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Over the last two decades Praja has been working towards enabling accountable governance. We conduct data driven research on civic issues, and inform citizens, media, and government administration and work with elected representatives to equip them to address inefficiencies in their work processes, bridging the information gaps, and mobilising them in taking corrective measures advocating for change.

In the past we have partnered with the Mumbai Corporation to come up with its first Citizen Charter to revamping their Citizens' Complaint Grievances Mechanism and handholding them to run it in the initial years; we come up with annual white papers on the performances of civic, health, crime, education and housing issues in Mumbai and Delhi; since 2011 we have been coming up with an annual report card to rank performances of MLAs and Councillors in Mumbai and (since 2016) Delhi. We do not just stop at creating standardised matrixes or governance indicators but also support build capacities of elected representatives, executives and citizens by coming up with various handbooks on governance and conducting numerous workshops/trainings on governance issues.

Praja is now embarking on an ambitious journey to transform urban governance, to advocate policy changes that will change the way Indian cities are governed. It will be multiyear project in nature, with research being the bedrock to form a network and influence change:

- Currently the devolution of powers and the capacity in the cities is not completely mapped. By March'2020 we will be conducting an Urban Governance Reforms Study to capture status of urban reforms in all the states, identify levers and barriers and identify a set of recommendations.
- Our study will create a 'urban governance index' and map urban governance status in all the states of the country.
- As part of the study we will map and meet various stakeholders in all the states across the country and build a network which will be leveraged as a platform for: knowledge sharing; equipping stakeholders; mobilising stakeholders; and advocating for policy changes.

In a nutshell the project will enable urban governance to transform a 'smart city' into a 'smartly governed city' by influencing policy change at a structural and systemic level to democratise city governments and improve delivery of services."

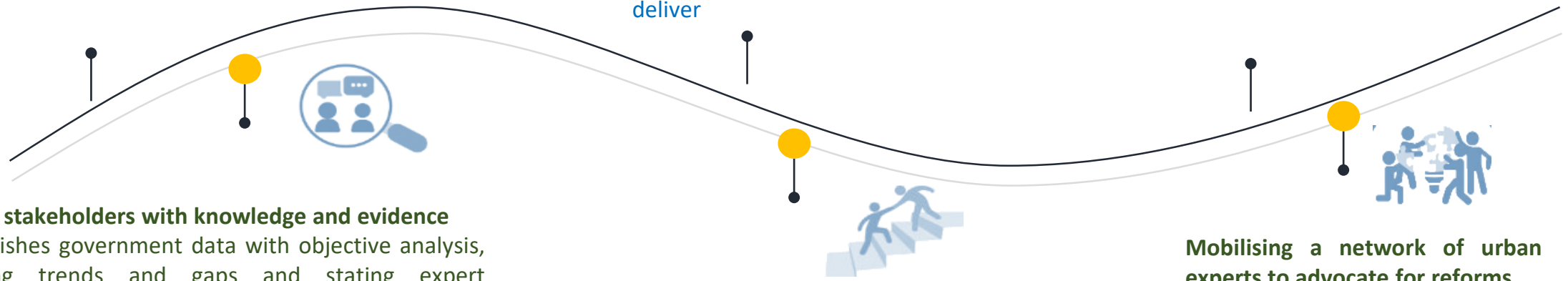


# Over the past two decades Praja has been devoted to bringing transparency and is now embarking on an ambitious journey to transform urban governance

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

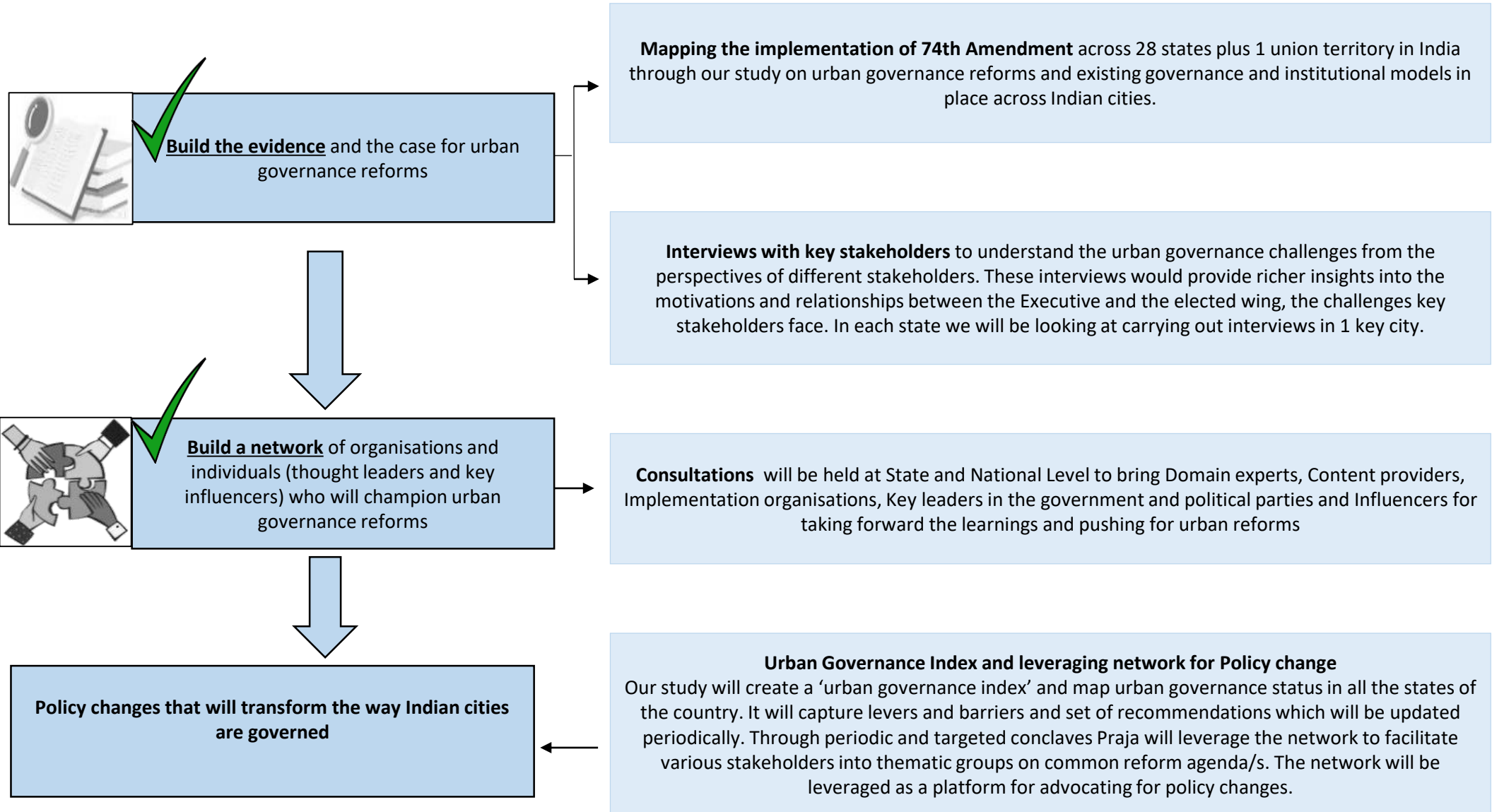
### Mobilising a network of urban experts to advocate for reforms

