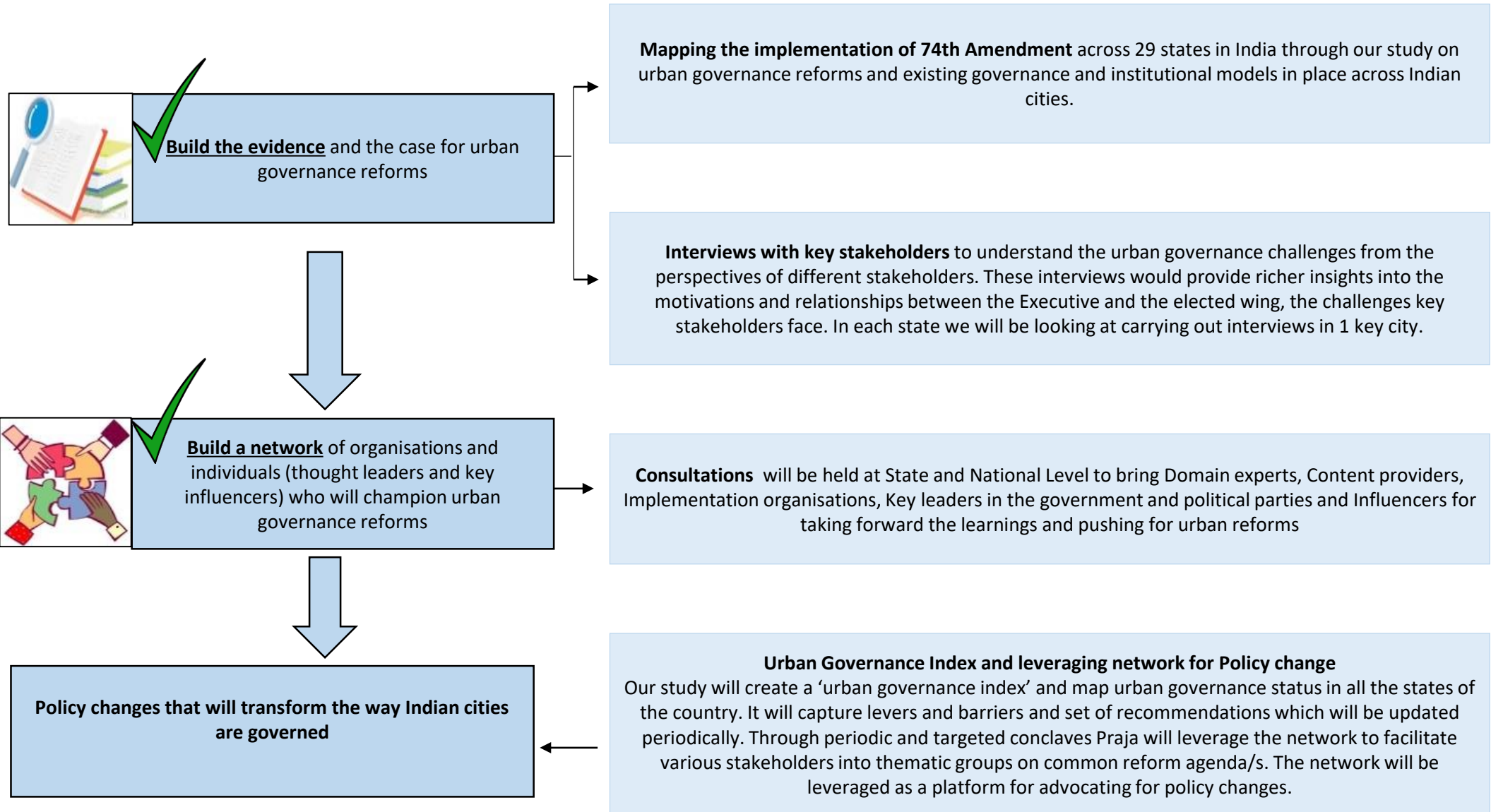
### Mobilising a network of urban experts to advocate for reforms

Praja will be nurturing visionary leadership of elected representatives to plan, mobilize and allocate resources coupled with strengthening of citizen participation



