

COUNTY GOVERNMENT OF NAIROBI CITY



NAIROBI CITY COUNTY ASSEMBLY

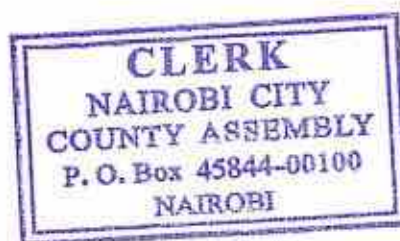
FIRST ASSEMBLY - SECOND SESSION

*Report laid
by Chair of
Budget Committee
on 17/6/14
Aff. to
CCA*

**REPORT OF THE SELECT COMMITTEE ON BUDGET AND
APPROPRIATIONS**

ON

SCRUTINY OF THE ESTIMATES OF REVENUE AND EXPENDITURE OF
NAIROBI CITY COUNTY FOR THE FINANCIAL YEAR 2014/15



JUNE 2014

Mr. Speaker Sir, the new legal framework has imposed enormous amount of responsibility with respect to management of public revenues and outlines of county expenditures. It is in this regard that Article 221 of the Constitution decrees that a Committee of the Assembly would be set with the sole mandate to oversight the budget process. Standing Order 187 establishes the Budget & Appropriations Committee with a specific mandate which is to:

- a) *Investigate, inquire into and report on all matters related to coordination, control and monitoring of the of the county budget;*
- b) *Discuss and review the estimates and make recommendations to the County Assembly;*
- c) *Examine the County Fiscal Strategy Paper presented to the County Assembly;*
- d) *Examine Bills related to the county budget, including Appropriations Bills; and*
- e) *Evaluate tax estimates, economic and budgetary policies and programs with direct budget outlay*

Mr. Speaker Sir,

In line with the provisions of the Constitution, the budget estimates for the two arms of the County government namely, the County Government and County Assembly were submitted to the Office of the Clerk on the 29th April 2014 and subsequently laid on the Assembly on the 30th April 2014. As required by law the estimates stood committed to each of the Sectoral Committees to consider and report the same to the Budget and Appropriations to review and table a report in this honorable Assembly.

Mr. Speaker Sir, the County Assembly Budget & Appropriations Committee comprises of the following 19 Members:

- | | |
|--------------------------------------|----------------------|
| 1. Hon. Michael O. Okumu, MCA | Chairman |
| 2. Hon. George Ochola, MCA. | Vice Chairman |
| 3. Hon. Alfred Ambani, MCA. | |
| 4. Hon. Maurice O. Akuk, MCA | |
| 5. Hon. Oscar Lore, MCA | |
| 6. Hon. Osman Adow Ibrahim, MCA. | |
| 7. Hon. Jackson Kiama Gikandi, MCA. | |
| 8. Hon. Kenneth Thugi Muroki, MCA | |
| 9. Hon. David NjorogeKairu, MCA | |
| 10. Hon. Petronilla Nafula, MCA | |
| 11. Hon. Herman Azungu, MCA | |
| 12. Hon. Emmaculate Musya, MCA | |
| 13. Hon. Joash Omwenga, MCA | |
| 14. Hon. Kennedy Oduru, MCA | |

15. Hon. Isaac N. Ngige, MCA
16. Hon. Ngaruiya Chege, MCA
17. Hon. Samuel Irungu, MCA
18. Hon. Benedette Wangui, MCA
19. Hon. Victoria Alali, MCA

Mr. Speaker Sir, the consideration of the 2014/15 budget estimates marked a great achievement for the Budget and Appropriations Committee. Hon. Members may recall that the deliberations on the 2013/14 budget estimates were done at a time when the Assembly was still struggling to manage its transition. At the time, the Committee faced myriad of problems which were further reinforced by the lack of vital information including the cost of devolved functions. However, these 2014/15 estimates found the Members had fully settled in their roles within the Assembly and gotten to terms with their responsibilities. The Committee scrutinized the estimates for the County Government and County Assembly and has made a number of recommendations to this Assembly.

Mr. Speaker Sir, The experiences gained by the Committee and indeed all Members of this Assembly in processing the 2013/14 budget has been critical in guiding the deliberations on the 2014/15 estimates. The Committees have indeed worked well to ensure that the County planning process and allocation of resources remains not only realistic but also objective as possible.

Mr. Speaker Sir,

In the course of the deliberations on the Budget Estimates for FY 2014/15 the Budget Committee held a total of twenty three (23) sittings. In fifteen (15) of these sittings, the officers from the County Treasury were invited to take Members through the documents and explain on the rationale behind the figures. In addition, the Committee held discussions with the Clerk of the County Assembly represented by the Principal Accountant and the Senior Finance Officer who helped it understand better the budget projections as prepared by the County Assembly Service Board.

Mr. Speaker Sir, the Standing Orders requires that Sectoral Committees consider the Budget Estimates and report to the Budget and Appropriations Committee within twenty one (21) days. Further the various provisions of the law have put emphasis on the need to ensure that there is public participation. To this end the Committee is grateful to the various Sectoral Committees that appeared before it and whose submissions have formed an integral part in this

report. The Committee also acknowledges the important input from the Members of the public who took time to present their views to the Budget and Appropriations Committee during public hearings held in this Charter Hall on the 3rd of June 2014.

Mr. Speaker, I would like to thank Members of the Budget and Appropriations Committee for their dedication, untiring commitment and valuable contributions. It is because of their dedications that we have been able to complete this demanding task.

Mr. Speaker Sir, the Committee is grateful to the Office of the Speaker and the Office of Clerk of County Assembly for the support received as it discharged its mandate of reviewing the Estimates. Further, the Committee would wish to pay special recognition to the experts who helped the Sectoral Committees review the documents in light of the changing legal requirements.

Mr. Speaker Sir, It is therefore my pleasant duty and privilege, on behalf of the Budget & Appropriations Committee to table this report and recommend it to this Assembly for adoption.

SIGN.....
DATE.....17/11/2014.....

Hon. Michael O. Okumu, MCA
Chairman, Budget & Appropriations Committee

A. COMPLIANCE OF THE 2014/15 BUDGET ESTIMATES WITH THE PREVAILING LEGISLATION

1. **Mr. Speaker Sir**, the budget is a tool used to implement and affect the various policies that are key to the forward progress of any system of government. It is with this realization that budget making remains a year-long process that aims to cover an entire twelve months of policy making, execution, monitoring and evaluation of these intentions of the administration in power. In this Assembly, the custodian of the budget process from planning to monitoring remains the Budget and Appropriations Committee. Alive to these realities, the Committee invested a lot of its resources for the FY 2013/14 in a number capacity building ventures for its Members to ensure that it remains in the forefront in delivering effective scrutiny and oversight over budget related documents and matters respectively. The Committee has therefore taken a lot of due diligence and wider consideration in its scrutiny of the documents and would be making far flanked recommendations to this Assembly.
2. **Mr. Speaker Sir**, as we have continued to reiterate, the work of ensuring that all budget related documents comply with prevailing legislations remains the core duty of the Budget and Appropriations Committee. It is worth reminding Members that the budget process is not guesswork but a framework that is purely anchored in the Constitution and the subsidiary legislation, the Public Finance Management (PFM) Act, 2012.
3. **Mr. Speaker Sir**, the major shift in budget making process over the world is the abandoning of the itemized budget and implementation of the program based budget. Hon. Members will note that Section 210 (12) of the PFM Act 2012 requires that counties start implementing program based budgets in 2014/15. Despite these express legal provisions and statutory timelines, the Budget Committee and all other Sectoral Committees were indeed shocked to receive a budget that had made no attempt at making it program based. **Mr. Speaker**, this Assembly is a law making institution and hence it must be at the very top in defending and abiding by the set legal thresholds and procedures. The estimates presented on item basis made it difficult for the Committees to decipher the reasons underlying the allocations and how the same would influence the standards of living for the residents of Nairobi City. That notwithstanding, the Budget Committee took it upon itself and ensured that the Executive submitted to the Committee a program based budget as required by law and the same will be tabled as part of this report. Going forward, this Committee strongly recommends that any future estimates

must be program based and any estimates submitted in any other format be declared inadmissible.

