

COUNTY GOVERNMENT OF NAIROBI CITY



NAIROBI CITY COUNTY ASSEMBLY


SECOND ASSEMBLY –THIRD SESSION

ELEVENTH REPORT OF THE COUNTY ASSEMBLY FINANCE, BUDGET AND
APPROPRIATIONS COMMITTEE

ON

THE ANNUAL DEVELOPMENT PLAN FOR THE FY 2019-20

MARCH 2019

Paper laid by
Hon. Mbatia,
Chair, Budget
Committee on
26/03/19

C/A

Mr. Speaker Sir, the provisions of Section 104 of the County Governments Act 2012 decree that planning is a mandatory part of the county budget process thereby disallowing any appropriation of public funds outside a planning framework approved by the County Assembly. During the consideration of the County Integrated Development Plan (CIDP) for 2018-2022 which this Annual Development Plan (ADP) for the FY 2019-20 intends to roll out, the Committee reminded this Chamber that the County cannot afford to have missteps during its annual planning process.

In rolling out the budget cycle for the FY 2019-20, and as partial fulfillment of the provisions of Section 126 of the Public Finance Management Act 2012 and implied provisions of Standing Order 219, on Tuesday 2nd October 2018 the Leader of the Majority Party tabled in this Assembly the Annual Development Plan for the FY 2019-20. Having been laid in the table of the Assembly, the ADP was committed to the Sectoral Committees for review in line with their respective mandates and reporting to the Finance, Budget and Appropriations Committee. At the same time the Plan was also committed to the Finance Committee for consideration with specific focus on the development programmes and priorities that fall within the Sectors it oversees, being the Finance and Economic Planning Sector and the County Assembly.

Mr. Speaker, the Finance, Budget and Appropriations Committee of this Second Assembly exists as a creation of the provisions of Standing Order 199 in which it is mandated to evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays. The ADP is an annual budget document that operationalizes the County Integrated Development Plan by providing projections and clarity on the development path that the County wishes to undertake to achieve the set objectives and priorities.

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

- | | |
|-----------------------------|-------------|
| 1. Hon. Robert Mbatia, MCA | Chair |
| 2. Hon. Patrick Karani, MCA | Vice- Chair |
| 3. Hon. Michael Ogada, MCA | |
| 4. Hon. Osman Adow, MCA | |

5. Hon. Daniel Ngengi, MCA
6. Hon. Anthony Ngaruiya, MCA
7. Hon. Kariuki Wanjiru, MCA
8. Hon. J.M Komu, MCA
9. Hon. Paul Ndungu, MCA
10. Hon. James Kariuki, MCA
11. Hon. Susan Mukungu, MCA
12. Hon. Catherine Okoth, MCA
13. Hon. Emily Oduor, MCA
14. Hon. Paul Shilaho, MCA
15. Hon. Nancy Muthami, MCA
16. Hon. Elias Okumu, MCA
17. Hon. Nimo Hajji, MCA
18. Hon. Jane Muasya, MCA
19. Hon. Fredrick Okeyo, MCA

Examination of the County Annual Development Plan for the FY 2019-20

In reviewing the Annual Development Plan for the FY 2019-20, the Committee held a total of seven (7) sittings. The Committee during this review heard from our own Sectoral Committees, the County Executive and members of the public on the positive aspects of the plan as well as areas that would require improvement by this County Assembly.

Acknowledgment

Hon. Speaker, the process of consideration the ADP as is the case with any other planning document has been engaging and this could not have been achieved without the dedication of various actors and stakeholders who individually and jointly made a contribution towards the successful completion of this review exercise. Specifically, the Committee wishes to acknowledge: -

- a) The Office of the Speaker for having accorded Members of the Committee and the County Assembly in general the time and the resources to consider and report on the Plan;

- b) The Sectoral Committees for cutting short their holidays to consider and present their reports on the ADP to the Finance Committee;
- c) The County Executive through the Office of the County Executive Committee Member for Finance and the County Secretary for all the support granted to the County Assembly during the consideration of the ADP;
- d) The Office of the Clerk for all the resources and guidance provided throughout the process. The Committee notes that the roles of the County Assembly Fiscal Analysts and the Clerk Assistants of various Sectoral Committees during this review was invaluable;
- e) The Public for having honored the call of the County Assembly to take part in the public hearings undertaken on the Plan at Charter Hall on Monday 15th October 2018.

Mr. Speaker, it is therefore my pleasant duty and distinct honour, on behalf of the Finance, Budget & Appropriations Committee to table this Report and recommend it to the Assembly for adoption.

SIGN.....

DATE.....26/03/2019.....

Hon. Robert Mbatia, MCA

Chairman: Finance, Budget and Appropriations Committee

SCRUTINY OF THE NAIROBI CITY COUNTY ANNUAL DEVELOPMENT PLAN FOR THE FY 2019-20

A. BACKGROUND INFORMATION

Mr. Speaker Sir,

1. The provisions of Section 125 of the Public Finance Management Act 2012 outline the stages in the County budget process. In summary the underpinning law leaves no doubt that the annual budget roadmap starts with integrated planning which is anticipated to include establishment of financial and economic priorities over the medium term. The law requires that in this undertaking the County should be able to make an overall estimation of the county governments revenues and expenditures. Planning is hence a time when the County actors trade off less yielding priorities for those that would deliver the most far reaching outcomes to the populace. Of note is that these are done within inelastic revenue figures.
2. At the commencement of the financial year 2018-19, the County Assembly considered and approved the CIDP for 2018-2022. The approved CIDP provides clear goals and objectives accompanied with implementation matrix for the realization of the set outcomes. This Annual Development Plan therefore provides the roadmap towards implementation of development projects and programmes pulled out of the CIDP.

