

# **NAIROBI CITY COUNTY**



## **PUBLIC SERVICE BOARD**

### **2016/2017 ANNUAL REPORT TO COUNTY ASSEMBLY**

**JUNE, 2017**

*Paper laid by the  
Leader of Majority  
Hon. Adhik Hassen  
on Tue 20/2/17  
- Committed to Labour  
Committee.  
Adhik  
20/2/17*

## **EXECUTIVE SUMMARY**

The year under review in this report was a special period in Nairobi City County and the Country at large. It is somewhat an end term review of the first County Governments post the promulgation of the Constitution of Kenya, 2010.

This statutory report is presented to the Nairobi City County Assembly in compliance with the County Governments Act, 2017 for the period between 1<sup>st</sup> July, 2016 and 30<sup>th</sup> June, 2017 detailing the execution of the Nairobi City County Public Service Board's mandate.

The report begins with a preamble which gives details the function of the Board. The preamble further contains the composition of the Board and the Board Committees and their functions.

The first part of the substantive reports gives the financial analysis of the Board's budget for the year under review with details of the estimates, expenditure and variances. The second part deals with the Human Resource Planning aspect of the County which details the Staff Profile of the County. Included in this part are details of a survey intended to give a situational analysis of the work environment of the County.

The report also gives details of appointments made in the county as well as a status report on disciplinary control. The final part of the report gives the challenges the Board faced and the ensuing recommendations.

**Arch. Phillip Kungu**  
**Chairperson**  
**Nairobi City County**  
**Public Service Board**

**NAIROBI CITY COUNTY PUBLIC SERVICE BOARD  
ANNUAL REPORT TO THE COUNTY ASSEMBLY  
YEAR: 2016/2017**

**1.1 PREAMBLE**

The County Public Service Board is a body corporate established under Section 57 of the County Governments Act 2012. The Board derives its functions and powers from section 59(1) which mandates it to:

- a. Establish and abolish offices in the County Public Service.
- b. Appoint persons to hold or act in offices of the County Public Service including in the Boards of cities and urban areas within the County and confirm appointments.
- c. Exercise disciplinary control over, and remove, persons holding or acting in those offices as provided for under the Act.
- d. Prepare regular reports for submission to the County Assembly on the execution of the functions of the Board.
- e. Promote Inter-County Public Service Values and Principles referred to under Articles 10 and 232 of the Constitution, 2010.
- f. Evaluate and Report to the County Assembly on the extent to which the Values and the Principles referred to in Articles 10 and 232 of the Constitution are complied with in the County Public Service.
- g. Facilitate the development of coherent, Integrated Human Resource Planning and Budgeting for personnel emoluments in Counties.
- h. Advise the County Government on Implementation and Monitoring of the National Performance Management System in the Counties.
- i. Advise the County Government on Human Resource Management and Development.
- j. Make recommendations to the Salaries and Remuneration Commission on behalf of the County Government, on the Remuneration, Pensions and Gratuities for County Public Service Employees.

The Board under section 59 (1) (d) of the County Governments Act, 2012 is required to prepare regular reports for submission to the County Assembly on the execution of its functions. Herein below is the Board's submission of the report on the execution of the functions of the Board for the financial year 2016/2017.



## **2.0 COMPOSITION OF THE BOARD**

The Nairobi City County Public Service Board (NCCPSB) is fully constituted in accordance with the provisions of Section 58 of the County Governments Act, 2012. The Board comprises of:

<b>POSITION</b>	<b>NAME</b>	<b>DATE OF APPOINTMENT</b>
Chairman	Arch. Phillip Kungu	1 <sup>st</sup> July 2013
Vice Chairperson	Mrs. Veska Kangogo	1 <sup>st</sup> November 2013
Board Secretary	Mr. Meshack Guto	1 <sup>st</sup> November 2013
Member	Mrs. Josephine Gichuhi	1 <sup>st</sup> July 2013
Member	Mr. Chomba Wamunyi	1 <sup>st</sup> July 2013
Member	Mrs. Charity Kisotu	1 <sup>st</sup> November, 2013
Member	Mr. Maurice Wambua	1 <sup>st</sup> July 2013

## **3.0 COMMITTEES OF THE BOARD**

The Board has established four working Committees to operationalize its mandate. The five Committees are: -

### **3.1 Finance, Human Resource Planning and General Purpose Committee**

#### **3.1.1 Objective**

The objective of the Committee is primarily to consider all matters associated with the policies and practices of the County in relation to its Human Resources as detailed in the County Governments Act 2012 section 59 (g), (h), (i) & (j).

