



NAIROBI CITY COUNTY ASSEMBLY

OFFICIAL REPORT

First County Assembly – Fifth Session

Wednesday 5th April, 2017

The House met at 2.30 p.m.

(Hon. Deputy Speaker (Mr. Kennedy Ng'ondi) in the Chair)

PRAYER

QUORUM

Hon. Deputy Speaker: Hon. Members, the attention of the Chair has been raised that there is lack of quorum in the House. I so direct the Serjeant-At-Arm, under Standing Order no. 31 (2), to ring the bell for 10 minutes.

(Quorum bell is rung for 10 minutes)

Hon. Members, there is still lack of quorum in the House. I further direct the Serjeant-At-Arm to ring the bell for another 5 minutes.

(Quorum bell is rung for 5 minutes)

Hon. Members, get seated and we may proceed.

PAPERS

THE REPORT OF THE SELECT COMMITTEE ON IMPLEMENTATION ON THE IMPLEMENTATION STATUS OF THE PAST MOTIONS FROM 2013 TO 2016

Hon. Leader of Majority: Thank you Mr. Speaker. Pursuant to Standing Order no. 180 (6), I beg to lay the following paper on the Table of the Assembly, today, Wednesday 5th April 2017. Mr. Speaker, I beg to lay.

Hon. Deputy Speaker: Thank you Majority Leader.

Hon. Leader of Majority: Mr. Speaker, I am sorry. The report of the select Committee on Implementation on the implementation status of the past Motions from 2013 to 2016.

Hon. Deputy Speaker: Thank you.

NOTICES OF MOTION

Hon. Leader of Majority: Mr. Speaker, I beg to give Notice of the following Motion. That this Assembly adopts the report of the Select Committee on Implementation on the implementation status of the past Motions from 2013 to 2016 laid on the Table of the Assembly today Wednesday 5th April 2017.

Hon. Deputy Speaker: Thank you.

STATEMENTS

THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD) MEETING THAT WAS HELD 17TH – 22ND JULY 2016

Hon. Members, under order no. 7, we have a statement which was requested by Samuel Nyangwara from the Chairperson, Sectoral Committee on Trade, Tourism, Cooperatives regarding the United Nations Conference on Trade and Development (UNCTAD) meeting that was held 17th – 22nd July 2016. The Chairperson for Trade? Do we have the Vice Chair for Trade? Do we have Hon. Nyangwara in the House? Any Member who can give an undertaking on behalf of the committee? Trade Committee? We don't have even a single Member in the House?

Hon. Jacqueline Nyangala (Nominated Member): Thank you Mr. Speaker. I was not attentive. Are you talking about the statement that Mr. Nyangwara asked for? Because I am the one who read it and he said because he was sitting in the Chair, we bring it back another time. Is that the one we are talking about?

Hon. Deputy Speaker: But is the response ready?

Hon. Jacky Nyangala: Yes. I already read it and he is in agreement with it. But he was sitting on the Chair the day I read it and said we bring it back. And he said he is okay with it.

Hon. Deputy Speaker: Why would you bring it back when he was okay with it?

Hon. Jacky Nyangala: He said because he was the one who asked the statement and he was the Speaker of the day. He said we bring it another time when he is not on the Chair.

Hon. Deputy Speaker: Okay. I will give direction on that. Clerk.

PROCEDURAL MOTION

SITTING ON THURSDAY 6TH APRIL 2017 AT 10.30 A.M

Hon. Leader of Majority: Thank you Mr. Speaker. That withstanding the provision of Standing Order no. 27 (1) and pursuant to the provisions of Standing Order no. 27 (3) (b), this Assembly resolves to sit on Thursday 6th April 2017 at 10.30 a.m. So, can I call somebody to reply?

Hon. Deputy Speaker: Yes. Kindly call someone to second your Motion.

Hon. Leader of Majority: Hon. Margaret Sewe.

Hon. Margaret Sewe: Thank you Mr. Speaker sir. I wonder why the Majority Leader is lecturing instead of just telling me to second the Motion. I second the Motion.

