

COUNTY GOVERNMENT OF NAIROBI CITY

*Filed by HOU
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(Signature)*



NAIROBI CITY COUNTY ASSEMBLY

SECOND ASSEMBLY – FIFTH SESSION

**33RD REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE,
BUDGET AND APPROPRIATIONS**

ON

THE CONSIDERATION OF THE REVENUE AND EXPENDITURE ESTIMATES FOR
THE NAIROBI CITY COUNTY GOVERNMENT, NAIROBI METROPOLITAN SERVICES
AND THE COUNTY ASSEMBLY FOR THE FY 2021-22

JUNE 2021

I.PREAMBLE

1.1. Background

Mr. Speaker, the consideration of these estimates of revenue and expenditure has been undertaken at a time when the global arsenal has not fully cleared the rubble of crisis brought about by the corona virus pandemic. It is for this reason that intellectual power houses including those in charge of budget prioritization have continued to align spending in a manner that puts health expenditure head and shoulder above other demand streams. Back home, this marks the penultimate budget that shall be considered by the Second Assembly 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 222. This approval of FY2021-22 estimates the County Assembly marks the ninth time that the County Assembly shall have taken a position on the resources geared towards changing the standards of living and development trajectory of Nairobi City County. In that duration the Assembly has granted authority for expenditure of amounts approximated at Kshs. 240billion.

Mr. Speaker Sir, on the submission of these estimates, it is important to remind this honorable House that the provisions of Article 221 of the Constitution require that at least two months before the end of the financial year, the County Executive Committee Member for Finance should submit to the County Assembly, the estimates of the revenue and expenditure of the county government for the next financial year. Likewise, the Clerk to the County Assembly is also required to table the estimates for the County Assembly Service Board with a copy remitted to the County Executive Committee Member for Finance for his comments. It is imperative to note that this will be the second time in a row when the County Assembly shall also be allocating funds to transferred functions arising from the County Government's execution of Deed of Transfer which gave the National Government the responsibility for undertaking the mandates bestowed on health, planning, transport, environment and ancillary functions. As opposed to the previous financial year budget estimates where there were a number of grey areas on budgeting and implementation of the transferred functions, these estimates have been considered in the full glare of legal

clarity and jurisdictional awareness provided by the enactment of the County Allocation of Revenue Act, 2020 and the development of a comprehensive framework on Funding of Transferred Functions. The documents addressed any ambiguity that would have arisen in regard to funding of the transferred functions and further bolstered the position of the county executive committee in determination of the cost of the transferred functions and the County Assembly in appropriation of the monies to fund such functions.

Mr. Speaker Sir, despite the global threat to human life that has again disrupted the consideration of key budget documents, the County Assembly has learnt to embrace the challenges occasioned by the effects of the health pandemonium by finding better boots to cross the pandemic infested river. It is for this reason and unlike last financial year that witnessed delays in consideration of CFSP and by extension led to late tabling and consideration of the budget estimates for the FY 2020-21, this year the County Assembly approved the CFSP before touching the time beacons and gave room for the relevant sectors including the County Assembly to align their budgets in line with the approved ceilings.

Mr. Speaker Sir, the Estimates of Revenues and Expenditures having been submitted and in line with the provisions of Standing Order 222 stood committed to the Sectoral Committees and the Finance, Budget and Appropriations Committee for consideration and reporting as per their respective mandates. The Public Finance Management Act, 2012 and the Nairobi City County Assembly Standing Orders require that when finalizing the consideration of any budget document, the Budget Committee shall consult the Sectoral Committees, members of the public and the County Executive Committee Member for Finance. In complying with the provisions of Standing Order 119 (6), the Sectoral Committees are expected to consider the estimates, take into account the views of the respective Nairobi Metropolitan Services (NMS) officials, Sector Chief Officers and County Executive Committee Members and thereafter make submissions to the Budget Committee.