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



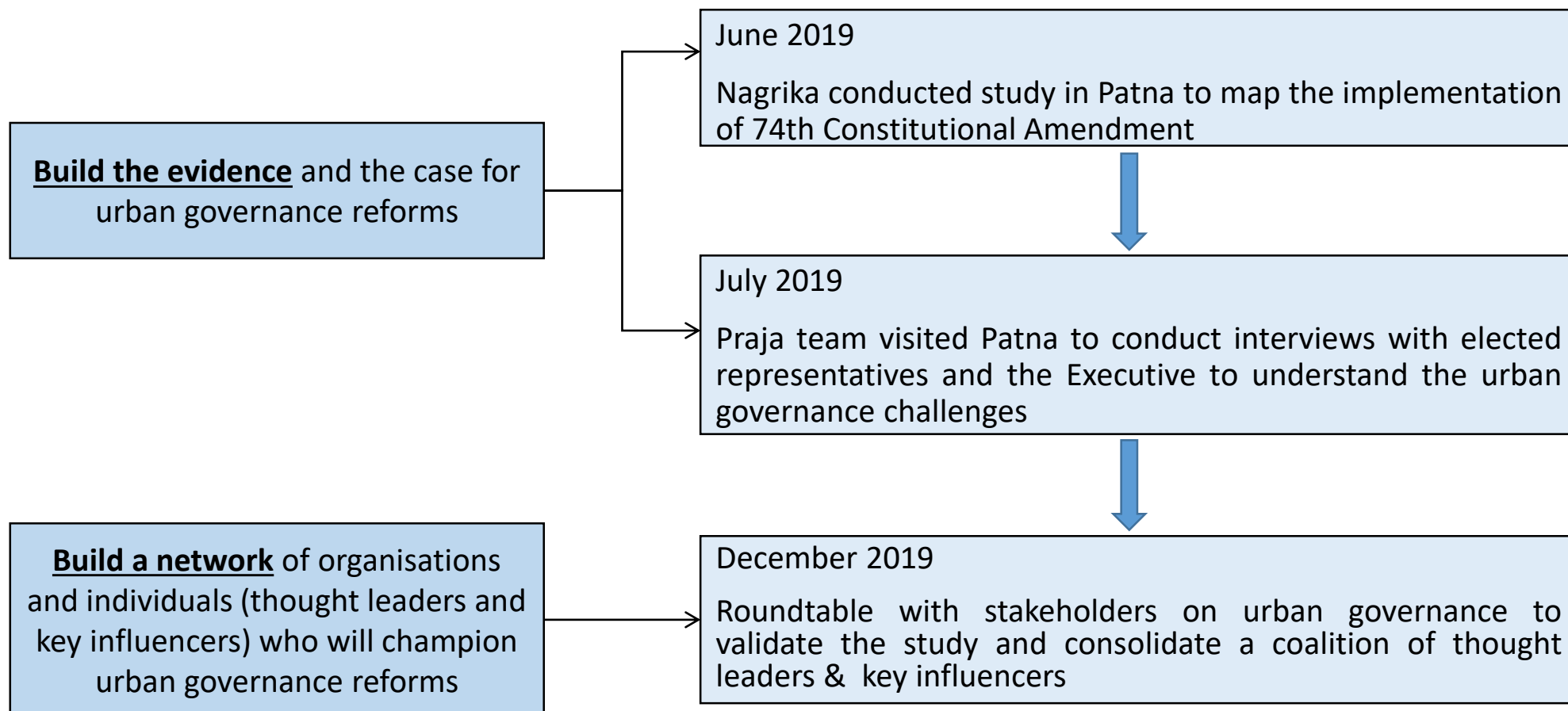
Improved quality of life in Smartly governed cities, with active citizenry

- Problem
- Solution
- Outcome





## The timeline of the study in Bihar





### Objective

Some of objectives for conducting the exploratory study by Nagrika were:

1. Identify the prevalent institutional structures in different municipalities
2. Identify the roles and responsibilities of various departments and officials (elected as well as administrative) within a municipality
3. Map the 18 functions and the role of city governments and parastatals in performing them
4. Identify key informants in the administrative and deliberative wings
5. Identify civil society organizations and stakeholders in respective cities

The research for the state reports on 74<sup>th</sup> CAA was undertaken in three stages.

1. First, a detailed study of existing literature and relevant municipal acts was undertaken to understand the context
2. Second, discussions and interviews were undertaken in Bihar with multiple stakeholders over the period of one week. Nagrika team visited the Patna and conducted 19 interviews (5 Councillors, 13 Executives, 1 CSO) to understand the experience of decentralization.
3. Finally, the field insights were corroborated with secondary research to develop this report.



Sr. no	Name of City Government	Patna Municipal Corporation
1	Act	Bihar Municipal Corporations Act, 2007
2	Status (Corp, MC):	Municipal Corporation
3	Name of the District:	Patna
4	Area of the City Government in sq.km	109 km <sup>2</sup>
5	Population	1,684,222
	No. of wards	75
6	Term duration of present City Government	2
7	Name of the Mayor / President/Chairman	Sita Sahu*
8	No. of Corporators /Councillors-Elected	75
9	No. of Corporators /Councillors-Nominated (if not actual, based on Act)	
10	Name of the Commissioner / Chief Officer/Secretary	Anupam Kumar Suman*
11	No. of Sanctioned Posts in the Corporation	
12	No. of Vacant posts in the Corporation	
13	Schedule of council meetings (weekly, monthly?)	Monthly
14	If Smart city, is there a SPV in place?	Yes
15	Have ward committees been created?	No
16	Are there DPCs in the state?	Yes

\*As on 20/06/2019

## The Bihar Municipal Corporations Act, 2007

Municipal governments in Bihar are under the Bihar Municipal Act, 2007. The Government of Bihar enacted the Bihar Municipal Act, 2007 for all municipal governments, and repealed the Bihar Municipal Act, 1922 and the Patna Municipal Corporation Act, 1951. Subsequently, it framed the Bihar Municipal Accounts Rules, 2014 and the Bihar Municipal Budgets Manual.

After the enactment of the 74th Constitutional Amendment Act, the first election for constitution of elected bodies in municipalities in Bihar was held in 2002, and the next one was held in 2007. In January 2007, the Bihar Municipal Act, 2007 was enacted, replacing all the prevailing acts.

## Mayor and Deputy Mayor

The Mayor is referred to as the Chief Councillor in the Bihar Municipalities Act, 2007. The Mayor is elected through indirect elections in Patna, i.e., elected by councillors (Section 23). If the Councillors fail to elect the Mayor, the State Government can appoint one Councillor to be the Mayor (Section 23 (1)).

A few functions of the Mayor are given below:

1. The Mayor is the presiding officer of the Standing Committee (Section 20).
2. The Mayor can convene a meeting within 15 days whenever they feel it is necessary upon a requisition in writing by more than one-fifth of the Councillors in the Corporation (Section 48).
3. The Mayor is the presiding officer at every meeting of the Corporation (Section 51). During these meetings, the Mayor can exercise casting vote in case there is an equality of votes (Section 51 (2)).

The Deputy Mayor is to discharge the functions of the Mayor in his absence, including presiding over the Council meetings (Section 26).