It is nonetheless imperative to commend the County Assembly Service Board for having conformed to the provisions of the law and submitted a program based budget.

4. **Mr. Speaker Sir,** Section 129 (2) (a) of the PFM Act, 2012 requires that the budget estimates be submitted to the Assembly together with any supporting documents and all bills that are required to implement the budget. Section 130 (1) of the same Act is indeed explicit on the budget documents that should be submitted in the Assembly together with the budget estimates. These include:
- i. A summary of budget policies including revenue, expenditure, debt and deficit financing;
 - ii. A statement of how the budget relates to the fiscal responsibility principles and the financial objectives; and
 - iii. A memorandum by the County Executive Committee member for Finance explaining how the resolutions adopted by the county Assembly on the budget estimates have been taken into account.

Mr. Speaker Sir;

The Budget Committee in its perusal of the estimates noted that most of these were not submitted to this Assembly in line with the law. Members may recall that not long ago the Governor submitted to this Assembly a request for approval of loan facility which was later withdrawn and postponed awaiting the approval of PFM regulations by the National Assembly. Those regulations having recently been endorsed by the august house, it was the expectation of the Budget Committee that the loan request would appear in these estimates as possible source of deficit financing.

Further, these Members have always remained jittery over the snail pace of implementation of the projects that were meant to revitalize the wards and thereby make the ordinary residents of Nairobi City appreciate the positive effects of devolution. However, as Members may have noticed, the budget estimates failed in its entirety to provide even a brief on how the implementation of the 2013/14 budget had thus far been carried out. Such review would have been critical in helping both the Assembly and the Executive learn from the debutant mistakes and avoid them going forward.

5. **Mr. Speaker Sir**, the provisions of Section 130 (1) (b) of the PFM Act, 2012 stipulates that the budget estimates shall include:-

- i. List of all county government entities that are to receive funds appropriated from the budget of the county government;
- ii. Estimates of revenue projected from the Equalization fund over the medium term;
- iii. All revenue allocations from the national government over the medium term including conditional and unconditional grants;
- iv. All other estimated revenue by broad classification;
- v. All estimated expenditure, by Vote, and by programme, identifying both recurrent and development expenditure;
- vi. Information regarding loans made to the county government, including an estimate of the principal, interest and other charges to be paid by that county government in the financial year in respect of those loans ;
- vii. Information relating to any payments and liabilities to be made or incurred by the county government for which appropriation is not included in an Appropriation Act, together with the constitutional or national legislative authority for any such payments or liabilities; and
- viii. A statement by the County Executive Committee Member for Finance specifying the measures taken by the county government to implement any of the County Assembly recommendations.

Mr. Speaker, Members may recall that this Assembly considered and adopted the County Fiscal Strategy Paper (CFSP). The CFSP was an important tool as it set the sector ceiling and priorities that the County would aim to pursue during any particular calendar year. However, it was the submission of most sectors that they were either not consulted or were not aware of the very importance of this paper in the overall budget process.

Mr. Speaker Sir, the sector priorities must be bottom-up where the sectors themselves are allowed to determine what they consider urgent in any coming financial year after which the very many priorities are consolidated at the County Treasury who in their own discretion and in line with the development plans employs up-bottom allocation of resources. The Budget Committee hence urges all sectors to ensure they actively participate in the formulation of the CFSP in the coming year.

From the foregoing it is clear that the most of the documentations required for the effective scrutiny of the budget were never submitted to this Assembly. Whereas in the 2013/14 financial year, the Assembly absolved the County Executive for failure to submit some of these critical information, this time round the buck definitely stops with the Executive. It is in this regard that the

Budget Committee worked and, with sufficient cooperation from the County Treasury, ensured that most of these documents were submitted to it during the scrutiny of the budget.

6. **Mr. Speaker Sir**, as Hon. Members may be aware; this Assembly is yet to be seized with the County Integrated Development Plan (CIDP) for consideration and approval. Section 104 of the County Governments Act, 2012 indeed makes illegal appropriation of funds for projects outside a development plan developed by the County Executive Committee and approved by the County Assembly. It is based on this knowledge that the Budget Committee wrote to the County Treasury and ensured that the projects captured in these estimates are the same ones highlighted in the CIDP. Indeed Members may notice in this report that there are many projects that are not in the CIDP which have been knocked out. The County Treasury indeed submitted to the Budget Committee a draft CIDP which would soon be tabled in this Assembly for debate and approval.

SCRUTINY OF THE NAIROBI CITY COUNTY BUDGET ESTIMATES FOR THE FY 2014/15

B. INTRODUCTION

7. **Mr. Speaker Sir**, the total County budget for the FY 2014/15 amounts to **Kshs.30,024,172,118** including **Kshs.1,890,231,818** for the County Assembly. This comprises of **Kshs.13, 722,713,508** allocated for personnel costs, **Kshs.4, 902,375,569** allocated for operations and maintenance and **Kshs.9, 037,600,000** allocated for development expenditure. It is noteworthy that the allocations for development have just hit above the 30% mark. As Members may recall, the Budget and Appropriations in the Supplementary Budget Report undertook to ensure that the allocations for development expenses do not slide below the 40% mark. This is an undertaking that the Committee still remains alive to. However, it is worth informing Members that as it stands today this can only be realised gradually and with a number of policy interventions aimed at streamlining many sectors and operations within the County. Of alarm to the Budget Committee is that the total amount that the County uses for Operations and Maintenance and Compensation to Employees have continued to rise leaving very little amount for discretionary budget.
8. **Mr. Speaker Sir**, as the Committee said during the debate on the Supplementary Estimates, the County has a huge debt that at the moment is

being serviced at a cost of Kshs.2.7 billion annually- an amount that has been reduced in these estimates to Kshs.1.45billion. This is a huge debt that continues to limit the amounts available for development projects in the City at almost 36% of our development budget. The Budget Committee remains steadfast and committed to ensuring that debt and debt repayments do not deny Nairobi County the opportunity to improve its services to the public. The Committee has in this regard insisted on the County Executive to ensure that the County's debt portfolio is not expanded more than the County can service.