1.2. Committee Membership

Mr. Speaker, the consideration of these estimates was steered by the County Assembly Finance, Budget & Appropriations Committee which consist of the following 25 Members:

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|-----------------------------------|-------------------------|
| 1. Hon. Robert Mbatia, MCA | Chairperson |
| 2. Hon. Michael Ogada, MCA | Vice Chairperson |
| 3. Hon. Emily Oduor, MCA | |
| 4. Hon. James Kariuki, MCA | |
| 5. Hon. David Okello, MCA | |
| 6. Hon. Emapet Kemunto, MCA | |
| 7. Hon. Herman Azangu, MCA | |
| 8. Hon. Cecilia Ayot, MCA | |
| 9. Hon. Jacinta Wanjiru, MCA | |
| 10. Hon. Patrick Karani, MCA | |
| 11. Hon. Elizabeth Nyambura, MCA | |
| 12. Hon. Daniel Ngengi, MCA | |
| 13. Hon. Nancy Muthami, MCA | |
| 14. Hon. Anthony Ngaruiya, MCA | |
| 15. Hon. J.M Komu, MCA | |
| 16. Hon. Fredrick Okeyo, MCA | |
| 17. Hon. Osman Adow, MCA | |
| 18. Hon. Susan Makungu, MCA | |
| 19. Hon. Nimo Haji, MCA | |
| 20. Hon. David Mberia, MCA | |
| 21. Hon. Kennedy Oyugi, MCA | |
| 22. Hon. Paul Ndungu, MCA | |
| 23. Hon. Wanjiru Kariuki, MCA | |
| 24. Hon. Catherine Okoth, MCA | |
| 25. Hon. Mellab Atemah, MCA | |

1.3. Committee Mandate

Mr. Speaker Sir, the Nairobi City County Assembly Finance, Budget and Appropriations Committee is constituted under the provisions of Standing Order 199 and mandated to: -

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

1.4. Examination of the Budget Estimates for the FY 2021-22

Mr. Speaker, the climax of the budgeting process in any financial year ends with presentation of budget estimates having commenced with the issuance of the budget circular by the CECM- Finance and Economic Planning that provides guidelines on issues that accounting officers should take into account when preparing their respective budgets. It is imperative to note that before any funds are expended a planning framework must be put in place to ensure no expenses are incurred that were not planned for in key policy documents. From the foregoing the County Assembly approved the Annual Development Plan for the FY 2021-22 setting out the development priorities for the coming financial year, the County Fiscal Strategy Paper 2021-22 that outlined the broad strategic objectives for the County in addition to setting the individual Sector ceilings as well as the Debt Management Strategy Paper providing strategies the County intends to undertake in a bid to honour the long outstanding debts commitments and provide mechanisms for taming debt accumulation. The submitted estimates therefore seek to actualize the contents of the planning documents through allocation of the essential resources in a bid to continue making Nairobi City County the city of choice to invest and to live in.

Mr. Speaker, in reviewing the Budget Estimates for FY 2021-22, the Committee held virtual and physical meetings in which the Committee received submissions from the County Executive Committee Member responsible for Finance, the Chairs of Sectoral Committees, the Secretary to the County Assembly Service Board and the members of the public. As required by various legislations, the Committee has taken into account all the submissions from the key stakeholders before finalizing this report.

1.5. Acknowledgments

Mr. Speaker Sir, the Committee wishes to express deep gratitude to the following: -

- a) Offices of the Clerk and the Speaker for immense support accorded throughout this process;
- b) Sectoral Committees for reviewing the budget estimates for their respective Sectors and appearing before the Budget Committee to make their presentations;
- c) Officers from the County Executive, led by the County Treasury, who appeared before the Sectoral Committee and the Finance Committee for the purposes of making submissions on the estimates;
- d) Officers from the Nairobi Metropolitan Services who appeared before Sectoral Committees and relevant documentation to aid the review of these estimates;
- e) Members of the Finance, Budget and Appropriations Committee who devoted their time in ascertaining that the task of reviewing the estimates is done conscientiously and within the limited statutory timelines; and
- f) The County Assembly Budget Office who unceasingly provided guidance and offered technical support to the Committees on the estimates.

Mr. Speaker Sir, on behalf of the Members of the Finance, Budget & Appropriations Committee, it is therefore my pleasure to present to this honorable House the Committee's report on the Estimates of Revenue and Expenditure for Financial Year 2021/2022 and the medium term and recommend it to the Assembly for adoption.

Signed.....



Date.....