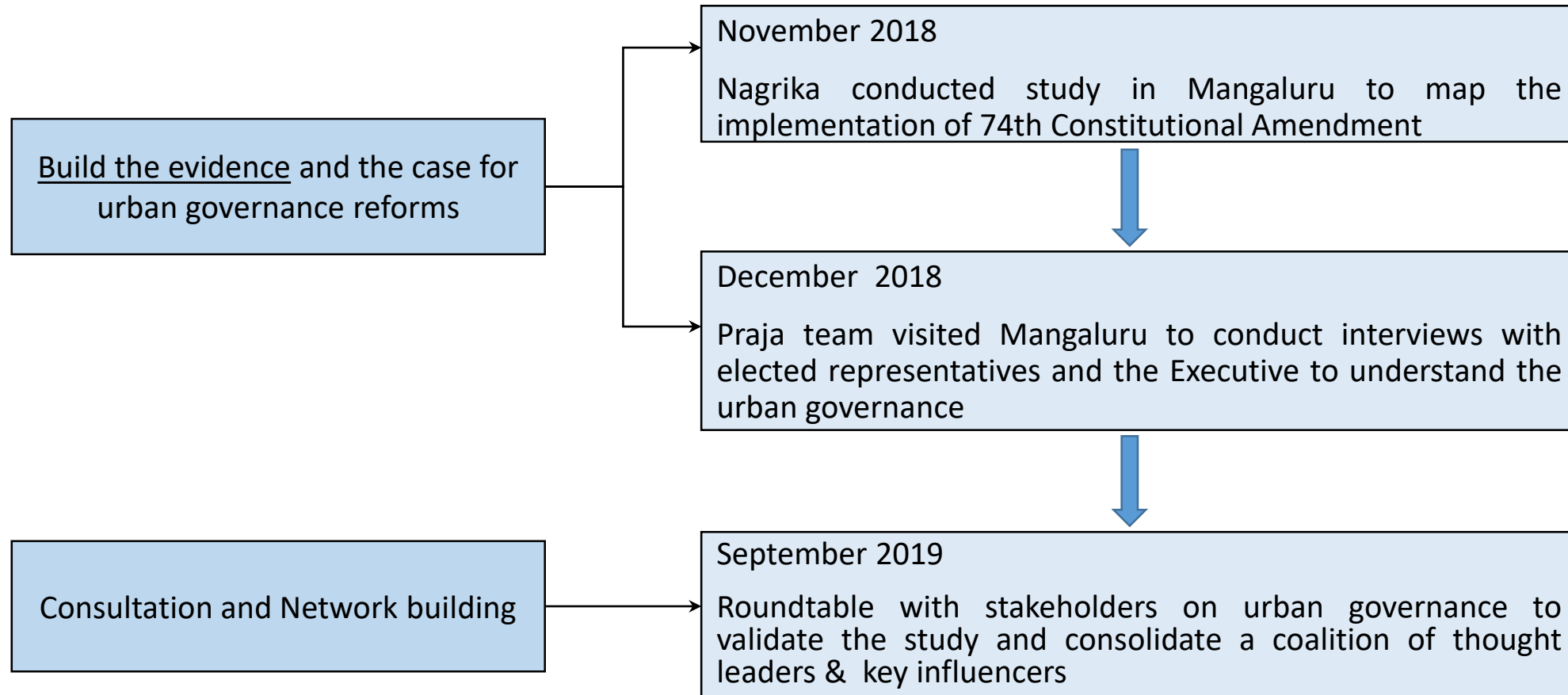
Improved quality of life in Smartly governed cities, with active citizenry

- Problem
- Solution
- Outcome





## The timeline of the study in Karnataka



## **THEME 1**

# **Mapping devolution of 18 functions as per 74<sup>th</sup> Constitutional Amendment**

## **THEME 2**

### **City government: Composition and Function**

- Mayoral System
- Role of Councillor and Committees
- Service Delivery –Solid Waste Management
- Multiple Agencies
- Urban Schemes
- Resources