## Standing Committee

Every municipality in Bihar is supposed to have a Standing Committee (Section 21). In case of a Municipal Corporation, the Standing Committee should consist of the Mayor, the Deputy Mayor and seven other Councillors (Section 21 (2-a)).

The term of the members of the Standing Committee is coterminous with that of the Municipal Corporation, provided it is not removed within two years of its formation (Section 27). The Mayor is the presiding officer of the Standing Committee (Section 21(5)). The executive power of the Municipal Corporation is to be exercised by the Standing Committee (Section 22).

Some functions of the Standing Committee are given below:

1. The Standing Committee may delegate powers and functions to the Mayor or the Commissioner (Section 28 (2))
2. It is the function of the Standing Committee to assign officers and other employees to the Wards Committee and designate the Ward Officer for the Wards Committee (Section 30 (7))
3. The Standing Committee may appoint an Ad-Hoc Committee from time to time to undertake studies or conduct enquiries for the Corporation (Section 33)
4. The Commissioner has to present to the Standing Committee an Establishment Schedule every year. After making recommendations, the Standing Committee is supposed to present it to the Municipality. The Standing Committee may sanction any category 'C' or category 'D' posts for a period not extending six months (Section 37)

## District Planning Committee

DPCs in Bihar are constituted under the Bihar Panchayat Raj Act, 2006. According to interviews with officials, there is a DPC for Patna district. The meetings of DPC are also attended by the Municipal Commissioner of PMC. DPC makes plans for the district and instructs PMC regarding projects to implement. According to officials at PMC, DPC is supposed to meet every month, but it meets once in every two months.

## Wards Committees

The Patna act makes provisions for both Wards committee and Ward Committee. The Act mandates the formation of Wards Committees for Municipal Corporations with a population of three lacs or more (Section 30). The Wards Committee, as per the Act, is formed by creating groups of wards of the Corporation with no less than three wards in each group. Each group is supposed to have a Wards Committee, whose members would be the Councillors from the wards in the group (Section 30).

The Councillors in the Wards Committee are supposed to elect from amongst them, a Chairperson who is not a member of the Standing Committee (Section 30 (4)). The Wards Committee is supposed to discharge the functions of the Corporation within its local limits, like provision of water supply, drainage and sewerage, collection or removal of solid wastes and provision of health immunization services and slum services (Section 30 (6)).



### Ward Committees and Area Sabha

Section 31 mandates the formation of a Ward Committee and Area Sabhas in each ward. The Act itself does not give the rules and regulations for their formation and working and says that it will be provided by the state government according to the classification provided under Section 7 of the Act. Section 7 provides classification of the areas under the Municipality according to their population.

However, as per the interviews conducted at PMC, no regulations have been formed. Thus Ward Committees and Area Sabhas have not been formed yet.

### Special Committees

A Municipal Corporation, may, from time to time appoint a Subject Committee consisting of elected Councillors of the Corporation to deal with matters related to water supply, drainage, solid waste management, urban environment, land-use control and slum services (Section 32). Each Subject Committee should consist of seven members in case of a Municipal Corporation (Section 32 (3)), and it should not include the Mayor, Deputy Mayor and the members of the Standing Committee (Section 32 (2)). According to the informants from the field, no subjects committee has been formed at PMC.



## Municipal Commissioner

The Commissioner can attend all the meetings of the Corporation (Section 56). It is the duty of the Commissioner to prepare a budget estimate for the Corporation each year and an establishment schedule and present it to the Corporation (Section 82). The responsibility of maintenance of municipal accounts of receipts and expenditure is vested with the Municipal Commissioner (Section 86). They are also supposed to prepare a financial statement containing income and expenditure of the Corporation four months before the end of a year (Section 88), and submit it before the Empowered Standing Committee (Section 90).

## Administrative Departments

As mentioned in Section 2, PMC is divided into six circles, with each circle having one executive officer and one city manager. Under each City Managers, there are section officers for establishment, sanitation and accounts, a revenue officer and a chief sanitary inspector. Each division of PMC also has an executive engineer under who there are assistant and junior engineers. As per the officials at PMC, the division and circle coincide. They have the same office, but different staff.

## Administrative Departments at the GHMC

Departments	Functions
Engineering Section	<ul style="list-style-type: none"> <li>Is responsible for all civil works</li> <li>Is responsible for drainage, water supply and traffic in the city</li> <li>Responsible for construction of parks, bus stops and the maintenance of roads</li> </ul>
Birth and Death Registration	<ul style="list-style-type: none"> <li>Registration of birth and death and issuance of birth and death certificate</li> </ul>
Solid Waste Management	<ul style="list-style-type: none"> <li>Manage primary and secondary collection of garbage</li> <li>Manage and operate segregation and processing of waste</li> </ul>
Bhoosampada (Estate) Section	<ul style="list-style-type: none"> <li>Keeping records of properties of PMC</li> <li>Managing all properties of PMC, even the ones that are leased out</li> </ul>
Enforcement Section	<ul style="list-style-type: none"> <li>Vigilance for illegal buildings/constructions and taking action against them</li> <li>Responsible for encroachment and prevention of the same</li> <li>Coordinate with the police department for the same</li> </ul>
Planning Section	<ul style="list-style-type: none"> <li>Aid to make the Master Plan</li> <li>Building Approvals</li> </ul>

Source: Primary Information from Field

No	Functions listed in 12 <sup>th</sup> Schedule	Patna
1	Urban Planning including town planning	Master Plan by Urban Development and Housing Department (UDHD). Implementation by Patna Municipal Corporation (PMC). Patna City Metropolitan Committee reportedly passed the Master Plan
2	Regulation of land-use and construction of buildings	PMC for Building Approvals, UDHD
3	Planning for economic and social development	PMC for National Urban Livelihoods Mission (NULM) and Pradhan Matri Awas Yojana (PMAY)
4	Roads and bridges	Roads Construction Department (RCD) for roads and Bihar Rajya Pool Nirman Nigam Ltd for bridges, PMC for repairs and maintenance
5	Water supply- domestic, industrial and commercial	Water board merged with PMC
6 a	Public health, sanitation, conservancy	Bihar Health Department for health related activities
6 b	Solid Waste Management	PMC
7	Fire services	Fire Services Department for Fire Services and No Objection certificate
8	Urban forestry, protection of environment and ecology	PMC for tree plantation drives, Department of Environment, Forest and Climate Change
9	Safeguarding the interests of weaker sections society including the handicapped and mentally retarded	City Mission management Unit (CMMU) in PMC for NULM
10	Slum improvement and upgradation	PMC for PMAY

No.	Functions listed in 12 <sup>th</sup> Schedule	Patna
11	Urban poverty alleviation	CMMU in PMC for NULM
12	Provision of urban amenities and facilities- parks, gardens and playgrounds	PMC and Department of Environment, Forest and Climate Change for parks and gardens
13 a	Promotion of cultural and aesthetic aspects	Youth and Cultural Department of Bihar
13 b	Promotion of Education	Youth and Cultural Department of Bihar
14	Burials and burial grounds, cremations, cremation grounds and electric crematoriums	PMC and Waqf Board
15	Cattle pounds, prevention of cruelty to animals	Department of Animal Husbandry and Fisheries for <i>gaushalas</i> , PMC for sterilization and vaccination of dogs
16	Vital statistics including registration of births and deaths	PMC
17 a	Public amenities including street lighting, parking lots and public conveniences	RCD, Bihar Urban Infrastructure Development Corporation (BUIDCO) and PMC for parking lots, PMC for streetlights, PMC for public toilets under SBM
17 b	Bus stops	BUIDCO and PMC
18	Regulation of slaughter houses and tanneries	PMC