B. COMPLIANCE OF THE ANNUAL DEVELOPMENT PLAN FOR THE FY 2019-20 TO THE PREVAILING LEGISLATION

Mr. Speaker Sir,

3. The Finance, Budget and Appropriations would once again wish to highlight the provisions of the law which have underscored the place and value of planning in public finance management. It is no doubt that there is an elaborate legal literature on the role and place of the ADP in the annual budget calendar. The provisions of Section 126 (3) of the PFM Act 2012 is explicit that not later than 1st September of each year the County

Executive Committee Member for planning shall submit the development plan to the County Assembly for its approval. It is the expectation of the law that early approval of the ADP would ensure that there is no delay in the subsequent budget processes and timelines. It is for this reason that the provisions of Section 107 of the County Governments (CGA) Act, 2012 provides that the plan would be able to guide, harmonize and facilitate development within the County. The Committee commends the County Treasury for having adhered to the above provisions of the law and submitted the ADP for the FY 2019-20 within the legal timelines.

4. Hon. Speaker, Section 126 (1) of the PFM Act, 2012 dictates that the ADP shall include:

- *strategic priorities for the medium term that reflect the county government's priorities and plans;*
- *a description of how the county government is responding to changes in the financial and economic environment;*
- *programmes to be delivered with details for each programme of—*
 - (i) the strategic priorities to which the programme will contribute;*
 - (ii) the services or goods to be provided;*
 - (iii) measurable indicators of performance where feasible; and*
 - (iv) the budget allocated to the programme;*
- *payments to be made on behalf of the county government, including details of any grants, benefits and subsidies that are to be paid;*
- *a description of significant capital developments;*
- *a detailed description of proposals with respect to the development of physical, intellectual, human and other resources of the county, including measurable indicators where those are feasible;*
- *a summary budget in the format required by regulations; and*
- *such other matters as may be required by the Constitution or this Act.*

5. Hon. Speaker, in reviewing the document the Committee noted that by and large the ADP had met the statutory threshold spelt out in both the County Governments Act and

the Public Finance Management Act 2012. The plan has made considerable attempt to evaluate the strategies that the County would aim to pursue in the medium-term period and also provided some of the priorities to be pursued. The strategic priorities remain the main areas of interest for the County and once realized would improve the standard of the City. However, whereas the ADP has tried to persuade on the measures the County has put in place to respond to crosscutting financial and economic issues, the Committee notes that some of the problems and their corresponding solutions are repetitive and out dated. Issues like traffic management, environmental degradation, high youth unemployment and solid waste management have remained riddles for Nairobi City since rolling out of the County Government and answers to the same must now be found. The Committee has on numerous occasions urged the County Executive to avoid the temptation of making promises that we can't keep as a County but most importantly that we must endeavor to keep the promises we have already made. One of those promises we have made to the public is that of ensuring that we have a clean city free from traffic congestion and all forms of pollution.

6. Once again the Committee notes that unless drastic measures are put in place and all documented proposals put to action, the County faces the risk of having too many write-ups on how to address the challenges we face. The Committee is of the view that if there is anything we should learn from our experiences over the past year it is that issues like environmental pollution and traffic management require first and foremost attitude turnaround from all of us and cooperation from all quarters. The Committee appreciates that the ADP has detailed how to address problems like low revenue collection and huge wage bill but it notes that unless the same is accompanied with commensurate action the same may remain only but abstract theoretical essay.
7. The ADP has provided the programmes that the County wants to implement with details of their budget requirement fully captured in the book. The Committee is convinced that most the indicators are realistic and measurable. However, in areas where the Committee noted specific issues that it would wish addressed it would be highlighting the same in the subsequent parts of this report. In relation to the provisions of Section 12 (1) (g) that requires that the CIDP contains a summary budget in format required by regulations, the

Committee notes that the plans have been prepared in total cognizance of the legal provisions. That notwithstanding the Committee has directed the County Treasury to always ensure that the all future Plans submitted to this County Assembly for approval are within the resource requirements achievable by the County in one financial year.

C. SUBMISSIONS FROM THE PUBLIC ON THE PLAN

8. **Mr. Speaker Sir**, the pinnacle of the Constitution of Kenya 2010 is the critical role that the public plays in the determination of how resources are mobilized and how the same are utilized. To satisfy these legal requirements and ensure that the County Plans have received input from the entire County, the County Assembly through the Finance, Budget and Appropriations Committee held public consultations with the public and organized groups at Charter Hall on 15th October 2018.
9. In summary these were the submissions that the Members of the public made to the County Assembly: -
 - a) The Members lamented that the County Government gave a very short notice for the public participation and this resulted to low turnout during the exercise;
 - b) The Members notified the committee that a sign language interpreter was missing, and the County should endeavor to provides copies in braille to ensure inclusivity.
 - c) No activity on people with disabilities had been captured in the ADP due to poor inclusivity in the county ADP preparations.
 - d) The Members of Public raised issues with inequality in resource mobilization in the County leading to inequity in living conditions in the County.
 - e) Issues concerning the inability of the County revenue collector to comprehensively collect revenues from all business were raised. The Public also told the Committee favoritism was thriving among the enforcement officers.
 - f) The Members of Public raised issues with continuous noise pollution by public service vehicles in the County and urged the Committee to act on it.
 - g) Members of the public Kibra Sub- County pointed out that the garbage collection trucks did not service the area. They further informed the Committee that there

were no garbage collection points in the area and it being an informal settlement this resulted to waste pollution and poor drainage systems.