## **THEME 3**

### **Municipal Finance**

| Sr. No. | Functions listed in 12 <sup>th</sup> Schedule         | Karnataka   |
|---------|---|---|
| 1       | Urban Planning including town planning                | Master Plan: Mangaluru Urban Development Authority (MUDA) (Karnataka Govt.), Land Acquisition Section, Mangaluru City Corporation (MCC)   |
| 2       | Regulation of land-use and construction of buildings  | Building Permission and Demolition: Town Planning Section (MCC)<br>Land Acquisition Section (MCC)<br>Online application for building licenses: Karnataka Municipal Data Society (KMDS) (Karnataka Govt.)  |
| 3       | Planning for economic and social development          | Social Welfare Department (Karnataka Govt.)<br>Pradhan Mantri Awas Yojana (PMAY), National Urban Livelihoods Mission (NULM): Rozgar Section, Housing Section (MCC)  |
| 4       | Roads and bridges                                     | Roads: Engineering Section (MCC), National Highways Authority of India (NHAI) for national highways<br>Bridges: Engineering Dept. (MCC)   |
| 5       | Water supply- domestic, industrial and commercial     | Engineering Department (MCC)<br>Mega-Industries look after their own water supply<br>Karnataka Urban Water supply and Drainage Board (Karnataka Govt.)<br>Online application for new water connection: KMDS (Karnataka Govt.)   |
| 6 a     | Public health, sanitation, conservancy                | Hospitals: Health Department (Karnataka Govt.)<br>Primary Health Centres, Spraying & Fogging, Awareness Drives: Health Section (MCC), Dispensaries: Health Section (MCC), National Urban Health Mission (NUHM)<br><br>Sewerage: Health Section (MCC) and Online application for new underground drainage connection: KMDS (Karnataka Govt.) |
| 6 b     | Solid Waste Management                                | Health Section (MCC); Engineering Section (MCC), Karnataka Urban Water Supply & Drainage Board (KUWS&DB), Karnataka Urban Infrastructure Development and Finance Corporation (KUIDFC) (Karnataka Govt.)   |
| 7       | Fire services   | Fire and Emergency Services Department (Karnataka Govt.)  |
| 8       | Urban forestry, protection of environment and ecology | Forest Department (Karnataka Govt.)<br>Plantation Drives: Engineering Section (MCC)   |

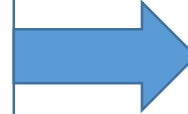
|      |   |   |
|------|---|---|
| 9    | Safeguarding the interests of weaker sections society including the handicapped and mentally retarded | Social Welfare Department (Karnataka Govt.), Department for the Empowerment of the Differently-Abled & Senior Citizens (Karnataka Govt.), Rozgar Section (MCC)  |
| 10   | Slum improvement and upgradation  | Rajiv Awas Yojana (RAY) Implementation: Karnataka Slum Development Board<br>PMAY Implementation: Housing Section (MCC)<br>Delivering Basic Services: Engineering Section (MCC)                                    |
| 11   | Urban poverty alleviation   | Implementation of NULM: Rozgar Section (MCC)  |
| 12   | Provision of urban amenities and facilities- parks, gardens and playgrounds                           | Engineering Section (MCC)   |
| 13 a | Promotion of cultural and aesthetic aspects   | Kannada Culture and Information Department; MCC   |
| 13 b | Promotion of Education  | Educational: Dept. of Education (Karnataka Govt.)   |
| 14   | Burials and burial grounds, cremations, cremation grounds and electric crematoriums                   | Engineering Section (MCC)<br>The management of Muslim and Christian burial grounds under respective religious trusts.   |
| 15   | Cattle pounds, prevention of cruelty to animals   | Dog Shelters and Sterilisation: Health Section (MCC), outsourced to private organisation.   |
| 16   | Vital statistics including registration of births and deaths  | Health Section (MCC)<br>The web platform is designed and implemented by Municipal Reforms Cell of the Govt of Karnataka   |
| 17 a | Public amenities including street lighting, parking lots and public conveniences                      | Street Lighting : Engineering Section (MCC)<br>Paid Parking: Revenue Section (MCC)<br>Public Conveniences: Health Section (MCC)<br>Public Transport: Karnataka State Road Transport Corporation (Karnataka Govt.) |
| 17 b | Bus Stops   | Engineering Section (MCC)   |
| 18   | Regulation of slaughter houses and tanneries  | Health Section (MCC), Karnataka State Pollution Control Board (Karnataka Govt.)   |

|                         |                   |               |
|-------------------------|-------------------|---------------|
| City government control | Multiple agencies | State Control |
|-------------------------|-------------------|---------------|

## KEY TAKEAWAYS

### 2.1 Mayoral System

- The term of Mayor is not co-terminus with the term of office of corporation.
- The Mayor cannot be the chairperson of any of the standing committees. (Section 60- subsection 4 & 5, Karnataka Municipal Corporation Act (KMCA), 1976)
- Currently Mayor has tenure of 1 year.
- Mayor plays a role of ceremonial head.
- Mayor is part of the Special Purpose Vehicle (SPV) board of the Mangaluru Smart City Ltd.



