

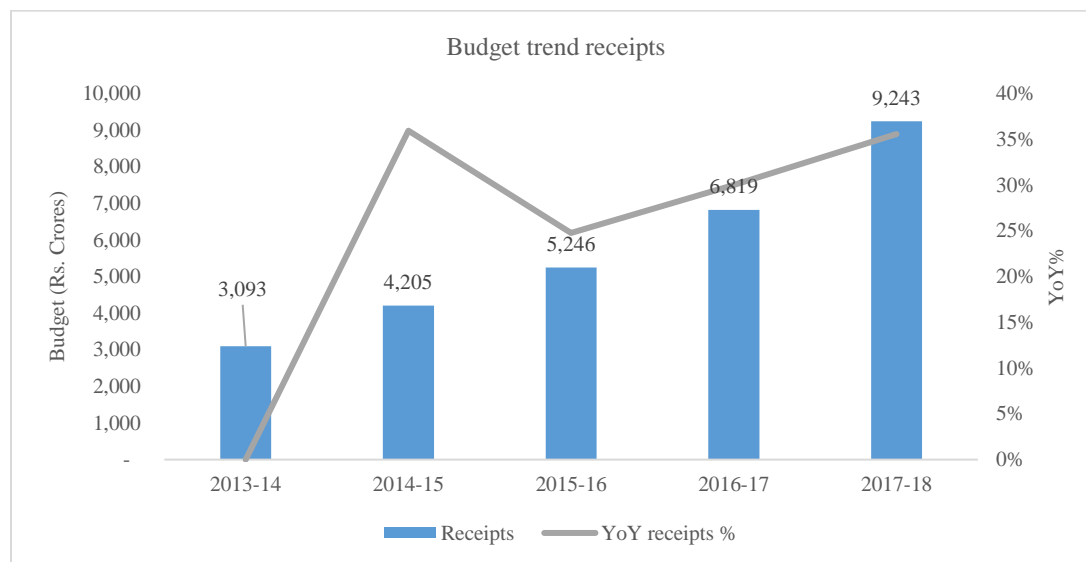
BBMP Budget 2017-18: Janaagraha Analysis

All amounts in Rs Cr unless otherwise stated; all growth rates on compounded basis unless otherwise stated

1. Budget trend

Table 1: Budget Trends

Particulars	Actuals	Actuals	Actuals	RE	BE
	2013-14	2014-15	2015-16	2016-17	2017-18
Receipts	3,093	4,205	5,246	6,819	9,243
YoY receipts %		36%	25%	30%	36%



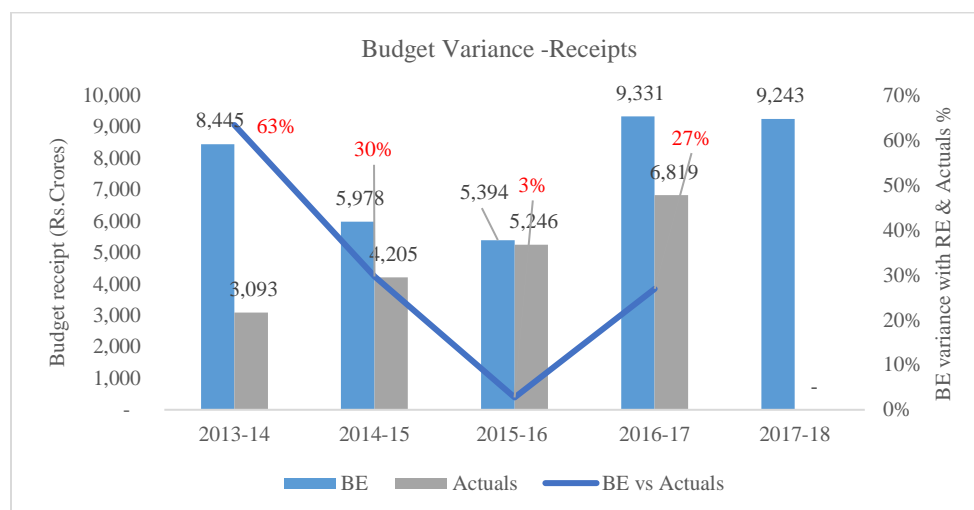
Comments

- In 3 years the BBMP has managed to grow its receipts at 30% annually which is a healthy growth rate
- The BBMP has set itself an ambitious target for itself in 2017-18. With increase in budgeted grants by Rs 1,000 Cr, what needs to be seen is whether the BBMP can mop up Rs 1,400 Cr in additional receipts.
- Property tax collections on the back of the GIS arrangement with ISRO would play a big role in whether or not the BBMP is able to achieve the target in 2017-18.