(Question proposed)

Hon. Petronilla Achieng (Nominated Member): Thank you Mr. Speaker sir, I just stand up because from the way am looking at things I would like to urge the mover to stand up and reply. Am in support of the Motion because I am told tomorrow is a good day because they are going to talk about the money they have added us on gratuity, thank you.

Hon. Deputy Speaker: Any other member? Maxwell Ochar?

Hon. Member for Korogocho Ward (Mr. Maxwell Ochar): Thank you Mr. Speaker I rise to support this Motion and as you know we are in campaign time I would like to request your chair to order the Clerks to send messages well in advance because I saw a message when I was sitting here urging Members to come to the house this afternoon so that we discuss the Motion 9; the message came at 14.55 p.m, which means the message came late. So if somebody was far away from Nairobi, definitely he could not make it because he was not informed well in advance. The issue of this procedural Motion is in order because the time is not on our side. Even the National Assembly has compressed everything so that they can complete the issue of budget by tomorrow. So we are in order, thank you.

Hon. Deputy Speaker: Thank you Hon. Members. May the mover now reply?

Hon. Majority Leader: Thank you Mr. Speaker, I thank all Members for accepting to come tomorrow at 10. 30 a.m. to pass the budget. Thank you all and be good citizens.

(Question put and agreed to)

Hon. Deputy Speaker: Hon. Members after the procedural Motion has been passed I rise to make communication on the same.

COMMUNICATION FROM THE CHAIR

SUSPENSION OF COMMITTEE SITTINGS FOR THURSDAY 6TH APRIL 2017

Hon. Members given that the Assembly has resolved to sit tomorrow at 10.30 a.m. the same time committee sittings normally take place, this will affect the sittings of committees. In this regard I would wish to communicate the suspension of committee sittings on Thursday 6th April 2017.

Hon. Members I wish to remind you that tomorrow committee sittings have been suspended to allow members attend plenary as resolved today 5th April 2017. As you are aware the Assembly has just resolved that there will be a sitting tomorrow morning. It is so advised because there will be presentation of budget highlights. Similarly, Hon. Members, tomorrow afternoon at 2.30 p.m. the County Executive Committee Member for Finance and Economic Planning will present the budget estimates highlights for financial year 2017/18. Hon. Members I hereby invite all the Members to participate in the event and to fulfil the budget making process in good time. Thank you.

MOTION

ADOPTION OF THE REPORT OF THE SELECT COMMITTEE ON FINANCE, BUDGET AND APPROPRIATIONS ON THE BUDGET ESTIMATES FOR THE NAIROBI CITY COUNTY GOVERNMENT AND THE COUNTY ASSEMBLY FOR THE FY 2017-18

Hon. Deputy Speaker: Hon. George Ochola

Hon. Member for Hospital Ward (Mr. George Ochola): Mr. Speaker sir, I beg to move the following Motion:-

That this County Assembly adopts the report of the Select Committee on Finance, Budget and Appropriations on the Budget Estimates for the Nairobi City County Government and the County Assembly for the FY 2017-18”

Mr. Speaker sir, it is my personal honour to present to this Chamber the final report of the First Assembly’s Select Committee on Finance, Budget and Appropriations on the consideration of the budget estimates for the Nairobi City County Government and County Assembly prepared pursuant to the provisions of Section 131 (1) of the Public Finance Management (PFM) Act, 2012, the Public Finance Management (County Government) Regulations 2015 and Standing Order 207.

Mr. Speaker sir, the total budget for the FY 2017-18 stands at Ksh. 35.9 billion out of which Ksh. 24.12 billion has been earmarked for recurrent expenditures and Ksh. 11.80 billion set aside for development initiatives. It is important to remind Members that this County Assembly resolved during the consideration of the County Fiscal Strategy Paper for the FY 2017-18 that “the total allocation and expenditure on development shall not be less than 32% of the total County budget”. The Committee is persuaded that it was the wisdom of this Assembly that the County should not only allocate funds for development but it should be able to spend those funds on the budgeted programmes

Mr. Speaker, the above figures represent an increase from the Ksh. 34.784 billion allocated in the supplementary estimates for the FY 2016-17 which was approved by this House through the Supplementary Appropriations Bill on Wednesday 29th March 2017. The recurrent budget has been increased by about Ksh. 700 million and development budget enhanced by about Ksh. 500 million.

