



**REPUBLIC OF KENYA**

**COUNTY GOVERNMENT OF KIAMBU**

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**COUNTY FISCAL STRATEGY PAPER (CFSP)**  
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**FEBRUARY 2015**

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## **Foreword**

This is the Second County Fiscal Strategy Paper (CFSP) under the devolved governance structure. Its purpose is to assist public understanding of the fiscal situation and the Government's proposed budget strategies. It contains:

- the principles that will guide preparation of the 2015/16 FY budget and over the medium term;
- the broad fiscal parameters for the 2015/16 FY Budget and the key Government strategies and policies for the management of revenues and expenditures;
- a discussion of risks to the budget parameters and the Budget Strategy;
- the medium-term outlook for government revenues and expenditures;
- a discussion of how the Budget Strategy relates to the fiscal responsibility principles and the County Integrated Development Plan

The proposals contained in this document have been subjected to public participation and the views arising thereof incorporated in consistence with the County Government's policy to improving transparency and accountability. The document is required under the Public Finance Management Act, 2012, and the fiscal data included is indicative. It may be adjusted if and when circumstances change during budget preparation.

Since coming to office, the Government has restrained recurrent expenditure growth. As highlighted in the paper, operating expenses have remained low with the growth of general Government expenses being estimated to have been only 1.2 percent from 2013/14 to 2015/16 Financial Year. This will be achieved by pursuing reforms to achieve value for money in the provision of Government services.

Finally, I am grateful to all County Treasury staff, led by John Gicaci, whose hardwork and invaluable skill in ensuring teamwork led to the timely delivery of the policy paper. Special thanks go to Robert Osano, Ann Nduta and the County Planning and Development Officer, Sophia Kamau, for their commitment, and Naomi Matheri of National Treasury for her great technical support.

We are also grateful to all Chief Officers for the valuable information they provided for their respective fields and for their cooperation during the period of the assignment. Lastly, I take this opportunity to express my profound gratitude and deep regards to the County Executive Committee led by His Excellency the Governor for exemplary guidance, support and constant encouragement throughout the course of our work.

**Mary Nguli**

**County Executive Committee Member, Finance & Economic Planning**

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## **Abbreviations**

BPS	Budget Policy Statement
CFSP	County Fiscal Strategy paper
CBEF	County Budget and Economic Forum
CBROP	County Budget Review and Outlook Paper
CIDP	County Integrated Development Plan
ECDE	Early Childhood Development Education
ECDEC	Early Childhood Development Education Centre
FY	Financial Year
ICT	Information, Communication & Technology
IFMIS	Integrated Financial Management Information System
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure framework
MTP	Medium Term Plan
PFMA	Public Finance Management Act
WB	World Bank
NaMSIP	Nairobi Metropolitan Services Improvement Services

## **Fiscal Responsibility Principles for the National and County Governments**

In line with the Constitution, the new Public Finance Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. The PFM law (Section 107) states that:

(2) In managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles-

- (a) the county government's recurrent expenditure shall not exceed the county government's total revenue;
- (b) over the medium term, a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;
- (c) the county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;
- (d) over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
- (e) the county debt shall be maintained at a sustainable level as approved by county assembly;
- (f) the fiscal risks shall be managed prudently; and
- (g) a reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

(3) For the purposes of subsection (2) (d), short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue

(4) Every county government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the county assembly.

## **Legal Basis for the Publication of the County Fiscal Strategy Paper**

The County Fiscal Strategy Paper is published in accordance with Section 117 of the Public Finance Management Act, 2012. The law states that:

1. The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly, by the 28th February of each year.
2. The County Treasury shall align its County Fiscal Strategy Paper with the National objectives in the Budget Policy Statement.
3. In preparing the County Fiscal Strategy Paper, the County Treasury shall Specify the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for the coming financial year and over the Medium term.
4. The County Treasury shall include in its County Fiscal Strategy Paper the Financial outlook with respect To County Government revenues, expenditures and Borrowing for the coming financial year and over the medium term.
5. In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of—
  - (a) The Commission on Revenue Allocation;
  - b) The public;
  - (c) Any interested persons or groups; and
  - (d) Any other forum that is established by legislation.
6. Not later than fourteen days after submitting the County Fiscal Strategy Paper to the County Assembly, the County Assembly shall consider and may adopt it with or without amendments.
7. The County Treasury shall consider any recommendations made by the County Assembly when finalising the budget proposal for the financial year concerned.
8. The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the County Assembly.

# 1.0 INTRODUCTION

## 1.1 Overview

1. The 2015 County Fiscal Strategy Paper (CFSP), the second to be prepared under the new dispensation of devolution continues to implement programmes set out in our Development Plan whose broad policies and priorities are anchored in the national development agenda. It outlines the broad strategic developmental issues and the fiscal framework, together with a summary of county government spending plans, as a basis of 2015/16 FY budget and over the medium-term. The policy paper is informed by the Kiambu County Integrated Development Plan (CIDP), the Vision 2030, the governor's manifesto, feedback from members of the public and National Government policies as outlined in the 2015 Budget Policy Statement (BPS).
  
2. As we enumerate the policies/programmes to be implemented in the FY 2015/16 and the medium term, it is worth noting some of the milestones that the county government has so far made. They include:
  - Full automation of revenue collection which has led to improved revenue efforts by almost double in FY 2014/15 compared with the FY 2013/14. Internal revenue collections amounted about KShs. 911.8 million by end January 2015 compared with KShs. 513.4 million same period in 2014.
  
  - Empowering the youth to engage in gainful activities : Biashara Fund was established; over 45 Boda Boda sheds were constructed, Business groups and individual entrepreneurs were trained on value addition and business management ,among other initiatives.
  
  - Numerous infrastructural developments
  
  - Promotion of sports activities through organizing various sports programs.

3. The implementation of programs under this CFSP is expected to promote sound public financial and economic management for socio-economic development, industrial and entrepreneurship development to attract more investors and create employment opportunities for the residents of Kiambu County. This CFSP, therefore, reiterates the government's priority programs and structural reform measures to be implemented in the Medium Term 2015/16-2017/18 that will move the County to the next level of development.
4. As the County implements its set policies and programmes, it continues to face challenges both internal and external. Towards this end, the County government is taking resolute measures to address these challenges, strengthen resistance to shock and nurture growth that opens economic opportunities and provides a better future for all the residents of Kiambu. We are, therefore, focusing on programs to improve public finance management and governance; entrepreneurship development, promoting/facilitating trade and employment creation; improving agricultural performance; County infrastructure development; and improving social services especially health and education.

## **1.2 Improving public finance management and governance**

5. Economic management for socio-economic development requires institutional renewal and strengthening that spurs efficiency and productivity gains. While progress has been made on the governance and public finance management front in the County, additional measures are required to avoid eroding these gains and to further entrench good governance and good public finance management at all levels within County.

6. In this regard, there are programmes outlined in this CFSP for FY 2015/16 and the medium term to advance this Agenda. They include:

***Capacity building:***

7. The County, through the Finance and Economic Planning Department in collaboration with the National Government will continue to enhance capacity building initiatives to support all County Departments in effective and efficient implementation of projects. The training will include areas of programme based budgeting, MTEF, monitoring and evaluation among others.
8. The Department will also continue to ensure timely financial reporting and publication of relevant documents as required by PFM laws to enhance transparency and accountability.

***Revenue Reforms:***

9. The County has in the past year made progress in enhancing revenue collection capacity. The County has proved it has potential that can be tapped more and generate more revenues. We shall, therefore, continue with reforms that will ensure that all loopholes that may leak revenues are sealed and that all fees/charges/tax payers are brought on board as required by our laws. The county embarked on automation of revenue collection, ISO certification and tagging of all county assets to ensure efficiency and effective service delivery as well as accountability of County assets for further revenue generation. As a matter of fact, Kiambu was the first county to go live on full automation of revenue collection and automation of processes.
10. The CFSP focuses on mobilizing additional revenue by strengthening enforcement and completion of administrative reforms including the automation of systems and

expansion of the revenue base to net in property rates and consolidation of revenues for ease of administration and collection. In line with international best practices, the County will focus on land and property tax as the most appropriate and most justifiable to finance its activities and provide services. It is envisaged that the tax base will be very wide with relatively low rates creating a large potential for revenue across functional sectors and sub-counties. A Revenue Enhancement plan will also be developed among other programs in the FY 2015/16.

### ***Expenditure Management:***

11. Achieving socio-economic development requires good management of scarce resources for maximum benefit. It entails management of expenditure so that programs funded are well implemented and that the programmes have bigger impact on the intended beneficiaries. This calls for efficiency and effectiveness in public resource utilization and budget execution. In the 2015/16 FY, the county will entrench program budget and enforce execution of the development budget as planned; ensure expenditures are as planned ; ensure Participatory monitoring and evaluation; preparation of Annual procurement plans and adherence to the plans; carry out risk based audit; and rolling out of Institutional risk management framework.

### **1.3 Entrepreneurship development, trade facilitation and employment creation**

12. As we all know young people around the world, in Kenya and in our County will not only determine our future, they define what the world looks like today. The County endeavours to implement programs that will in particular benefit the youth, women, and persons with disability as well as promoting growth of Small and Medium Enterprises (SMEs) which are all priority areas of focus for the government.

13. Despite the resilient growth, the rapid growth of the Kenyan population has resulted in fewer opportunities for formal employment in the traditional areas such as the civil service and the formal private sector. The Counties are also required to think outside the box and create employment for their residents/people. Therefore, emphatic efforts must now be placed on achieving broad-based growth embedded in enhanced agricultural production, encouraging small-scale businesses, relevant and high quality education, a flourishing private sector, conducive investment environment and dealing with gender imbalances.
  
14. The county government initiated measures to achieve Entrepreneurship development and employment creation in the last one year and will continue implementing them in the FY 2015/16 and over the medium term. The policy initiatives include; continuing and strengthening the Biashara Fund to gainfully engage the youth; Mapping of empowerment strategies; Developing, upgrading and managing of sports facilities; Identifying and nurturing talent; Operationalization of a Sports Academy to nurture top level skills development of sports men and women among others.
  
15. To promote entrepreneurship and trade in the County, the government will be implementing programs to facilitate and improve the operating environment for traders and entrepreneurs to thrive. Some of the specific programmes to be undertaken in the FY 2015/16 include: Construction and renovation of markets to improve business environment; Construction of more Boda Boda Sheds; Offer Advisory services to entrepreneurs or MSMEs; Credit disbursement to MSMEs; Develop Tourist/Heritage and Cultural centres; Marketing of Tourist/Heritage/Cultural centres in the County; and Improve operations of the Jua Kali operators among others.

## **1.4 Improving agricultural performance**

16. Agriculture will continue to play an important role in the County. However, it is faced with challenges including diminishing agricultural land sizes due to increased population pressure and real estate's establishment; inadequate water harvesting and storage; poor infrastructure; high costs and low quality agricultural inputs; inadequate organized marketing structures for agricultural produce; low value addition resulting in low producer prices; erratic and inadequate rainfall; limited use of modern technology; overreliance on rain fed agriculture; vulnerability to crop and livestock disease outbreak due to proximity to transportation routes; pollution of water resources among others.