9. **Mr. Speaker Sir**, the core business of the Budget and Appropriations is also to evaluate how well the allocated funds are being used to implement budgeted projects. It is from this legal backing that the Committee took to determine even how much the County had been able to realize in terms of revenue collections among other budget components. In the first ten months of the FY 2013/14 the County managed to realize revenues to the tune of Kshs.9.8billion from internal sources. In addition the County had received more than 90% of its national share as allocated by the Division of Revenue Act 2013. These figures of revenue are indeed worrying given that the County has a budget of almost Kshs.30billion against a revenue flow of less than Kshs.20billion. Whereas we want to remain convinced that these figures may have been occasioned by the late implementation of the Finance Act, 2013, the Committee remains alive to the possibility that the County may not be achieving its optimum revenue flow due to overestimation of revenues or revenue leakages. In this regard, the Budget Committee has insisted on the County Treasury and all Chief Officers/County Executive Committee Members to leave no stone unturned and no non-performing officers on the job towards ensuring that we realize our revenue targets. It is based on this understanding that much care has been taken in this budget to ensure that the revenue figures in our books are as realistic as possible.
10. **Mr. Speaker Sir**, as you will note there are departments/sectors which are very integral to the revenue generation of this County and hence need much attention to ensure that we remain in the first lane as far as revenue generation is concerned. Despite that well documented fact, the County Executive submitted to the Committee that they intend to roll out a fleet management system in the coming financial year that would regulate which departments use which type of vehicles and at what time. The Committee strongly opposes the issue of pooling all vehicles and further voted against the idea of leasing vehicles as it considered it expensive and unsustainable going forward. The departments that the Budget Committee has allowed to

buy and use their own vehicles outside the pool management framework are: City Inspectorate, Trade department and the Planning Department. Hon. Members will note in this report that the revenue targets for these sectors have been enhanced, a position agreed to by the sector Chief Officers, CECs and Committee Chairpersons.

11. **Mr. Speaker Sir**, as you may be aware this Assembly has been affected by the intermittent revenue flows from the County Treasury leading to delays in many important undertakings. These are indeed mishaps that can be avoided with proper planning and strict adherence to the provisions of the law. The Budget Committee has therefore tasked the County Treasury to ensure that there is a cash flow projection for the County as anticipated in Section 127 (1) of the Public Finance Management Act, 2012. In this process, the Clerk of the County Assembly must be involved so as to ensure that the County Assembly is not caught unawares in case of any upheavals.
12. **Mr. Speaker Sir**, the need to have contingencies fund for the County cannot be overemphasized. The recent grenade attacks and subsequent fires that almost brought to closure the busy Gikomba market was a timely reminder that allocations need to be reflected in the budget to enable the County respond to the very many urgent calls of assistance. It is based on this background that the County saw it fit, a position the Budget Committee fully supports, to allocate funds to the tune of Kshs.24million for Emergency Fund. However, whereas the Budget Committee has taken cognizance of the swaying reasons, the law must be our guide in all matters related to management of public resources. Section 110 (1) of the PFM Act, 2012, mandates a County Executive Committee to set up an emergency fund but only **with the approval of the County Assembly**. It was our hope and belief that the regulations for this fund would have been brought to this Assembly for approval before the money for the same are appropriated in the budget. The Committee recommends that these regulations are submitted to the Assembly without any further delay. The amounts for the fund should also be revised upwards to be able to address the peculiar challenges facing the City.
13. **Mr. Speaker**, the Committee noted that the County Assembly Service Board had requested for a total of Kshs. 1.89billion out of which only Kshs.386million would be directed towards development expenditures. This total expenditure for the County Assembly has therefore risen by Kshs.200million from the revised budget of 2013/14 as approved in the Supplementary Estimates. It is conspicuous from the estimates that the

there is a sharp rise in recurrent expenditures by over Kshs.500million representing an increase of about 50% of the original budget 2013/14. As a Budget and Appropriations Committee we have always been alert to the need for the County Assembly to preach only what it can drink. It would be improper for this honourable Assembly to continue putting pressure on entities within the County to contain their recurrent budgets but trivialize the ballooning expenditures within. It is with this commitment that the Budget Committee reviewed the estimates for the County Assembly with the aim of ensuring that the figures are rationalized and that all of us only live within our means.

14. **Mr. Speaker Sir**, the County Assembly estimates for this coming financial year have incorporated a number of areas that are of interest to Members and the Committee on its part confirmed that these were allocation of Kshs.260million to carter for the balance for Car Loan and Mortgage not financed through the 2013/14 supplementary budget. The Committee would wish to challenge the County Assembly Loans Management Committee to ensure that the funds are made not only available but also accessible to Members and staff without any further delays. **Mr. Speaker Sir**, the Board took notice of deficient allocations to Committee work that curtailed the operations of Committees of this Assembly. The Budget Committee agreed that it was warranted that the allocations be increased but was not convinced on the need to alter the allocations for both domestic and foreign travels. In this regard therefore the Committee would be proposing amendments to the budget to ensure these figures don't curtail the smooth work of this Assembly.
15. **Mr. Speaker Sir**, the allocation for refurbishment are projected to rise from the original budget in the 2013/14 approved budget of Kshs.267million to Kshs. 300million in these estimates. Whereas the Committee was convinced by the explanations given by the Office of the Clerk that the rose was due to the cost of equipment to be purchased like the Hansard Equipment, the Committee has resolved that it would not okay any further upward surge in the costs and would be proposing reductions in this vote.
16. **Mr. Speaker Sir**, the Committee and its work is only as good as the supporting offices that are set up to ensure financial probity. The Committee was hence concerned that the Assembly has not had the two critical offices; internal audit and budget office, both of which are key to ensuring issues of public finance are given the due attention they deserve. The Committee

indeed confirmed that there were allocations in the budget to roll out these two offices and make them operational as soon as practicable.

17. **Mr. Speaker Sir**, it has been unfortunate that in the 21st Century this Assembly still transacts business using a tirade of paperwork that is not only environmentally unfriendly but also more costly. It is based on the need to align itself to the national government trademark of digitalizing government operations that the Assembly budget has set aside funds to purchase ipads for Members that would aim to address conclusively the problems associated with paperwork.
18. **Mr. Speaker Sir**, the contribution of the honourable Members from the female gender in this Assembly cannot be wished away and hence the need to incorporate them in the activities of this City. This can only be done if they are facilitated with resources to make a difference. The Budget Committee would therefore be recommending that amounts be set aside in the Assembly Budget for gender activities in the City. However, these would not be spent until a proper legal framework has been brought to this Assembly for interrogation and approval. In developing that legal framework the female counterparts are encouraged to consult widely and engage all and sundry including the Budget Committee and the County Treasury.

C. SUBMISSIONS FROM SECTORAL COMMITTEES

19. **Mr. Speaker Sir**, provisions of Standing Order 207 (3) and (4) dictates the procedure of dispensing with the budget estimates once they have been tabled in the County Assembly. These provisions require that the estimates be considered by all the Sectoral Committees in line with their respective mandates who thereafter are required to consider them in line with their respective mandates and report to the Budget and Appropriations Committee. Further, Standing Order 187 (6) requires that the Budget and Appropriations Committee holds discussions with the Chairpersons of all Sectoral Committees during the consideration of the budget. In this regard, the Committee invited the Sectoral Committee Chairmen for meetings held between Tuesday 27th May 2014 and Saturday 31st May 2014 where they made their presentation on their respective sectors. In this meeting, the Sectoral Committees Chairpersons were accompanied by the County Executive Committee Members and Chief Officers for their respective sectors in addition to several technocrats from these respective departments. These Executive officials were critical in helping the Committee understand the

underpinning reasoning behind the budgetary allocations and policy guidelines that informed the various policy interventions. In this meeting there were many decisions reached jointly with the County Executive on how various budget allocations needed to be undertaken going forward.

20. **Mr. Speaker** it is worth noting from the very onset that many sectors had surpassed the sector ceilings allowed in the County Fiscal Strategy Paper which as you will realize left the Budget Committee with little choice other than to review their budgets downwards. This may have been due to the fact that all the Sectors never reviewed their Sector ceilings as had been presented in the County Fiscal Strategy Paper during its deliberations in this Assembly. With that lesson, it is now the belief of the Budget Committee that the Members have noted the importance of setting their own sector ceilings and ensuring their budgets live within those caps.