On the specific Sector allocations Mr. Speaker sir, the Public Health Department ranks highest as the biggest consumer of the recurrent budget at Ksh. 5.736 billion. This is an increase from the Ksh. 5.22 billion allocated in the supplementary estimates for the FY 2016-17. The Health Department is followed closely by the Governor’s Office at Ksh. 5.292 billion making the total allocation for the two sectors to be approximately 46% of the total recurrent budget. The Water, Energy and Environment Sector which oversees managing the City’s garbage collection and water infrastructure has been granted Ksh. 1.385 billion for recurrent initiatives being a reduction from the Ksh. 1.862 billion granted in the Supplementary Estimates for the FY 2016-17. Other Sectors whose recurrent budgets have been rationalized downwards over the two financial years include Education, Public Works and the County Assembly.

To undertake debt repayments, manage procurement, audit as well as fiscal reforms Mr. Speaker, the Finance and Economic Planning Sector has been allocated Ksh. 3.661 billion for recurrent. This represents an increase by 738 million from the allocation approved in the Supplementary Estimates for the FY 2016-17. Other sectors whose budgets have received a boost include Public Service Management which has been increased to Ksh. 2.251 billion from Ksh. 1.544 billion in the FY 2016-17. This is meant to cover any spill-over effects of Collective Bargaining Agreements, Voluntary Early Retirements among other related matters.

Mr. Speaker sir, The Public Works and Infrastructure Sector leads in development allocation at Ksh. 4.94 billion which is almost equivalent to the revised allocations for the FY 2016-17. The development allocation for Ward Development Fund has also been increased by Ksh. 124 million to Kshs. 1.736 billion making the total allocation for development projects to be undertaken by the Public Works Sector to total Ksh. 6.8 billion or about 58% of the total development budget. The only other sector with development

budget exceeding the Ksh. 1 billion mark is the Health Department at Ksh. 1.253 billion. This has also been enhanced from the Ksh.1.07 billion allocated in the FY 2016-17.

Mr. Speaker sir, the presented budget estimates have projected that in the coming financial year, the County would receive Ksh. 14.967 billion as equitable share, Ksh. 770 million as conditional grants as well as collect Ksh. 20.178 billion from internal sources. The figures presented confirm that the budget for the FY 2017-18 is fully funded with no expectation of borrowing as was enumerated in the Debt Management Strategy Paper for the FY 2017-18.

Recommendations:

a) Policy Measures

Mr. Speaker sir, the Committee noted various critical issues during the consideration of these estimates which it would like addressed. In addition to the proposals contained in the body of the report, the Committee proposes that the Assembly resolves as follows:

- i. That all Sectors prioritize completion of roll over projects before initiating any new ones in the FY 2017-18;
- ii. That the CEC Member for Finance, the CEC Member for Urban Planning and the Head of Procurement undertakes internal functional audit and assessment in view of improving their efficiency and effectiveness regarding implementation of the Sector budgets in liaison with respective Sectors;
- iii. That in compliance with the provisions of Section 148 of the PFM Act 2012, the CEC Member for Finance do assign full accounting functions to all Chief Officers in the County Government;
- iv. That the County Public Service Board immediately makes a decision and reports to this Assembly on the confirmation or otherwise of the officers currently serving on an acting capacity in the County Government;
- v. That the public views be taken into account on the urban renewal projects;
- vi. That measures be initiated by the County Executive to ensure that procurement procedures are not delayed leading to stalled sectors' approved projects;