1. **Mayor doesn't have stable tenure:** The Mayor holds a tenure of only 1 year which is not co-terminus with the term of Corporation affecting stability of the position.
2. **Limited role:** Mayor is just a ceremonial head and lacks the authority to take executive decisions. Mayor does not hold signatory authority and has only supervisory role.
3. **Mayor does not hold authority to prepare Annual Confidential Report (ACR) of the Commissioner:** Councillors believe that there needs to be accountability of Commissioner towards Mayor. This can be exercised through holding authority to prepare ACR on the Commissioner.

*The difference between the rural/ zilla panchayat and urban body is that rural panchayat's president has executive powers, whereas the mayor doesn't have the executive power and the entire power is mainly with the commissioner.*

MLA

### Status in other cities

**Kochi:** Mayor has stable tenure of 5 Years. Mayor can suspend officials other than secretary and Mayor prepares Annual Confidential Report (ACR) of secretary.

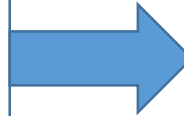
**Lucknow:** Lok Mangal Diwas held in where grievances are noted and accordingly directed to concerned officials for solving issue and closing.

**Bhopal:** Mayor-in-Council system. Directly elected mayor and Mayor with MIC has financial powers to approve projects worth 5 crores.

## KEY TAKEAWAYS

### 2.2 Role of a Councillor & Committees

- The Karnataka Municipal Corporation Act (KMCA) 1976 mandates the formation of four standing committees at the corporation with seven members each, including the chairpersons (Chapter III Section 11).
- There are 4 Standing committees as follows
  - a) Health, Education & Social justice
  - b) Planning & development,
  - c) Accounts
  - d) Tax, appellate & finance committee
- The KMCA 1976 was amended in 2011 to include provisions for the establishment of Ward Committees and Area Sabhas, under Sections 13A – 13J.
- Ward service delivery issues are reported by councillors to the concerned administration department and these issues are resolved with good coordination.



- 1. Standing committees hold financial powers:** The standing committees have financial powers to sanction projects up to 1 crore.
- 2. Ward development fund distributed among wards but no specific councillor fund for councillors:** Councillors get some amount from corporation's budget for the development of ward. However, there is no provisions in the act on Councillor funds.
- 3. Ward committees and Area Sabhas not formed:** The ward committees & area sabhas are not formed yet though there is provision in the act.
- 4. Need of regular training for councillors:** Currently training for councillors does not happen regularly. Councillors believe it should happen regularly or every 2-3 years
- 5. Lack of citizen participation:** At present there are limited platforms for citizens to participate in governance processes. Limited participation of citizens is resulting into involvement of other persons such as agents in governance processes.

*The Brokers come to corporation office with public issues. It should be done by people. Brokers convert the system into unnecessary complications and delayed processes.*

**Councillor**

### Status in other cities

#### Kochi:

- Eight standing committees for various subject like Health, Education, Development works etc and Every Councillor is member of a particular standing committee.
- Every ward has ward committee in Kochi & People's participation through ward committees
- Jankeeyasutram' (People's Plan) is the lowest level at which development plans are initiated.

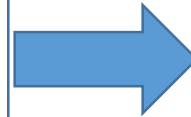
**Bhubaneswar:** Ward committees are active in Bhubaneswar. There are other informal committees active in Bhubaneswar such as Basti committee, colony committee and senior citizen committee

**Dharamshala:** Ward sabhas are active. People participate in ward sabhas. Meetings take place twice in a year.



### 2.3 Service delivery – Solid Waste Management

- Mangaluru City Corporation (MCC) has received award for best city in Solid Waste Management (SWM) in India under category of cities with 3-10 Lakhs population.
- The solid Waste Management has outsourced in the Mangaluru city. Private company called 'Antony Waste Handling Cell Pvt Ltd' does garbage collection from households.
- The environmental engineer looks after sanitation facility, waste management and communicable diseases like malaria and dengue along with management of dispensaries.
- Roads in the city are divided into 3 categories for cleaning purposes
- A- Commercial areas: Cleaning is done twice a day
- B- Residential: sweepers go on every 2nd or 3rd day for cleaning.
- C- Mix areas: Cleaning is done every alternative day