2. Budget Variance

Table 2: Budget Variance- Receipts

Particulars	Rs. in crores			Variance %
	BE	RE	Actuals	BE vs Actuals
2013-14	8,445	3,209	3,093	63%
2014-15	5,978	2,894	4,205	30%
2015-16	5,394	4,542	5,246	3%
2016-17	9,331	6,819	NA	27%
2017-18	9,243	NA	NA	NA



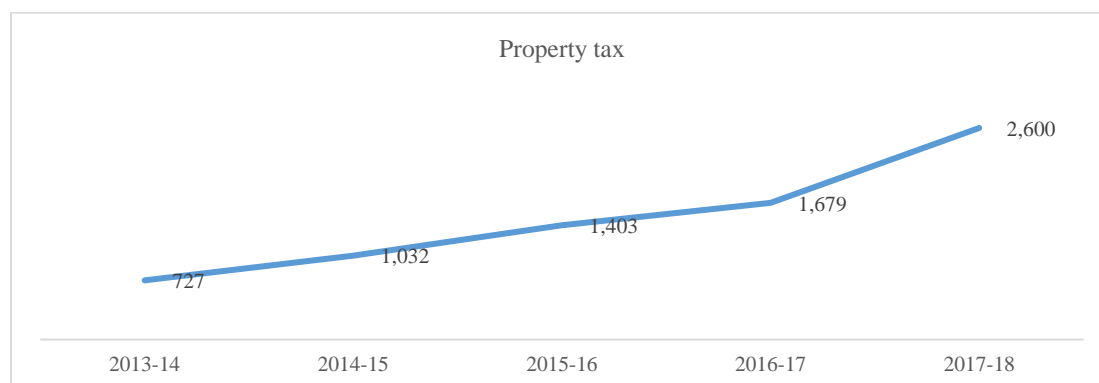
Comments

- Variance was 60% plus during 2010-2014, this has come down to 27% in 2016-17 which is positive, though still unhealthy.
- In comparison budget variance in Chennai during 2012-13 to 2014-15 was in a range of 0-10%
- BDA witnessed average budget variance of 59% during 2011-12 to 2015-16 and BWSSB recorded 43% average variance during the same period. BMTC came in lower at 13%.

3. Revenue analysis

Own Revenues	Actuals	Actuals	Actuals	RE	BE	CAGR %
	2013-14	2014-15	2015-16	2016-17	2017-18	13-14 to 16-17
Property tax	727	1,032	1,403	1,679	2,600	32%
Fees & Fines	324	522	606	597	904	23%
Other Income	146	197	446	698	964	68%
Receipts from BBMP Properties	21	12	26	26	32	7%
Advertisement Taxes	24	13	3	32	81	9%
Total Own revenues	1,243	1,776	2,485	3,032	4,581	35%
Total Receipts	3,093	4,205	5,246	6,819	9,243	
Own revenue to Total receipts %	40%	42%	47%	44%	50%	

CAGR- Compounded Annual Growth Rate



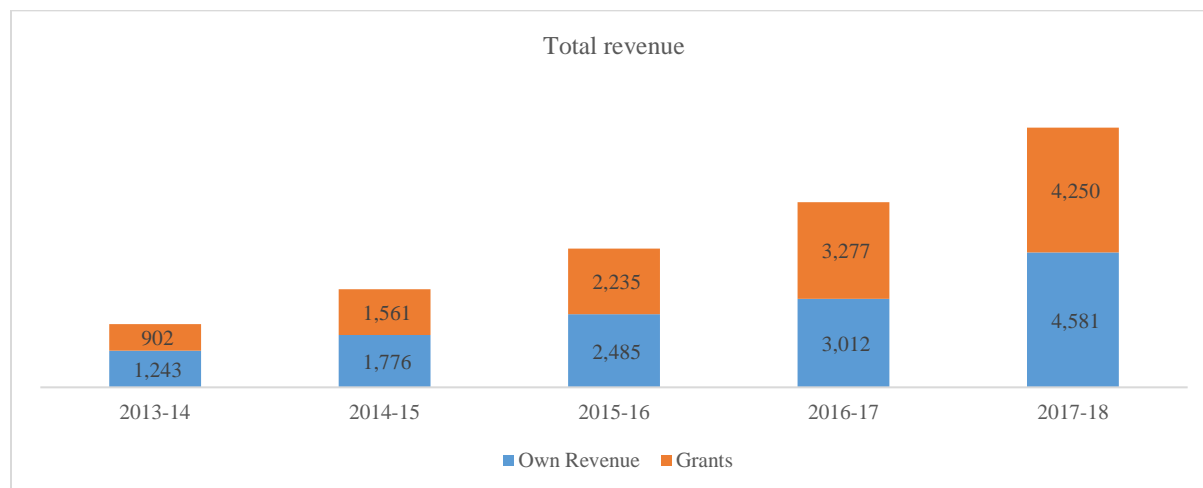
Comments

- Own revenues of the BBMP has grown at an annual rate of 35% during 2013-14 to 2015-16 which is healthy.
- Own revenue to Total receipts for the BBMP has ranged between 40-45% during 2013-14 to 2016-17. In comparison Pune and Mumbai have recorded > 60% Own revenue as per Janaagraha's ASICS 2016 report.
- BBMP has projected a 50% Own revenue rate for 2017-18 which appears ambitious. BBMP's dependence on state grants also comes through in the % of own revenues to total receipts.