24th June 2021

Hon. Robert Mbatia, MCA

Chairperson: Finance, Budget and Appropriations Committee

II. SCRUTINY OF THE BUDGET ESTIMATES FOR THE FY 2021-22

A. Review of the overall Budget for the FY 2021-22

- 1. Mr. Speaker Sir**, the total County budget is proposed to equal Kshs. 39.6billion in line with the approved ceilings in the County Fiscal Strategy Paper. It is further proposed that out of the total County Budget Kshs. 27billion be set aside for recurrent expenditure while Kshs. 12.6billion be earmarked for development initiatives. With these allocations the development budget represents about 32% of the overall budget for the coming financial year which is an upward revision of the overall budget by about Kshs.2 billion in comparison to the revised budget for FY 2020-21 as contained in the Supplementary II Estimates.

- 2. Mr. Speaker Sir**, the tabled budget estimates for the FY 2021-22 has placed the allocations for transferred functions at Kshs. 21.2billion including WDF, being in consonance with the approved in the CFSP 2021. With these allocations the amounts for transferred functions has been rationalized downwards by Kshs. 2billion compared to the figures approved in Supplementary I and increased by Kshs. 12billion compared to the figures contained in Supplementary II for the FY 2020-21. Review of the budget estimates for the Executive Office of the President where NMS is domiciled indicates that the Service has been allocated Kshs. 27billion (being a decrease from Kshs. 32billion in annual estimates for FY 2020-21) in the coming financial year implying that the budget is just about Kshs. 6billion more than the amounts contained in the Nairobi City County Estimates. On how the cost of the transferred functions was arrived at, the Deed of Transfer of Functions, the County Allocation of Revenue Act 2020 and the Framework for Financing Transferred Functions developed by the National Treasury require that Nairobi City County Government and Nairobi Metropolitan Services jointly determine the cost of transferred functions and ensure that they are budgeted for both in NCCG and NG Appropriations. During the review of these estimates the Committee could not determine whether this was undertaken as legally anticipated.

3. Whereas the allocation development has been expanded to above 30% mark as required by the underpinning provisions of the Public Finance Management Act, **Mr. Speaker Sir**, evidence on record continue to show that absorption of development budget is still lackluster. As at the end of financial year 2019-20 the County had just spent about Kshs. 2billion against a revised development allocation of Kshs. 8billion. By the end of the third quarter of the FY 2020-21, the declared development absorption is still below par with the NMS indicating sub-optimal utilization of development budget. Further, whereas the provisions of Section 107 (2) of the PFM Act requires that over the medium term a minimum of thirty percent of the county governments budget shall be allocated to the development expenditure, the Committee continues to note that over the last few financial years, supplementary budgets have been used to drastically lower the development votes due to failure to absorb amounts allocated. This departs from the express provisions of Regulation 25 (g) that require that Counties do not only allocate funds for development but also utilize the allocated amounts for development. The Committee has underscored the need for all actors in the development budget implementation arena to clear the runway for immediate takeoff and roll out of development projects early in the financial year.
4. In regard to the individual Sectors allocation, **Mr. Speaker Sir**, the Office of the Governor and Deputy Governor has the lions share with an allocation of Kshs.5.4billion to undertake its various administrative functions, Education Sector has been allocated Kshs.2.2billion in its bid to promote and manage programs for ECDE and Teacher Training Centers, Vocational Training, Advisory and Elderly and Persons living with disabilities in the county. The Finance department in promoting prudent financial management and debt repayments has been allocated Kshs.2.2 billion while trade has an allocation of Ksh.1.02 billion. The other sector with an allocation of over Kshs.1billion is Public Service Management Public that has an allocation of Kshs.1.7 billion in its bid to ensure the County has a motivated work force. The ICT sector in an effort to promote development of modern ICT infrastructure, automation of all County services, and dissemination of information for effective and efficient service delivery has

been allocated Kshs.559million. In fostering agricultural activities and food safety in the city, Kshs.409 million has been set aside for Agriculture Sector with the County Public Service Board being allocated Kshs.143 million in discharging its functions. The Liquor Board has been allocated a total budget of Kshs.250million for implementation of the National Government policy on the control, licensing and enforcing of the National Government standards on regulation of manufacture, advertisement, sale and consumption of alcohol drinks in county. In supporting the triplicate mandate of the County Assembly, Kshs.4.1billion has been allocated with recurrent budget being Kshs.2.4billion while Kshs.1.7billion has earmarked for development initiatives under the legislative arm of government.