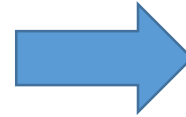
### KEY TAKEAWAYS

1. **Decentralized garbage collection system:** The door to door garbage collection happens in the city. Roads are divided into categories for cleaning as per nature of surrounding areas i.e. residential, commercial or market area etc.
2. **Adoption of techniques such as Pot composting, vermi-composting and bio-gas plants to process waste:** Pot composting has been started in some households where citizens are encouraged to dispose waste at home by converting it into manure. Also there are vermicomposting plants which convert garbage into manure
3. **Collaboration with NGOs for better outcomes:** For better outcomes, corporation is working in collaboration with NGOs and community stakeholders. Regular meetings are held with stakeholders at least once in a month.
4. **Monthly progress report:** Officials mentioned that every month progress reports are prepared and review meetings are conducted.

## KEY TAKEAWAYS

### 2.4 Multiple Agencies

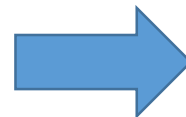
- The role of Directorate of Municipal Administration (DMA) is to supervise the functioning of the municipalities in the state. It acts as the link between the state government and municipal corporations
- Mangaluru houses various parastatal bodies who perform overlapping functions with that of the Mangaluru City Corporation (MCC) such as Karnataka Urban Water Supply & Drainage Board (KUWS&DB), Mangaluru Urban Development Authority (MUDA) and Karnataka State Pollution Control Board (KSPCB).
- MUDA is concerned with the urban planning and development of the city. It is not limited to jurisdiction of corporation rather it covers areas under gram panchayat as well.



1. **No mandatory permissions taken from corporation to implement projects by parastatal bodies:** It is not binding on the state government to take permission or NOC from municipal corporation for implementation of any state project in the jurisdiction of MCC.
2. **No unified plan followed for implementing projects between multiple agencies:** There is no common or unified plan which is implemented in the city. Every agency follows its own plan and is not in relation with each other. This poses as an issue towards a unified vision for city development.
3. **Lack of nodal agency for coordination:** Mangaluru lacks a nodal body that looks into provision of services leading to coordination issues among multiple agencies and inefficiency in service delivery.
4. **MUDA:** It gives site approval as per master plan whereas building licenses & occupation certificates are given by corporation.

### 2.5 Urban Schemes

- The Mangaluru city has participated in the smart city mission (SCM). SPV (Special purpose vehicle) called as 'Mangaluru smart city limited' has been constituted.
- Projects such as development of roads, waterfronts, underground drainage network and improvement of fisheries have been undertaken by SPV.



1. **Mayor, Councillors and Commissioner are a part of SPV board :** The SPV board meetings are attended by the Mayor and Commissioner. Mayor is able to give proposals for the development of the city. In addition, 4 councillors are members of SPV board.
2. **Area Based Development (ABD) projects :** Since limited wards are taken up for projects, councillors believe it promotes bias through developmental works taking place only in selected wards.
3. **Corporation has good influence on Smart City projects:** SPV needs corporation's help for almost all project. Officials mentioned proposals of the corporation are considered for implementation By the SPV.

### Status in other cities

**Ahmedabad:** Corporation can join with any local authority from time to time for forming a joint committee to handle any special subjects of the Corporation.

**Bhubaneswar:** The council invites administration and parastatal staff for the monthly meeting and can ask questions to them directly.

**Udaipur:** corporation has control over SPV. Mayor is vice-chairperson of SPV Board.



### KEY TAKEAWAYS

### 2.6 Resources:- Human Resources

- The State Government sanctions the total number of staffs for the MCC.
- MCC needs approval from the state government for recruitment of human resources.
- Department of local government has authority to direct, supervise and control the functioning of all municipal corporations & councils in Karnataka.

#### Human Resources with MCC

A. Total Sanctioned Positions :- 1725

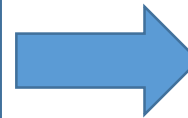
B. Working Strength :- 1178 (68%)

- Permanent employees :- 545 (32%)

- Contractual employees :- 633 (36%)

C. Vacant Positions :- 547 (32%)

- There are approx. 3 officials per 1000 citizens in MCC.