The following were some of the recommendations that the Sectoral Committees jointly made with their head of Sectors to the Budget and Appropriations Committee:

a) Health Services Committee

- i. That an allocation of Kshs. 20million for construction of a civil servant clinic is not a priority and should be knocked out of the Budget;
- ii. That street lighting installation of main hospital, Nursing and Midwifery College & Staff Quarters be entirely transferred to the Public Works Sector;
- iii. That allocation of Kshs.10million for prime read generator be knocked out of the budget since there was allocation of Kshs.50million for solar energy delivery;
- iv. That the allocation of Kshs.10million for Desktop Computers and laptops/notebooks, internet and website services(Enhancement of ICT) be reduced to Kshs.7million;
- v. That the cost of equipping 7 wards with medical equipment, tools, beddings and furniture be reduced from Kshs.25million to Kshs.15million;
- vi. That the amount allocated for purchase of official vehicle for Medical superintendant at Kshs.3.5million be scrapped off the budget;
- vii. That the allocation of Kshs.30million for expansion of administration block be scrapped off the budget; and
- viii. The savings of Kshs.86.5million from the above alterations be reallocated as follows:
 - Refrigeration and Generators for new vaccines at the 9 Sub County Stores at a cost of Kshs.16million;

- Rehabilitation and equipping of Njiru Health Centre for Kshs.20million;
- Rehabilitation of Plainsview Health Centre at a cost of Kshs. 10.5million;
- Rehabilitation and equipping of Kangemi Health Centre for Kshs.10million;
- Rehabilitation of Upendo Health Centre at a cost of Kshs.15million;
- Rehabilitation and equipping of Ziwani dispensary for Kshs.10million; and
- Rehabilitation of Lungalunga Health Centre at a cost of Kshs.5million.

General Observations of the Budget and Appropriations Committee on the Public Health Department

21. **Mr. Speaker** during the deliberations with the Health Services Committee, the Budget and Appropriations Committee noted with concern that there were many projects in the Sector that were started in the FY 2013/14 and which were yet to be completed hence creating the impression of very many elephant projects within the County. The Budget Committee hence insists that the Executive must ensure that the projects once started are done to conclusion to avoid committing public funds on ventures that do not influence the lives in this great City. Further it was the resolution of this Committee that the funds allocated for new projects in the coming financial year must be used to ensure equitable distribution of development across all the wards. These projects, the Committee observes, must be identified through and by the citizens themselves either directly or indirectly through their elected representatives. There are enough provisions of the law that have put emphasis on public participation and this must at all times be adhered to.

b) Planning and Housing Committee

- i. That the Budget and Appropriations Committee maintain as presented the allocations for the allocations for the Lands, Housing and Planning Sector; and
- ii. That the Budget Committee makes adjustments in the budget to ensure that the development meets the legal threshold of 30%.

General Observations of the Budget and Appropriations on the Lands, Planning and Housing Sector

22. Mr. Speaker Sir,

The Budget Committee observed that the Sector had very poor absorption capacity of public funds allocated to it, a fact indeed confirmed by the Chief Officer for the Sector in the oral submissions to the Budget Committee. It is the hope and desire of this team that the same absorption bottlenecks won't be experienced in the coming financial year. The rolling out of e-payment system is to this end a timely technological dawn that must be implemented from July as planned without delay. It is our feeling that some projects like regularization of plans are timely interventions that must be dispensed with not only in a fair but also in an efficient manner.

c) Agriculture, Environment and Natural Resources Committee

- i. That the Kshs.50million allocated under development vote for rehabilitation, construction of building and residential buildings should be reallocated for the following projects:
 - Construction of 17 greenhouses;
 - Construction of a water pan/dam in Njiru;
 - Establishment of 5 milk dispensers to be located in the slum areas;
 - Purchase of an animal holding ground; and
 - Development of sector legislations and policies
- ii. That specific amounts be allocated for fuel for the department;
- iii. That breakdown of the Kshs.437million for recurrent expenditure should be explained;
- iv. That the four (4) projects not previously undertaken in FY 2013/14 because of austerity measures be brought forward to FY 2014/15;
- v. That Kshs.10million be reduced from the purchase of CAT D8 Dozer and be allocated to the Purchase of Clothing and uniform; and
- vi. Priority be given to support Youth Solid Waste Management activity with a monthly allocation of Kshs.2.4million.

General Observations of the Budget and Appropriations Committee on the Sector under the Sectoral Committee on Agriculture, Environment and Natural Resources

23. **Mr. Speaker Sir,** as many Members may appreciate, the contribution of this Sector is key to the success of devolved system of government. However, it was shocking for the Budget Committee to learn that the contribution of the sector to the overall revenue basket still remains meager despite the

enormous potential that the sector possesses. Further with regard to environment and management of the city sanitation, it was the clarion call from the Budget Committee that there needs to be clear policy and demarcation of roles between the County and the private firm(s) that have been contracted to clean the Central Business District. Further, if the idea of engaging private entities to take care of environment issues is ascertained as more viable option, then this should be extended to the estates. However, before this is done, a proper cost benefit analysis must be undertaken.

Mr. Speaker Sir, the Committee was keen to understand the modalities of rolling out the Youth Solid Waste Management system and remain unconvinced that it would either achieve its two main objectives of providing employment and taking care of the environment. The Budget Committee remains wary to populist ideas that may not stand the test of time and in the process of gambling with their implementation cost taxpayers over Kshs.100million. That notwithstanding, the Committee would be proposing some allocations per ward to kickstart the process and set up the necessary structures that would empower the youth to contribute to the cleanliness of the County. However, the Committee insists that this must not be turned into modern day 'Kazi kwa Vijana' project that would end up not achieving any meaningful output. Most importantly is that the County Representatives must at all times be involved in this undertaking.

d) Trade, Tourism and Cooperatives Committee

- i. That the amounts allocated under the sector are reasonable and should be approved as indicated in the budget estimates

General Observations of the Budget Committee on the Sector under the Sectoral Committee on Trade, Tourism and Cooperatives

24. **Mr. Speaker Sir**, the Trade Sector is of utmost importance to the revenue base of this County and its contribution to the employment figures cannot be gainsaid. It is in this regard that the Budget Committee was emphatic in its pressure to the Trade Sector to ensure that it moves with speed and ensures that it generates the correct amount of revenues. It is with this understanding that this report will be communicating revised revenue targets for the sector with the aim of stabilizing our resource base.

25. **Mr. Speaker Sir**, with regard to the markets it is the understanding of the Budget and Appropriations Committee that there are a number of markets that have faced incessant ownership wrangles which have refused to go away. The contribution of the markets in terms of revenues was also of major concern to the Committee as it was noted that there are some markets like

Wakulima market whose revenue generation have stagnated over the years despite the massive investment.

26. **Mr. Speaker Sir**, so as to create more employment and widespread growth the sector has with the approval of this budget been mandated to undertake feasibility study to ensure that the markets to be built have meaningful future importance and sustainability. Further, measures must be put in place to expand the already existing markets with the aim of making them responsive to the changing times.