City government control		Multiple agencies		State Control
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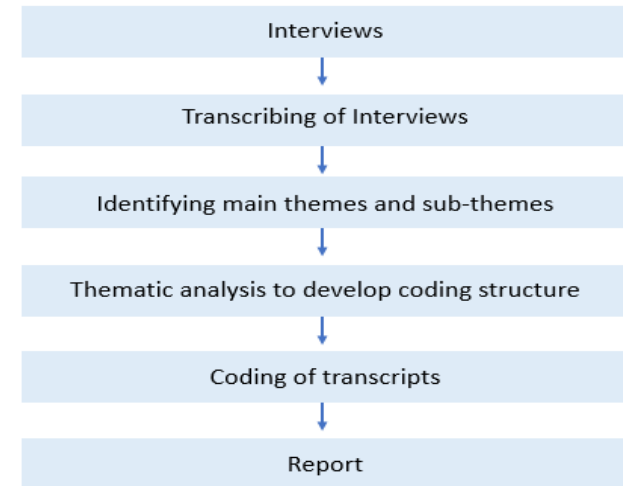
## Objective

The interviews aim to gather evidence on understanding urban governance and development from the view of elected representatives, the city executive and citizens. It explores the relationships between these different groups and identifies the challenges facing Indian cities.

The interviews explore the following themes

1. Governance structures and service delivery;
2. Resources (staff, finance, and skills) available to the Municipal Corporation;
3. Municipal finance and citizen participation.

## Analysis



## Interviews

As a part of the study, 16 interviews (9 Councillors, 5 Executives and 2 CSOs) were carried out in Patna in between 22<sup>nd</sup> July and 26<sup>th</sup> July 2019. The sample included city councillors, members of the Executive and civil society organisations. The participants were representative of gender and political parties at the state and city level.

The analysis in the next section is based on a sample of participants.

- The interviews were qualitative and the figures indicate the number of people who highlighted a particular issue.
- The percentages shown in the analysis are not mutually exclusive. Participants could have given more than one of the answers.
- The solutions capture the reflections of different respondents, and are not indicative of Praja Foundation's views.

The Interview Questionnaire for MLAs, Councillors and Executive have been added as Annexure.



Elected Representative	Calculation	E.g. Hyderabad	E.g. Patna
No. of MLAs		24	2
No. of councillors		150	75
MLA	10% of total MLAs in the city or a minimum of 2 (whichever is greater)	2	2
Councillor	10% of the Councillors (or a minimum of 3 Councillors per MLA approached whichever is greater)	15	8
	3 Councillors per MLA approached (or 10% of Councillors whichever is greater)	2 x 3 = 6	2 x 3 = 6
Executives	1 Executive per 3 Councillors or Minimum 3	5	3
<b>Total sample</b>		<b>22</b>	<b>13</b>

- Councillors and MLAs are selected at random. The sample is representative of the gender and party mix.
- Councillors in key positions are approached if they are not covered in the random sample – Mayor/Deputy Mayor, Ward Committee Chair, Standing Committee Chair, Members of Mayor-in-Council, Chairs of important statutory committees.
- All Municipal Commissioners are invited to participate + a sample of senior and junior municipal officials selected at random

## 1.1 Mayoral System

### STATUS

- Mayor is indirectly elected i.e. elected by councillors. If the Councillors fail to elect the Mayor, the State Government can appoint one Councillor to be the Mayor (Section 23 (1)), Bihar Municipal Act, 2007.
- Term of Mayor is 5 years.
- Mayor is chairperson of standing committee and Mayor has authority to nominate members of standing committee (Section 21).
- Mayor calls for the meeting of standing committee as well as council both.
- The Mayor can be brought under a no-confidence motion after two years from the election of the Mayor (Section 25 (4)).
- Section 25 (4) of the Act says that for a no-confidence motion, a requisition by not less than one third of the total number of councillors should be brought.

*As per 74<sup>th</sup> CAA, Municipal corporation is not given powers. Even Mayors are not empowered enough to run the corporation office. Mayor should have administrative power so that he/she should be in positions to take decisions.*

Councillor

### Levers

#### 5 years term

- The term of the Mayor is co-terminus with the term of the office of municipal corporation.
- Councillors believe 5 years period gives stability to mayor to take decisions.

#### Chairperson of Standing committee

- Since mayor is chairperson of standing committee, he is able to play major role in budget making process
- Mayor nominates the members of the standing committee.

### Barriers

#### Mayor cannot prepare of ACR of Commissioner

- Mayor being elected representative does not have authority to prepare Annual Confidential Report (ACR) of commissioner. Councillors believe commissioner should be accountable to Mayor and councillors.

#### No administrative powers to Mayor

- Councillors believe executive powers are mainly vested with commissioner and there should be balance of powers between them.

*The motion of no confidence against mayor is brought after 2 years. It has become a practice in every mayor's term. Thus planning happens mainly for 2 years. If mayor is changed then plans change. Thus its better if mayor is elected by people directly.*

Administration

### KEY TAKEAWAYS

- **Mayor has stable tenure**
- **Mayor is Chairperson of Standing committee**
- **Mayor does not have authority to prepare of ACR of Commissioner**

## 1.2 Committees and Role of Councillor

### STATUS

- All Councillors are elected independently in Patna. They cannot contest elections on the symbols of political party.
- There is ward wise development fund for councillors which is Rs. 2 crore

#### Standing Committee

- The standing committee can look into projects up to 2 crores. Then projects above 2 crores go to council for approval.
- Standing committee should be constituted which consists of Mayor, Deputy Mayor and seven other councillors (Section 21).

#### Wards Committee

- Wards committee comprises of minimum three wards from the city whose members are councillors from respective wards. (Section 30)
- Member of standing committee can not be chairperson of Wards Committee.

#### Ward committee and Area Sabha

- Section 31 of the act mandates formation of Ward committee and Area Sabha in each ward.

### Levers

#### Standing committee

- Standing committee has financial powers. It can sanction projects up to 2 crores.
- The term of the members of the Standing Committee is coterminous with that of the Municipal Corporation

### Barriers

#### Low salary for councillors

- Councillors get Rs. 2500 salary per month. Councillors stated amount of salary is very low since their monthly expenditure is much more than the salary amount.

#### Subject committees and Wards committees are not formed

- No subject and wards committees exist for deliberation for councillors although act mandates the formation of committees.