17. To overcome these challenges, the County government has outlined policies to be implemented in the sector in the FY 2015/16 and the medium term. They include: improving strategic food reserves by procuring 2 million bags of maize bags; developing farming systems and crop suitability maps; promotion of technologies for sustainable farming systems and crop suitability; establish agribusiness centres; increasing land under irrigation; building of water pans and storage tanks; adoption of aquaculture innovations and technologies; and improving capacity for livestock industry development by training stakeholders in modern breeding technologies. To improve animal health, the sector intends to construct, rehabilitate and modernize diagnostic laboratories/facilities; train farmers on disease control and management; and purchase veterinary vaccines.

## **1.5 County infrastructure development/improvement**

18. Good Infrastructure is key to development of the other sectors as it eases movement of goods, services and people thus facilitating agriculture, trade and commerce

among others. The strategies and measures to be pursued in the Medium term include Maintenance and tarmacking of feeder/access roads, Installation of flood lights, rehabilitation and completion of bus parks and Construction of bridges. The specific programmes to be undertaken in the FY 2015/16 include: grading and gravelling 800 kilometres of roads; rehabilitating/constructing 30 bridges; rehabilitating 200 kilometres of roads; maintaining 150 kilometres of constructed roads; constructing 30 bus parks; rehabilitating 1,500 parking bays; and constructing and equipping 10 fire stations.

## **1.6 Improving social services**

19. Human capital is an essential part of development and sustainability of economic growth. This calls for educated and healthy people equipped with appropriate skills to enable them participate fully in development of the County and the Country at large.

### ***Education sector***

20. In the past FY, the county managed to increase enrolment rate in early childhood school by 30 percent; increased ECDE facilities under school feeding programme by 30 percent; Constructed/Refurbished and equipped 20 ECDE centres; constructed 10 modern toilets; Constructed and equipped one library; constructed and equipped 1 children's home/rescue centre among others.

21. The strategies and measures to be pursued in the Medium term include: Increase Enrolment in pre-primary and Youth Polytechnics education; enhancement of e-government; ICT infrastructure development and Community social service. Considerable progress has already been made in unlocking the potential of ICT as the enabler, in which regard the county won an award for Best Use of ICT category

during the Information Communication Technology Association of Kenya (ICTAK) awards ceremony held in December 2013. The County will continue to promote and further entrench adoption of automation and use of ICT.

22. In the FY 2015/16, ECDEC and polytechnics will be refurbished, county libraries will be equipped and new ones constructed in sub counties which do not have, refurbishment of community/social halls and setting up a cultural centre in the County will also be implemented.

### ***Health sector***

23. In the last one year, Hospitals were rehabilitated and renovated, new Ambulances were procured; gazettelement of health facilities and hospital boards; and automation of revenue collection in health sector was done, among many other achievements.

24. The strategies and measures to be pursued in the medium term include: rehabilitation/ construction/refurbishment of level hospitals (4); renovations and rehabilitations of 50 health centres and dispensaries; expansion of 20 facilities; purchase of medical and dental equipment; purchase of laboratory equipment; and purchase of generators.

## **2.0 RECENT NATIONAL AND COUNTY ECONOMIC DEVELOPMENTS**

25. Kenya's economy grew by 5.7 per cent in 2013 compared to the 4.5 per cent growth rate registered in 2012 (revised estimates by the Kenya National Bureau of Statistics). The growth was driven by expansion in agriculture, forestry and fishing, manufacturing, wholesale and retail trade, financial and insurance activities and information and communication. Inflation has been contained at single digit, interest rates are trending downward and foreign exchange reserves have improved. However, the Kenya shilling exchange rate has experienced mixed performance against major currencies in the recent past.

26. The County's performance is largely dependent on the formulation and implementation of prudent policies to guide service delivery. Its performance will also depend highly on the country's economic performance as the County large share of revenue is obtained through transfers from the National Government. The risks to this include continued uneven and sluggish growth in advanced economies; public expenditure pressures; insecurity and depressed rainfall which could affect exports and agricultural production respectively.

### **2.1 National economic outlook**

27. The economy is projected to grow by 5.3 per cent and 6.9 per cent in 2014 and 2015, respectively, and 7.0 per cent over the medium term (2015 Budget Policy Statement). This level of growth will be underpinned by continued implementation of economic policies by the national and county governments and structural reforms and hence favourable performances in the key sectors of the economy.

28. The robust growth will be underpinned by activities of the National and County governments. Some of the projects that will stimulate growth include the increased

production in agriculture and continued investment in infrastructure projects throughout the country. The growth will also benefit from increased investments and domestic demand following improved investor confidence, regional integration and lower international oil prices that will result in lower production costs and consumer prices.

29. Inflation is expected to be maintained at a single digit level and near the 5 per cent target reflecting implementation of a prudent monetary policy and easing of both food and oil prices, and stability of the shilling exchange rate to the major international currencies.

30. The activity level recorded at the county level will have a great impact on country's economic performance going forward. This will also depend on the implementation of devolution at the two tiers. Recurrent Vis a Vis development expenditure calls for a delicate balance to ensure that national and county goals are achieved as reflected in the County's Development Plan.

## **2.2 Update on Fiscal performance and emerging challenges**

31. Implementation of the FY 2014/15 budget is on track even though there was a cap on the expenditures to one-half of the budget in the first half of the budget cycle, now increased to Seventy Five percent for those counties that have complied with the Commission on Revenue Allocation (CRA) ceilings. Revenues have improved significantly with the enactment of the Kiambu Finance Act, 2014 and are expected to remain on track as projected in the second half of the financial year.

32. Going forward, we expect a better performance for the remaining part of the year since we are likely to access our full allocation as per the disbursement schedule

upon adoption of supplementary budget and clearance by CRA and Controller of Budget and thus be able to undertake various projects as per the approved budget.

33. On the revenue side, the county has so far received KShs. 3.6 billion for the current FY out of its total allocation of KShs. 6.7 billion. Assessment of the internal revenue performance indicates that the county has done very well. By end of January, 2015, internal revenue collections amounted to KShs. 911.8 million compared to the previous year's collection of KShs. 513.4 million. Despite being above the previous year's collection, the amount is below this year's target due to delays in passing of the County's Finance Bill.

34. Other factors that have led to the lower than expected performance in revenue collection is the ongoing restructuring in building plan approvals that had initially led to a moratorium on certain sections including in subdivision of land and change of user approvals. Others include an unstable county political environment for collection of fees, charges and levies, delays in procurement of automated revenue collection system occasioned by lengthy procurement procedures and the need to comply with National Government directives to ensure compliance with certain standards ; and, finally the low staff productivity occasioned by skill gaps among the available staff, among others.

35. On the expenditure side, the County spent KShs. 4.2 billion as of January 2015 equivalent to 43 percent of the total budget for FY 2014/15. The slow spending is as a result of initial challenges as outlined above. However, expenditure has now picked up and we are optimistic that the targets set for the year will be achieved and all programmes implemented as per the budget. (see Table 1 below)

**Table 1: Analysis of County Expenditures by January 2015**

<b>DEPARTMENT</b>	<b>BUDGET</b>	<b>TOTAL EXPENDITURE</b>	<b>% BUDGET</b>
County Assembly	988,600,000.00	475,072,258.00	<b>48</b>
County Executive	355,896,259.00	141,953,975.43	40
County Public Service Board	52,422,972.00	14,006,584.00	<b>27</b>
Finance and Economic Planning	724,299,687.00	326,738,079.63	<b>45</b>
Administration and Public Service	515,775,318.00	167,797,312.29	<b>33</b>
Agriculture, Livestock and Fisheries	644,158,089.00	235,030,390.32	<b>36</b>
Water, Environment and Natural Resources	406,978,864.00	126,927,746.01	<b>31</b>
Health Services	3,187,231,229.00	1,821,286,714.80	<b>57</b>
Education, Culture, ICT and Social Services	677,288,504.00	210,965,373.31	<b>31</b>
Youth and Sports	546,747,760.00	94,534,435.55	<b>17</b>
Lands, Physical Planning and Housing	324,264,310.00	55,886,246.04	<b>17</b>
Trade, Tourism, Industry and Co-Operative	341,377,803.00	90,329,300.25	<b>26</b>
Roads, Transport and Public Works	1,220,150,000.00	485,375,134.71	<b>40</b>
<b>TOTALS</b>	<b>9,985,190,795.00</b>	<b>4,245,903,550.34</b>	<b>43</b>

### **3.0 FISCAL FRAMEWORK FOR THE FY 2015/16**

36. The County government is committed to fiscal consolidation while ensuring that resources are availed for development in order to positively impact on productive sector growth and overall economic growth. In this regard, the county government is committed to reducing the recurrent expenditures and devotion of more funds to development. Reforms in the expenditure management and revenue administration will be implemented to increase efficiency, reduce wastages and increase revenues collected and hence create fiscal space for spending on development programmes within the budget.

#### **3.1 2015/16 Budget Framework**

37. The 2015/16 FY budget framework is set out against background of the medium term fiscal policy of the national and the county government and county government broad policies as domesticated in the County through the CIDP and departmental strategies and programmes.

#### **3.2 Revenue Projections**

38. According to the draft County Allocation of Revenue Bill, 2015, the county will get an equitable share of KShs 7.41 billion. In addition, the County government will get an additional conditional allocation of KShs 642.4 million for health facilities and road maintenance. The allocation for grants and loans from development partners will be KShs. 556.2 million. These makes the revenues expected from the national government for the FY 2015/16 amount to KShs 8.07 billion. The projects supporting the allocation of KShs. 556.2 million for grants and loans from development partners, even though factored in the budget framework will be executed directly by the

National Government, except the Danida allocation grant of Kshs. 19.2 million to the health facilities.

39. The County raises its own revenues through imposition of property taxes, entertainment taxes and other taxes that the county is authorized to impose by an Act of Parliament as well as user fees and charges authorized by county laws. For the FY 2015/16, the County projects revenue from these sources amounting to KShs. 3.0 billion.

40. The total revenue projections for the FY 2015/16 is therefore projected at KShs 11.1 billion with KShs 3.0 billion being county's own revenues and KShs 8.07 billion as intergovernmental transfers from national Government.

### **3.3 Expenditure Projections**

41. Considering the limited resources facing the county Government and competing programmes for funding, priorities for funding in FY 2015/16 has been given to projects/programmes that focus on strategic interventions. These programmes are geared towards promotion of service delivery that supports social development, economic growth and transformation of the County. They are also in line with the county goals and objectives as outlined in this CFSP, the 2015 BPS and the CIDP. In this regard, departments were required to rationalize and prioritize their expenditure programmes in the FY 2015/16 to focus only on the strategic interventions and projects as captured in these documents.