27. **Mr. Speaker**, attention of the Committee was drawn to the provisions of Section 116 of the PFM Act, 2012 on the criteria of establishing a public fund. In that, Hon. Members may notice that the power to set up a public fund is the sole responsibility of the County Executive Committee Member for Finance with the approval of the County Executive Committee and the County Assembly. Other than allocations in the budget, the Committee received no documentation to the effect that the proposed Trade and Investment Fund had gone through the necessary processes in the County Executive. Even if that might have happened, the regulations governing the fund and memoranda of reasons on its establishment needed to be brought to this honorable Assembly for approval or otherwise before appropriation is done. In line with the above sections of the law, it is the proposal of the Budget Committee that these regulations are brought to this Assembly soonest as a way of eliminating any legal bottlenecks towards rolling out the fund.

e) **Culture and Community Services Committee**

- i. That amounts for construction of Ruai Rehabilitation Centre be utilized in the FY 2014/15;
- ii. That the names of the Social halls to be rehabilitated with the allocation of Kshs.60million should be named;
- iii. That amounts be allocated for disaster management.
- iv. That the amounts of Kshs.156million allocated for Fire department under the Governor's Office should be utilized for;
 - 3 Water boozers at Kshs.36million;
 - Purchase of 3 fire engines at Kshs.100million;
 - Construction of 2 fire stations at Kshs.20million;
 - Facelift and Automation of McMillan Library at Kshs.20million;
 - Construction of Perimeter Wall at Mji wa Huruma at Kshs.15million; and
 - Renovation of old hostel in Mji wa Huruma at Kshs.5million.

General Observations of the Budget and Appropriations Committee on the Department under the Sectoral Committee on Culture and Community Services

28. **Mr. Speaker** the Budget Committee was at pains to discern the roles of this particular Committee and how it related with the Committees on Labour, Justice and Education. Of concern was that this particular Committee oversight the Fire Department as well the Social Halls and the Libraries yet these other Committees also made submissions to the effect that these spending entities were under their watch. The Budget Committee would hence wish to plead with the Procedure and Rules Committee to come clear on which department falls under which Committee to avoid the unnecessary duplications.

29. **Mr. Speaker Sir**, the Committee continues to urge the Fire Department to decentralize its services to the estates and areas where its services are direly needed. It is the wish of the Budget Committee that any new allocation for construction of new fire stations should be done in areas that have not benefited before.

f) Labour and Social Welfare Committee

- i. That the vote given as **Construction of Ultra-Modern Indoor Facility at City Stadium** should be renamed as **Rehabilitation of the City Stadium**; and
- ii. That the amount be increased by Kshs.5million for Fencing, Landscaping and construction of changing rooms at Woodley Grounds

General Observations of the Budget and Appropriations Committee on the Departments under the Sectoral Committee on Labour and Social Welfare

30. **Mr. Speaker Sir**, the issue of ghost workers has hang on the neck of this County for quite a long time and a permanent solution is what this County needs. The Committee therefore wants the County Public Service Board and the Department of Public Service Management to ensure that the issue is put to rest. During the deliberations on this budget, the sector requested for Kshs.2billion for settling of the Collective Bargaining Agreement that was entered into last year. This plea cannot be granted in the FY 2014/15 due to already shrinking revenue figures. Further during the deliberations on the budget, the attention of the Budget Committee was drawn to assertions of discriminatory employment practices by the board. The Committee hence urges the board to all times adhere to the best labor practices and inclusive employment that takes into account gender and regional balance.

g) Justice and Legal Affairs Committee

That under the Inspectorate Department, Kshs. 520 million should be factored in to the budget to enable purchase of the following:

- i. Kshs. 150 million should for the operation of motor vehicles so as to reduce crimes through intensifying patrols, collection of intelligence, arrest prosecution of offenders and public sensitization of County By-Laws;
- ii. Kshs. 80 million for uniforms of the staff to enhance visibility and effective service delivery, discipline and improved corporate image, accountability and responsibility;
- iii. Kshs. 15 million for V.H.F-Communication equipment to enhance security through quick response and information sharing;
- iv. Kshs. 30 million for training and re-training of staff to enhance enforcement capacity and competent workforce;
- v. Kshs. 100 million for construction of a new Training facility (Dagoretti Training School) to offer better training facilities and professional programs for the staff;
- vi. Kshs. 10 million for construction of ablution block at Dagoretti Training School to offer a conducive training environment;
- vii. Kshs. 50 million for rehabilitation of staff houses at Dagoretti Training School so as to have a habitable environment;
- viii. Kshs. 15 million for construction of perimeter fencing at Dagoretti Training School in order to safe guard the training facility;
- ix. Kshs. 5 million for construction of dog kennels to offer proper management and security of the neighborhood and the impounded dogs;
- x. Kshs. 30 million for construction of motor vehicle pound in Eastlands to enable brining of county Services closer to the citizens of Nairobi hence reduce operation costs and enhance access to county services by the citizens;
- xi. Kshs. 10 million for tarmacking of the road leading to the Training School to enhance accessibility to the training school; and
- xii. Kshs. 25 million for rehabilitation of Country bus offices to offer a conducive work environment.

That under the Investigations and Information Analysis Department;

- i. Capital Development worth Kshs. 37, 400,000 should be factored in to the budget to enable purchase of the following vehicles:
 - 1 Pajero worth Kshs. 8,000,000
 - 5 double cabins worth Kshs. 12,500,000

- 7 pick-ups worth Kshs. 10,500,000
 - 3 Toyota Saloon cars worth Kshs. 6,000,000
 - 2 motor bikes worth Kshs. 400,000
- ii. An Amount of 36, 000 per officer per year should be set aside totaling to Kshs. 1, 584,000 for purchase of uniform and clothing for the staff;
 - iii. A monthly rate of Kshs. 200,000 (non-accountable imprest of Kshs. 100,000 and another operational imprest of Kshs.100, 000) of each staffs hould be factored in as Daily subsistence allowance as these departments maintains informants and whistleblowers for purposes of intelligence collection;
 - iv. An amount of Kshs. 350, 900 should be factored in to enhance information analysis and development of plans of information collected therein;
 - v. An Amount of Kshs. 2.5 million should be reinstated for staff training to facilitate capacity building by training staff; and
 - vi. Kshs. 600,000 per officer per year should be factored in as risk allowances for 44 NO. Enforcement officers totaling to Kshs. 26,400,000.

That under the Legal Department, a total of Kshs. 36,367,677 should be factored in the budget for capital projects as follows:

- i. Kshs. 15,000,000 for Construction and equipping a modern Law Library;
- ii. Kshs. 7,000,000 for Purchase of 62 seater bus for ferrying prisoners;
- iii. Kshs. 11, 367,677 for renovation of Legal Affairs Department offices in 12th floor City Hall Annex;
- iv. Kshs. 3,000,000 for Renovation of city courts and cells; and
- v. A reasonable amount for provision of one meal a day for each prisoner and decentralization of courts

That under the Information, Communication and E-Government Department, Kshs.450million should be factored in the budget for capital projects as follows:

- i. Kshs. 400 million for establishment of a Data Center (structure cabling for the 17 sub-counties) so enhance transformation of the county; and
- ii. Kshs. 50 million enable establishment of Disaster Recovery.

That under the Public Relations Unit:

- i. Kshs. 100 million approved in the financial year 2013/14 for establishment of a County Radio FM Station not spent due to regulatory issues by Communications Authority of Kenya (CAK) should be carried

- forward to the financial year 2014/15 so as to be in line with the Communication framework; and
- ii. 700 million should be factored in for the public relations unit for marketing.