5. **Mr. Speaker Sir**, the transferred functions of Health, Water, Energy and Environment, Public Works and Infrastructure and Lands and Urban Planning sectors as well as ancillary services have been allocated Kshs.19.6billion out of which Kshs. 12billion has been set aside for recurrent expenditure whereas Kshs.7.6billion has been earmarked for development initiatives. The Committee noted that the transferred functions budget unlike in the FY 2020-21 do not have specific sector's allocations for its programmes making it a hark task to determine how the allocations relate to the next year financial year's allocation. The WDF has been allocated Kshs. 1.5billion in anticipation of accelerating infrastructural developments at the ward level.

B. Financing the 2021-22 Budget

6. **Mr. Speaker**, in the FY 2021-22 the tabled budget estimates projects that the total county revenues be Kshs.39.6billion consisting of Kshs. 19.25 billion equitable share from the national government, Kshs. 19.77 billion from own sources revenues and Ksh.600million being unutilized balances re-appropriated. The projected internal revenue is an increase of about Kshs. 3.3billion compared to the figures contained in the estimates for the current financial year. Review of the actual revenue performance for the FY 2020-21 indicates that at the end of the third quarter of the current financial year the County Government had

realized about Kshs. 8billion. This performance indicates that the County had just hit 50% mark on its annual revenue targets at the end of the peak period which is the third quarter of any financial year. To paint a gloomier picture for the current financial year, in the presentation made to Finance Budget and Appropriations Committee early this year, Kenya Revenue Authority submitted that they expect to collect about Kshs. 3.3billion in the fourth quarter year implying that the budget shall have received about Kshs. 11.4billion by the 30th June or Kshs. 5billion shy of annual target. The Committee however remains optimistic that with application of adequate momentum the target may not be missed by a big margin.

7. Mr. Speaker Sir, KRA as the principal agent for revenue collection has provided recommendations on enhancement of revenue collection which are akin to the strategies contained in the CFSP 2021 key among them being consultative target setting, boost of available data on the respective revenue streams, policy formulation, robust enforcement, joint implementation of the Nairobi City County Revenue System and HR Management. It was not clear from the budget of the Finance and Economic Planning Sector whether there has been revenue boost to ensure that some of these financial aspects are realized. The County Treasury submitted that the resources contained in the Sector as adequate for effective roll out of the revenue enhancement measures. Further, on the Integrated County Revenue Management System (ICRMS) it was not clear whether the County shall utilize its internal system, or the prototype developed by the National Treasury on behalf of all Counties. The Committee having listened to the submissions by the Sector on ICT and the County Treasury agrees on the need to have a system that can withstand the test of being tamperproof.

8. Mr. Speaker Sir, despite the County Government contracting Kenya Revenue Authority as the principal agent for revenue collection, review of the revenue performance in the current financial year coupled by a few past years exhibit that the internal revenue figures for the next FY 2021-22 are not only overambitious but also unrealistic. As at 31st March 2021 (nine months down

the financial year) of the current financial year the County Government had realized about Kshs. 8billion and KRA projected that it could collect Kshs.3.3 billion which suggests that the total expected revenue for FY2020-21 cannot surpass the Kshs.11.4 billion mark. The revenues for FY 2019-20 stood at Kshs.8.2billion which was one of the worst since inception of devolution. It is undisputable to affirm that some meaningful reforms have been initiated by KRA in various revenue streams but are yet to deliver significant boost in revenue growth and caution must be taken given that the principal revenue agent has now been on the task for over one year and should be inexcusable for poor results. If ever the principal revenue collector were to achieve her target, therefore KRA should collect about Kshs.8 billion in the fourth quarter of the current financial year. From the foregoing it is deducible that the next financial year target of Kshs.19.77 billion remains an uphill task for the revenue collector and stringent measures must be put in place to achieve the projected target.