#### **Recurrent Expenditure Projections**

42. Total recurrent expenditures in FY 2015/16 will be KShs 7.4 billion as compared to KShs. 6.93 billion in FY 2014/15 revised Budget estimates, representing a growth of

only 6 percent. The slowdown in recurrent expenditure is necessary to release resources for funding to critical development programs which are necessary for economic growth and social development.

43. Salaries and wages for FY 2015/16 has been estimated at KShs. 4.3 billion as compared to revised budget level of about KShs. 4.0 billion in the FY 2014/15. This spending item is expected to decline over the medium term once the staff rationalization exercise is finalized. The exercise, which is on course, will match skills and functions and as a result retraining and offloading of redundant staff will be done. This will ensure efficiency and effective service delivery as well as create fiscal space for funding other development programmes. The slight increase in the FY 2015/16 is meant to cater for gratuity for staff on contract especially the Executive and County assembly members.

44. The Operations and Maintenance expenditures will be lower in the medium term due to removal of one-off expenditures such as office infrastructure and equipment from the recurrent budget coupled with other expenditure rationalization measures that will free resources for development expenditures. The estimated amount for FY 2015/16 is however KShs.3.1 billion up from the revised estimate of KShs 2.9 billion for FY 2014/15. The additional recurrent expenditures will be for furnishing of the new Kiambu headquarters offices.

### **Development Expenditure Projections**

45. The overall development expenditure for FY 2015/16 will be KShs 3.7 billion up from the FY 2014/15 revised estimates of KShs. 3.4 billion. This reflects a 9 percent increment from the previous Financial Year allocation and accounts for 34 percent of

the overall budget in line with the fiscal responsibility requirement of allocating at least 30 percent of the overall budget to development expenditure.

### **3.4 Overall deficit and financing**

46. To ensure fiscal discipline, the 2015 BPS encourages the County governments not to include deficits in their budgets for the FY 2015/16 without a clear and realistic plan of how the deficit will be funded. It is in this regard that the County Government has attempted to allocate resources for spending that are commensurate to the revenues expected in the FY 2015/16.

47. During the FY 2015/16 the county budget shall be financed through transfer from the National Government and own revenue collected from local sources such as fees and charges, rates, among others as allowed by the governing Acts.

48. The FY 2015/16 fiscal framework is therefore fully financed.

### **3.5 Risks to the 2015/16 Budget framework**

49. The risks to the 2015/16 financial year's budget include challenges in revenue performance as the county continues to put structures in place, seal loopholes and expand the revenue base.

50. The high wage bill is also a major challenge in the implementation of the budget. The County government inherited over 3,600 staff from the national government in addition to the 1,300 staff from the defunct Local authorities. Recruitment of additional staff will only be based on the outcome of the on-going job evaluation exercise aimed at staff rationalization to achieve a lean and efficient workforce and a sustainable wage bill. The lack of clear guidelines for clarity, harmony of operations

and delay by the National Government in finalizing the CARPS exercise is a drawback. It is expected that the National Treasury will allocate enough funds for staff compensation to support the staff rationalization.

51. Uncertainties associated with low staff productivity and other transition issues as the County builds on the developed structures will continue to affect performance.

52. Another major factor affecting performance is the delay in release of funds by the national government which has continued to disrupt the planned activities and programmes of the county and has hence compromised service delivery.

53. The County Government is working on modalities to improve coordination amongst County Departments, leaders in the County and National Government initiatives to help bolster development initiatives.

54. Inherited liabilities from the defunct local councils that have led to a build-up of pending bills continue to be a big challenge on the financial performance of the County. Identification and verification of the liabilities is currently underway and is being coordinated through the intergovernmental forums in order to chart a way forward. Ideally, the Transition Authority should ensure the National Government takes over the huge debts inherited from the defunct local authorities. The idea will be to enable the County Governments start on a clean slate without the burden of debt obligations.

### **3.6 Fiscal Structural Reforms**

#### ***Revenue mobilization***

55. The County intends to strengthen enforcement and restructure the organizational structure of finance department to enhance collection of revenues. It further intends to complete administrative reforms in revenue collection, key of which will be completion of the automation exercise. The County has initiated revenue automation in all key areas and will continue to further entrench this and ensure all processes are automated and the County goes cashless. Towards this end, the county will soon be launching a Kiambu County Huduma Card which will lead to easy access to services and greatly reduce the administrative burden of compliance. This is in addition to controls put in place and strengthened to seal loopholes and leakages in revenue collection.

56. Other key strategies to be adopted by the County Government includes; integration and digitization of data, collection of high quality data and mapping of the various revenue sources.

### ***Expenditure Management***

57. The County shall undertake capacity building initiatives to properly support other departments in implementation of projects. To ensure full stakeholder participation, transparency and accountability, and adherence to the PFM Act on budget process, the County Budget and Economic Forum (CBEF) was established and will be consulted fully on all matters of planning, budgeting, the economy and financial management at the county level.

58. The County is already using Integrated Financial Management System (IFMIS) in all its Departments including at the County Assembly and intends to roll out the same to the Hospitals and at the Sub-County level to have a tight grip in expenditure controls and ensure timely reporting.

59. The County Government will also initiate ward level development projects to be identified by ward level committees in each ward and implemented by the County Executive in compliance with the law. The purpose of this is to better target priority areas for each ward and to promote equitable development in the county. The type of projects will vary from one ward to another depending on the community needs. This will go a long way in complementing the efforts of the Departments in getting the services closer to County residents and in responding to varied priorities across the wards and further deepening devolution.
60. The County Government has already begun civic education programmes to enhance awareness and facilitate proper flow of information. Increased collaboration between the County Government and the County Assembly will expedite enactment of necessary legislation to ensure there is efficient running of County government thereby improving service delivery.
61. To complement the staff rationalization exercise, the County has adopted an ambitious policy of expenditure rationalization with a view to funding core services, ensuring equity and minimizing costs through the elimination of duplication and inefficiencies. The Government will also ensure continuous sector performance reviews as a strategy to encourage accountability within departments.

## 4.0 MEDIUM TERM EXPENDITURE FRAMEWORK

### 4.1 Resource Envelope

62. The resource envelope available for allocation among the departments is informed by the guiding principles of ensuring fiscal responsibility. It is derived from:

- i. Internal revenue generation which finances slightly over 30 percent of the County total budget.
- ii. National Government financing -Funds transferred from the National Government finance 70 percent of the county budget. In the FY 2015/16, the county anticipates to receive KShs 8.07 billion from the National Government.

63. Table 2 below summarizes the resource allocation;

**Table 2: Summary of Resource Allocations**

Details	2014/15 (Revised Budget) (in KShs)	FY 2015/16 (in KShs)	% to Total Budget
<b>Recurrent Budget</b>			
Personnel Emoluments	4,022,203,362	4,294,559,615	37.84
Operations and Maintenance	2,909,729,767	3,106,756,875	27.93
<b>Sub-total</b>	<b>6,931,933,129</b>	<b>7,401,316,490</b>	<b>66.77</b>
<b>Development Budget</b>			
<b>Total Development Budget</b>	<b>3,464,117,065</b>	<b>3,698,683,510</b>	<b>33.23</b>
<b>Total Budget</b>	<b>10,396,050,194</b>	<b>11,100,000,000</b>	

Source: Kiambu County Treasury

64. The proposed budget adheres to the fiscal responsibility principle by allocating 33.25 percent of the county budget to development against a requisite minimum of 30 percent. The wage bill has been contained below 40 percent and effort will be in place in subsequent years to lower this percentage further to not more than 35 percent of the total revenue in line with the guidelines issued by National Treasury. Further steps have been taken in order to manage the fiscal risks prudently and ensure a reasonable degree of predictability with respect to the level of tax rates, charges and tax bases.

65. In the Fiscal year 2015/2016 the county does not intend to borrow to finance any of its activities. This is informed by the fact that the debt management strategy, which has now been finalized, is meant to guide the county's borrowing. However, once guidelines are approved and proper measures have been put in place, the County, may, in the MTEF period borrow to fund capital projects. Any borrowing by the County will adhere to the borrowing framework agreed at the Intergovernmental Budget and Economic Consultation Forums (IBEC) and the fiscal responsibility principles of ensuring the borrowed funds finance development projects only.

#### **4.2 Resource Sharing Guidelines**

66. The allocation of departmental ceilings over the medium term is informed by the following guidelines:

1. Non-discretionary expenditures: This takes first charge and includes payment of Salaries and wages which are projected to use about 39 percent of the expected total revenue receipts.

2. Operations and maintenance: Departments are allocated funds for basic operations and maintenance. This accounts for 28 percent of the projected total Revenue.

3. Development expenditure: As indicated, 33 percent of the total revenue that will be available will be used to finance development expenditure. The entire Development expenditures are shared out on the basis of County priorities.

67. Further to the above mentioned guidelines, consideration is also given to completion of on-going projects and in particular focus on investment projects in priority areas that support social development, economic growth and transformation of the County.

68. The departmental resources ceilings are summarized in the table below.

**Table 3: Analysis of Resource Allocation By Sectors**

DEPARTMENT	TOTAL EXPENDITURE		PROJECTED		
	PRINTED 2014/15	REVISED 2014/15	2015/16	2016/17	2017/18
County Assembly	988,000,000	892,416,714	835,843,954	892,441,630	952,871,705
County Executive	355,896,259	294,568,636	436,175,033	195,965,879	209,235,356
County Public Service Board	52,422,972	62,281,333	35,000,000	38,360,056	40,957,538
Finance & Economic Planning	724,299,687	950,709,913	1,015,085,521	1,083,820,208	1,157,209,141
Administration & Public Service	515,775,318	673,325,318	718,918,328	767,598,589	819,575,143
Agriculture, Livestock & Fisheries	644,158,089	547,534,362	584,609,665	624,195,454	666,461,725
Water, Environment & Natural Resources	406,978,864	402,154,509	429,385,677	458,460,754	489,504,598
Health Services	3,187,231,229	3,393,685,391	3,623,482,682	3,868,840,282	4,130,811,830
Education, Culture, ICT & Social Services	677,288,504	796,204,905	850,118,486	907,682,726	969,144,827
Youth & Sports	546,747,760	498,028,260	531,751,346	567,757,931	606,202,635
Lands, Physical Planning & Housing	324,264,310	324,389,310	346,354,748	369,807,535	394,848,386
Trade, Tourism, Industry & Co-Operative	341,377,803	341,377,803	364,493,586	389,174,613	415,526,870
Roads, Transport & Public Works	1,220,150,000	1,219,373,740	1,301,941,435	1,390,100,053	1,484,228,174
<b>TOTAL CEILINGS</b>	<b>9,984,590,795</b>	<b>10,396,050,194</b>	<b>11,073,160,461</b>	<b>11,554,205,710</b>	<b>12,336,577,928</b>

## **5.0 DEPARTMENTAL/ SECTOR REPORTS**

### **5.1 Finance and Economic Planning**

69. The Department plays a key role in enhancing service delivery, organization and co-ordination of county programmes through planning, budgeting and mobilization of financial resources in the County. The sector is also the link of all other sectors with the National government in matters of finance and resource mobilization.