- vii. That the County Executive ensures that there is sufficient allocation of not less than 2% of recently audited total County revenues for public participation in line with the provisions of the Nairobi City County Public Participation Act 2015;
- viii. That the Public Service Management develops a policy to guide the Voluntary Early Retirement;
- ix. The County to undertake an evaluation of the Ward Development Fund with a view of enhancing performance, reducing political interference and making it more impactful to infrastructure development;
- x. That the Water Sector should seek for secondment of technical officers such as Energy, Water and Sanitation Engineers from Nairobi City Water & Sewerage Company for the sole purpose of having adequate technical capacity;
- xi. The County Executive Committee Member for Finance to ensure that all expenditure commitments be periodically matched to the expected revenues taking into consideration changes in the economic environment that may affect revenue collection;
- xii. That revenue mobilization should be enhanced to ensure that Sectors continue to implement projects without any cash flow limitations; and
- xiii. That, and in compliance with the provisions of Regulation 35 of the PFM (County Government) Regulations 2015, the County Treasury shall submit to this Assembly an Appropriations Bill that contains votes and programs of the financial year.

b) Proposed Adjustments and Reallocations in the 2017-18 Budget Estimates

Mr. Speaker sir, as has been said the Budget Committee received presentations from Chairs of Sectoral Committees on recommendations and proposed adjustments in the 2017-18 budget. It is however noteworthy to point out that most Sectoral Committees were satisfied with their Sectors' allocations as contained in the printed estimates.

Mr. Speaker sir, it is in this regard therefore and in strict adherence to the provisions of the law, the Budget Committee wishes to make the following adjustments in the budget. These needs were identified jointly with the Sectoral Committees, Sectors Heads and Budget and Appropriations Committee. The Committee wishes to assure the Members that the views of the County Executive Committee Member for Finance and the public have been taken into account as required by the law.

I. Expenditure Reallocations

- a) That under the Security and Disaster Management Sub-Sector, Kshs. 11.6 million allocated for purchase of motor vehicles (Fire and Disaster Management Sub-Sector) be struck off the budget and replaced thereof with sensitizing community on firefighting and disaster management;
- b) That the allocation for ICT related projects under Legal Affairs, General Administration and Supply Chain Management be reallocated to be undertaken under ICT Sector as proposed.
- c) That the estimates for the Legal Affairs Sub-Sector be reduced by Ksh. 10 million under Vote 3111112 for purchase of software at Ksh. 5 million and Vote 3111100 for purchase of special plant equipment and machinery at Ksh. 5 million. The amount be transferred to the ICT Department under development vote;
- d) That the development Vote for the Administration Department be reduced by Ksh. 10 million under the Vote codes 110700 on purchase of vehicles and other transport equipment and the amounts be transferred to development budget of the Inspectorate Department;
- e) That Under development expenditure for Public Works Transport and Infrastructure under Roads Department Ksh 178,988,999 be transferred from code 3110504 to code 2220299 to increase the amount allocated for road maintenance levy projects (RMF) to be in line with what is in the budget as the disbursements from RMF.

II. Expenditure Reductions:

That under the Finance and Economic Planning Sector the allocation for Other Creditors (debt repayment) be reduced by Ksh. 651million

III. Expenditure Increases:

That the allocation for General Administration under Health Sector be increased by Ksh. 651million to cater for revised allowances for various medical personnel.

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 Finance, Budget and Appropriations Committee on the Budget Estimates for the Nairobi City County Government and County Assembly for the FY 2017-18

Hon. Speaker, I beg to move and request Hon. Jacky Nyangala to second. Thank You.

Hon. Deputy Speaker: Thank you.

Hon. Jacqueline Nyangala: Thank you, Mr. Speaker. We have been here for very many years and this is one of the Committees that is always very diligent and attentive to what they do. I stand here to second and I hope that we will have no problem; I have gone through it. Without wasting time, I second. Thank you.

Hon. Deputy Speaker: Thank you, Hon. Jacky.

(Question proposed)

Hon. Deputy Speaker: Hon. Samuel Irungu. You have switched off again your microphone. Can you press it again, it is on now.

Hon. Member for Komarock Ward (Mr. Samuel Irungu): Thank you, Mr. Speaker. I rise to support this Motion. We will be on record as Budget Committee as we have done our duty diligently. As we are heading for elections few months from now, it will be very clear in my mind that I did what I was sent by the people of Komarock to do, precisely to legislate, to represent, and to oversight.