#### **3.1.2 Duties and Responsibilities**

The Committee's main responsibilities and functions are to: -

- i.** Facilitate the development of coherent Integrated Human Resource Planning and budgeting for personnel emoluments in the County.
- ii.** Advise the County Government on Human Resource Management and Development.
- iii.** Make recommendations to the Salaries and Remuneration Commission.
- iv.** Make proposals for a Strategic Plan in line with Vision 2030.
- v.** Make proposals for restructuring and staffing of the County Department and the Secretariat.
- vi.** Monitor the implementation of the Strategic Plan.

- vii.** Prepare and analyze the budget proposals.
- viii.** Engage trade unions, Ministry of Labor on Terms and Conditions of Service for County officers.
- ix.** Analyze proposals on Terms and Conditions of Service.
- x.** Prepare annual report for delivery to the County Assembly pursuant to section 59(1) and (5) of the County Governments Act, 2012.

## **3.2 Recruitment and Selection Committee**

### **3.2.1 Objective**

The objective of the Committee is primarily to establish and abolish offices in the Nairobi County Government, appoint persons to hold or act in those offices, confirm appointment and general HR Planning as detailed in the County Governments Act 2012 section 59(1) (a) & (b).

### **3.2.2 Duties and Responsibilities**

The Committee's main responsibilities and functions are to: -

- i.** Prepare a Recruitment and Selection Policy.
- ii.** Scrutinize the indents for positions to be advertised.
- iii.** Analyze reports and proposals on establishment and abolition of offices.
- iv.** Analyze and make recommendations on requests on appointments and promotions.
- v.** Prepare criteria for ensuring that all appointment are in accordance with Articles 10, 27(4) & (8), 56 (c) and 232 (i) of the constitution, as indicated in Section 65 of County Governments Act 2012.

## **3.3 Discipline, Audit, ICT and Governance Committee**

### **3.3.1 Objective**

The objective of the committee is primarily to exercise disciplinary control over and remove persons holding or acting in those offices, promotion of Values and Principles referred to in Article 10 and 232 of the Constitution and preparation of regular reports for submission to the County Assembly as detailed in the County Governments Act 2012 Section 59(1)(c) and to evaluate and report to the County Assembly on the extent to which the Values and Principles referred to in Article 10 and 232 are complied with in the County Public Service.

To achieve this objective, the committee has powers under Section 59(4)(e) and (f) of the County Governments Act 2012 to visit any County Public Office or body with a view to assessing and inspecting the status of compliance with the Values and Principles and



may investigate on its own initiative or upon a complaint made by any person or group or persons the violation of any Values and Principles.

### **3.3.2 Duties and Responsibilities**

The committee's main responsibilities and functions are to:

- i.** Address issues related to discipline in the County Government.
- ii.** Develop a system of handling discipline cases and appeals to Public Service Commission.
- iii.** Propose activities for promotion of the Values and Principles Article 10 and 232.
- iv.** Propose modalities for monitoring the extent to which the Values and Principles are complied with in the County Public Service.
- v.** Review reports to the County Assembly on values, principles and discipline.
- vi.** Propose a review of the Code of Conduct.
- vii.** Propose monitoring and evaluation framework for discharge in the function and power.
- viii.** Prepare guidelines for carrying out investigations.
- ix.** Analyze investigations, monitoring and evaluation reports and make appropriate recommendations to facilitate decision making.
- x.** Make proposals for the improvement in the discharge of delegated powers.
- xi.** Develop modalities of identifying risk areas and mitigation in the discharge of functions.
- xii.** Make proposals on use of ICT – automating operations and activities of the Board.

## **3.4 Inter - Governmental Relations Committee**

### **3.4.1 Objective**

The objective of the Committee is primarily to act as a link between the County Public Service Board and the National Government as well as other County Governments and bodies in Kenya.

### **3.4.2 Duties and Responsibilities**

The Committee's main responsibilities and functions are to: -

- i.** Develop database of all officers inherited from the former Local Government, those seconded from the National Government and those devolved to the County Governments.
- ii.** Monitor the transition process by liaising with the Transitional Authority and the Ministry of Devolution and Planning.
- iii.** Prepare mechanisms for collaboration with the Council of Governors, CPSB National Consultative Forum.
- iv.** Propose mechanism for collaborating with the Nairobi City County Assembly.