70. The Department is mandated with the preparation of annual estimates of revenues and expenditures that are laid before the County Assembly every year for approval including the preparation of supplementary estimates as the need arises. It is the County's think tank responsible for policy analysis on a wide range of issues including: fiscal issues, trade issues and private sector development issues. It's also mandated to ensure that external resources (grants, loans, donations) are effectively mobilized, disbursed and effectively utilized and that there is prudent public debt management. It is responsible for the administration and enforcement of revenue laws and for that purpose collecting and accounting for all rates, taxes, fees and charges payable by or under any laws in the County; collection of statistical data needed for planning purposes; County budget implementation, monitoring and evaluation.

71. Some of the key achievements of the Department include: elimination of manual payments and full adoption of IFMIS system and e-procurement system, substantial progress in alignment of prioritized expenditure to available resources; institution of strategies that have increased resource absorption among Departments, institution of sound financial reforms and expenditure management strategies, mobilization of substantial amounts of revenue for funding of programmes, uptake of ambitious automation programmes, implementation of county revenue laws including the

Finance Act; drafting annual Budget Estimates. Successful formulation of the Annual Development Plan (ADP), County Budget review and outlook paper, and other budgeting documents in a timely manner. The Department consolidated a register of assets and liabilities; the updating of the valuation rolls. The Department embarked on ISO certification as a way of ensuring continuous improvement of processes and procedures.

72. The key challenges facing the Department include a high wage bill, poor flow of information from the national to the County government; lack of reliable baseline information especially statistics at County level, delayed release of revenue by the national government, inadequate levels of revenue to fund county functions, human resource constraints especially for the skilled/trained cadre; poor coordination amongst departments; lack of adequate office space for staffs both at the county and sub county level. Presence of self-interested lobby groups has posed a challenge in the implementation of financial and economic planning policies and the heated political climate prevailing in the county has sometimes led to slower implementation of the development agenda, among others.

73. Funding for the 2015/16 -2017/18 MTEF period will focus on delivery of the Department's priorities and in particular those aimed at creating an efficient and a motivated human resource and a sound financial and economic management for socio-economic development. The Department's priorities also entail ensuring increased capacity in revenue mobilization through purchase of revenue vehicles, strengthening of planning and budget execution, implementation of projects, monitoring and evaluation.

74. Some of the specific programmes to be undertaken in the FY 2015/16 include mobilizing additional revenue by strengthening enforcement, completion of revenue

administrative reforms; Automation of processes to increase revenue compliance; Expansion of the revenue base to net in property rates and Land rates which is the greatest revenue earner for most of developed devolved units in the world. The Department will also enhance its capacity to support Departments in implementation of projects through mounting trainings tailored towards accountability, transparency and enforcement of the financial management regulations; ensure improved management of public resources; and ensure reorientation of budgetary resources towards development projects. The Department will also be keen in ensuring development of proper legal and regulatory framework for revenue collection; Participatory monitoring and evaluation; development and execution of a Revenue Enhancement plan; carrying out risk based audit; Rolling out of Institutional risk management framework; Development and implementation of economic policies; Working towards ISO certification; Rolling out IFMIS and its related systems to all accounting units and sectors; Rollout of E-procurement system; Research into proper management of County Government properties especially land and building to increase revenue from this assets; Training of accounting officers and departmental accounting and finance officers to update them on the current regulatory requirements and proper accounting procedures to seal bureaucracies that may hinder service delivery; Buildings capacity in the internal audit and procurement departments; Updating the register of assets and liabilities;

75. For the FY 2015/16, KShs. 1,015,085,521 has been set aside to fund the programmes of the department up from the FY 2014/15 revised budget of KShs 950,709,913. This is projected to increase to KShs. 1,083,820,208 and KShs. 1,157,209,141 in the FY 2016/17 and FY 2017/18 respectively.

## **5.2 Trade, Industry, Tourism and Cooperatives Department**

76. Trade, Tourism, Industry and Cooperative Development Sector integrates both product and service industries. The sector comprises of four Sub sectors namely: Trade and Markets; Industry; Tourism; and, Marketing and Cooperatives Development.
77. The Department plays a vital role in positioning the County as an industrial, trade and tourism hub. It envisions a competitive County for sustainable and equitable social economic development with a mission of promoting, coordinating and implementing integrated social economic policies and programmes for a rapidly industrializing economy. The Department works to advance and support Kiambu County's economic vitality through comprehensive business attraction, retention and support efforts coordinated by the proposed Business Support Centres (BSC). The Department also preserves Kiambu County's heritage and historic record as an attraction to tourists.
78. The strategic goals and objectives for the sector are: Promotion and development of trade, markets; Trade Licensing and Business Regulation; Formation and Profiling of Producer Business Groups (PBGs); Financial support to the Micro, Small and Medium Enterprises (MSMEs); Promotion, Registration, supervision, inspection and auditing of cooperative societies; Capacity building, value addition and entrepreneurship; Construction of wholesale and retail markets, construction of modern model kiosks; Awareness creation and enforcement of legal metrology Act and other Acts; Promotion of fair trade practices and consumer protection; Advising on taxation, Fraud Risk management and governance in the co-operative sector; Promotion of Micro, Small (Jua Kali) and cottage industries; Promotion of investments and industrial development; Promotion of Industrial parks; Promotion of technological transfer; Resource mapping, profiling and data collection in all the sectors; Profiling and development of tourism products (tourist, cultural and heritage)

and services in the county; Marketing and product development in the County within the entire sector; Promotion of value addition through the One Ward One Product initiative; Promotion and facilitation of production of exportable products; Empowering women and youth in entrepreneurship; Encouraging investments in tourism sector in the County; Verification and stamping of weighing and measuring instruments for use for trade in the county; Cooperatives Development

79. The period under review saw the construction of over 45 Boda Boda sheds, initiation of programmes to construct, rehabilitate and renovate five (5) markets requiring major works and seven (7) markets requiring small works; Under cooperatives, the sector not only achieved but exceeded its target of reviving dormant cooperatives and registration of new cooperatives that included the bringing together of Boda Boda operators at the established Boda Boda sheds to form Co-operative Societies. Under the trade and industry divisions, over 33 Business Groups numbering over 80 individual entrepreneurs underwent training on value addition and Business management. The capacity building initiative was realized in partnership with the One Village One Product programme, supported by the Japan International Co-operation Agency (JICA).

80. Key challenges of the Department include: inadequate legal, regulatory and institutional frameworks; limited access to credit for businesses; delays associated with preparation of Bill of Materials (BoMs) for works, high cost of production especially energy; influx of sub-standard and contraband goods hence reduced market for good produced within the county; and low technology and innovation. Travel Advisories; Security; Climate change; Infrastructure; Energy; Inadequate funding for programmes; Weak implementation of Policies and Regulations; Access to Credit Facilities and Financial Services; ICT Infrastructure; Low level of awareness on Regional Integration Opportunities/Benefits.

81. Funding for the 2015/16 -2017/18 MTEF period will focus on delivery of the Department's priorities and in particular those aimed at growth and development of trade and industry; tourism promotion and development; savings and investments mobilization; industrial and entrepreneurship development and employment creation.
82. Some of the specific programmes to be undertaken in the FY 2015/16 include:;; Improved business environment in Kiambu County by Constructing one (1) market hub centre in Ruiru, Five (5) markets; Renovation/Rehabilitation of Seven (7) markets; Construction of 60 Boda Boda Sheds ; Construction of thirty (30) modern model kiosks; Offering of Advisory services to entrepreneurs or MSMEs Credit disbursement to MSMEs; Enforcement of Anti-Corruption policy in Co-operatives; Develop three (3) Tourist/Heritage and Cultural centres; Engage in Marketing of Tourist/Heritage/Cultural centres in the County and participation in exhibitions; Improve operations of the Jua Kali operators; Capacity building and Human resource development; Monitoring of projects and programmes undertaken among others
83. For the FY 2015/16, KShs.364, 493,586 has been set aside to fund the programmes of the department up from the FY 2014/15 a proposed revised budget of KShs. 341,377,803. This is projected to increase to KShs. 389,174,613 and KShs. 415,526,870 in the FY 2016/17 and FY 2017/18 respectively.

### **5.3 Agriculture, Fisheries and Livestock Department**

84. The Agriculture, Livestock and fisheries Department comprises of five sub-divisions namely: Agriculture and irrigation; Livestock and Fisheries; Monitoring Evaluation and reporting; veterinary services; and, Agribusiness and Marketing. In addition, the Agricultural Training Centre at Waruhiu and Agricultural Mechanization Service are

under the Department. The Mandate of the Department is to promote innovative, commercially oriented agriculture through favorable policy and legal framework for sustainable development of crop, livestock and fisheries industry for accelerated equitable socio- economic development in the County. The goal of the sector is to attain food security, and sustainable agricultural infrastructure development. The key policy goals of the sector include: raising agricultural productivity through value addition, increasing market access and adoption of technologies; exploiting irrigation potential and sustainable management of resources in the sector.

85. Some of the key achievements during the period under review include: development and launch of Strategic Plan for 2013-2017; Training of 6,000 farmers on various agricultural technologies; training over 300 officers from all the sub-counties on Technology transfer, Soil & water management, Pests and diseases control, Stevia management and Value addition; Sixty (60) Green houses were constructed in all the Sub Counties and planting in them commenced ; completed Kawira and Wamoro water irrigation project ;Routine livestock vaccination done; enactment of Kiambu County abattoir law; completion and launch of Gatundu South slaughter house ; rehabilitation of Thika municipal slaughter house; Construction of banana collection centre, formation of marketing cooperatives; Exhibitions and shows done to promote access to market for agro processors; Equipping of soya beans processing centre; 1,000 farmers trained on marketing, farm business planning and record keeping; Market linkage for bananas, tomatoes and capsicum; organising educational tours for the farmers; stakeholder forum formed on Public private partnership for market, input and credit access to farmers; and development of enterprise based brochures.

86. Key constraints in the Department include: Diminishing agricultural land sizes due to increased population pressure and real estate's establishment; Inadequate water harvesting and storage; Poor infrastructure; High costs and low quality agricultural

inputs; Low quality seeds/breeds; Inadequate organized marketing structures for agricultural produce; Low value addition resulting in low producer prices; Erratic and inadequate rainfall; Limited use of modern irrigation technology; Over reliance on rain fed agriculture; Low adoption of modern technology in agricultural sector; Vulnerability to crop and livestock disease outbreak due to proximity to transportation routes; Pollution of water resources; and Low utilization of dam fishery resource.