- h) The public pointed out that in order to bridge the gap between the poor and the rich, the County Government should retain the proportions of revenues collected in the specific area in order to develop the respective wards that generate the revenues.
- i) Representatives from Karura ward informed the committee that road constructions mentioned in the ADP 2019-20 did not clearly state how many Kilometers would be constructed
- j) The committee was urged to provide legislation on the contractual projects, so that the contractors do not do a substandard works instead provide quality services.
- k) The youth representatives from Kariobangi urged the committee that youth affairs should be considered through the creation of Youth Advisory Board. Through this most of the youth would get involved in the projects to be implemented at the ward levels.
- l) The Public informed the Committee that they had taken notice of the public housing scheme but decried lack of public participation on the same.
- m) Members of the public raised issues with the continued awarding of projects to local contractors who were unable to complete ongoing projects despite availability of Chinese cheap labor.
- n) The public urged the Committee to ensure that the report of the pending bills committee is publicized
- o) The Committee was urged to ensure that the ADP for the FY 2019-20 contains programmes for PLWDs.
- p) The public noted that the ADP had failed to address issues related to Climate Change.
- q) The County was urged to create a public participation office in the County.
- r) The public decried the non-existent feedback mechanisms in the County budget process and urged the Committee to change the same.

D. SUBMISSIONS FROM THE SECTORAL COMMITTEES

10. The Finance, Budget and Appropriations Committee organized a meeting between Wednesday 23rd and Monday 28th January 2019 during which the Chairpersons of the Sectoral Committees appeared before it with their respective Sector County Executive Committee Members and Chief Officers to make presentation on their consideration of the ADP. The following were the recommendations which were submitted by the Sectoral Committees:

a) Environment and Natural Resources Committee

- That under the programme Beautification, Recreation and Greening Services, the allocation for Landscaping & beautification of Medians & shoulders roundabouts & other open spaces be maintained at Kshs 30million as proposed in the CIDP and the ADP be amended accordingly to reflect that change;
- That procurement of additional sweeping contracts for areas outside CBD involving the Youths with a budget of Kshs2.16billion be included in the ADP and the same be implemented as proposed;
- That Kshs 40million be allocated for the Environment Management and Protection programme as per the CIDP and the ADP be amended accordingly to reflect that change; and
- That procurement of bulldozers and compactors at a budget of Kshs.50million each be done in the current Financial Year.

b) Transport and Public Works Committee

- That the Public Works, Roads and Transport to align the ADP to the CIDP, more so on, incorporate the Programme, Public Works, in the ADP as captured in the CIDP;
- The Sector to make provisions and fill in the baseline figures to facilitate tracking of change in programmes and projects across the years;
- The Sector to provide a detailed breakdown of projects and their locations where these projects have been lamped in regional classification e.g City wide, all sub-Counties;

- The Sector to liaise with the Finance and Economic Planning Department to ensure that all ongoing projects are clear in the current financial year to avoid roll overs to FY 2019-20 that will interfere with rolling out of new projects; and
- The issue of failed street and public lights; inadequate road maintenance and construction equipment has been reported and observed by the Committee. In this regard, the Committee recommends that the Sector to prioritize procurement of street and public lights maintenance materials as well as purchase of road maintenance equipment the FY 2019-20 procurement plan.

c) Culture and Community services

i. Trade, Tourism and Cooperatives – Liquor Licensing sub-sector

- That, the programmes for the Liquor Board as outlined under Section 3.0 (i) of this report be included in the ADP and the same be implemented as proposed;
- That, the Liquor Board improves its performance on revenue collection by ensuring that all Liquor outlets in the County are licensed;
- That, the sub-sector ensures they prioritize in the coming FY the completion of the proposed construction of containerized rehabilitation centres in the sub-counties.

ii. Disaster Management and Coordination

- That, the programmes for the sector as outlined under Section 3.0 of the report be included in the ADP and the same be implemented as proposed;
- The sub-sector ensures they complete the renovation of Tom Mboya and Industrial Fire Stations as well as completing the recruitment of the 200 staff to the fire department;

iii. Education, Youth Affairs, Children, Sports, Culture and Social Services

- That, the programmes for the sector as outlined under Section 3.0 of the report be included in the ADP and the same be implemented as proposed;
- That, the sector prioritizes in the FY 2019-20 the completion and the construction of Ruai Rehabilitation center; and

- That Program 4 of the sector be amended from Sports Services to Sports Development.

d) Justice and Legal Affairs Committee

- The department should ensure that renovations are done and all renovations should be centralized to the department. The Plan is generally flooded with renovation of offices across sectors which may be duplication;
- Sub County Administration should reduce the number of vehicles they need to procure from 24 utility vehicles to 6 vehicles;
- There should be a fleet management department that caters for the purchase of all the motor vehicles in the County. The function should be centralized; and
- That the allocations of the legal affairs department be considered in the Annual Development Plan 2019-20 since they were included in the County Integrated Development Plan 2018-2022.

e) Children, Early Childhood education and Vocational Training

- The Select Committee on Finance, Budget and Appropriations Committee need to prioritize pending Education projects depending on the needs of the public i.e. construction of 17 No. of ECDEs whose contract had been cancelled.; and
- The Committee having looked into the proposed Projects for the County Annual Development Plan 2019/20, therefore recommends the Select Committee on Finance, Budget and Appropriations to approve the County Annual Development Plan 2019-20 for the Children, Early Childhood Education and Vocational Training as proposed.