General Observations of the Budget and Appropriations Committee on the Departments under the Sectoral Committee on Justice and Legal Affairs

31. **Mr. Speaker Sir**, as Members may be aware there has been an ongoing recruitment of traffic marshals with the processes having gone up to an advanced stage. The Budget Committee was informed that the idea was supposed to be funded by the World Bank which had since pulled out. Despite these clear signs of uncertainty on how the officers once recruited would be remunerated given the World Bank move, there were no budget provisions for the same under the Compliance Department. The Budget Committee hence ensured that amounts are set aside for their salaries.
32. **Mr. Speaker Sir**, the public relations unit has requested for Kshs.100million for Radio Station which by any standards is a significant amount. However, the Budget Committee is still not convinced that this is a priority for this County. As Members may note, the public also strongly opposed the setting up of the station at a time when the County is facing more serious challenges that need attention. It is in this regard, the Budget Committee has seen it wise to knock off the budget the amounts allocated for setting up of a radio station. This was informed by the fact that the County had not even acquired the frequencies from the Communication Authority of Kenya.
33. **Mr. Speaker**, of importance is that the department has requested for a number of allocations for Dagoretti Training School making it difficult for the Committee to determine which of them is of priority. The Budget Committee would wish that with these budgetary allocations, the school would be transformed for the better. That notwithstanding the Budget Committee would be reducing some proposed allocations for the school in this budget. Another department under the watch of this Committee whose contribution to the growth of this City has been at its bare minimum is the Legal Department. The Budget Committee has hence called upon the department to pull up its socks and not only ensure that cases are won but also that law breakers are not let off the noose.

h) Transport and Public Works Committee

- i. That all development projects planned for the FY 2014/15 be given priority and implemented within the year;

- ii. That allocation for Ward Development Projects be increased to Kshs.30million per ward to cater for unutilized funds in the current financial year;
- iii. That allocation for Roads and Drainage be increased to Kshs.1billion to ensure additional high impact projects are constructed;
- iv. That street lighting projects approved in October 2013 be included in the budget and equitable allocation of resources, additional lights be proposed for each ward at Kshs.2.4million; and
- v. That allocation for street lighting materials be increased to Kshs.876million to ensure that all street /public lights are well maintained.

General Observations of the Budget and Appropriations Committee on the Transport and Public Works Sector

34. **Mr. Speaker Sir**, the Ward Development Fund was expected to improve the various sections of the wards. However, to this end no meaningful development has occurred in the Wards making Members aliens with their own electorates. The Budget Committee would wish that the projects are implemented in the 2014/15 financial year. In this regard therefore, the Committee recommends that the bank balances for the fund which had allocated in the FY 2013/14 but not utilized due to a myriad of factors be carried forward to 2014/15. In addition, the Budget Committee would be recommending that the amounts be increased to Kshs.20million for the coming financial year.
35. **Mr. Speaker** the Committee was concerned that there were many ongoing projects in the budget and hence urges that measures are put in place to ensure they are completed. In minor roads maintenance the Committee further urges the Sector to utilize the staff of the County instead of engaging contractors.
36. **Mr. Speaker Sir**, one single generator of the largest of revenue for the County remains the parking fees which according to conservative figures nets in excess of Kshs.250million monthly. The Budget Committee however noted that there are many rogue employees and imposters posing as parking attendants leading to loss of most of the revenue from this particular area. The Budget Committee would hence be recommending revised revenue targets and a raft of changes for parking with an aim of ensuring that officers work extra hard while at the same time getting rid of those who continue to paint the City County in bad light.

i) Water and Sanitation Committee

- i. That a sum of Kshs.3million be allocated per ward towards development of specific water and sanitation services; and
- ii. That the County Government hasten the processes leading to the utilization of Kshs.25million for development of sewer projects allocated in the 2013/14 supplementary budget

General Observations of the Budget and Appropriations Committee on the Departments under the Sectoral Committee on Water and Sanitation

37. **Mr. Speaker Sir**, this Committee oversees the daily operations of the Nairobi Water and Sewerage Company which as Members may be aware is a parastatal under the county government. This entity is anticipated to remit to the County Government Kshs.276million in the coming financial year, an amount that could be much higher with proper oversight of the operations of the Company. The Budget Committee hence urges that the Water and Sanitation Committee to thoroughly evaluate the profit and loss account for the Company with an aim of establishing whether the amount remitted to the county is at its bare optimum.

j) Children, Early Childhood Education and Vocational Training Committee

- i. That the amount allocated to the construction of 6 toilets at Kiwanja ,Kangemi and Waithaka centers be reduced from Kshs.10,000,000 to Kshs. 6,000, 000. The remaining amount of Kshs. 4,000,000 should be reallocated to rehabilitation of 21 no of Day Nursery Schools;
- ii. That the amount allocated to rehabilitation of Ofafa and Bahati training centres/ workshops be reduced to Kshs. 5,000,000 and be specifically used in Ofafa as Bahati had previously been considered. The remaining amount of Kshs. 5,000,000 be reallocated to rehabilitation of 21 no of Day Nursery Schools; and
- iii. That allocation for bursaries be raised to Kshs.127, 500,000 from Kshs. 92,055,000.

General Observations of the Budget and Appropriations Committee on the Departments under the Sectoral Committee on Children, Early Childhood Education and Vocational Training

38. **Mr. Speaker Sir**, the Budget Committee hails this Sectoral Committee for having involved the private sector in most of its operations. The importance of public-private partnerships to the growth of this County cannot be overemphasized and efforts should be explored by all sectors to engage the

non-government entities in development. With regard to bursaries the Committee urges the education department to ensure there are no disbursement delays this time round. Further, and so as to increase the coverage of beneficiaries, the Budget Committee would be proposing increases in the amounts set aside for bursaries per ward.

39. **Mr. Speaker Sir**, as you may be aware, the Budget and Appropriations Committee also acts as a Sectoral Committee with the initial mandate of reviewing the estimates of various departments including Finance, Administration and Economic Planning, Governor's Office, County Executive and the County Assembly. The Committee would wish to inform the house that this was adequately done and the various accounting officers from these sectors given the chance to defend their respective budgets and the recommendations on the sectors are indeed part of this report.

D. SUMMARY OF KEY ISSUES ARISING FROM PUBLIC HEARINGS

Mr. Speaker Sir, Article 221 (5) of the Constitution and Section 131 (2) of the PFM Act, 2012 require that the Committee in finalizing its recommendations to the Assembly shall take into account the views of the public in the proposed recommendations. On the 3rd of June 2014, the Committee held its public consultations where individual Members of the public and organized groups made very important submissions to the Budget Committee on the thematic areas under the domain of the County government which have to a great extent swayed the Budget Committee in its recommendations. In summary, the public made the following submissions:

- i. **Allocation funds for establishment of a dentist hospital in the City.** The public was concerned that the County had only one dentist hospital
- ii. **Ensure equitable distribution of development projects in the County.** The County government should balance the roads development within the County. The position was endorsed as of importance by the Budget Committee who committed to ensure development projects are widespread.
- iii. **Contain the expenditure on personnel emoluments.** The County Assembly should explore on how to control the budget for personnel emoluments as it continues to reduce the amounts available for discretionary budget.
- iv. **Allocate additional funds for Agriculture.** The budget for urban agriculture need to be increased and measures put in place to engage the private to chip in some financial and technical resources.