9. Mr. Speaker Sir, of more worry to the Committee during the consideration of these estimates is the nonlinear disbursements of amounts due to the County Governments as equitable share of revenues. The Council of Governors has been vocal in pointing out that delayed release of amounts due to Counties has the ripple effect of crippling service delivery at the devolved units thereby providing fertile ground for constipation of counties' development agenda. As is the case across all Counties, the drawdowns of the amounts expected as equitable share has not been seamless with the Nairobi City County Government only having received Kshs. 5billion as at the end of the third quarter being 33% of the annual estimates. As at the end of the financial 2019-20 the NCCG had not received about Kshs. 4.5billion (about 30%) of the amounts due to it as equitable share.

10. Mr. Speaker Sir, the County Governments Grants Bill, 2021 now before the Senate provide that Nairobi City County shall receive Kshs. 1billion consisting of Kshs. 153million from National Government and Kshs. 867million from other development partners. The Committee notes that due to the late introduction of the Bill the amounts have not been included in the submitted budget estimates.

Further the Division of Revenue Act 2021 and the County Allocation of Revenue Bill 2021 has reviewed the mechanism of implementing conditional grants with some of them without ongoing contractual obligations being immersed into equitable while others are to be rolled out through the various implementing agencies. The grants that have been included as part of equitable share include RMLF, grant to level-5 hospitals, compensation for user fees forgone and rehabilitation of village polytechnics: The third quarter budget implementation report indicates that the County is yet to fully receive the amounts due as conditional grants for RMLF for FYs 2019-20 and 2020-21 as well as amounts for all the other scrapped conditional grants. The Committee was keen to understand the mechanism of ensuring that the amounts are actually received and utilized past financial year 2020-21 when they shall no longer be utilized as grants. The County Treasury submitted that the same shall remain in the relevant funds and shall be available for implementation in line with the attendant conditions. In this regard therefore the Committee shall be proposing amendments in the budget to capture the conditional grants contained in the draft Bill.

11. In a bid to boost county revenue in the coming financial year, **Mr. Speaker Sir**, the County intends to tap into tourism revenue by reaching out to National Government on tourist destination. Through the budget pronouncement for the FY 2019-20 the CECM for Finance undertook to roll out city-based occupancy levy but the same has not been actualized thereby limiting the potential of expanding the revenue collection streams in the County. The CECM for Finance submits that in this regard, the government will reach out to all national government tourist destinations and seek for its rightful share. The Committee has insisted on the County Treasury to develop an elaborate methodology of seeking its rightful share to avoid being ambitious with revenues that may in actual sense be not realized.
12. Moreover, **Mr. Speaker Sir** the budget estimates propose for the coming financial year that cash balances of Kshs. 600 million will be carried forward from the current FY 2020-21 an indication by the County Treasury that there is

a likelihood of not fully absorbing funds allocated in this current financial year. Review of previous financial years indicates that in the FY 2018-19 and FY 2019-20 the actual bank balances carried forward were Kshs. 1.3billion and Kshs. 2.5billion respectively. The Committee reiterates its position and advice to the County Treasury in ensuring that any bank balances not spent by the end of this financial year are declared and appropriated by this house before being utilized for any intended commitments.

C. Review of Compliance of the Budget Estimates for The FY 2021-22 to the Prevailing Legislation

13. Mr. Speaker, the budget estimates being an authoritative avenue for receiving and expending of public resources must be guided to strictly adhere to the financial laws. The position of the County Assembly and the budgeting process is clearly spelt out in the Chapter 12 of the Constitution, the PFM Act 2012, the PFM (County Government) Regulations 2015 and the County Assembly Standing Orders. From the foregoing it is important to recognize the vital role placed on the Finance, Budget and Appropriations Committee that has the responsibility of ensuring that budget documents submitted and approved by the County Assembly not only adhere but also meet the set legal and statutory requirements. It is therefore important to draw to the attention of this Honorable House how the estimates have lived to the expectations of various provisions of the law as contained in this report.