- v. Propose modalities of handling officers who may not be absorbed in the new Nairobi City County Public Service structure.

#### **4.0 FINANCE REPORT YEAR ENDED 30<sup>TH</sup> JUNE 2017**

##### **RECURRENT EXPENDITURE**

##### **COMPENSATION TO EMPLOYEES**

Approved Estimates	34, 844, 841
Revised Estimates	33, 844, 841
Total Expenditure	32, 116, 148

##### **OPERATION & MAINTENANCE**

Approved Estimates	52, 155, 159	
Revised Estimates	51, 340, 359	
Total Expenditure	17, 778, 951	
Variance	33, 561, 408	(Note 1)

**Absorption Rate** **35%**

##### **DEVELOPMENT EXPENDITURE**

Approved Estimates	28, 000, 000	
Revised Estimates	28, 000, 000	
Total Expenditure	7, 486, 484	
Variance	20, 513, 516	(Note 2)

**Absorption Rate** **27%**

#### **1. OPERATION AND MAINTENANCE BUDGET (Note 1)**

The net variance after total Expenditure of **Kshs. 33, 561, 408** can be attributed to the low levels of activity in the county Public Service Board. Planned training and for the members of the board and secretariat was equally disrupted by low revenue levels in the county. This accounts for **Kshs. 6, 439, 155** of the variance. Planned collaboration with contracted professionals to undertake various services was hampered by low cash flows in the County. This accounts for **Kshs. 6, 098, 999** of the variance. Due to the low levels of recruitment owing to restructuring of the organization, the Board did not utilize **Kshs. 7, 000, 000** budgeted for advertisements.

## **2. DEVELOPMENT BUDGET (Note 2)**

The net variance after total Expenditure of **Kshs. 20, 513, 516** which was set aside for purchase of software for the Board's IHRM system, can be attributed to lengthy and delayed on procurement process and low levels of revenue.

## **5.0 HUMAN RESOURCE PLANNING**

To increase efficiency in the Public Service, the Board seeks to research on the situational analysis of job satisfaction and work environment. To this end, the following survey has been procured:

### **5.1 Survey on Job satisfaction and work Environment**

#### **Background**

The Board has prioritized its Employee Satisfaction and Work Environment issues in order to improve service delivery to the County. To this end, the Board has appointed a Consultant to carry out an Employee Satisfaction and Work Environment survey on the County Public Service.

The strategies will be built around the following objectives:

- Development a professional team that is well remunerated and motivated; and
- Creation of an enabling work environment.

The strategies to achieve these goals are to;

- a) Develop a competitive and attractive remuneration package;
- b) Enhance the County's culture;
- c) Enhance capacity for the Public Service;
- d) Implement human resource best practices; and
- e) Implement the work environment policy.

#### **Scope of the Work**

The consultant will finalize the Terms of Reference in consultation with the Board before commencement the survey. The consultancy will cover all Nairobi City County staff.



## **Deliverables**

The main objective of the work is to conduct survey on employee satisfaction and work environment survey for all the Staff in the Nairobi City County Government. More specifically, the survey will seek to:

1. Evaluate the level of employee satisfaction with remuneration, staff benefits and welfare;
2. Determine the level of staff motivation, morale and recognition by management;
3. Determine the extent of training among staff;
4. Find out the perceived level of employee satisfaction;
5. Determine the effectiveness of supervision, evaluation and appraisal of staff;
6. Evaluate the perceived Impact of a Team Building Programme;
7. Find out staff intentions to turnover and what drives the intentions;
8. Evaluate the effectiveness of communication within the County;
9. Develop a composite measure of employee satisfaction and use it to determine the overall rating of the current level of staff satisfaction;
10. Find out staff perception of the Working Environment;
11. Identify specific areas that require improvement;
12. Recommend measures to enhance employee satisfaction and productivity;
13. Prepare and submit a comprehensive report on the findings and recommendations from the survey.

To perform the above scope of work successfully, the following tasks are needed to be done by the consultant.

1. The survey will be carried out in Nairobi City County.
2. Structured questionnaire will be used to collect data from the Respondents.
3. Determine the quality of employee engagement;
4. Determine employee perception of the County on service delivery.
5. Analyze strengths and weaknesses of the County in respect of employee engagement.
6. Recommend for better employee management service.