f) Planning and Housing Committee

- All the projects listed in the second year of the CIDP should be appearing in the ADP 2019-20 e.g. some of the programmes in the ADP (Lands Sub Sector) are not pulled out of the CIDP and the correction should be made;
- The ADP should only consist of projects for one financial year and in this case the FY 2019-20 and all projects should be aligned to the CIDP;
- The Sector should ensure that all the projects it intends to achieve in the 2019-20 ADP are costed and are implementable within a span of one year; and

- The Finance, Budget and Appropriations adopts the sector's ADP for 2019-20 after the above recommendations have been met.

g) Health Services Committee

- The project on purchase, installation and commissioning of Oxygen plant at Pumwani Ward amounting to Kshs. 40million be dropped and replaced with repairing of the hospital lift at Kshs. 20million and repairing of CSSD Machines at Kshs. 20million. The repairs should be given first priority as the Oxygen plant at Mama Lucy Hospital is supposed to serve all the County Hospitals;
- The amount allocated for rehabilitation of the crematorium at Langata Cemetery be reduced from Kshs. 60million to 20million as there is another Kshs. 25million allocated for perimeter wall construction and general rehabilitation of the Health centre for equitability of resources among the wards in the County;
- Kshs. 30million reduced from the rehabilitation of the Crematorium be allocated to rehabilitation and equipping of Ruai health centre and Kamulu health centres equally (Kshs. 15million each) to improve on service delivery to the people and as well bring services closer to the community and ease congestion at Mama Lucy Hospital;
- Kshs. 10million together with Kshs. 9.428million to be dropped from the construction of a perimeter wall at Kasarani Health Centre which have been captured twice be allocated for construction of a new health facility at Kwa Njenga Ward (totaling Kshs. 19.428million) to bring services closer to the community;
- The upgrading of Dandora II Health Centre at Kshs. 30million be dropped as it has been repeated and Kshs. 20million be allocated to equipping and construction of a perimeter wall at Marurui Health Centre to improve on service delivery to the community and improve on security; and
- The project of construction of a dental clinic at Ofafa 1 Clinic amounting to Kshs. 10million be dropped and the allocation together with the Kshs. 10million balance from the dropped project of Dandora II Health Centre be allocated to construction of a new health facility at Pipeline Ward to bring services closer to the community.

h) Water and Sanitation Committee

- The Ward based projects captured in the CADP as Kshs.75m for Water harvesting and Kshs.350m for supply through water extension, installation of water ATM, kiosks and drilling of boreholes be approved as proposed as the same is allocated Kshs.2.1billion in the C.I.D.P as ward based Water infrastructure development;
- The Kshs.50million for Sewer extensions for areas identified in the CIDP be approved as proposed;
- The Kshs.200million for Nairobi river restoration be approved as captured CADP to facilitate and accelerate improvement water and sanitation situation;
- The proposed Water policy and bill be expedited to pave way for resource mobilization towards Water and Sanitation for all; and
- The County to synchronize procurement services to ensure timely and maximum absorption of the sector budget.

i) Energy and ICT Committee

- That in the CIDP 2018 -2022 of the Energy Sub-Sector had included two projects; the introduction of the innovative clean cooking ethanol stove tier 4 and energy generation from water ponds projects. These projects have been left out in the ADP and therefore, should be included at Kshs. 500million; and
- That the Committee approves the ADP of the ICT and E-Government Sector as contained in the report.

j) Labour and Social Welfare Committee

- The County Public Service Board be included in the County Annual Development Plan for the FY 2019-20 as follows;

Strategic Objectives

- i. Improve positive work ethics in the County Public Service.
- ii. Boost morale amongst the county public service.
- iii. Improve work environment.
- iv. Service Delivery Transformation.
- v. Establish a skilled and adequate work force in the County Public Service.
- vi. Promote National Values and Principles in the County Public Service.

Development Priorities

- i. Improving access to quality county services through Human Resources.
- ii. Develop an automated staff portal.
- iii. Development of automated leave management system.
- iv. Automate performance appraisal and management in the county.

— For development, the Sectoral Committee submitted that the Board was considering the modules for expansion on the Integrated Human Resource Management System such as leave management, performance management, disciplinary records etc; installation of Security Systems and office partitioning.

Sector	Program	Sub Program	Project description	Location	Estimated Cost
COUNTY PUBLIC SERVICE BOARD	General Administration and Support Services		Expansion and installation of Integrated Human Resource Management System	City Hall	5,000,000
			Security Systems Installation	City Hall	6,400,000
			Office Partitioning	City Hall	4,000,000
	Program Totals				15,400,000

— The Public Service Management and Youth Affairs & Social Services Sectors' Annual Development Plan be approved as proposed;

- The Annual Budget estimates for the Sectors be in line with the Sectors' priorities to enable the Sectors achieve their objectives;
- The County to provide adequate funding for the Sectors in order to ensure implementation of planned activities;
- The County should endeavor to decentralize the procurement system so as to address the lengthy procurement process challenge in the County.

k) Agriculture, Livestock and Fisheries Committee

- Development of a fully-fledged food system in the County need to be expedited to among other things, create inspection food points that not only guarantees food safety but also ensure market information on food prices is readily available;
- The Sectors should quickly embrace urban farming technologies (to enhance food security) and cascade them to Wards level; owing to limited arable land in the City; and
- The revised CADP 2019-20 15 No. programmes/projects be approved and implemented as presented.

l) Trade, Tourism and Cooperatives Committee

- That the Sectoral Committee on Trade, Tourism and Cooperatives approves the County Annual Development Plan 2019-20 for the Commerce, Tourism and Cooperatives Sector with the view of amending the CIDP to meet the increasing demand for markets in the County, completing all pending construction and rehabilitation of existing markets;
- That the Sector should purchase its own buses which is cost effective in the long run instead of hiring buses; and
- That the process of carrying out traders' census at a cost of Kshs. 6million be recurrent and not development expenditure.