#### No rules made for formation of ward committees

- Officials stated that although there is provision in the act to form ward committees, however the problem is that the rules are not made for the formation of ward committees.
- Thus there are no ward committees constituted in Patna

*There is no ward sabha. We do that but it is not a provision that is enforced. It will be good also and bad also. Bad because it can get politicized. In that social activists should be there, engineers should be there, the important citizens of the ward should be there.*

Councillor

### KEY TAKEAWAYS

- **Standing committee is active and has financial sanctioning power**
- **Ward committees and areas sabhas are not formed as rules are not made for their formation.**
- **Councillors get Rs. 2 crore ward development fund.**
- **Councillors get very low salary.**
- **Need to provide training and build capacity of councillors**

### STATUS

- Apart from Patna Municipal Corporation (PMC), there is parastatal agency called as Bihar Urban Infrastructure Development Corporation Ltd (BUIDCO) which does development related work in the city. In addition there is Public Health Department, Bihar Fire Services Department who carry out functions in the jurisdiction of PMC.
- The BUIDCO is responsible for most of the infrastructure related works in the city.
- The town planning and building regulations related functions are mostly undertaken by the Urban Development and Housing Department (UDHD).

*The state government should remove multiple agencies working in the city and most of the work should come under the municipal corporation. The state government by adding various agencies, making the municipal corporation weaker. What they should do is make the municipal corporation more autonomous.*

Councillor

### KEY TAKEAWAYS

- **NOC is needed for parastatal agencies from PMC**
- **PMC has limited control over the services**
- **Lack of unified plan for the development of the city.**
- **Repetition of work due to poor coordination among agencies.**

### Levers

#### NOC from PMC needed

- Officials mentioned that BUIDCO needs to take No Objection Certificate (NOC) from PMC before they do any work in the jurisdiction of PMC.

*Earlier parastatal bodies never used to take an NOC but, since the nagar nigam has become stricter they have started taking NOC but they don't ask councilors.*

Administration

### Barriers

#### Limited control with PMC

- Councillors mentioned PMC has limited control over the city. The presence of multiple agencies is making corporation weak.

#### Parastatal bodies are not accountable to ERs

- Councillors mentioned that parastatal bodies do not work with the PMC. Councillors do not get report on any services from these agencies. However they work on services which are related to people from wards of the city.
- Councillors stated there is communication gap between PMC and other agencies.

*Other agencies don't let us work with them. They work in our jurisdiction but, they don't even pay attention to the councilors. In addition they don't give any report on work done. This is a huge drawback in communication.*

Councillor

#### No Common Plan for the development

- Parastatal bodies have their own plans and they work according to it. Officials and Councillors believe there should one unified plan for development and service delivery in the city.

#### Problems due to lack of coordination

- Officials mentioned that PMC has been facing problems due to no proper communication and coordination with other agencies.
- For instance, same road has to be constructed twice-thrice just because other agencies dig the roads without informing PMC. So there is wastage of money and duplication of work due to poor coordination.

## 1.4 Urban Schemes

### STATUS

- Patna is part of Smart City Mission (SCM). The Special Purpose Vehicle (SPV) has been created called as 'Patna Smart City Limited (PSCL) for the implementation of the projects.
- Officials stated PMC has 50% stake in the smart city mission.
- Mayor and Commissioner are members of SPV Board.

*The missions like Smart City Mission is incomplete without councillors' engagement because we know more than bureaucrats like commissioner. Councillors are public representatives and they are very well aware about issues of people from their wards.*

Councillor

### Levers

#### Funds for the development of the city

- Councillors and officials mentioned that there are more funds available for the development of the Patna city due to smart city mission.

### Barriers

#### No Councillors on SPV Board

- Only Mayor is member of SPV Board. No councillor is part of SPV board created for implementation of smart city Mission.
- Councillors mentioned smart city mission projects are implemented without taking suggestions from them.

#### Not all wards are part of SCM.

- Councillors mentioned that under smart city mission, only some wards are being selected for the implementation of the projects.
- Officials and councillors believe that there is need to focus on city level projects as well, only ABD approach will not be useful for the development of the city.

*If you want to make smart Patna then you need to think from all angles, you cannot just customise Patna for 25 percent of the population, it needs to be for all the people.*

Councillor

### KEY TAKEAWAYS

- **Increase in funds due to SCM and other schemes for the development of the city**
- **Councillors are not involved in the SCM.**
- **ABD approach -SCM projects do not focus on all wards in the city**



### STATUS

- PMC does not have authority to recruit manpower whenever needed. It is subject to approval from state government.
- Human Resources available with PMC are as follows.
  - Sanctioned positions : 658
  - Present employees : 576 (87 %)
  - Vacant positions : 82 (13 %)
  - Contractual Positions : NA

PMC does not even have 1 Employee per 1000 people for service delivery in jurisdiction of Patna city.

### Barriers

#### PMC does not have adequate staff.

- Officials mentioned that PMC lacks human resources required to provide services efficiently.

*We have really few resources and manpower to work efficiently; especially in regards to tax collection. We don't have staff and officers. Thus we've outsourced tax collection to private company.*

Administration

#### PMC Lacks adequate skilled staff

- Councillors believe PMC does not have adequate qualified staff i.e. engineers, planners, etc. to carry out work efficiently.
- Officials mentioned that parastatal bodies have expertise which PMC lacks and there is need to build capacity of PMC officials.

*For better and effective service delivery in the city, we need qualified and sufficient staff. At present BUIDCO and other parastatal bodies have expertise and state should build expertise of PMC as well*

Administration

#### State government's approval is needed for recruitment

- PMC cannot recruit staff by its own although there are vacant positions. It has to be approved by state government.

### KEY TAKEAWAYS

- **PMC has inadequate human resources to deliver services**
- **PMC lacks skilled staff for efficiency in service delivery**
- **Parastatal bodies have expertise and there is need to focus on capacity building of PMC**
- **Recruitment of staff cannot be done without approval from state government**



# Theme 3: Municipal Finance



## 3.1 Budget & Sources of Revenue

### STATUS

#### Budget

- The estimated budget of PMC for financial year 2019-20 is Rs. 4064 crores
- Per capita budget is Rs. 24,129

#### Financial Powers

- Commissioner can sanction projects up to 60 Lakhs. Then projects above 60 lakhs up to 1 crore need approval from standing committee.
- Municipal board can approve projects above 1 crore and there is no financial limit on board for project approvals.

#### Sources of Revenue

- Holding tax, tax on vacant land, professional tax, fees & user charges are main sources of revenue for PMC

*The state government has control over many taxes. When control over taxes will come under PMC then the state of municipal administration will improve. But the state government is of the opinion that if they end up giving more power to municipal corporations then their own power will reduce.*

Administration

### KEY TAKEAWAYS

- **PMC has adequate budget**
- **Improvement in revenue collection since PMC has outsourced function to private company**
- **PMC has limited sources of revenue**
- **There need to look for more potential sources**

### Levers

#### Increase in budget amount

- Councillors and officials mentioned that budget amount has increased significantly since previous two years. They believe PMC has adequate budget for development of the city.

#### Improvement in revenue collection

- PMC's property tax collection has significantly increased. Officials stated that they have outsourced tax collection to private company and revenue has doubled as compared past statistics.

#### No limit on municipal board (house) for financial approval

- Councillors mentioned that there is no financial restriction on municipal board to approve projects above 1 crore.
- It gives autonomy to board to decide projects with funds available with PMC without approval from state government.

### Barriers

#### Limited sources of revenue

- PMC does not have adequate sources of revenue. Currently lot of funds come from the state government, thus leading to dependency on state government.
- Councillors believe PMC should be given control over local taxes such as advertisement tax, entertainment tax and should be given share in GST.

*The central government's fund should directly come to the local governments. When it comes through the state then, it gets delayed and there is some interference as well.*

Councillor

#### No revision of tax rates on regular basis

- The tax rates for services are not revised regularly and PMC cannot revise it without approval from state government.