- v. **Invest in installation and repair of street lights.** The security lights along kibera- laini saba be installed to enhance security in the area. Further the many non-working street lights in the City should be repaired.
- vi. **Provide playgrounds for Children.** Land should be made available for children playground in Kibera- Laini Saba
- vii. **Ensure the budget meets the legal threshold.** The County Assembly should ensure the budget aligns itself to the law and is program-based, takes into account ward based priorities and County Integrated Development Plan
- viii. **Allocate additional funds for public participation:** The County Assembly should determine whether the Kshs.1.2million for public participation is sufficient. Further there need to be allocation for public participation under the Assembly vote.
- ix. **Reallocate the funds meant for setting up of a County Radio Station to more priority areas:** The amounts allocated for Radio Station be scrapped off the budget as it was not a priority
- x. **Develop social halls and schools in all the wards.** There need to be equitable development of social halls, schools within the City
- xi. **Develop policy on dumping of used vehicles.** The vehicle refuse were all over the City hence beating the very purpose of waste management. The Assembly should develop regulations and penalties on dumping of vehicles.
- xii. **Take care of marginalized groups.** Ensure the budget covers issues to do with youth and women
- xiii. **Address issues of Climate Change.** The County Assembly need to enact laws and allocate funds on Climate Change
- xiv. **Solve the City transport menace.** The County needs to address issues to do with public transport in the City

E. RECOMMENDATIONS:

Mr. Speaker, as Members may recall the original budget document submitted to this Assembly had very many legal shortcomings and the Budget Committee directed the County Treasury to make changes in it to ensure it is reduced and complies with the set statutory threshold. In this regard, it is worth noting that the revised budget is broken down as follows:

- Total Expenditure of **Kshs. 28,765,588,927** out of which **Kshs. 9,120,700,000** would be directed towards development expenditure while **Kshs. 1,450,000,000** would be meant for debt repayment; and

- That total revenue in the revised budget is **Kshs. 26,301,672,000** creating a deficit of Kshs. **2,463,916,927**.

Mr. Speaker,

The above reductions were meant to ensure the budget stays within the County Fiscal Strategy Paper ceiling while at the same time maintaining realistic revenue and expenditure outlays.

The rest of this report would aim at bridging the budget deficit to ensure that we have a balanced budget while taking into account the recommendations of the Sectors, Sectoral Committees and the public.

a) Policy Measures

40. **Mr. Speaker Sir**, the Committee noted various critical issues in the Estimates that it would like addressed. In addition to the recommendations already captured in the body of this report, the Committee proposes the following policy measures:
- i. That an ad hoc Committee be formed with the sole mandate of looking at the reasons for revenue loss from parking fees, determine number of parking slots as well propose policy interventions;
 - ii. That the County Treasury must in future ensure that any future budget documents are accompanied with memoranda explaining the figures;
 - iii. That so as to ensure the County is in line with Section 12 of the Second Schedule of the PFM Act, 2012 which requires that Counties start implementing programme based budgets in 2014/15 Nairobi City County must put in measures to ensure this provision of the law in fast-tracked;
 - iv. That any projects proposed in the Estimates must be pulled out of the County Integrated Development Plan and such projects must be equitably distributed across the County; and
 - v. That the Sectoral Committee on Education should come up with a comprehensive policy on the bursary fund. The Office of the Controller of Budget (OCOB), in its review of this budget, noted that scholarships and bursaries is a national government function. The Budget Committee proposes that in line with the OCOB the Sectoral Committee should look for ways of better implementing the fund to avoid duplication of activities.

b) Proposed Adjustments and Reallocations in the 2014/15 Budget

41. **Mr. Speaker Sir**, as has been said the Budget Committee received presentations from Chairs of Sectoral Committees on recommendations and

proposed reallocations in the 2014/15 Budget. In line with its mandate and so as to ensure that the County remains on track in delivering in the areas that are critical for the growth of the County the Committee made numerous recommendations.

42. **Mr. Speaker Sir**, the Committee recommends that the expected bank balances for the County Ward Development Fund should be carried forward or paid as arrears in the financial year 2014/15.

Revenue Projections

43. **Mr. Speaker** as has been discussed in the earlier part of this report these revised revenue targets were arrived at during discussions between the Budget Committee and the Chief Officers, County Executive Committee Members for the respective sectors, County Executive Committee Member for Finance and the Sectoral Committees.
44. **Mr. Speaker** the remaining part of this report should construed as a notice of motion for adoption of the adjustments made in the 2014/15 budget estimates submitted to the Assembly with the aim of making the budget aligned to the aspirations of devolution.

SECTORAL REVENUE PROJECTIONS	
REVENUE SECTOR	ADJUSTED (KSHS.)
Decentralization (Wards)	280,000,000
Rates	4,000,000,000
Single Business Permits	2,000,000,000
Food Hygiene License	50,000,000
Food Handlers Certificate	150,000,000
Bill Boards and Adverts	1,000,000,000
Building Permits	1,000,000,000
Construction of Site Boards	100,000,000
Building/ Change of use/amag. Sub-div	150,000,000
Parking fees	5,000,000,000
TPS Markets	100,000,000
Other Markets	170,000,000
Muthurwa Market	50,000,000
Wakulima Market	150,000,000
Mama Lucy Hospital	100,000,000
Mbagathi Hospital	100,000,000
Liquor Licences	1,000,000,000
Betting and Lotteries	500,000,000

Expenditure Cuts

45. **Mr. Speaker Sir**, the following are proposed reductions in the expenditure:

- i. Reduce to zero **Kshs.100million** allocated under Governor's Office for Setting up of Radio Station. The station is not a County priority;
- ii. Reduce to zero the **Kshs.10million** allocated for Construction of ablution block at the Dagoretti Training School. The school has been allocated enormous resources in this financial year. The Chief Officer indeed informed the Committee of his openness to postponing the same;
- iii. Reduce to zero the **Kshs. 5million** for construction of dog kennels;
- iv. Reduce to **Kshs.50million** the amount allocated for refurbishment of City Hall Annexe;
- v. Reduce to **Kshs. 150million** the amount allocated for purchase of motor vehicles under the Governor's Office with the vehicles to be bought in line with the following matrix:

Department/Sector	Vehicle Description	No.
Administration	Double Cabin Pick-up	1
	Microbus(14 Seater)	1
Decentralization	Pick up vans	9
	Farm tractor complete	2
Finance and Economic Planning	Double cabin pick ups	2
	Pick up (covered)	2
Water and Energy Sector	Double Cabin Pick Ups	2
Education Sector	Double Cabin Pick Ups	2
Lands, Planning and Housing Sector	Double Cabin Pick Ups	10
Security, Disaster Management and Compliance	9-10 high sided truck for ferrying impounded goods	1
	Customized bus for ferrying prisoners	1
	Customized single cab pick-up vans	10
Trade and Industry	Double Cabin Pick Up	4
	14 Seater Microbus	2

Mr. Speaker as is conspicuous in the above list, emphasis has been given to facilitating sectors that contribute to the revenue basket of the County.