E. OBSERVATIONS OF THE FINANCE, BUDGET AND APPROPRIATIONS COMMITTEE ON THE SECTORS' PROGRAMMES AND PROJECTS

11. **Mr. Speaker**, the Finance, Budget and Appropriations Committee held discussions with the County Treasury to disseminate the specifics of the projects and programmes enlisted in the ADP and from the discussions the Committee managed to come up with a number of observations. This section of the report would endeavor to record some of the observations of the Committee on selected Sectors programmes as well as propose ways of dealing with any identified gaps.
12. The Finance and Economic Planning Sector is mandated with the responsibility of ensuring that the County meets its financial obligations and more that it does so without injuring the fundamental rights of both the current and future generations. The Committee notes that the County would require in excess of Kshs. 23billion to implement all the programmes contained in the ADP. Given that in the financial year 2017-18 the County realized total internal revenue collection of Kshs. 10.1billion against an annual target of about Kshs. 17billion, any projections over and above Kshs. 15billion in the coming financial year would remain a mirage unless specific strategies are implemented. The Committee was taken aback to learn during these deliberations that the County Revenue Department has not assigned quarterly revenue targets to the various revenue heads making it very difficult to hold officers accountable for missed targets. The Committee believes that Nairobians would only feel the fruits of devolution when we jointly steward revenue collection, enforce accountability in public finance management, stop bad behaviors on budget implementation and continually use audit recommendations including resolutions of this House as instruments of improvement.
13. On the specific Sector challenges, the Finance Committee has agreed with the Sector that in the FY 2019-20 the County should roll out internal revenue management system that is free from manipulation, ensure that the available data on account payables and account receivables is verified, adhere to the provisions of the law in grant of waivers and develop various legislations to anchor all the revenue streams.

14. **Mr. Speaker**, the Committee observes that despite the County implementing MTEF to budgeting, the effect has not been felt. There has been little to no focus on the budget figures for the outer years with Sectors not undertaking watertight forecasts of medium term expenditure statistics. During consideration of the budget for the FY 2018-19 the Committee was categorical that e-payment methods were meant to revitalize revenue collection by reducing human-money contact, expanding revenue inflows and introducing efficiency in revenue collection. However, the Committee continues to report that most of the e-payment methods in the County have introduced unnecessary lags in revenue generation, made revenue collection a very expensive affair and ensured the County is powerless in its own function. The Committee has agreed with the County that any future contracts on e-payment should be negotiated in a way that ensures that agents of e-payment don't wield all the revenue control buttons but also ensure that agency fees are rational and subject to ordinary budgeting.

15. Over the past five financial years there has consistent effort to allocate funds to settle pending bills but that has not ensured that the County has no pending obligations at the tail end of the financial year. The PFM Regulations have attempted to cure late commitments in the financial year by requiring that all procurements for the supply of goods and services are done not later than end of May. There is need to ensure that the debt management strategies pronounced annually are implemented and that the figures set aside for settling debts/ pending bills are utilized for that purpose.

16. **Mr. Speaker** it is reported that the County Asset Management Policy was developed in the financial year 2015/16 and it is still in draft form over two years later. There is need to accelerate the process of finalizing the policy and in effect ensure that the asset registers are up to date, and Valuation Roll updated. A valuation roll which is stale has been a great impediment towards the county collecting amounts which are genuinely due to it under Land Rates. Further, **Mr. Speaker** whereas it is reported that the Sector has rolled out monitoring and evaluation mechanisms, the reports from such expeditions have not been frequently shared with the County Assembly.

17. **Mr. Speaker Sir**, there is no doubt that efforts which have so far been employed by His Excellency the Governor to enhance cleanliness in the City have started bearing fruits. This County Assembly has supported the **Environment, Water, Energy and Natural Resources Sector** by continually allocating huge resources for garbage collection as well as facilitating garbage disposal. However, the Finance Committee concedes that despite this positive outlook there is still need for the Sector to undertake a cost benefit analysis and output quantification of the monthly clean ups. The Committee is indeed of the considered view that respective Members of County Assemblies from the respective areas where the activities are undertaken. The County may also in the meantime need to undertake a feasibility study on the recycling potential of Dandora dumpsite. These, the Committee believes, would help the Sector in achieving its objectives.

18. **Mr. Speaker Sir** in the approved CIDP the **Physical Planning, Lands and Housing Sector** has outlined most of its projects in the CIDP as mainly baseline studies aimed at collecting as much information as possible about the County. These, the Finance Committee hoped would provide credible baseline data on the structural information within the spectrum of Nairobi City County. During approval of the CIDP, the Committee urged the Sector to ensure that regularization of titles is prioritized and completed at the earliest opportunity. It is the considered view of the Committee that as Kenya's capital, the Sector must reduce the many bureaucratic delays on the issuance of title deeds as a way of ensuring that the County gains its rightful share of revenue from matters land. The completion of the valuation roll is long overdue and the Committee has once again persuaded the Sector to set aside all the excuses and ensure that the necessary data is collected and contemporary rates figures obtained.