*The holding tax rate has not revised for 20 years and we don't have authority to revise tax rates. State government has the power.*

Councillor



## Annexure 1: City structure and governance status (1/2)

Reform Areas	Patna	Status in other cities
Interviews Conducted	<ul style="list-style-type: none"> <li>35 total including 14 ERs, 18 Executives, 3 CSOs</li> </ul>	<ul style="list-style-type: none"> <li>Total 746 in 23 states including in Mumbai, Delhi, Bhopal, Kolkata and Udaipur till November 2019</li> </ul>
<b>Governing Acts</b>	Bihar Municipal Corporation Act, 1994	<ul style="list-style-type: none"> <li>Different acts for different states, cities.</li> </ul>
<b>Service Delivery</b>	<ul style="list-style-type: none"> <li>PMC has independent control over 6 functions and multiple agencies/state departments are involved in remaining 12 functions.</li> </ul>	<ul style="list-style-type: none"> <li>Mumbai and Bhopal are leading cities in terms of devolution of 18 functions. However there is presence of various agencies in service delivery.</li> </ul>
<b>Municipal Finance</b>	<ul style="list-style-type: none"> <li>Property tax collection has been outsourced to private agency. Significant improvement in revenue collection.</li> <li>PMC has control over limited sources of revenue.</li> <li>No regular revision of tax rates</li> </ul>	<ul style="list-style-type: none"> <li>Mumbai- Mumbai has 72% of own sources of revenue to the total budget. The property tax collection is efficient.</li> <li>Raipur Municipal Corporation holds authority to revise taxes without approval from State Government.</li> </ul>
<b>Mayoral System &amp; key deliberative committees</b>	<ul style="list-style-type: none"> <li>Mayor is indirectly elected for the term of 5 years, but he/she is just ceremonial head and lacks administrative control.</li> <li>Mayor is chairperson of standing committee.</li> <li>Standing committee can sanction projects up to Rs. 2 crores.</li> </ul>	<ul style="list-style-type: none"> <li>Kochi Mayor is indirectly elected and has tenure of 5 years</li> <li>Kochi has eight standing committees and each councillor is part of at least one committee.</li> <li>Bhopal and Kolkata have Mayor in council system.</li> <li>Directly elected mayor in Bhopal and Mayor with MIC has financial powers to approve projects worth 5 crores. Right to recall of an elected Mayor in Bhopal</li> </ul>



Reform Areas	Patna	Status in other cities
<b>Multiple Agencies</b>	<ul style="list-style-type: none"><li>• Apart from Patna Municipal Corporation (PMC), there are parastatal agencies such as Bihar Urban Infrastructure Development Corporation Ltd BUIDCO which does development related work in the city</li><li>• BUIDCO takes NOC from PMC whenever required for development work in the jurisdiction of PMC.</li><li>• No unified plan is made for development of city by parastatal bodies.</li></ul>	<ul style="list-style-type: none"><li>• Multiple agencies are creating problems for efficient service delivery in cities like Mumbai, Delhi, Bhopal, Kolkata.</li><li>• 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.</li><li>• All the administrative departments of the municipal corporation and parastatal agencies in Bhubaneswar can be notified to be present in the council meeting in case of any issue</li></ul>
<b>Urban Reforms (smart city mission)</b>	<ul style="list-style-type: none"><li>• SCM has brought funds for the development of the city</li><li>• Councillors are not members of SPV board.</li><li>• PMC has 50% stake in the smart city mission.</li></ul>	<ul style="list-style-type: none"><li>• Bhopal has control over SPV to some extent.</li><li>• Udaipur: corporation has control over SPV. Mayor is vice-chairperson of SPV Board.</li><li>• Kochi municipal corporation does not have control over SPV. Mayor and secretary are member of SPV for the namesake.</li></ul>
<b>Citizen participation</b>	<ul style="list-style-type: none"><li>• There is lack of citizen participation in governance processes.</li><li>• Ward committees are not constituted in Patna. Even the rules are no made for the formation of ward committees.</li></ul>	<ul style="list-style-type: none"><li>• In Kochi, Ward Sabhas are conducted once in three months. People raise their issues and give proposals.</li><li>• Ward Sabhas are active in Dharamshala wherein citizens are entitled to participate in sabha meetings.</li><li>• Lok Mangal Diwas held in Lucknow where grievances are noted by Mayor and Commissioner presiding the meeting and accordingly complaints are directed to concerned officials for solving issues and closing.</li></ul>



## Annexure 2: Mapping of 74<sup>th</sup> constitutional Amendment functions (1/3)

Sr. No	Functions	Patna	Kochi	Bhopal	Mumbai	Udaipur	Kolkata
1	<b>Urban planning including town planning.</b>	Master Plan by Urban Development and Housing Department (UDHD). Implementation by Patna Municipal Corporation (PMC). Patna City Metropolitan Committee reportedly passed the Master Plan	Town and Country Planning Office (TCPO). Kochi Municipal Corporation (KMC) has the ownership of the Masterplan but they don't design it. They enforce its regulations. They also don't have a Town Planner position on their rolls.	Town and Country Planning Office (TCPO); Development Authority: Capital Project Administration (Bhopal); Directorate of Urban Administration & Development (DUDA); Bhopal Municipal Corporation (BMC)	Mumbai Metropolitan Region Development Authority (MMRDA), Maharashtra Housing And Urban Development Authority (MHADA) and Maharashtra State Road Development Corp (MSRDC), Municipal Corporation of Greater Mumbai (MCGM)- Town Planning	Master plan prepared by Town and Country Planning (TCP) and implemented by Urban Improvement Trust (UIT)	Kolkata Municipal Corporation (KMC), West Bengal (WB) Govt.
2	<b>Regulation of land-use and construction of buildings.</b>	PMC for Building Approvals, UDHD	TCPO. KMC has the power to sanction building plan approvals up to a limit.	TCPO; Committee for multi storeyed buildings; Development Authorities; MP Housing Board ; BMC	MCGM, MMRDA	UIT, Udaipur Municipal Corporation (UMC)	KMC, WB Govt.
3	<b>Planning for economic and social development</b>	PMC for National Urban Livelihoods Mission (NULM) and Pradhan Matri Awas Yojana (PMAY)	KMC; District Planning Committees; Ward Committees;	DUDA; BMC	MCGM, State Government	UIT and UMC	KMC, WB Govt.
4	<b>Roads and bridges.</b>	Roads Construction Department (RCD) for roads and Bihar Rajya Pool Nirman Nigam Ltd for bridges, PMC for repairs and maintenance	KMC. Roads and Bridges Development Corporation of Kerala (RBDCK)	Public Works Department (PWD); City governments; Traffic Police	Overseen by MCGM, MMRDA, MSRDC and Public Works Department (PWD)	UIT, UMC, Rajasthan State Road Development & Construction Corporation (RSRDCC)	KMC, WB Govt.
5	<b>Water supply for domestic, industrial and commercial purposes</b>	Water board merged with PMC	Kerala Water Authority.	Water Dept.; BMC for O&M	MCGM	Public Health Engineering Department (PHED), Rajasthan Water Supply and Sewerage Management Board (RWSSMB)	KMC