4. Grants

Own revenue and Grants

Particulars	Actuals	Actuals	Actuals	RE	BE
	2013-14	2014-15	2015-16	2016-17	2017-18
Grants	902	1,561	2,235	3,277	4,250
Total Receipts	3,093	4,205	5,246	6,819	9,243
Grants as % of Total receipts	29%	37%	43%	48%	46%



Comments

- Grants have contributed immensely to the growth in BBMP's Budget over the years. They have grown at an annual growth rate of 54% during 2013-14 to 2016-17. This mainly constitutes State Govt grants. YoY, this dependence has been growing
- While the state government grants have provided much needed relief to the BBMP and citizens of Bengaluru, such dependence on state grants may not be sustainable. State Govt would need to devolve revenue powers to BBMP and hold it accountable for delivery instead of providing for grants towards specific infrastructure works.

5. Salaries

Particulars	Actuals	Actuals	Actuals	RE	BE
Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Salaries	483	530	532	528	638
Payments	3,343	3,778	5,198	6,820	9,241
% salaries to payments	14%	14%	10%	8%	7%
YoY %		10%	0%	-1%	21%

Comments

- An interesting trend is that salaries as % of total payments have fallen from 14% in 2013-14 to 7% in 2017-18. In comparison, Hyderabad and Chennai are at 16% and 27% respectively. BWSSB's salary bill at Rs 662 Cr constituted 22% of RE 2015-16
- This indicates that the BBMP should perhaps invest in good quality human resources and may be under investing in the same presently.

Department wise Salaries

Particulars	Actuals	Actuals	Actuals	RE	BE
	2013-14	2014-15	2015-16	2016-17	2017-18
GAD Management	118	155	532	528	638
Public Relations cell	5	1	-	-	-
Legal cell	14	1	-	-	-
Estates	0	0	-	-	-
Statistics	5	0	-	-	-
Revenue	0	53	-	-	-
Market	68	2	-	-	-
Advertisement	24	1	-	-	-
Horticulture	1	15	-	-	-
Health General	45	104	-	-	-
Health Medical	2	15	-	-	-
Engineering - Solid Waste Management	0	1	-	-	-
Town Planning	2	4	-	-	-
Engg - Public Works	1	125	-	-	-
MPED	18	0	-	-	-
Engg - Projects	112	3	-	-	-

Particulars	Actuals	Actuals	Actuals	RE	BE
	2013-14	2014-15	2015-16	2016-17	2017-18
Engg - Storm Water Drain	3	2	-	-	-
Engg- Traffic Engg cell	28	0	-	-	-
Education	1	28	-	-	-
Welfare	35	2	-	-	-
Public Health Engg	1	18	-	-	-
Total	483	530	532	528	638
YoY %		10%	0%	-1%	21%

6. Budgets vs Job Codes vs Bill payments trend

Table 1: Job codes vs Budgets

Year	No of Job codes created	Job Code Amount	Budgeted Expenditure
2010-11	10,902	2,073	
2011-12	13,252	6,888	
2012-13	10,468	2,505	
2013-14	8,791	2,792	3,343
2014-15	7,336	2,358	3,778
2015-16	7,659	2,137	5,198
2016-17	9,675	5,699	6,820
	68,083	24,452	

Budgeted expenditure is Actuals upto 2015-16 and RE for 2016-17

Table 1: Job codes vs Budgets

Time Period	No of bill paid	Gross Amount	Percentage (%)
On or before 31-March-2014	4,385	938.39	41%
01-April-2014 to 31-March-2015	2,574	482.74	21%
01-April-2015 to 31-March-2016	1,009	549.25	24%
01-April-2016 to 28-Feb-2017	474	311.28	14%
Total	8,442	2,281.66	100%

Comments

- It appears that significant amounts of pending bills have been paid. As per budget speech over 7,600 bills of Rs 1,167 Cr have been paid in 2016-17. The above table gives an indication of the same as well. This is overall a positive in terms of fiscal responsibility and budget management.
- Next step would be to complete or close Job Codes which have seen a proliferation over the last many years.