19. **Mr. Speaker**, during the consideration of the ADP for the FY 2019-20 the Sector officials were unconvincing on the details related to the urban renewal programmes. The programme is a huge venture by the County and is expected to consume substantial part of the County's budget thereby requiring a lot of consistency and aggressiveness on the cost and timelines for its implementation. The Sector was not able to provide concrete figures to the Committee on the long term financial burden

that would befall the County as a result of the programme casting considerable doubt on the Sector preparedness to ensure its success.

20. **Mr. Speaker Sir**, over the past year the County has witnessed demolitions across City partly due to the various proprietors setting them in the wrong areas. The owners of the said developments have often than not said in their defense that they acquired the necessary approvals from the County Government. In the month of December, the Committee undertook a site visit to Kilimani Ward to ascertain the rate of compliance in payment of building permits and learnt there is still lethargy by County officials in ensuring that all developers get the County approval. The Committee urges the Sector to tighten the enforcement mechanisms to ensure that there is efficient approval process to increase county revenues, reduce the germination of illegal structures and thereby limit demolitions over the coming financial year.

21. **Mr. Speaker**, the place and role of technology in the present society cannot be gainsaid and it is for that reason that the Sector on **ICT and E-Government** must move with speed to ensure that all digital systems are operationalized. The Finance Committee learnt with amusement during these discussions that contract between the County and Webtribe Limited is expected to come to an end in April 2019 and the County has not properly worked out the transitional mechanisms to ensure the services don't grind to a halt thereafter. The Finance Committee has reminded the County Treasury and the ICT Sector that there is need for proper planning as a way of reducing margins of error and any likely gamble with public funds. The procurement and piloting of the Integrated County Revenue Management System must be finalized in time to avoid any future financial losses.

22. **Mr. Speaker**, under the **Devolution, Public Service and Administration Sector** the Finance would wish to highlight some of the projects that it has prioritized for implementation in the coming financial year and specific observations on some of them. It is noteworthy that the observations on this Sector are on the ADP as tabled and some of the gaps discussed hereunder have been addressed by the relevant Sectoral Committees in the recommendations to the Finance Committee. The

Administration Department in the financial year 2019-20 intends create modern receptionists at City hall/City hall annex at an estimated cost of Kshs. 10million, restructuring of offices & creation of open space offices at an estimated cost of Kshs. 5million, renovation & equipping of charter hall and reroofing of City hall at an estimated cost of 40million, acquisition and renewal installation of an IT enabled fleet management system at an estimated cost of Kshs. 200million, renovation & equipping of Nairobi City County Records Archives at an estimated cost of Kshs. 40million. The time frame for the projects are indicated as either December 2018 or December 2019 which means that the department has no project to be undertaken in the second half of the financial year 2019-2020

23. The **Internal Audit and Risk Management** department purposes to focus on the programmes of infrastructure development at Kshs. 7million, service delivery to increase field audit coverage at Kshs. 5million, service delivery to conduct risk at Kshs. 31million, capacity development at Kshs. 10million and acquisition of system software at Kshs. 10million. In this regard the Finance Committee observed that the department has left out a number of key activities which were to be undertaken in the FY 2019-20 according to the CIDP.

24. The **Inspectorate Department** intends to recruit and train 1000 number of staff at Kshs. 600million, purchase 2000 employee uniforms at Kshs. 300million, improve revenue collection from Dagoretti Training School, undertake capacity building for 65 staff at Kshs. 5million, partition 7th floor at Kshs. 15million and reduce office congestion at Kshs. 10million. The Committee noted that the ADP has not been aligned to the approved CIDP in terms of objectives and corresponding programmes. The Committee observed that the cost of Kshs. 900million for recruitment of staff and purchase of uniforms if implemented in the same financial year as proposed may cause a strain the county government resources. Further, the Strategic Matrix provided for the Department in the financial year 2019-20 has not indicated the cost estimate for review and update the county by-laws, county bills and policies of the projects making it difficult to determine how the same would be implemented. The

department has left the activities related to traffic management from the information provided in the document.

25. **Mr. Speaker Sir** in the FY 2019-20 the **Investigation and Information Analysis Department** intends to recruit and train 50 staff, provide 95 numbers of uniforms, purchase 10 communication gadgets, organize 17 sensitization forums, map out 8 crime prone areas and carry out 5 sensitization campaigns. The ADP for the FY 2019-20 provides the areas that the department wishes to focus in the coming financial year. Of interest is that the department wishes to spend Kshs. 8Million to enhance professional investigations, Kshs. 20million on corporate identity for easy identification, Kshs. 23million for capacity building 50 No. recruits as well as Kshs. 15million on compliance on government policy to enhance transparency. The Sector has left out a number of activities that were to be undertaken in the FY 2019-20 according to the CIDP including provision of staff with uniforms and carrying out surveys.

26. The tabled ADP provides that in the coming financial year the **Fire Rescue & Disaster management** department shall develop disaster information and management Centre at the cost of Kshs. 50million, adopting G.I.S for emergency communications & infrastructure at the cost of Kshs. 40million and acquiring land for construction of fire station at an estimated cost of Kshs. 60million. The department has not aligned its development priorities and programmes to the PBB with no information provided on the objectives and implementation of the programmes in the CIDP. Further, the Committee observed that the cost of establishment of the Information Centre has exceeded the ceilings approved in the CIDP

27. **Mr. Speaker Sir**, under the **Public Service Management** the ADP for the FY 2019-20 provides that in the coming financial year the Sub-Sector intends to pursue one program on Devolution, Public Service and Administration. Among the activities to be undertaken include capacity building at Kshs. 500million, provision of medical cover and car loan at Kshs 2billion, roll out voluntary early retirement at Kshs. 600million and establish biometric registration system at Kshs. 100million. The

Committee observed that the programme provided in the ADP is not similar to the programmes approved in the CIDP making it a difficult task to compare the intended outputs and outcomes in the two documents. The Finance Committee has reiterated to all Sectors that they should at all times endeavor to ensure that the programmes in the ADP are a replica of those approved in the CIDP. Committee decried the scanty details on the implementation of the voluntary early retirement programme. The programme was meant to solve the county twin problems of having an ageing work force and reigning on the County's spiraling wage bill.