Hon. Speaker, what is going on in other counties, for example Nyeri County, the County Executive always blames the County Assembly for not having approved their budget. So, that is the reason why they would go to *wananchi* and say, we would have done our part but the County Assembly did not pass the budget as required. Having passed four budgets in this County of Nairobi, it has exonerated the County Assembly because we have done our work. It is now the Executive arm to implement the budget as approved by this Hon. House.

Mr. Speaker, as we go for elections this year, our minds are clear; we have done our part, we have washed our hands, and whatever has not been done it can't be blamed on the Assembly. With those few remarks, I beg to support.

Hon. Karen Wanjiku: Thank you, Mr. Speaker sir, I stand to support this budget. We discussed in our Committees and every sector agreed with the budget we were given. I want to make several comments especially in our Health Service Committee. Page 14, all the development projects that were there have been rolled over since we came to this House, little has been done. I want to believe that this rolled over projects will now be finally completed. Health is devolved and it is very important. If a County Government cannot be able to cater for Health, what else can it do?

Mr. Speaker, I also want to comment on KEMSA. In our Committee, we have been speaking endlessly about KEMSA. There is lack of drugs in our health facilities because the County Government cannot pay debts to KEMSA. According to the way they have written that the County Government will strive

to clear the balance, I believe this will be done this time. I don't know if we will come back, but for those who will be back, I believe there will be a Government that cares for its people and especially in the Health Sector.

I would like to comment about the money that has been taken to the community on fire fighting and disaster management. That is a good thing if it will be done. Lately, we have been charging our single businesses for fire certificates yet they have not been sensitized. This 11.6 million will be used to sensitize our people, especially the small scale traders so that when they are given the fire certificates, they will be real fire certificates those will be real so that the person can fight with fire when it erupts or something like that.

So I want to support this budget believing that, we have done our work as a County Assembly and we have been doing it very well, but the Executive have failed us and I believe this time they will implement this budget looking at the priority of People of Nairobi Thank you.

Hon. Member for Lucy Summer Ward (Mr. Kennedy Oduru): Thank you Mr. Speaker sir, I stand to support this Motion. As what she has just narrated some few minutes ago. All of that was generated from our Sectoral Committees and as per the report is concerned it's all contained inside. I would like to go to the budget Committee recommendations which are in regard to:

(a) Policy Measures on page 21 on item number

2. That the CECM for Finance, Urban Planning and the Head of Procurement undertakes internal functional audit and assessment in view of improving their efficiency and effectiveness regarding implementation of the sector budgets liaison with respective sectors.
3. That in compliance with provision of section 148 of PFM Act, 2012 the CECM for Finance do assign full accounting functions to all Chief Officers in the County Government.

This is very important Hon. Speaker sir, because you see it is better that each and every sector should be accountable for their own resources. This will make an effective development in various sectors.

Without wasting time Hon. Speaker sir, on the same I would also like to take you to page 23 where by it is per expenditure allocation.

(e) Under the development expenditure for Public Works, Transport and Infrastructure under roads Department Ksh.178, 988,999 be transferred from, code number 3110504 to code 2220299 to increase the amount allocated for road maintenance levy projects (RMF), to be in line with what is in the budget as in disbursements from Road Maintenance Fund (RMF).

I support this because it is better for us always to keep close line on development projects, like this one. It is better for us always to keep close to development project like this one. Under road maintenance

project is a very vital part and of which it is our responsibility to ensure that, in most of the cases our roads are properly maintained.

If this amount is transferred to this code then it will enhance the maintenance of our roads. With those few remarks Hon. Speaker sir I beg to support.

Hon. Carolyn Muga (Nominated Member): Thank you Mr. Speaker, for giving me this opportunity to support this Motion. I don't want to belabor the points my colleagues have made, but I would like to urge the County Executive to actually take it into serious consideration the recommendation of this Committee.

Concerning the procurement procedures and it is actually recommendation number 7, that measures initiated by County Executive to ensure procurement procedures are not delayed. I believe this is one of the hiccups, whereby we are finding the projects are stalled and that is where we are having constant roll over of a project.

This is because every time when we listen to the presentation in the Committee we hear it is procurement. We really pray that the Executive will actually take this very seriously and actually look at the recommendation that this Committee has made.