87. Some of the specific programmes to be undertaken in the FY 2015/16 include: development of policies to improve agricultural performance; Adoption of aquaculture innovations and technologies; development of intensive production technologies systems; Improving capacity for livestock industry development by training 150 stakeholders in modern breeding technologies; Support of feed reserve by procuring initial 30,000 Fodder bales for organized farmer group ; establishment of mini tannery in Kikuyu Sub-County. The sector also intends to rehabilitate and modernize 3 diagnostic laboratories/facilities; train 10,000 Farmers on disease control and management, purchase and deliver veterinary vaccines; support improvement of livestock genetics by establishment of embryo transfer technology within Waruhiu ATC; Rehabilitation and support of the 2 county slaughter houses; procure and install 100 green houses for organized farmer groups; support dairy sector through value addition by procuring 1 pasteurizer; 6 bulk milk coolers; Construction of county animal feed factory; support procuring and stocking 60 fish ponds; purchase 5 departmental motor vehicles; Development of climate smart agriculture in the county incubated at Waruhiu ATC; rehabilitation and modernization of Waruhiu ATC; support value addition in soya, sunflower, indigenous chicken, rabbit and honey processing.

88. For the FY 2015/16, KShs.584, 609,665 has been set aside to fund the programmes of the Department up from the FY 2014/15 proposed revised budget of KShs.

547,534,362. This is projected to increase to KShs. 624,195,454 and KShs. 666,461,725 in the FY 2016/17 and FY 2017/18 respectively.

#### **5.4 Youth, Sports and Communications Department**

89. The Youth Affairs, Sports and Communication Sector comprises of three sub sectors namely; Youth affairs, sports and communication. This Department continues to play its strategic role in the County's transformation and economic development through: promotion and development of youth and sports for a vibrant sporting industry and empowered Youth. The Department's vision is to create an enabling environment for the promotion and development of youth and sports with a mission to transform and inspire through youth empowerment and sporting excellence.

90. The Department deals with all matters relating to youth including promotion of their welfare, training and linking them to productive economic ventures. It is involved in organization and mobilization of the youths for voluntary participation in development activities across the county; Co-ordination of youth services in liaison with other Departments; Programs to encourage a sense of adventure, responsibility, confidence and achievement in youths; Research and study on youths and youth development activities; Promoting activities for creating employment opportunities for the unemployed and under employed youths; Promotion and development of games and sports as well as organization and participation in National and International games and athletics.

91. During the period under review the Department achieved the following;

- promotion of sports activities through organizing sports program including: Football Bonanza; County Champions cup; Skating Tournament; Cycling Tournament ; Football referees and coaches course; Cricket coaching Course;

Lawn tennis tournament and competition; County athletics championship; Volleyball referees and coaches course ; Boxing championship; enrolment of Kiambu Allstar football club in the FKF premier league; golf tournament.

- Capacity building under the Biashara fund to empower county youth, women and PWDs entrepreneurs
- Other on-going projects include; rehabilitation of Thika stadium, Ruiru stadium, one field per ward upgrading program, youth mentorship and capacity building among others.

92. Key challenges for the Department include: inadequate funding; encroachment and grabbing of public fields/stadiums; widespread drug and substance abuse by the youth; high levels of unemployment; inhibitive attitude hence low participation of youths in County development agenda, youth dependent on political hand out mind set, delays from County Public Works and procurement procedures in Infrastructure development and low levels of transition of the youth to higher institutions of learning.

93. In the 2015/16-2017/18 MTEF budget period, the sector priority areas will be: implementation of various youth programmes; Mapping of empowerment strategies; Developing networks between County and county government officers as well as other institutions/organization within and outside the county; Developing, upgrading and managing of sports facilities; Identifying and nurturing talent; Promotion of leagues and tournaments; Operationalization of a Sports Academy to nurture top level skills development of sports men and women from ward level countywide as well as train sports administrators, instructors and coaches; Designing, implementing and evaluating of athlete development plan; Information, communication, publicity

and media relations; Public Relations; Events Management; Digital and social media management; Customer care; Branding.

94. For the FY 2015/16, KShs. 531,751,346 has been set aside to fund the programmes of the department up from the FY 2014/15 revised budget of KShs. 498,028,260. This is projected to increase to KShs. 567,757,931 and KShs. 606,202,635 in the FY 2016/17 and FY 2017/18 respectively.

## **5.5 Roads, Transport, Public Works and Utilities**

95. The Roads, Transport & Public Works Department consists of five (5) directorates namely; Roads; Transport; Public Works; Energy; and, Fire & Rescue Services. The Department aspires to be a regional leader in infrastructural development, maintenance and provision of technical services in Kiambu County.

96. During the period under review, the Department implemented a number of programs and Sub-programs in a bid to achieve energy accessibility, expanded road network, and increased mobility of both people and goods so as to spur economic growth. This was achieved through: Construction of over 530KM rural access roads; Successful maintenance of 1,100KM road network; Opening and lining of storm water drainages; Construction of 10 bus parks; Installation of culverts; supervision of construction of 45 boda boda sheds; Construction of 12 bridges; ; Design, preparation of bill of quantities for Thika level 5 hospital, Kirigiti stadium, fire stations, and Sub county headquarters; Acquired 3 land rovers for firefighting; Trained 50 fire fighters; Maintenance of floodlights; Construction of three 20 meter high flood lights masts; Repair and maintenance of street lights among others.

97. The key challenges facing the Department include: inadequate financial resources, frequent breakdown of heavy equipment particularly graders and fire engines and related high cost of repair and maintenance, and inadequate number of trained fire men/women, Inadequate bus parks leading to congestion in our towns, encroachment of roads reserves, lack of foot bridges and motorable bridges in the rural areas.
98. The strategies and measures to be pursued in the medium term include construction and maintenance of all feeder/access roads, upgrading key link roads to bitumen standards, construction of urban roads to bitumen standards, Installation of flood lights, construction and rehabilitation of bus parks and Construction of bridges. The Department also plans to construct, equip and man fire stations in every sub county as well as provide technical support to other Departments for construction and rehabilitation of Public works buildings. In relation to County Energy, the Department will undertake energy audit and promote use of renewable energy.
99. Some of the specific programmes to be undertaken in the FY 2015/16 include: Constructing to gravel standards 600Km of rural access roads; rehabilitating/constructing 12 bridges; rehabilitating/reconstruction of 25 KMs of bituminous roads; Upgrading 20 Km of major links and urban gravel roads to bitumen standards; construction and marking of street parking in all major towns; construction of 12 bus parks including at least three modern bus parks; construction of circuit gravel roads at rural shopping centres and maintenance of 3,500Km of rural roads; and, maintenance of storm water drainage throughout the County. The Department also plans to construct four fire stations, rehabilitate two fire stations, equip and man all the six fire stations for 24hr emergency response. With respect to lighting the County the Department plans to install 75 flood masts and 235 street lighting through WB financing (NAMSIP program).

100. For the FY 2015/16, KShs.1,301,941,435 has been set aside to fund the programmes of the department up from the FY 2014/15 revised budget of KShs. 1,219,373,740. This is projected to increase to KShs. 1,390,100,053 and KShs. 1,484,228,174 in the FY 2016/17 and FY 2017/18 respectively.

## **5.6 Lands, Physical Planning & Housing**

101. The County Land, Housing and Physical Planning sector is mandated to undertake spatial planning, land management and promote housing development for orderly spatial development. The Sector has four directorates, namely: Spatial Planning; Housing and Community Development; Land Survey and Geo-informatics; and, Land Valuation and Property Management.

102. During the period 2013/14 – 2014/15, the Sector implemented programmes as outlined in the County Integrated Development Plan which included preparation of 38 Part Development Plans (PDPs), delineating more 69 public utility sites; developing three draft Bills namely, the County Spatial Planning, Land Survey and Valuation Bills. Substantial progress made in the preparation of the County Spatial Plan, expected to be launched in the third quarter of FY 2014/15. The Sector has embarked in the preparation of four (4) Integrated Strategic Urban Development Plans (ISUDP); the Thika IUSDP commenced in the FY 2014/15 while the rest will start in the third quarter of FY 2014/15. Reforms were done to harmonize pre-approval phase of development applications in all sub-counties and eventually holding one common Planning Technical Meeting to approve compliant development applications; land survey work to set aside land for some Sub-County Offices and selected markets; the setting up of a GIS laboratory in Thika has begun in earnest with a target to operationalise it by end of the FY 2014/15; It has also commenced

the boundary re-establishment of public utilities and fencing to ward off threats of encroachment; Finally the sector prepared an inventory of County Housing estates and the renovation of the former Red Nova hotel in the hub offices to accommodate senior staff.

103. The key challenges facing the sector include; Inadequate capacity and low retention of human resource in highly specialized areas; Transitional challenges regarding transfer of funds to County Governments; Slow pace reviewing policy and legal frameworks to conform to the Constitution; Lack of legal framework to guide operationalization of the six metropolitan regions envisaged in the Kenya Vision 2030; Ignorance and resistance from the public on planning matters and policies; Red taping in accessing up to date data; Lack of Alternative Dispute Resolution (ADR) mechanism leading to delays in resolution of land disputes; Budget rationalizations and late release of exchequer issues, slow implementation of projects; Inadequate markets and market infrastructure leading to poor accessibility; Insecurity and increasing internal conflicts over resources leading to displacements and fatalities negatively impacting on productivity; High cost of equipment resulting to slow service delivery.

104. During the 2015/16-2017/18 MTEF period, focus will be directed to the following priority areas: planning and development of high rise buildings for housing purposes, development of more policies, advisory plans, carry out research and data banking; purchase of 10 digital base maps, develop one (1) GIS based integrated spatial plan, 4 GPS Surveying equipment, software and hire more staff for efficient and effective operations and services delivery. The sector will ensure the approval and launch of County Spatial Plan and IUSDPs; It will acquire land for provision of adequate public facilities and amenities; Construction and renovation of offices for better work environment; re-establish boundaries by marking 200 plots for public purpose. This

will ensure effective record keeping and security of all public land; establish Geospatial metadata database for easy data management; establish Land Management Committees to address land matters in the County; Update the valuation roll to facilitate proper Land rating.

105. For the FY 2015/16, KShs. 346, 354,748 has been set aside to fund the programmes of the department up from the FY 2014/15 revised budget of KShs. 324,389,310. This is projected to increase to KShs. 369,807,535 and KShs. 394,848,386 in the FY 2016/17 and FY 2017/18 respectively.

## **5.7 Education, Culture and Social services**

106. The Education, ICT, Culture and Social Services Department mandate is to provide, promote and coordinate training and research for sustainable development; to protect and promote the County's National heritage; and, effectively and efficiently promote gender equality and freedom from discrimination of all persons. The Fourth schedule of the Constitution allocates pre-primary education, village polytechnics, home craft centres and childcare facilities to the County Governments.

107. Key achievements of the Department in the FY 2013/14 include: 30 percent increase in early childhood enrolment; 30 percent increase in ECDE facilities under school feeding programme; Constructed/refurbished and equipped 20 ECDE centres; constructed 10 modern toilets; Refurbished 4 polytechnics and bought equipment; trained polytechnic instructors; automated processes; Constructed and equipped one library, a social hall, two cultural centres, one rehabilitation centre, and one children's home/rescue centre; and, establishment of a Data Centre among others.