28. **Mr. Speaker** under the **Sub County Administration** in the coming financial year the department intends to among others construct 7 sub-county offices at Kshs. 105million, construct 22 ward offices at Kshs. 220million, roll out civic education programmes at Kshs. 85million, procure 24vehicles at Kshs. 90million. From the information provided the Committee observed that the Sector has not provided the clear programmes to be undertaken in the FY 2019-20. **Mr. Speaker Sir**, during approval of the CIDP 2018-22 the Assembly resolved that all activities related to procurement of vehicles and office improvements should be domiciled in the Administration Department and the extent to which this resolution has been implemented were not clear during these deliberations.

29. The Committee remains of the view that the **Trade and Tourism Sector** must put in measures to ensure that the title deeds for markets in the hands of individuals are repossessed by the County. Further the Committee has made it clear to the Sector that there is no need to earmark funds for construction of new markets at a time when the existing ones are not in the best of shape. In this regard therefore, it is the resolution of the Committee that the existing markets should be rehabilitated before any additional county resources are invested in building any new trading jurisdictions.

30. **Mr. Speaker Sir**, as you are aware the Committee is mandated to oversight the implementation of the budget for the **County Assembly Service Board**. In this regard the Committee listened with enthusiasm to the submission of the Clerk to the County Assembly on the development projects and priorities for the County Assembly. The

Committee was informed that the County intended to construct an administration block at the parking space next to the Supreme Court of Kenya. However, the Committee was enlightened that following discussions with the County Executive, the County Assembly was advised that the said land for the planned construction of office block is not available for that purpose. It is based on this change of circumstances that the County Assembly Service Board reviewed the possible options and resolved to purchase an office block within the Central Business District. The importance of acquiring office space for elected and nominated Members of the County Assembly cannot be emphasized.

31. The Finance Committee has reviewed this proposal and noted that it is in line with the original objective contained in the approved County Integrated Development Plan 2018-20 which is “Provision of office space for staff and Members of the County Assembly” thereby realizing the indicated output of Improved service delivery of the County Assembly. Further, the Committee has observed that the overall cost implications of the project are in tandem with the figures approved in the CIDP. In this regard therefore, the Committee shall be proposing amendments to the proposed development programmes for the County Assembly Service Board to reflect these changing scenarios.

F. COMMITTEE’S RECOMMENDATIONS

32. **Mr. Speaker**, in summary and pursuant to the provisions of Section 126 (3) of the PFM Act, 2012 and Standing Order 219, the Finance, Budget and Appropriations Committee recommends that the Annual Development Plan for the FY 2019-20 be amended as follows under the respective Sectors: -

— Environment, Energy, Water and Natural Resources Sector

- a) That under the programme Beautification, Recreation and Greening Services, the allocation for Landscaping & beautification of Medians & shoulders roundabouts & other open spaces be maintained at Kshs 30million as proposed in the CIDP and the ADP be amended accordingly to reflect that change;

- b) That Kshs. 40million be allocated for the Environment Management and Protection programme as per the CIDP and the ADP be amended accordingly to reflect that change;
- c) The Ward based projects captured in the ADP as Kshs.75million for Water harvesting and Kshs.350million for supply through water extension, installation of water ATM, kiosks and drilling of boreholes be approved as proposed; and
- d) That the Kshs.200million for Nairobi River Restoration be approved as captured in the ADP to facilitate and accelerate improvement of water and sanitation situation.

— Transport, Infrastructure and Public Works Sector

- a) That the Sector aligns the ADP to the CIDP to incorporate the Programme on Public Works in the ADP as captured in the CIDP;
- b) The Sector makes provisions and fill in the baseline figures to facilitate tracking of change in programmes and projects across the years;
- c) The Sector provides a detailed breakdown of projects and their locations where these projects have been lamped in regional classification e.g. City wide, all sub-Counties; and
- d) The Sector prioritizes procurement of street and public lights maintenance materials as well as purchase of road maintenance equipment in the FY 2019-20 procurement plan.

— Trade, Commerce, Tourism and Cooperatives Sector

- a) That the Sector programmes, projects and priorities for the Liquor Licensing Board for FY 2019-20 be included in the ADP and the same be implemented as proposed by the Sectoral Committee on Culture and Community Services;
- b) That the Liquor Board improves its performance on revenue collection by ensuring that all Liquor outlets in the County are licensed; and
- c) That the Liquor Sub- Sector prioritizes in the coming FY the completion of the proposed construction of containerized rehabilitation centres in the sub-counties.