## **Time Period**

3 months

## **Reports**

1. Inception Report: Consultant will prepare and submit an Inception Report within 15(fifteen) days from signing of the contract, stating their jobs understanding,

concept on the requirements of the subject to perform the study and their readiness to undertake the assignment.

2. Draft Final Report: Consultants will submit Draft Final Report within 60 (sixty) days from the date of contract signing. Consultants shall incorporate views of the stakeholders in the Draft Final Report.
3. Final Report: Final Report shall be prepared within 15 (fifteen) days of the acceptance of the Draft Final Report.

**Status:** Inception Report received.

## 5.2 County Human Resource Profile

The Board aims at assessing current and future needs based on the County strategic plan, goals and objectives and matching these to the capabilities of the existing workforce. This ensures sustainability and success of the County plans, projects and continuity of overall service delivery. To this end the following is the human resource profile of the County for the year under reference:

### 5.2.1 Academic Profile

<b>Academic Qualification By Job Group</b>				
<b>Qualification</b>	<b>1-5</b>	<b>6-9</b>	<b>10 -14</b>	<b>15 -18</b>
<b>Nil</b>	0%	0.08%	2.38%	18.10%
<b>Primary</b>	0%	0%	1.36%	3.36%
<b>Secondary</b>	0.02%	2.59%	5.61%	4.08%
<b>A-Level</b>	0.02%	0.78%	0.57%	0.25%
<b>Certificate</b>	0.09%	6.58%	15.66%	15.25%
<b>Diploma</b>	0.02%	6.10%	7.42%	1.09%
<b>Higher Diploma</b>	0.02%	2.45%	0.22%	0.06%
<b>Bachelors Degree</b>	0.75%	4.60%	2.29%	0.03%
<b>Postgraduate Diploma</b>	0%	0%	0%	0%
<b>Masters Degree</b>	1.47%	16.96%	0%	0%
<b>Doctoral Degree</b>	0.03%	0.75%	0%	0%

**Source:** IPPD

The data above illustrates the following:

1. A large number of staff in the lowest cadre are unskilled.



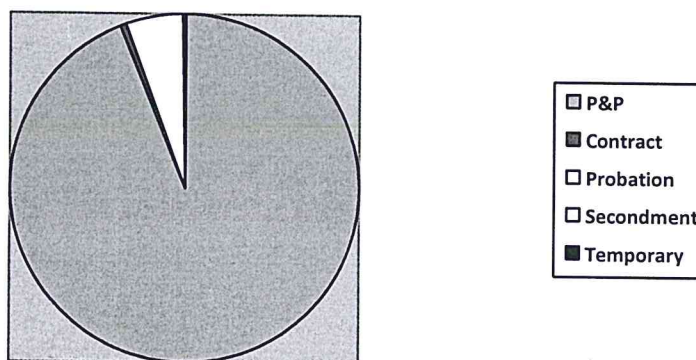
2. A small number of those in the policy making scales have post graduate qualifications.

3. The larger number of those in the technical level have certificates.

This demonstrates the Training gap of staff in the County thereby justifying the need to increase the expenditure on training in the County.

### 5.2.2 Employee Numbers and Terms of Engagement

TERMS OF ENGAGEMENT	NO. OF STAFF	RELATIVE PERCENTAGE
Permanent and Pensionable	11, 936	94%
Contract	63	0.004%
Probation	649	0.05%
Secondment	4	0.0003%
Temporary	43	0.003%
<b>Total</b>	<b>12, 695</b>	



**Source: IPPD**

The data above demonstrates that a great majority (94%) of the Nairobi City County public service is engaged in permanent and pensionable terms. This means that the County has a secure workforce to deliver services to Nairobi residents. The data is also indicative of the pension burden of the County.

### 5.2.4 Separation matrix for the FY 2016/2017

REASON FOR SEPARATION	NO. OF STAFF
Retirees	231
Deceased	84
Dismissed	69
Resignation	25
Transfers	92
<b>Total</b>	<b>501</b>



The data presented above demonstrates that the largest number of separations are as a result of retirements. This builds a case for greater focus on succession management in the County.

## 6.0 APPOINTMENTS IN COUNTY PUBLIC SERVICE REPORT

The Board is mandated to establish and abolish offices in the Nairobi County Government, appoint persons to hold or act in those offices, confirm appointments and general HR Planning as detailed in the County Governments Act 2012 Section 59(1)(a) &(b).