108. Other key activities/achievements that the department can pride in were; the award for the most progressive county in diversity and inclusion of the disadvantaged groups; selected to represent Kenya in Paris after the Kenya UNESCO @50 celebrations; held a successful Miss World Kenya Beauty Pageant and also the Kiambu County Mr. and Miss Disability contest and fashion show.
109. The key challenges facing the department include: financial constraints; lack of enough awareness among parents on need/value for education need; poor remuneration of the teaching staff thus low morale; inadequate nutrition and health support services; poor supervision ECDE institutions; insufficient learning and play equipment at ECDE level;; inadequately equipped Youth Polytechnics; and, Non-diversification of the courses offered by the Youth Polytechnics.
110. The strategies and measures to be pursued in the Medium term include: Increase Enrolment in pre-primary and Youth Polytechnics education; enhancement of e-government ICT infrastructure development and Community social service.
111. Some of the specific programmes to be undertaken in the FY 2015/16 include; refurbishment of ECDEC and polytechnics, equipping of county libraries and constructing new ones in those sub counties which do not have libraries, conducting Civic Education in all the 12 sub Counties, refurbishment of community/social halls, setting up a cultural centre in the County.
112. For the FY 2015/16, KShs. 850,118,486 has been set aside to fund the programmes of the department up from the FY 2014/15 revised budget of KShs. 796,204,905. This is projected to increase to KShs. 907,682,726 and KShs. 969,144,827 in the FY 2016/17 and FY 2017/18 respectively.

## **5.8 Water, Environment and Natural Resources**

113. The overall goal of the sector is to improve access to adequate and safe water, management and protection of environment and natural resources for sustainable development in a clean and secure environment. The specific objectives include: increase accessibility to reliable, safe and adequate water to all, to improve environmental protection and management of natural resources; develop, implement and review sectoral strategies, policies and legislative frameworks in line with the Constitution; enhance sustainable management of environment and natural resources; ensure access to natural resources benefits for socio-economic development; enhance capacity building for environment and natural resources management; promote and implement integrated regional development programmes; enhance research on environment and natural resources for sustainable development.

114. Key achievements of the Department include; Planting 12,000 Giant Bamboo Tree Seedlings and 20,000 indigenous seedlings along Riparian areas of Ruiru River, Manguo Swamp and Kikuyu Springs; 1,000 households connected with water; developed draft County Water & Sanitation Bill, developed a zero draft Strategic Plan for the Department; purchased side loaders and tippers (2 each) and 1 Skip Loader, repaired 2 grounded garbage trucks; rehabilitated Limuru and Kiambu dumpsites; Design of proposed Kangoki sanitary landfill and follow-up on Solid Waste Management at Ting'ang'a ; Construction of Public Sanitation blocks at Uthiru and Githunguri; drilled boreholes at Gitombo and Langata Dispensary; boreholes equipped at Nachu, Lusiggetti, Kianguno, Mwiki, Thakwa and Mwihoko; A surface pump installed at Miguta (Ngewa) Water project; 100 m<sup>3</sup> steel elevated tank constructed at Ting'ang'a; 30 Km of assorted pipe sizes installed in various parts of the County among others.

115. Some key Challenges facing the Department include: Inadequate Legal and policy framework; High Poverty Level; Effects of climate change and associated extreme weather events threaten sustainable development and impacts negatively on the sector; Population pressure leading to ecosystem degradation; Limited Value addition and product diversification; inadequate funding to the sector; High incidence of HIV/AIDS, malaria and other infectious diseases; Low Youth participation; Challenges of Constitutional implementation and interpretation; Scarcity of Information on the status of Natural Resources; knowledge on optimal harnessing of ICT in the sector for effective and efficient service delivery.

116. In the MTEF period 2015/2016-2017/2018 the Sector has prioritized programmes and sub-programmes intended to promote sustainable utilization and management of environment and natural resources for socio-economic development. The sector intends to conserve and protect water sources by increasing water storage capacity by 50 percent; Increase access to clean and safe water by connecting clean water to 5000 households. This will entail development of new water projects like Ngorongo- Kawaida Water project, laying of 100Km pipeline of assorted sizes in all the 12 Sub- counties within Kiambu County; drilling and equipping 5 boreholes in the drier areas of the County like Ndeiya, equipping of 3 existing boreholes, Gatuanyaga, Ngoliba, and Ruiru, construction of elevated steel platforms to hoist elevated tanks; construction of five intake works in Kikuyu, Kiambaa, Githunguri and Lari, construction of water treatment facilities in Thika, Gatundu, Kiambaa, Kabete and Githunguri sub-counties. Installation and construction of high performance water tanks of assorted capacities both ground and elevated; procurement of rainwater harvesting plastic tanks for schools to promote rain water harvesting. We also intend to acquire land for construction of sewerage works and compensate for private land where public facilities are already constructed.

117. In the FY 2015/16, the programs include: construction of Sanitary blocks in Juja, Thika, Lari and Limuru Sub- Counties and extend sewer lines at Thika, Kiambu and Limuru urban areas; develop a County Environment Policy; develop a County Water Master Plan 2030; garbage collection management through purchase of 4 garbage trucks; a bulldozer; one skip loader and refurbish 5 old trucks and tractors; and construct a high capacity incinerator to handle hazardous wastes within the County and other neighbouring Counties at a fee over and above construction of two small incinerators for girls schools with high population.

118. The Department will also rehabilitate all public parks within the major urban areas, erect billboards to create awareness on proper environmental management, conserve and maintain 5 ecosystems/ water towers; and rehabilitate water Catchments by planting one Million seedlings in the water Catchments areas and along the river lines, promote the 'Green School Concept' within all the 12 Sub- Counties; and acquire two departmental vehicles to aid in monitoring and operations of programs throughout the County.

119. For the FY 2015/16, KShs. 429,385,677 has been set aside to fund the programmes of the department up from the FY 2014/15 revised budget of KShs. 402,154,509. This is projected to increase to KShs. 458,460,754 and KShs. 489,504,598 in the FY 2016/17 and FY 2017/18 respectively.

## **5.9 Administration and Public Service**

120. The Administration and Public Service Department is in charge of County public service management. The Department comprises of two Sub-Sections, Administration and Public Service. The Department visualizes an excellent Public Service Management, Leadership and Governance with a mission to create harmonious, conducive and functioning

structures that ensures quality service delivery. The mandate of the Department is to provide strategic leadership and direction in the administration of the county.

121. The Strategic objectives of the Administration and Public Service Department are; To provide policy, strategic leadership and direction for social, economic development; To facilitate creation of County Government structures and institutional frameworks for optimal public service delivery and response to Kiambu county needs; To ensure continuous development and retention of human resources and application of best practices in the management of the Public Service for improved performance and staff productivity; To promote good governance, transparency and accountability in the Public Service; To mainstream and coordinate implementation of devolution and Kenya vision 2030 programmes

122. Key achievements of the Department in the 2013/14-2014/15 financial Years include; Establishment and operationalization of county head office and Sub county offices; Establishment of various offices; Staff deployment; Renovation of Kiambu County offices; Operationalization of Liquor Committees at Sub county level; training; Human Resource Management and Development; facilitation of Human Resource Audit done by Transition Authority and VAS Consultants; Biometric data capture for county staff, workload analysis and institutional analysis; Appointment, deployment and induction of health workers, works officers, engineers and staff attached to Governor's office; Development of integrated payroll and personnel database; recruited and successfully posted Ward Administrators; inducted all the Sub county Administrators at the Kenya School of Government; preparation of a draft bill on public participation; preparation of a draft bill on enforcement; developed a training policy; developed a draft code of regulations.

123. Some of the Key challenges the Department is facing include; Inadequate resources; Staff rationalization; anxiety among the members of staff from defunct Local Authorities

and devolved functions; The issues of communication channels which had not been clearly defined; Lack of reliable and sustainable transport (vehicles) for field services; Lack of adequate office space; Enormous expectation from the members of the public; General teething problems of new dispensation; Increased number of litigations against the county government.

124. Specific programme to be undertaken in the FY 2015/2016 Include: Management and Coordination of County Government business. The department will coordinate and supervise service delivery; Human resource development, staff rationalization and welfare such as provision of medical scheme and scheme of services; Provision of effective and efficient Executive committee services.; facilitating the Directorate of Alcoholic Drinks Control to fully enforce and implement Kiambu County Alcoholic Drinks Act 2013; facilitate, through acquisition of vehicles for the Sub Counties and Wards units, County headquarter and Enforcement unit to coordinate and manage County government business and ensure compliance of county policies, regulations and Acts. In addition, the department will construct County Referral Rehabilitation and Treatment Centre, promote rehabilitation programmes and ensure the referral centres has qualified staff and well equipped facility; Construction of Sub Counties and Wards offices; and Equipping and furnishing sub counties and wards offices.

125. For the FY 2015/16, KShs. 718,918,328 has been set aside to fund the programmes of the department up from the FY 2014/15 revised budget of KShs. 673,325,318. This is projected to increase to KShs. 767,598,589 and KShs. 819,575,143 in the FY 2016/17 and FY 2017/18 respectively.

## **5.10 Health Services**

126.The Health Sector is made up of three (3) directorate which include; Directorate of Health Planning and Administration; Directorate of Health prevention and promotion; Directorate of Clinical and Rehabilitative Services. The mandate for the Sector is to build a progressive, responsive and sustainable technologically-driven, evidence-based and client-cantered health system for accelerated attainment of the highest standard of health to all residents of Kiambu.

127.The key challenges facing the Department include; Inadequate health personnel; Erratic supply of health products; Poor health infrastructure; Inadequate public health facilities; Inadequate resources; constructions delay due to the long process of acquiring Bills Quantities; slow procurement process; Lack of enough knowledge to the citizens on activities being carried out by the department; Expensive media services when the Department wants to inform of activities being carried out in the sector; Delayed maternity fee reimbursements therefore leading to hospital debts.

128.Some of the key achievement during the period under review include; rehabilitation and renovation of hospital facilities i.e. Lussetti H/C ,Lari H/C, Ruiru Hospital, Githiga H/C ,Ngewa H/C, Anmer Dispensary ,Karatu H/C ,Kiandutu H/C ,Munyu H/C, Gitare H/C, Ngenda H/C, Gatuanyaga Dispensary, Karibaribi Dispensary, Ndula Dispensary, and Igegania Sub - District Hospital; construction of theatres in Lusiggetti and Lari level 4; improvement of infrastructure at Karuri and Kiambu D.H.,Ruiru and Ngewa; operationalisation of 11 facilities; Procured new 5 Ambulances; gazettelement of health facilities and hospital boards (HFMCs); partnered with ZiDi micro technologies, Afya Info and CRISSP to help improve infrastructure in the county; automation of revenue collection in health. This has been done in Gatundu, Kiambu, Karuri, Kihara, Tigoni, Ingegania and Thika Level 5 Hospitals.