1. **Inadequate Human Resource:** Councillors mentioned that inadequate human resource is the biggest problem. There are vacancies in the municipal corporation. It affects service delivery in all wards of the corporation.
2. **Lack of skilled/trained staffs:** Corporation does not have experts like MBBS doctor for dispensaries to run. Management of dispensaries has been outsourced to Medical hospitals in Mangaluru.
3. **Corporation does not hold authority to recruit:** Currently state government has final say in the recruitment process. The Corporation is unable to recruit staff whenever needed.
4. **Need for focus on e-governance:** Corporation needs to focus on bringing e-governance into the daily working. It will reduce the gap between people & municipal corporation, and it will reduce burden on manpower and will increase efficiency.

#### Status in other cities

**Mumbai:** Corporation has 8 employees per 1000 citizens to deliver services.

**Kolkata:** West Bengal Municipal Service Commission is a special agency for recruitment of staff for the Kolkata Municipal Corporation.



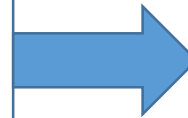
## 3.1 Budget & Sources of Revenue

### Budget

- Budget size for year 2019-20 is ₹527 Cr.
- Budget per Capita that MCC holds is approx. ₹10,755 for the year 2019-20.
- The administrative sanction for works up to ₹2 Crores lies with the corporation. However, works more than ₹2 Crores and less than ₹5 Crores, need administrative approval from District Collector.
- DMA gives the approval for works up to ₹10 Crores. If a work needs more than ₹10 Crores, then the State Government must sanction it.

### Revenue

- The State Finance Commission (SFC)'s grants come in four instalments. The SFC requires 75% utilisation certificate from all municipalities before releasing last instalment.



### KEY TAKEAWAYS

1. **Dependency on state government for funds:** Municipal corporation does not have enough own funds leading to dependency on state for grants.
2. **Need to harness potential for revenue collection:** Officials mentioned that Mangaluru has high potential for revenue collection. However there is no proper collection that happens
3. **Limited role of councillors in budget making process:** Councillors can give suggestions, but it is not necessary that their suggestions are taken into consideration.
4. **MCC does not hold exclusive authority to revise taxes:** MCC can only propose for tax revisions, but the final approval has to be given by the State Govt.

### Status in other cities

**Mumbai:-** Corporation has 72% of own sources of revenue to the total budget and Budget per capita is Rs. 21,982.

The property tax collection is efficient.

If the citizens fail to pay taxes, water supply services are cut off as penalty.

**Bhopal:** Advertisement & Entertainment taxes were given to city government after GST came into force.

# Summary of reflections on reforms needed:

## **Empowered Corporation – one point governance**

1. There should be single authority to deliver 18 services as listed in the 74<sup>th</sup> constitutional amendment in the jurisdiction of the city. MCC should act as a nodal agency.
2. Unified planning with better coordination is needed for the development of the city.

## **Need to empower Mayor and Councillors**

1. Mayor should have a stable tenure of 5 years which is co-terminus with term of corporation.
2. Mayor should hold signatory powers and the authority to make ACR of commissioner.
3. Councillors should have authority to solve people's issues of their wards.

## **Need to form ward committees and area sabhas with holding of active meetings and participation of people.**

1. The ward committees and area sabhas need to be formed as per provisions in the act.
2. Area Sabha meetings should involve participation of people.

## **Training and capacity building**

1. Need to conduct regular training for councillors and administration of MCC for better service delivery.

## **Resources**

1. The corporation should have control over recruiting and deciding their own staff and there is need for revising the manpower and estimation of Strength.
2. Need of Qualified and experienced staff as per requirement.

## **Municipal Finance**

1. The city government should have complete control over taxation. The MCC should hold authority to revise taxes and not depend for its approval from State Govt.
2. There is need to optimize revenue collection to achieve full potential and to adopt new revenue sources for collection.

# Thank You

 [www.praja.org](http://www.praja.org)

 [info@praja.org](mailto:info@praja.org)

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**Mumbai:** Victoria Building, 1<sup>st</sup> Floor, Agiary Lane, Off. Mint Road, Fort, Mumbai 400001, Tel: 022- 22618042

**Delhi:** Room No. 215, 2nd Floor, Competent House, F Block, Connaught Place, Middle Circle, New Delhi 110001,

**Tel:** 011-23321559