

In This Issue

MCGM budget of 2018-19

This issue aims at demystifying the Municipal Corporation of Greater Mumbai (MCGM) budget of 2018-19 as presented in the Municipal Commissioner's speech.



PRAJA

February 2018 Issue 87

DIALOGUE

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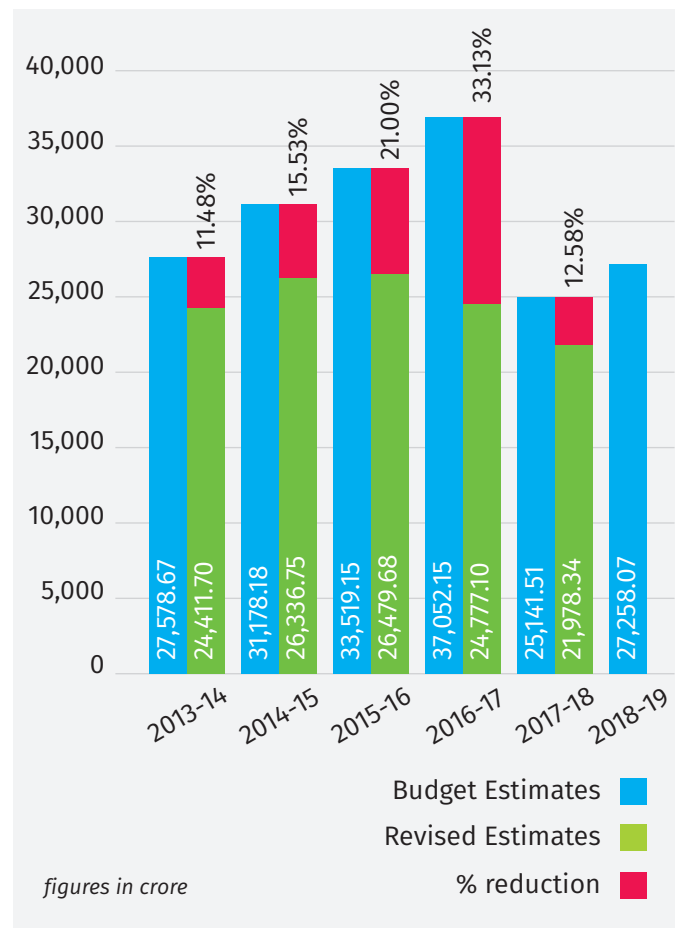
Big Story

The national and state budgets are prepared and presented by their respective finance ministers, both of who fall in the deliberative (elected) wing of governments. At the city level, however, the budget is prepared and presented by the Municipal Commissioner, a bureaucrat and an unelected executive appointed by Chief Minister through the Urban Development Ministry. The elected bodies, namely the standing committee and the Corporation then just debate on it and make small modifications, following which the budget goes into effect for the financial year. Just like the 'power of the purse' at the national level is with the Lok Sabha, the elected House, the preparation and presentation of the budget should be a responsibility of the elected (deliberative) body of the Municipal Corporation of Greater Mumbai (MCGM).

This system is leading to a trend in which important projects are dropped without any explanation. It leads to a disconnect with the mandate given by the people, which in turn the only explanation for is a simple lack of accountability. Further, there needs to be a setting of some basic service-level benchmarks in terms of outcomes of the budget. A budget's core purpose is rendered moot if there is no outcome-based approach which encourages monitoring and tracking the progress of spending.

MCGM's Finance Department has launched a portal for measuring the various service level indicators of Citizen Services. This measures 28 performance indicators across 4 key sectors, i.e. Water Supply, Sewerage, Solid Waste Management and Storm Water Drains. This, according to the Municipal Commissioner, has introduced performance monitoring in addition to financial monitoring in these sectors. However, these 28 performance indicators are not mentioned and the data pertaining to the same has not been mentioned in the budget. To the MCGM's credit, however, all details pertaining to the budget speech by the Municipal Commissioner over the years have been made available on the MCGM website. This is a step towards a transparent budgeting process.

This newsletter aims at breaking down the perceived complexity of the budget and simplifying it for consumption by any resident of Mumbai. The budget is broken down into major departments that the Mumbaikar relates most to, like; civic issues, health, education, and the budget under-utilisation therein.



Once the Budget Estimates (BE), an estimate of how much the Corporation plans to spend in the Financial Year (FY), are presented and passed in March/April, the Corporation revises these numbers based on spending and other factors and published Revised Estimates (RE). The RE is an indication of a more realistic spending figure that the civic body works up typically towards the end of the calendar year. 'Actuals' is what the MCGM actually spent in that FY.