Legend

City government contro

Multiple agencies

State Control



## Annexure 2: Mapping of 74<sup>th</sup> constitutional Amendment functions (2/3)

Sr. No	Functions	Patna	Kochi	Bhopal	Mumbai	Udaipur	Kolkata
6 a	Public health and sanitation conservancy	Bihar Health Department for health related activities	KMC; State health department	Public Health Engineering Department (PHED)	MCGM	PHED, UIT, UMC, State Govt.	KMC, WB Govt.
6 b	Solid waste management	PMC	KMC	BMC	MCGM	UMC	KMC
7	Fire services	Fire Services Department for Fire Services and No Objection certificate	Kerala Fire and Rescue Services	BMC	MCGM	UMC	WB Govt.
8	Urban forestry, protection of the environment and promotion of ecological aspects.	PMC for tree plantation drives, Department of Environment, Forest and Climate Change	Forest and Wild life department. KMC (for beautification/greenery)	Forest Dept. and BMC; Biodiversity Board	Tree Authority under MCGM, Forest Department under State Government	UIT, UMC	WB Govt.
9	Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded	City Mission management Unit (CMMU) in PMC for NULM	KMC; Local Self Government (LSG) Dept.	Dept. of Social Justice; BMC	MCGM, Overseen by Social justice and Special assistance department under State Government	UIT and UMC	KMC, WB Govt.
10	Slum improvement and upgradation	PMC for PMAY	KMC ; LSG Dept.	BMC; Slum Clearance Board was dissolved	Primarily done by Slum rehabilitation authority (SRA), MCGM, MHADA and MMRDA	UIT and UMC	KMC, WB Govt.
11	Urban poverty alleviation	CMMU in PMC for NULM	Kudumsree. KMC	BMC	MCGM and State government	Ministry of Urban Development , Ministry of Housing and Urban Poverty Alleviation, UMC	KMC, Wb Govt.

**Legend**

City government control	Multiple agencies	State Control
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## Annexure 2: Mapping of 74<sup>th</sup> constitutional Amendment functions (3/3)

Sr. No	Functions	Patna	Kochi	Bhopal	Mumbai	Udaipur	Kolkata
12	Provision of urban amenities and facilities such as parks, gardens, playgrounds	PMC and Department of Environment, Forest and Climate Change for parks and gardens	Kudumsree. City government.	BMC	MCGM	UMC, UIT	KMC, WB Govt.
13a	Promotion of cultural and aesthetic aspects.	Youth and Cultural Department of Bihar	KMC	Culture Dept.; BMC	MCGM and Overseen by Ministry of cultural affairs- Maharashtra	UMC, PWD	KMC, WB Govt
13b	Promotion of education	Youth and Cultural Department of Bihar	State Education Department	State Education Department	BMC run schools	State Education Department , UMC implementing agency	KMC Schools and Department of School Education (State Government) Dept of Higher Education (State Government )
14	Burials and burial grounds; cremations, cremation grounds	PMC and Waqf Board	KMC	BMC	MCGM	UMC	KMC
15	Cattle pounds; prevention of cruelty to animals	Department of Animal Husbandry and Fisheries for <i>gaushalas</i> , PMC for sterilization and vaccination of dogs	KMC	BMC, Animal Husbandry	MCGM	UMC	WB Govt.
16	Vital statistics including registration of births and deaths.	PMC	KMC	BMC	MCGM	UMC	KMC, WB Govt.
17 a	Public amenities including street lighting, parking lots, bus slops and public conveniences.	RCD, BUIDCO and PMC for parking lots, PMC for streetlights, PMC for public toilets under SBM	KMC	BMC, Ujjain City Transport Services Limited (UCTSL); Bhopal City Link Limited (BCLL)	Bombay Electric Supply and Transport (BEST) of MCGM	PWD, UMC	KMC, WB Govt.
17 b	Bus stops	BUIDCO and PMC					
18	Regulation of slaughter houses and tanneries	PMC	KMC	Urban Development and Housing Department (UDHD); BMC; Pollution Control Board	MCGM	UMC	KMC

**Legend**

City government control

Multiple agencies

State Control



### Organisational Setup and Service Delivery:

*(Questions applicable for MLA as well)*

#### **I. Role**

- a) How would you define your role as *\*Councillor\** (changes depending on the respondent)?
- b) What would you say are your key responsibilities?
- c) What do the citizens see your responsibility as Councillor/MLA/Administrator?
- d) Are you a part of any statutory committee?
- e) What would you see your role as a member of the said committee?
- f) What are the challenges you face as being a member of the ruling/opposition party? *If in opposition, Is the corporation forum a hurdle or the approach of the bureaucracy?*

#### **II. Service delivery**

- a) Pick one service that you believe the municipal corporation has successfully delivered, and one where it has faced significant challenges.
- b) Why was the delivery of the *\*xx\** service a success?
- c) What mechanism is working to make the service a success? (Probe whether it's the funding priority or the manpower efficiency)
- d) Pick one service that you believe the municipal corporation has faced significant challenges
- e) What challenges do you think the corporation faced and
- f) how did they overcome this to make it a success?

#### **III. Monitoring**

*(Following Questions are not applicable for MLA's)*

- a) How do you to monitor the delivery of schemes, raise issues, and hold the administration to account?
- b) (Did you raise questions in the house? Did you ask for a report? Raise issues at Ward Committee? do you make use of the Municipal Secretary department?)
- c) How do you monitor performance and track the progress of the issued raised? Do you receive reports (audits, data etc.), from the administration?
- d) What is the frequency of these reports?  
A: Daily; B: Weekly; C: Monthly D: Quarterly; E: Biannually; F: Annually
- e) Do you use these reports to raise questions? Y/N
- f) How is your rapport with the administration?



### IV. External agencies

- a) What other agencies/departments were involved in the delivery of these services? (Give a list of agencies/departments)
- b) Why is the process of delivering this service complicated?
  - a) Because of the involvement of agencies
  - b) Because of the lack of leadership
  - c) Lack of Accountability
  - d) Poor communication between agencies
- c) Do you see yourself as having a role in improving the communication between the agencies?
- d) Do you/they hold regular meetings to ensure that its being done?
- e) Who organises it, at what level are they organised?
- f) Is there an escalation process of passing the work, if you face challenges?
- g) When state projects are sanctioned in your constituency do you have a say in the decision making process? Y/N
- h) How do you monitor whether the benchmarks are being met?
- i) (If the city is under Smart City Mission) What is the role and nature of the Special Purpose Vehicle?
- j) What are the key responsibilities of the SPV?
- k) What members of the corporation are a part of the SPV project?
- l) What is your opinion/evaluation on the SPV of the Smart city mission?

### v. Resources:

- a) Do you believe that the corporation has adequate resources in terms of manpower and tools to carry out delivery of services?
- b) Do you believe the municipal staff who work in your jurisdiction have the adequate skills to carry out their functions? (Very Poor/Poor/Average/Good/Very Good/Excellent)
- c) Do you think there is requirement for capacity building of corporation employees?
- d) Do you as a councillor have adequate resources in terms of the following to monitor the delivery of schemes, raise and understand issues, and hold the administration to account?
- e) Do you hire your own staff to support you in carrying out your responsibilities?
- f) If yes, how do you fund hiring your own staff? (Do you fund out of your own pocket (10,000 honorarium) or does the party fund it?)