129. In the MTEF period 2015/2016-2017/2018 the Sector has prioritized programmes and sub-programmes intended to prevent and promote Health by ensuring Immunization; Child Health; Screening for communicable conditions; Antenatal Care; Prevention of Mother to Child HIV Transmission ;Integrated Vector Management; Good hygiene practices; HIV and STI prevention Control and prevention neglected tropical diseases Health Promotion & Education for NCD'; Institutional Screening for NCD's Rehabilitation Workplace Health & Safety Maternity Newborn services, Nutrition services. The sector will also invest in Renal centre in Ruiru, Neurosurgical Centre in Kiambu, Trauma centre in Lari and Operationalizing of Gatundu Hospital.

130. The strategies and measures to be pursued in the Medium term include: Rehabilitation/ Construction/Refurbishment of Lari Level 4 ; Wangige Level 4; Kiambu Level 4; Thika Level 5 ; 10 new Health centres (CLCs); Renovations and rehabilitations of 50 health centres and dispensaries; Expansion for 20 facilities; Purchase of Medical and Dental Equipment; Purchase of Laboratory Equipment; Purchase of Generators and Operationalizing County Research Development Unit.

131. For the FY 2015/16, KShs. 3,623,482,682 has been set aside to fund the programmes of the department up from the FY 2014/15 revised budget of KShs. 3,393,685,391. This is projected to increase to KShs. 3,868,840,282 and KShs. 4,130,811,830 in the FY 2016/17 and FY 2017/18 respectively.

## **5.11 County Public Service Board**

132. The County Public Service Board Sector provides overall policy and leadership direction to Kiambu County human resource function in the county public service. The core mandate of the County Public Service Board (CPSB) is to provide leadership in public service management, to ensure efficiency and effectiveness in service delivery,

management and development of human resources in the public service, comprehensive restructuring to ensure the county public service function effectively and optimally utilises available human resources.

133. The strategic objectives of the Administration and Public Service Sector are; To provide policy strategic leadership and direction to the county government structures and institutional frameworks for optimal public service delivery and response to the Kiambu county needs; To ensure continuous development, retention of productive human resources and application of best practices in the management of public service for improved performance; To promote good governance, transparency and accountability in the public service

134. During the period under review, the sector focused on implementation of the new constitution/devolution and the establishment of structures as required by several laws on devolution, which included; Establishment of various county offices; Staff deployment and Human Resource Management and Development.

135. Key challenges in the Department include: Inadequate resources; Staff rationalization; anxiety among the members of staff from defunct Local Authorities and devolved functions; Lack of reliable and sustainable transport (vehicles) for field services; No scheme of service for County employees; Lack of adequate office space; Enormous expectation from the members of the public; General teething problems of new dispensation.

136. The strategies and measures to be pursued in the Medium term include: Promoting leadership and Integrity through conducting awareness campaigns; Establishing and abolishing offices in the County public service through continuous recruitment and appraisal of staff to deliver a lean and efficient workforce; Disciplinary

control through enforcement of discipline to staff members; Developing human resource management through regular advice to the county government; Advising the County government on implementation and monitoring of national performance management systems through conducting regular meetings with the county departments; Recommending to the Salaries and Remuneration Commission on behalf of the County government on remuneration, pensions and gratuities for county staff through development of working policies and Preparing regular reports to the County Assembly on the functions of the Board.

137. For the FY 2015/16, KShs. 66,498,601 has been set aside to fund the programmes of the department up from the FY 2014/15 revised budget of KShs. 62,281,333. This is projected to increase to KShs. 71,001,435 and KShs. 75,809,169 in the FY 2016/17 and FY 2017/18 respectively.

## **5.12 County Executive**

137. The executive provides overall policy and leadership direction in the management of public affairs, coordinates policy formulation, implementation, monitoring and evaluation. In addition, it facilitates enactment of county legislation and oversees all departments and offers direction on all county matters.

138. The County Executive is responsible for implementation of county legislation; implementing national legislation within the county; managing and coordinating the functions of the county administration and its departments. The Committee also proposes legislation for consideration by the County Assembly; provides information to the County Assembly on matters relating to the County; is generally responsible for maintaining good governance in the performance of the county functions and offering strategic direction of the county.

139. The Sector utilised its 2012/13-2014/15 budgetary resources to implement various projects and activities. A wide range of outputs were realised, key among them: provided policy direction through hosting Cabinet meetings and County; Creating and operationalization of the various departments; developing various County Government policies and Cabinet papers; Scrutinising bills before submission to the assembly; Operationalization of administrative structures & others support offices; Automation such as e-Cabinet, Revenue, Performance Management System; Digital communication /platform and feedback mechanism; County integrated development plan; Promotion of public participation in the development of policies and plan; Appointment of chief officers for each of the ten department, among others

140. Some of the programmes the sectors will implement during the 2015/16 – 2017/18 MTEF budget period include; tracking of national and county Bills; coordination of Manifesto initiatives and tracking; Implementation of Cabinet decisions; Training; staff motivation; Development and promotion of Human Resource Management strategy; Implementation of the findings from Capacity Assessment and Rationalization Programme (CARPs) report; Upgrade Human Resource Information System (GHRIS); Aligning HRD policies and regulations to the Constitution among others.

141. For the FY 2015/16, KShs. 436.2 million has been set aside to fund the programmes of the Department from the FY 2014/15 revised budget of KShs. 294.6 million. This is projected to slowdown to KShs. 196 million and KShs. 209 million in the FY 2016/17 and FY 2017/18 respectively.

## **5.13 County Assembly**

142. Kiambu County Assembly (KCA) is a legislative arm of the Kiambu County Government created by the Constitution of Kenya, 2010 and comprises of 87 members 60 of whom are elected and 27 nominated to represent various interests and constitutional provisions on gender equity. The assembly functions through 17 house committees, a speaker's panel and the administrative issues are handled by the County Assembly Service Board. The functions of the CA are representation of citizens, law-making and oversight.

143. The key Strategic goals and objectives include; Review KCA Standing Orders; Carry out continuous mandate workshops for house committees; Periodic training of members to inculcate a parliamentary culture in the conduct of their mandate; Establish a research centre, curriculum development centre and well equipped library; Employ more clerks to serve the committees; Document the committee proceedings in the Hansard; Purchase safe storage facilities for the files e.g. microfilming, fireproof cabinets; Continuous staff capacity development through training; Enrol MCAs in universities for various courses and pursue degree courses as a value addition and standard for future leadership in the KCA

144. The KCA utilized its 2013/14 budgetary resources to implement various projects and activities. A wide range of outputs were realized, key among them: Renovation of KCA office block and assembly chambers; Purchase of office furniture and general equipment for the KCA; Hiring of staff for the KCA; Building of a parking for KCA members and Staff; Purchase of motor vehicles for use by KCA; Setting up of a car & mortgage fund for KCA member; Equipping of ward offices with furniture, computers and other accessories; Passage of 10 bills into Acts.

145. During the MTEF period 2015/16 – 2017/18 KCA seeks funding for Legislation and oversight of County Government programme. Some of the specific activities it will undertake include; Complete perimeter fence; construction of a parking bay;

Refurbishment of Assembly Chambers; procure 2 motor vehicles and passing of approximately 14 bills.

146. For the FY 2015/16, KShs. 835.8 million has been set aside to fund the programmes of the Department from the FY 2014/15 revised budget of KShs. 892 million. This is projected to increase to KShs. 892.4 million and KShs. 952.9 million in the FY 2016/17 and FY 2017/18 respectively.

## Annex 1: Total Expenditure Ceilings for the MTEF Period 2015/16-2017/18

DEPARTMENT		Printed	Revised	Ceiling	Projections	
		2014/2015		2015/2016	2016/2017	2017/2018
County Assembly	<b>Sub-total</b>	<b>988,000,000</b>	<b>892,416,714</b>	<b>835,843,954</b>	<b>892,441,630</b>	<b>952,871,705</b>
	Rec	918,000,000	850,416,714	791,000,000	844,561,148	901,749,083
	Dev	70,000,000	42,000,000	44,843,954	47,880,482	51,122,622
County Executive	<b>Sub-total</b>	<b>355,896,259</b>	<b>294,568,636</b>	<b>436,175,033</b>	<b>195,965,879</b>	<b>209,235,356</b>
	Rec	325,896,259	287,848,636	429,000,000	188,305,002	201,055,736
	Dev	30,000,000	6,720,000	7,175,033	7,660,877	8,179,620
County Public Service Board	<b>Sub-total</b>	<b>52,422,972</b>	<b>62,281,333</b>	<b>35,000,000</b>	<b>38,360,056</b>	<b>40,957,538</b>
	Rec	52,422,972	62,281,333	35,000,000	38,360,056	40,957,538
	Dev	-	-	-	-	-
Finance and Economic Planning	<b>Sub-total</b>	<b>724,299,687</b>	<b>950,709,913</b>	<b>1,015,085,521</b>	<b>1,083,820,208</b>	<b>1,157,209,141</b>
	Rec	618,745,978	853,495,978	911,288,920	972,995,207	1,038,879,824
	Dev	105,553,709	97,213,935	103,796,601	110,825,001	118,329,317
Administration and Public Service	<b>Sub-total</b>	<b>515,775,318</b>	<b>673,325,318</b>	<b>718,918,328</b>	<b>767,598,589</b>	<b>819,575,143</b>
	Rec	413,775,318	399,325,318	426,364,912	455,235,445	486,060,892
	Dev	102,000,000	274,000,000	292,553,416	312,363,144	333,514,251
Agriculture, Livestock and Fisheries	<b>Sub-total</b>	<b>644,158,089</b>	<b>547,534,362</b>	<b>584,609,665</b>	<b>624,195,454</b>	<b>666,461,725</b>
	Rec	412,158,089	368,134,362	393,061,917	419,677,396	448,095,095
	Dev	232,000,000	179,400,000	191,547,748	204,518,058	218,366,630
Water, Environment and Natural Resources	<b>Sub-total</b>	<b>406,978,864</b>	<b>402,154,509</b>	<b>429,385,677</b>	<b>458,460,754</b>	<b>489,504,598</b>
	Rec	161,478,864	166,654,509	177,939,219	189,988,052	202,852,751
	Dev	245,500,000	235,500,000	251,446,458	268,472,702	286,651,847
Health Services	<b>Sub-total</b>	<b>3,187,231,229</b>	<b>3,393,685,391</b>	<b>3,623,482,682</b>	<b>3,868,840,282</b>	<b>4,130,811,830</b>
	Rec	2,828,410,828	2,806,902,261	2,996,966,590	3,199,900,782	3,416,576,297
	Dev	358,820,401	586,783,130	626,516,092	668,939,500	714,235,533
Education, Culture, ICT and Social Services	<b>Sub-total</b>	<b>677,288,504</b>	<b>796,204,905</b>	<b>850,118,486</b>	<b>907,682,726</b>	<b>969,144,827</b>
	Rec	367,288,504	388,204,905	414,491,501	442,558,045	472,525,066
	Dev	310,000,000	408,000,000	435,626,985	465,124,681	496,619,761
Youth and Sports	<b>Sub-total</b>	<b>546,747,760</b>	<b>498,028,260</b>	<b>531,751,346</b>	<b>567,757,931</b>	<b>606,202,635</b>
	Rec	146,747,760	140,528,260	150,043,878	160,203,829	171,051,742
	Dev	400,000,000	357,500,000	381,707,468	407,554,102	435,150,893
Lands, Physical Planning and Housing	<b>Sub-total</b>	<b>324,264,310</b>	<b>324,389,310</b>	<b>346,354,748</b>	<b>369,807,535</b>	<b>394,848,386</b>
	Rec	127,264,310	127,389,310	136,015,248	145,225,275	155,058,943
	Dev	197,000,000	197,000,000	210,339,500	224,582,260	239,789,443
Trade, Tourism, Industry and Co-Operative	<b>Sub-total</b>	<b>341,377,803</b>	<b>341,377,803</b>	<b>364,493,586</b>	<b>389,174,613</b>	<b>415,526,870</b>
	Rec	156,377,803	156,377,803	166,966,644	178,272,490	190,343,890
	Dev	185,000,000	185,000,000	197,526,942	210,902,123	225,182,980
Roads, Transport and Public Works	<b>Sub-total</b>	<b>1,220,150,000</b>	<b>1,219,373,740</b>	<b>1,301,941,435</b>	<b>1,390,100,053</b>	<b>1,484,228,174</b>
	Rec	325,150,000	324,373,740	346,338,123	369,789,785	394,829,434
	Dev	895,000,000	895,000,000	955,603,312	1,020,310,268	1,089,398,740
<b>Total Recurrent</b>		<b>6,853,716,685</b>	<b>6,931,933,129</b>	<b>7,374,476,952</b>	<b>7,605,072,512</b>	<b>8,120,036,291</b>
<b>Total Development</b>		<b>3,130,874,110</b>	<b>3,464,117,065</b>	<b>3,698,683,509</b>	<b>3,949,133,198</b>	<b>4,216,541,637</b>
<b>TOTAL EXPENDITURES</b>		<b>9,984,590,795</b>	<b>10,396,050,194</b>	<b>11,073,160,461</b>	<b>11,554,205,710</b>	<b>12,336,577,928</b>