- vi. That the total allocation for purchase of motor vehicles under the County Assembly be reduced to **Kshs.10million**;
- vii. That the amount for Refurbishment of Assembly Chamber & Member Lounge be reduced to **Kshs.250million**;
- viii. That the allocations for Domestic Travel and Subsistence and other transportation costs under County Assembly Service Board (CASB) be reduced by Kshs.1.5million to **Kshs. 4million**;
- ix. That the allocations for Foreign Travel and Subsistence and other transportation costs under CASB be reduced by Kshs.1.65million to **Kshs. 4million**;
- x. That allocation for Other Operating Expenses under the CASB be reduced to **Kshs.6million**;
- xi. That the allocation for Construction and Rehab of ECD Centres be reduced to **Kshs. 200million** creating a saving of Kshs.150million. The additional amounts cannot be allocated when the level of utilization of the allocated has been ascertained;
- xii. That the **Kshs.2million** allocated for Renovation for Youth Centre under Onestop Youth Training and Resource Centre be knocked off the budget;
- xiii. That the **Kshs.250million** allocated for 40 Refuse Vehicles under Environment Sector be scrapped off the budget. The Sector should fast-track the delivery and utilization of the 34 trucks allocated for funds in 2013/14 before any more purchases are allowed;
- xiv. That allocation for CAT doxer d8 be reduced by Kshs.10million to **Kshs.40million**. This reduction was informed by the Sectoral Committee which recommended that the amount be reduced and reallocated;
- xv. That the **Kshs.100million** allocated for Containers for garbage collection in informal settlements be reduced to **Kshs.20million**. The Sector should undertake a feasibility study and ensure that the containers are allocated in markets in areas where they would be optimally utilized; and
- xvi. That allocation for upgrade of Mutuini Hospital be reduced by **Kshs.25million** to **Kshs.50million**;
- xvii. That the allocation for upgrade of Pumwani Maternity Hospital be reduced by **Kshs.135million** to **Kshs. 250million**;
- xviii. That amounts for upgrade of Mama Lucy Hospital be reduced by **Kshs.50million** to **Kshs.100million**;
- xix. That the allocation for Tourist Information Centre be reduced by **Kshs.10million** to **Kshs.40million**;
- xx. That allocation for Junction Improvement under Traffic Management Systems be scrapped off the budget. **Kshs.30million** allocated for Consultancy should be utilised for the junction since

the better work of the Consultancy is being undertaken by the JICA group;

- xxi. That the allocation for Consultancy of redesigning of Muthurwa terminus be reduced by **Kshs.10million** and allocated **Kshs.10million**;

The Kshs.250million allocated for New Public Transport Projects be effected as follows:

- xxii. That allocation for Construction of Transport Facility in Riruta be reduced by **Kshs.10million** to **Kshs.15million**;
- xxiii. That allocation for Construction of Transport Facility at Mathare be reduced by **Kshs.10million** to **Kshs. 15million**;
- xxiv. That allocation for Construction of Public Transport Facility at Roysambu on Kimiti Road be reduced by **Kshs.10million** to **Kshs.25million**;
- xxv. That allocation for Construction of Public Transport Facility in South C be reduced by **Kshs.15million** to **Kshs.15million**;

The Kshs.100million for Non Motorised Transport (NMT) Facility be reduced as follows:

- xxvi. That the **Kshs.10million** allocated for Construction of NMT facilities along Riverside drive be scrapped off the budget. The project is currently being done by the development partners;
- xxvii. That the **Kshs.5million** allocated for Construction of NMT Facilities along Ring Road Pumwani be knocked off the budget;

That the Kshs.530million allocated for Roads and Drainage be reduced as follows:

- xxviii. That the allocation for Construction of Sunton- Cheiko Road be reduced by **Kshs.30million** to Kshs.30million;
- xxix. That the Kshs. 65million allocated for Rehabilitation of Lumumba-Drive be reduced by **Kshs.25million** to Kshs.40million;
- xxx. That the allocation for First lane Casanova-Huruma Road(Service Road) be reduced by **Kshs.10million** to Kshs.35million;
- xxxi. That allocation for Rehabilitation of Access Road to Tassia Estate be reduced by **Kshs.15million** to Kshs.45million;
- xxxii. That allocation for Construction of Thiong'o Road be reduced by **Kshs.20million** to Kshs.40million;
- xxxiii. That allocation for Construction of Baba Dogo-Lucky Summer Road be reduced by **Kshs.15million** to Kshs.45million;
- xxxiv. That allocation for Rehabilitation of Njiwa Road be reduced by **Kshs. 10million** to Kshs.20million;
- xxxv. That allocation for Construction Muthiora Road be reduced by **Kshs.5million** to Kshs.45million; and
- xxxvi. That the **Kshs.15million** allocated for Piped drain along North Airport Road be knocked off the budget.

Expenditure Increments

46. **Mr. Speaker Sir**, the above cuts are aimed at making resources available for spending in most priority areas. These were informed by the core needs identified by the Sectoral Committees in conjunction with the Budget Committee.

47. **Mr. Speaker Sir**, the Committee proposes the following as areas where increases should be effected:

- i. That the development vote for the County Public Service Board be increased by **Kshs.30million** to **Kshs.50million**. This would enable the Board set up offices as well a boardroom that they would use for their work;
- ii. That the allocation of **Kshs. 50million** be set aside under the County Assembly budget for gender mainstreaming issues. However, the Committee proposes these amounts must not be spent unless a comprehensive policy framework is brought to the Assembly for approval. In developing this policy, the County Treasury and the Budget Committee must be consulted as required by the law;
- iii. That allocation for bursaries be increased from Kshs.1.5million **Kshs.2.5million per ward** or from Kshs. 127.5million to **Kshs. 212.5million**;
- iv. That allocations for tree planting under Environment and Forestry Sector be increased by **Kshs. 6,570,800** to **Kshs.20million**;
- v. That allocation for clothing and uniform under the Environment and Forestry Sector be increased from **Kshs. 3,344,000** to **Kshs. 10million**;
- vi. That **Kshs.300, 000** be allocated per ward for supporting Youth Solid Waste Management translating to **Kshs.25.5million** annually. However before this money is utilized a policy must be developed by the Sector, interrogated by the relevant sectoral committee and approved by the County Assembly;
- vii. That the development allocation for the Water and Sanitation sector be increased by **Kshs.50million**;
- viii. That **Kshs.110million** be allocated for refrigeration and generators for new vaccines at the 9 sub county stores;
- ix. That **Kshs. 20million** be allocated for equipping of Njiru Health Centre;
- x. That **Kshs.10.5million** be allocated for rehabilitation of Plainsview Health Centre;
- xi. That **Kshs.10million** be allocated for equipping of Kangemi Health Centre;
- xii. That **Kshs.15million** be allocated for rehabilitation of Upendo Health Centre;
- xiii. That **Kshs.10million** be allocated for rehabilitation of Makongeni/Kaloleni Health Centre;

- xiv. That **Kshs. 10million** be allocated for rehabilitation and equipping of Ziwani dispensary;
- xv. That **Kshs.5million** be allocated for rehabilitation of Lungalunga Health Centre;
- xvi. That **Kshs.400million** be factored in the budget for establishment of a Data Centre and rolling out of e-payment under the ICT department;
- xvii. That **Kshs.30million** be allocated for public participation/civic education in the relevant department in the County Executive;
- xviii. That **Kshs.30million** be allocated for legal drafting under the Legal Department;
- xix. That allocation for Ward Development projects be raised to **Kshs.20million per ward** or a total of **Kshs.1.7billion**;
- xx. That **Kshs.400million** be allocated for salaries of the yet to be recruited Traffic Marshalls;
- xxi. That allocation for Purchase of Motor Vehicles under the Public Works Sector be increased by **Kshs.23million**;
- xxii. That **Kshs.90million** be allocation for upgrade of Kimondo Road;
- xxiii. That allocation of **Kshs.400million** be set aside for development of roads in areas not captured in this budget;

Further the Budget Committee recommends that the County Treasury does rationalize the recurrent vote to ensure to total budget is balanced and also provide:

- xxiv. **Kshs.1billion** for debt repayments. The amount should be directed towards settling the salary arrears occasioned by the new Collective Bargaining Agreements.

Mr. Speaker Sir, in conclusion and pursuant to the provisions of Section 131 (1) of the Public Finance Management Act 2012 and Standing Order 207 (6) the County Budget and Appropriation Committee recommends that:

This County Assembly adopts the Report of the Budget and Appropriations Committee on the Budget Estimates for the Nairobi City County Government, and County Assembly tabled in the County Assembly on Tuesday 17th June 2014.