### VI. Municipal Finance:

- a) What do you use your councillor/MLA/MP fund for?
- b) How did you go about deciding where to use this fund?
- c) How did you decide whether it should be funded from your fund or the administration core/sanctioned budget?
- d) Are you able to participate in the budgeting process of the Corporation?
- e) At what level are you able to participate in the budget making process?
- f) Who decides the priorities of the corporation for budgeting?
- g) Does the corporation have adequate budget?
- h) Do you believe it is being utilized?
- i) What are the major sources of revenue, which is the highest source of revenue?
- j) What are the other potential sources of revenue collection?
- k) Is the corporation mostly dependent on the state government for finances?
- l) How much control does the corporation have over deciding the tax and service rates?
- m) What are your views on providing municipal governments with more control over the way they spend their funds?
- n) Are you aware of the State Finance Commission? Whether the reports of the SFC are taken into consideration while reviewing corporation financial powers?
- o) Are recommendations implemented?
- p) What is your opinion on Goods and Services Tax, has it affected municipal finance?

### VII. Citizen Participation

- a) How regularly do you meet citizens in your constituency?
- b) How do citizens approach you- email/phone calls/letters/ in-person?
- c) What is the one service or issue that citizens are most likely to approach you for?
- d) Are you able to direct citizens to the concerned authority, or do you deal with the administration in your own capacity?
- e) Is there a grievance/complaint redressal mechanism where citizens can complain directly to the administration/corporation?
- f) Do you think citizens are aware about this?



### **VIII. Evaluation of Municipal Government:**

*(Following Questions are applicable for MLA's)*

- a) What is the biggest challenge you face in office?
- b) What would you change in the current system to make it work better?
- c) The balance of responsibilities between the administrative wing and the elected wing?
- d) What is your opinion on mayoral system of your city? Should the mayor have more powers? What are your opinions on mayor in council?
- e) Are you aware about the 74<sup>th</sup> amendment?
- f) Can you name one function under the 74<sup>th</sup> amendment that has been devolved to your satisfaction?
- g) Can you name one function in particular that has not been devolved to your satisfaction?



## Annexure 4: Interview Questionnaire for City Executive

### ***I. Role***

a) How would you define your role as \*Municipal Commissioner\*?

### ***II. Service delivery***

a) Pick one service that you believe the municipal corporation has successfully delivered, and one where it has faced significant challenges.

b) Why was the delivery of the \*xx\* service a success?

c) What mechanism is working to make the service a success? (Probe whether it's the funding priority or the manpower efficiency)

d) Pick one service that you believe the municipal corporation has faced significant challenges

e) What challenges do you think the corporation faced and

f) how did they overcome this to make it a success?

### ***III. Monitoring***

a) How often do you share updates on the delivery of services with municipal councillors?

b) Do councillors approach you for additional data or reports?

c) How is your rapport with the councillors?



### **IV. External agencies:**

- a) What other agencies/departments were involved in the delivery of these services? (Give a list of agencies/departments)
- b) Why is the process of delivering this service complicated?
  - a) Because of the involvement of agencies
  - b) Because of the lack of leadership
  - c) Lack of Accountability
  - d) Poor communication between agencies
- c) Do you see yourself as having a role in improving the communication between the agencies?
- d) Do you/they hold regular meetings to ensure that its being done?
- e) Who organises it, at what level are they organised?
- f) Is there an escalation process of passing the work, if you face challenges?
- g) When state projects are sanctioned in your area/ that affect your department do you have a say in the decision making process?
- h) Once the project is sanctioned, how do you monitor whether the benchmarks are being met?
- i) When projects are delayed or cost overruns happen, are you able to hold responsible authorities accountable?
- j) (If the city is under Smart City Mission) What is the role and nature of the Special Purpose Vehicle?
- k) What are the key responsibilities of the SPV?
- l) What members of the corporation are a part of the SPV project?
- m) What is your opinion/evaluation on the SPV of the Smart city mission?

### **V. Resources:**

- a) Do you believe that the corporation has adequate resources in terms of manpower and tools to carry out delivery of services?
- b) Do you believe the municipal staff who work in your jurisdiction have the adequate skills to carry out their functions? (Very Poor/Poor/Average/Good/Very Good/Excellent)
- c) Do you think there is requirement for capacity building of corporation employees?



### **VI. Municipal Finance:**

- a) Are you able to participate in the budgeting process of the Corporation?
- b) At what level are you able to participate in the budget making process?
- c) Who decides the priorities of the corporation for budgeting?
- d) Does the corporation have adequate budget?
- e) Do you believe it is being utilized?
- f) What are the major sources of revenue, which is the highest source of revenue?
- g) What are the other potential sources of revenue collection?
- h) Is the corporation mostly dependent on the state government for finances?
- i) How much control does the corporation have over deciding the tax and service rates?
- j) What are your views on providing municipal governments with more control over the way they spend their funds?
- k) Are you aware of the State Finance Commission? Whether the reports of the SFC are taken into consideration while reviewing corporation financial powers?
- l) Are recommendations implemented?
- m) What is your opinion on Goods and Services Tax, has it affected municipal finance?

### **VII. Citizen Participation:**

- a) Is there is grievance/complaint redressal mechanism where citizens can complaint directly to the administration/corporation?
- b) Do you think citizens are aware about this?
- c) Are councillors able to communicate the citizen grievances to you, to improve delivery of service?

### **VIII. Evaluation:**

- a) What is the biggest challenge you face in office?
- b) What would you change in the current system to make it work better?
- c) The balance of responsibilities between the administrative wing and the elected wing?
- d) What is your opinion on mayoral system of your city? Should the mayor have more powers? What are your opinions on mayor in council?
- e) Are you aware about the 74<sup>th</sup> amendment?
- f) Can you name one function under the 74<sup>th</sup> amendment that has been devolved to your satisfaction?
- g) Can you name one function in particular that has not been devolved to your satisfaction?



## Annexure 5: Operational Plan for Urban Governance Project

	2018		2019								2020		
	Aug - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March
<b>Research</b>	Completed Delhi Maharashtra Kerala, MP, West Bengal Rajasthan, Gujarat Goa	Haryana Punjab Andhra Karnataka	Jharkhand, Odisha Manipur Sikkim Tripura	Tamil Nadu Telangana Bihar	Uttar Pradesh  Chhattisgarh		Himachal Pradesh Uttarakhand	Arunachal Pradesh Nagaland Mizoram					
<b>Interviews</b>		Gujarat Goa Haryana Punjab Andhra Karnataka	Jharkhand, Odisha	Telangana	Patna	Tamil Nadu Chhattisgarh	Uttarakhand Himachal Pradesh					Manipur Tripura Sikkim Arunachal Nagaland Mizoram	
<b>State Consultation</b>			Rajasthan, Kerala, MP WB	Gujarat Goa Andhra Karnataka	Haryana Punjab	Andhra Pradesh	Jharkhand, Odisha, Karnataka	Chhattisgarh Uttar Pradesh	Telangana Tamil Nadu	Bihar Uttarakhand Himachal Pradesh			
<b>Regional Consultation</b>	Completed 1 <sup>st</sup> Round Table in Apr										2 <sup>nd</sup> Round Table		3 <sup>rd</sup> Round Table