In expediting its duties of preparing criteria for ensuring that all appointments are in accordance with Article 10,27(4) & (8),56(c) and232(i) of the constitution the under mentioned posts were filled with the established guidelines and regulations. In the year under reference, the following appointments were made:

S/NO	POSITION	MALE	FEMALE
1.	Sub-County Finance Officer	14	3
2.	Sub-County Environment Officer	10	7
3.	Sub-County Enforcement and Compliance Officer	13	4
4.	County Assistant Director Environment	3	1
5.	Sub-County Administrator		2
6.	Ward Administrator	3	1
7.	County Director - Service Delivery Unit	1	
	<b>Total Appointments</b>	<b>44</b>	<b>18</b>

## 7.0 DISCIPLINARY CONTROL

In undertaking its disciplinary function, the Board is keen on upholding the rule of law and applies due process to every case tabled before it. Through the County Human Resource Management Advisory Committee headed by the County Secretary and Head of Public Service the Board strives to maintain disciplinary control in the County.

The following is a summary of the disciplinary matters undertaken in the County.

<b>PARTICULARS</b>	<b>YEAR</b>	<b>TOTAL</b>
<b>SHOW CAUSE</b>	<b>2016</b>	4
	<b>2017</b>	34
<b>TOTAL</b>		<b>38</b>
<b>DISMISSALS</b>	<b>2016</b>	16
	<b>2017</b>	33
<b>TOTAL</b>	-	<b>49</b>
<b>SUSPENSIONS</b>	<b>2016</b>	0
	<b>2017</b>	1
<b>TOTAL</b>		<b>1</b>
<b>INTERDICTIONS</b>	<b>2016</b>	15
	<b>2017</b>	16
<b>TOTAL</b>		<b>31</b>
<b>WARNINGS &amp; SURCHARGES</b>	<b>2016</b>	22
	<b>2017</b>	20

<b>TOTAL</b>		<b>42</b>
<b>LIFTING OF SUSPENSIONS</b>	<b>2016</b>	2
	<b>2017</b>	49
<b>TOTAL</b>		<b>51</b>
<b>LIFTING INTERDICTIONS</b>	<b>2016</b>	4
	<b>2017</b>	3
<b>TOTAL</b>		<b>7</b>
<b>APPEALS TO CPSB</b>	<b>2016</b>	24
	<b>2017</b>	
<b>TOTAL</b>		<b>24</b>
<b>APPEALS TO PSC</b>	<b>2016</b>	-
	<b>2017</b>	4
<b>TOTAL</b>		<b>4</b>

## 8.0 CHALLENGES AND OBSERVATIONS

- i. The Board continues to experience challenges in availability of funds for planned activities especially in the areas of training and procurement of goods and services this has constrained operations, lack of meeting targets and completion of programs outlined in the NCC Strategic plan.
- ii. Attraction and retention of highly qualified staff remains a challenge to the County this can be attributed to the current remuneration and lack of motivation & reward schemes.
- iii. Conflict and contradictions in the terms and conditions of service between inherited and devolved staff continues to be a challenge.



- iv. The Board continues to receive few applications from diverse groups including persons with disability to fill vacancies within the County

## **9.0 RECOMMENDATIONS**

- i. The Board's budgetary allocations and funding for projects should be prioritized since freezing of funding especially in areas of training and development has a long term effect on the competencies of staff working in the County and a negative effect on performance and productivity.
- ii. There is need to recruit qualified staff for the Supply Chain Management department of the County to provide professionalism and enhance work flow, productivity and results.
- iii. In line with fair labor practice and uniformity of standards there is need for harmonization of County terms and conditions of service and the development of County career progression guidelines.
- iv. The County Executive should urgently address the issue of HR Planning this will facilitate the Board to promote/ recruit competent, qualified and experienced staff for productivity and efficiency in the County Public Service.
- v. The Board recommends that regular and structured consultative meetings at least on quarterly basis are held with Executive and the relevant Committees of County Assembly.

## **CONCLUSION**

Despite the challenges and constraints cited in this report, the Board is committed to continuously discharge its commitments and functions, provide the Nairobi City County with a well managed, committed and highly competent work force for sustainability, efficiency, effectiveness in service delivery.