Mumbai is falling prey to a trend in which budgetary allocation is significant but the translation of that into utilisation of funds is severely lacking. Despite having more-than-sufficient funds at its disposal, the MCGM is unable to optimally utilise these funds. This either means that the civic body does not have the willingness and/or expertise to execute the spending, or that they are over-ambitious to begin with and unnecessarily large provisions are made to please citizens and elected representatives with the size. As a result, accountability and efficacy of the Corporation needs to be kept in check.

To put this in perspective, the roads & traffic department of the MCGM in the Estimates of 2018-19 (Rs. 2,059 crores) has 8% of the total budget of 2018-19. And yet, the Mumbaikar has to deal with potholes and inadequate quality of roads year after year. Let us now delve deeper into the major departments and promises that the Commissioner has made through the budget.

All figures are in crores unless specified otherwise. All figures have been taken from the Municipal Commissioner's speeches over the years.

Table 1 Budget Estimates of Major Departments over the years

Department	2014-15	2015-16	2016-17	2017-18	2018-19
Disaster Management Cell	15.96	33.64	34.87	29.65	29.67
Education Department	2,032.50	1,895.40	2,021.07	1,895.38	2,150.90
Solid Waste Management Department	2,236.80	2,231.95	2,512.22	2,430.41	2,605.86
Transport Department	516.40	524.29	555.27	451.27	459.30
Storm Water Drains Department	1,458.18	1,426.33	1,408.48	844.11	928.88
Development Plan Department	1,071.69	940.57	1,777.51	1,258.44	1,021.46
Fire Brigade Department	357.65	486.29	581.59	435.81	419.20
Roads & Traffic Department	3,138.38	3,875.17	4,554.47	1,883.78	2,058.92
Health Department	798.52	895.06	944.68	793.48	868.42
Major Hospitals	966.37	1,114.05	1,187.75	1,094.14	1,185.31
Medical Hospitals	252.72	294.79	361.12	336.95	369.13
Specialised Hospitals	168.58	214.71	245.09	213.10	216.80
Peripheral Hospitals	630.92	727.70	840.38	793.13	927.56
Water Operation Department	2,186.75	2,438.57	2,662.07	2,249.81	2,244.33
Water Supply Project Department	1,548.29	1,025.93	643.21	328.04	452.78
Sewerage Operation Department	919.23	848.45	960.46	810.40	797.64
Sewerage Project Department	255.09	203.51	225.35	162.66	146.59
Mumbai sewerage project disposal	299.36	370.81	659.67	456.49	548.67
Total	31,178.18	33,519.15	37,052.15	25,141.51	27,258.07

Only Major Departments have been shown & 'Total' is total budget estimates

Proposed Plan in Speech 2018-19



Administration





Gross actual receipts from 'Octroi' tax in 2016-17 were Rs. 7,244 crores. The introduction of the Goods and Services Tax (GST) on the 1st of July, 2017 resulted in the abolition of Octroi. The State Government is mandated to compensate for the same.

MCGM's Finance Department has launched a portal for measuring the various service level indicators of Citizen Services. This measures 28 performance indicators across 4 key sectors, i.e. Water Supply, Sewerage, Solid Waste Management and Storm Water Drains.

What should be done?

Outcome-based approach must be implemented for expenditure of this grant

Data pertaining to the parameters should also be mentioned in the budget

Proposed Plan in Speech 2018-19	What should be done?
 <p>Salary of 1,06,000 MCGM employees registered on the E-Muster, biometric attendance (AEBAS) system is calculated on the basis of their attendance. The AEBAS system was launched in July 2017.</p>	<p>The MCGM should make public a module which specifies the number of sanctioned and available posts in the MCGM administration</p>
 <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Transportation</p>	<p>It is estimated that the average Mumbaikar spends 51% of travel time on foot (walking). Hence, the MCGM should not ignore the pedestrian</p>
	<p>These tall claims are backed by no data or calculation whatsoever, something that the Commissioner should have provided, considering the project costs the taxpayer Rs. 51.398 crores per km.</p>
	<p>Why is such material needed when there should not be any potholes in the first place?</p>
	<p>The estimates are insignificant considering the dire parking crisis the city faces due to shortage of space.</p>
	<p>This, coupled with the ambitious Coastal Road Project, indicates an inclination towards private transport over public transport.</p>
 <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Health</p>	<p>Utilisation of health budget, particularly on primary health needs to be increased. An emphasis needs to be on Primary health as common, easily curable diseases are growing in number, when they can easily be eradicated at their initial stages.</p>
	 <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Education</p>