— Devolution, Administration and Public Service Management

- a) That the Sector programmes, projects and priorities for the Disaster Management and Coordination Sub- Sector for FY 2019-20 be included in the ADP and the same be

implemented as proposed by the Sectoral Committee on Culture and Community Services;

- b) That the Sector programmes for the County Public Service Board for the FY 2019-20 be included in the ADP and the same be implemented as proposed by the Sectoral Committee on Labour and Social Welfare;
- c) The department should ensure that renovations are done and all renovations should be centralized to the department;
- d) The vehicles to be procured under the Sub County Administration be reduced from 24 utility vehicles to 6 vehicles and the corresponding costs be adjusted accordingly to reflect that change;
- e) That all purchase of motor vehicles for all County departments, excluding the County Assembly and the County Public Service Board, be centralized under the Fleet Management Section; and
- f) That the programmes, projects and sector priorities for the Legal Affairs department be included in the ADP for the FY 2019-20 and the same be implemented as proposed by the Sectoral Committee on Justice and Legal Affairs.

— Education, Youth Affairs, Children, Sports, Culture and Social Services

- a) That the sector prioritizes in the FY 2019-20 the completion and the construction of Ruai Rehabilitation center; and
- b) That name of Program 4 of the sector be amended from Sports Services to Sports Development.

— Urban Planning, Lands, Housing and Urban Renewal Sector

- a) That the ADP be aligned to the approved CIDP by ensuring that the programmes and projects in the two documents are consistent;
- b) That the ADP be amended to include only projects for one financial year i.e. FY 2019-20 as contained in the CIDP; and
- c) That all the Sector programmes and projects be assigned cost estimates.

— Health Sector

- a) That the project on purchase, installation and commissioning of Oxygen plant at Pumwani Ward amounting to Kshs. 40million be scrapped off the plan and replaced thereof with repairing of the hospital lift at Kshs. 20million and repairing of CSSD Machines at Kshs. 20million;
- b) That the amount allocated for rehabilitation of the crematorium at Langata Cemetery be reduced from Kshs. 60million to 20million;
- c) That Kshs. 30million reduced from the rehabilitation of the crematorium be allocated to rehabilitation and equipping of a health centre in Kasarani zone and another in Embakasi zone at Kshs. 15million each;
- d) That the allocation for construction of a perimeter wall at Kasarani Health Centre be reduced by Kshs. 9.428million;
- e) That Kshs. 19.428million be allocated for construction of a new health facility at Kwa Njenga Ward;
- f) That the upgrading of Dandora II Health Centre at Kshs. 30million be knocked off the plan;
- g) That Kshs. 20million be allocated for equipping and construction of a perimeter wall at Marurui Health Centre; and
- h) That the project of construction of a dental clinic at Ofafa 1 clinic amounting to Kshs. 10million be knocked off the plan; and
- i) That Kshs. 20million be allocated for construction of a new health facility at Pipeline Ward.

- Food, Agriculture and Forestry Sector

- a) That the Sector prioritizes and expedites the development of a fully-fledged food system in the County to among other things, create inspection food points that not only guarantees food safety but also ensure market information on food prices is readily available;
- b) That the Sector embraces urban farming technologies to enhance food security and cascade them to Wards level owing to limited arable land in the City; and
- c) That the programmes and projects in the ADP be amended as proposed by the Sectoral Committee on Agriculture, Livestock and Fisheries.


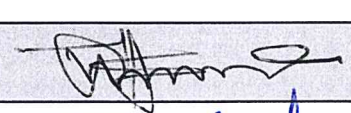
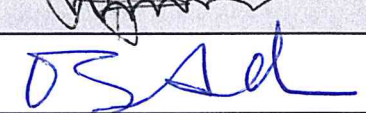
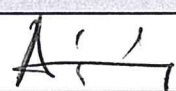
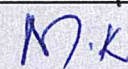
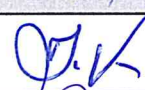
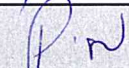
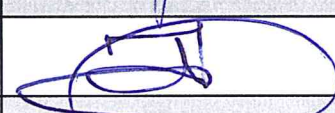
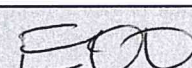
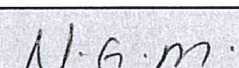
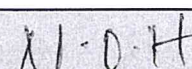
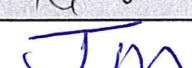
- County Assembly Service Board

- a) That the development project for the County Assembly be amended to 'Purchase and equipping of Nairobi City County Assembly Administration Block' and the cost be revised to Kshs. 1.5billion.

Mr. Speaker, in conclusion and pursuant to the provisions of Section 126 (3) of the Public Finance Management Act 2012 and Standing Order 219 the County Finance, Budget and Appropriations Committee recommends that:

"This County Assembly adopts the Report of the Finance, Budget and Appropriations Committee on the Annual Development Plan for the FY 2019-20."

We the undersigned Members of the Finance, Budget and Appropriations Committee affirm that this is the approved report of the Committee on the Annual Development Plan for the FY 2019-20 as adopted by the Committee on the 26th day of March 2019

NAME	SIGNATURE
1. Hon. Robert Mbatia, MCA	
2. Hon. Patrick Karani, MCA	
3. Hon. Michael Ogada, MCA	
4. Hon. Osman Adow, MCA	
5. Hon. Daniel Ngengi, MCA	
6. Hon. Anthony Ngaruiya, MCA	
7. Hon. Kariuki Wanjiru, MCA	
8. Hon. J.M Komu, MCA	
9. Hon. Paul Ndungu, MCA	
10. Hon. James Kariuki, MCA	
11. Hon. Susan Makungu, MCA	
12. Hon. Catherine Okoth, MCA	
13. Hon. Emily Oduor, MCA	
14. Hon. Paul Shilaho, MCA	
15. Hon. Nancy Muthami, MCA	
16. Hon. Elias Okumu, MCA	
17. Hon. Nimo Hajji, MCA	
18. Hon. Jane Muasya, MCA	
19. Hon. Fredrick Okeyo, MCA	