Also about revenue mobilization I believe this County, if we are serious enough we can actually achieve even 98% revenue collection. I also urge the County Executive to look at the measure on how this can be enhanced to ensure that the sectors continue to implement the project that need to be done. With those few remarks I beg to support.

Hon. Margaret Sewe: Mr. Speaker sir, I wouldn't belabour to much because I think my colleagues have given in very positive sentiments, in support of this report, I also stand to support specifically because have seen Public participation concerns are addressed here.

There are allocations for that fund so that the Members of the Public are also able to participate, in this processes as required by law. I also support it because of the simple reasons that money will now go to different sectors that will help in making things work effectively and efficiently I support.

Hon. Deputy Speaker: Thank you. Hon. Nyangwara, your mic is not indicating any request? It is highlighting and then switching off immediately. The other one is ready!

Hon. Member for Viwandani Ward (Mr. Samuel Nyangwara): Thank you Mr. Speaker, I also want to register my sentiment to support this Motion simply because, it is quite unfortunate that there were some statements that were held somewhere in a funeral, that we failed to pass this budget because we want to untwist the Executive so that they can dance to our tune. Which was actually not well received from our end since that is not, what we do.

We are in this Assembly to represent the People of Nairobi and as much as I support this particular budget, I want to point out to the Assembly that they take public participation seriously. I had the privilege of

attending the recently organized public participation by the Assembly and the statements that were echoed from the members of the public at charter Hall have not been taken serious and as yet have not been considered. I fail to understand whether the statements aired were actually an exercise in futility or it is a case of us having these public participation exercises because it is in the Constitution.

Mr. Speaker, on number 1, Ksh. 935 Billion is budget and the recurrent expenditure for this financial year is at Ksh. 22 million. Somebody will fail to understand why money left for development is only at Ksh. 11 billion. This is an issue that was raised in the public participation by members of the public and it seems as if nothing has been done to that effect. Mr. Speaker, you can also see the amount of money that has been allocated to the office of the Governor. One fails to understand because at this particular juncture, there will be not much expenditure given that people are busy campaigning. Why then should we put such kind of money in that Office and yet the same money could have been considered as a development agenda in the County.

We understand that salaries are also part of the recurrent expenditure. Year in year out we are told that we have a bloated workforce hence the Governor had to appoint a taskforce that was to look into that and get the alleged 300 ghost workers. We do not know whether the said ghost workers exist or not, or whether the money that they used to pay did any good to the people of Nairobi as there is a decrease in the money allocated for development year in year out. Mr. Speaker, I think I will stop there and request that the Governor eliminate some of his allocations so that he can give Nairobi's what they deserve as far as development is concerned. Thank you.

Hon. Deputy Speaker: Thank you Hon. Member for your contribution. We need to get clear that the budget before plenary today is the Budget for the financial Year 2017/2018 and not capped at the campaign periods alone. This means that the incoming Governor will get the Budget in place for his operations. May the mover reply. Hon. Ocholla

Hon. George Ocholla: Thank you Mr. Speaker sir. I am happy because it has been our culture to produce a state-of-the-art Budget since 2013. The document as I have read was done in line with the requirement by considering the PFM Act and even the county Fiscal Strategy Paper which give us guidelines of what we undertake. I am also happy with the Members who have spoken because they have stated clearly that what we have captured in this document went through their committees and they agreed on it before bringing it back to us. I want to emphasize on the public participation which if you go to page five you will then see how we emphasized that it must be taken as the law required but not for granted.

The allocation on the office of the Governor is not limited to one person. That office contains many departments such as ICT, Justice, Inspectorate, Procurement and even the CEC's, Audit and Legal and if you go by what it needs then you will find out that the amount we have allocated that office is still less. I therefore want to thank all the Members who have contributed towards this. I say thank you and wish that all that is here will bring change to our beloved County Nairobi. Thank you Mr. Speaker.

Hon. Deputy Speaker: Thank you Hon. George. Allow me now Hon. Members to put the question

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(Question put and agreed to)

ADJOURNMENT

The Assembly stands adjourned to tomorrow 10:30 a.m. Thank you.

(The House rose at 3:44 p.m.)