## Annex 2: Total Revenue Ceilings for FYR 2015/2016

### Revenue Estimates for FY 2015/2016

Item Code	Details	Printed Estimates 2014/2015	Revised Estimates 2014/2015	Estimates 2015/2016
	<b>(Receiver of Revenue - Chief Officer for Finance)</b>			
		<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>
1130101	Stand Premium	3,017,429	3,017,429	3,017,429
1130102	Plot Rents Poll Rates	63,030,021	63,030,021	63,030,021
1130104	Land Rates	699,351,108	631,203,104	393,555,246
	<b>Total Taxes on Property</b>	<b>765,398,558</b>	<b>697,250,554</b>	<b>459,602,696</b>
<b>1110104</b>	<b>Cess Receipts</b>	<b>210,633,093</b>	<b>210,633,093</b>	<b>210,633,093</b>
	Of Which:			
	Quarry Cess	100,000,000	100,000,000	100,000,000
	Other Cesses	17,551,202	17,551,202	17,551,202
<b>1420345</b>	<b>Agriculture Cess</b>			
	Tea Cess	50,825,000	50,825,000	50,825,000
	Coffee Cess	31,246,164	31,246,164	31,246,164
	Fruits and Vegetables/Produce Cess	11,010,727	11,010,727	11,010,727
	<b>Total Cess Receipts</b>	<b>210,633,093</b>	<b>210,633,093</b>	<b>210,633,093</b>
	<b>1140500 Receipts from Permission to Use Goods or to Perform Services and Activities</b>			
1140501	Liquor Licence	25,200,000	25,200,000	25,200,000
	<b>Total Receipts from Permission to Use Goods or to Perform Services and Activities</b>	<b>25,200,000</b>	<b>25,200,000</b>	<b>25,200,000</b>
	<b>1140800 Other Taxes on Goods and Services</b>			
<b>1140801</b>	<b>Entertainment Tax</b>	<b>285,000</b>	<b>285,000</b>	<b>285,000</b>
	Of which:			
	Video Cinema	285,000	285,000	285,000
	<b>Total Receipts from Entertainment Tax</b>	<b>285,000</b>	<b>285,000</b>	<b>285,000</b>
	<b>1140401 Taxes on Specific Services</b>			
<b>1140401</b>	Betting and Control	28,350,000	28,350,000	28,350,000
	<b>Total Taxes on Specific Services</b>	<b>28,350,000</b>	<b>28,350,000</b>	<b>28,350,000</b>
	<b>1300000 Grants</b>			
<b>1330203</b>	<b>Grants from other levels of Governments</b>	<b>6,387,208,206</b>	<b>6,726,815,609</b>	<b>8,074,413,273</b>

	Of Which:			
	Unconditional Grants	6,287,208,206	6,511,571,093	7,412,788,746
	<b>Conditional Grant-</b>	<b>100,000,000</b>	<b>215,244,516</b>	<b>661,624,527</b>
	Thika Level 5		87,853,083	189,244,000
	Free maternal health care Allocation			224,785,400
	Leasing of medical equipments			95,744,681
	Road maintenance fuel levy fund			94,811,800
	Compensation of User Fees Forgone			37,838,646
	DANIDA			19,200,000
	Danida & World Bank Fund	100,000,000	127,391,433	0
	<b>Total Grants</b>	<b>6,387,208,206</b>	<b>6,726,815,609</b>	<b>8,074,413,273</b>
	<b>1410000 Property Income</b>			
1410402	Lease / Rental of Councils Infrastructure Assets	20,000,000	20,000,000	20,000,000
1410404	Housing Estates monthly Rent	90,000,000	90,000,000	90,000,000
	<b>Total Property Income</b>	<b>110,000,000</b>	<b>110,000,000</b>	<b>110,000,000</b>
	<b>1420000 Sales of Goods and Services</b>			
1420102	Other Revenues(Various Fees)	50,000,000	50,000,000	50,000,000
1420203	Registration of Private Schools/Self Help Groups	5,000,000	5,000,000	5,000,000
<b>1420328</b>	<b>Single Business Licences</b>	<b>310,000,000</b>	<b>310,000,000</b>	<b>310,000,000</b>
	of Which:			
	Business Permits	300,000,000	300,000,000	300,000,000
	Business Subletting/Transfer fee	10,000,000	10,000,000	10,000,000
1420335	Document Search Fee	2,351,108	2,351,108	2,351,108
<b>1420404</b>	<b>Parking Fees</b>	<b>350,000,000</b>	<b>350,000,000</b>	<b>350,000,000</b>
	Of which:			
	Vehicle Parking Fee	200,000,000	200,000,000	200,000,000
	Matatu Parking fees	150,000,000	150,000,000	150,000,000
1420405	Market /Trade Centre Fee	150,000,000	150,000,000	150,000,000
1420601	Tender Documents Sale	8,000,000	8,000,000	8,000,000
	<b>Total Sales of Goods and Services</b>	<b>875,351,108</b>	<b>875,351,108</b>	<b>875,351,108</b>
	<b>1430000 Fines, Penalties and Forfeitures</b>			
1430101	Impounding Charges	35,000,000	35,000,000	35,000,000
	<b>Total Fines, Penalties and Forfeitures</b>	<b>35,000,000</b>	<b>35,000,000</b>	<b>35,000,000</b>
	<b>1450000 Other Receipts Not Elsewhere Classified</b>			
<b>1450105</b>	<b>Other County Government Revenue</b>	<b>1,547,164,830</b>	<b>1,281,164,830</b>	<b>1,281,164,830</b>

	Of which:			
	Plot Amalgamation Fee	800,000	800,000	800,000
	Rates Clearance	11,210,000	11,210,000	11,210,000
	Concent to Charge	5,000,000	5,000,000	5,000,000
	Site Visit Fee	5,000,000	5,000,000	5,000,000
	Debt Clearance Certificate	5,000,000	5,000,000	5,000,000
	Application fee	50,000,000	50,000,000	50,000,000
	Isolation Fee	15,000,000	15,000,000	15,000,000
	Plot Subdivision	29,312,206	29,312,206	29,312,206
	Change Of Trade	63,000	63,000	63,000
	Addition of Trade	59,850	59,850	59,850
	Tenant Fee	80,798	80,798	80,798
	Ground rent fee	15,000,000	15,000,000	15,000,000
	Market Stall Rent	20,000,000	20,000,000	20,000,000
	Public Auction	399,000	399,000	399,000
	Change Of User	150,000,000	150,000,000	150,000,000
	Cheque Clearance Fee	2,108,715	2,108,715	2,108,715
	Change of Ownership	2,008,827	2,008,827	2,008,827
	Slaughtering fee	25,000,000	25,000,000	25,000,000
	Hides and skins fee	10,591,455	10,591,455	10,591,455
	Sign Board & Advertisement	50,000,000	50,000,000	50,000,000
	Building Plan / Inspection fee	200,000,000	200,000,000	200,000,000
	Other property charges	40,000,000	40,000,000	40,000,000
	Beacon certificate fee	3,638,880	3,638,880	3,638,880
	Provisional Rates	321,117	321,117	321,117
	Extension of Lease	100,000	100,000	100,000
	Sale of Council Assets	6,204,450	6,204,450	6,204,450
	Sub County Premises & Assets Renting /Hiring	5,000,000	5,000,000	5,000,000
	Survey Fee	10,000,000	10,000,000	10,000,000
	Nursery School Fees	5,000,000	5,000,000	5,000,000
	Fire Fighting	8,266,533	8,266,533	8,266,533
	Public Health facilities Operations	70,000,000	70,000,000	70,000,000
	Burial fee	500,000	500,000	500,000
	Medical Services Charges(FIF)	400,000,000	330,000,000	330,000,000
	Ministry of Agriculture	8,000,000	8,000,000	8,000,000
	Weight & Measures	5,000,000	5,000,000	5,000,000

	Co-operative services fees	12,500,000	12,500,000	12,500,000
	Miscellaneous	40,000,000	40,000,000	40,000,000
	Car Loan & Mortgage Repayments	261,000,000	65,000,000	65,000,000
1420327	Game & Nature Park Fee	5,000,000	5,000,000	5,000,000
1450202	Environment & Conservancy Administration	70,000,000	70,000,000	70,000,000
	<b>Total Other Receipts Not Elsewhere Classified</b>	<b>1,547,164,830</b>	<b>1,281,164,830</b>	<b>1,281,164,830</b>
	<b>Total Revenue</b>	<b>3,597,382,589</b>	<b>3,263,234,585</b>	<b>3,025,586,727</b>
	<b>Total Grants</b>	<b>6,387,208,206</b>	<b>6,726,815,609</b>	<b>8,074,413,273</b>
	<b>Unspent Revenue As at 30.06.2014 for FY 2013/2014</b>	<b>0</b>	<b>406,000,000</b>	<b>0</b>
	<b>Net Domestic Borrowing</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>GRAND TOTAL</b>	<b>9,984,590,795</b>	<b>10,396,050,194</b>	<b>11,100,000,000</b>