14. Mr. Speaker, the provisions of Article 221 and Section 129 (2) (a) of the PFM Act, 2012 requires that the budget estimates be submitted to the Assembly at least two months before the end of the financial year together with any supporting documents and all bills that are necessary to implement the budget. In conformity with these provisions, the County Treasury submitted on 30th April 2021, the itemized and the program-based budgets which provides the linkage of the resources requested for various activities to the outputs that the public would derive from such expenditures. The Committee however noted that the County

Treasury did not submit the monitoring and evaluation report which would make it possible to do a comparison of how the funds allocated in the current financial year actualized the different programmes that were approved for implementation.

15. Moreover Mr. Speaker Sir, the provisions of Section 129 (3) of the Act requires that the Clerk to the County Assembly also submits the estimates for the County Assembly Service Board and a copy shall be submitted to the County Executive Committee member for finance. Further Section 129(4) requires that the County Executive Committee member for finance shall prepare and present his or her comments on the budget estimates presented by the county assembly clerk. The Committee could not ascertain how the CEC Finance complied with this provision as no evidence was presented during the budget consideration period. The Committee has directed the County Executive Committee Member for Finance to always ensure that this provision of law is complied with going forward.

16. Mr. Speaker Sir, it is further required by provisions of Section 129 (2) (b) of the Act that County Executive Committee Member for finance shall ensure that the estimates submitted in subsection (a) are in accordance with the resolutions adopted by County Assembly on the County Fiscal Strategy Paper. The Committee affirms that the estimates submitted to this House has to almost in all extent adhered to the resolutions on the County Fiscal Strategy Paper and should there be any areas of deviation then the same shall be pointed out for amendment. Worth noting is the fact that all the sectors have aligned their budgets to the ceilings as approved in the County Fiscal Strategy Paper (CFSP).

17. Mr. Speaker Sir, the provisions of Section 130 (1) of the PFM Act, 2012 additionally states that the budget summary submitted on the budget estimates shall include the following: -

- a) A summary of budget policies including revenue, expenditure, debt and deficit financing;
- b) A statement of how the budget relates to the fiscal responsibility principles and the financial objectives; and

c)A memorandum by the County Executive Committee member for Finance explaining how the resolutions adopted by the county Assembly on the budget estimates have been taken into account.

18. Mr. Speaker, the submitted budget did contain the budget summary as required by the provisions of the law. In regards the County Treasury has provided in great detail the precise budget policies on both revenue, expenditure, clear road map on debt and deficit financing as well as on debt repayments that has outstretched the asset base of the county. It was also possible to gauge how the budget relates to the fiscal responsibility principles and the financial objectives of the County, but the estimates failed in providing information on how the resolutions adopted by the county Assembly on the budget estimates have been taken into account by the County Executive Committee member for Finance. However, the Committee noted that the County has somewhat been off track on adherence to some of the requirements of the fiscal responsibility with the expenditure on personnel emoluments consistently exceeding the 30% mark required by regulations. It is therefore the recommendation of this Committee that the County Treasury shall comply with the express provision of Section 130 (1) (a) of the PFM Act, 2012 failure to which this should be a basis for this House to decline the consideration of such submitted budgets.

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

- a) List of all county government entities that are to receive funds appropriated from the budget of the county government;
- b) Estimates of revenue projected from the Equalization fund over the medium term;
- c) All revenue allocations from the national government over the medium term including conditional and unconditional grants;
- d) All other estimated revenue by broad classification;

- e) All estimated expenditure, by Vote, and by programme, identifying both recurrent and development expenditure;
- f) Information regarding loans made to the county government, including an estimate of the principal, interest and other charges to be paid by that county government in the financial year in respect of those loans;
- g) Information relating to any payments and liabilities to be made or incurred by the county government for which appropriation is not included in an Appropriation Act, together with the constitutional or national legislative authority for any such payments or liabilities; and
- h) A statement by the County Executive Committee Member for Finance specifying the measures taken by the county government to implement any of the County Assembly recommendations.

20. Mr. Speaker Sir, it is commendable that most of the above requirements were adhered save for the fact that the estimates had no narration on how the County Treasury had implemented the resolutions of the County Assembly on the budget estimates for the FY 2020-21 as already pointed out earlier in this report.

21. Mr. Speaker Sir, the provisions of the PFM Regulations have provided additional benchmarks to consider while preparing and approving budget estimates. These include:

- a) All budget proposals shall be supported by the county government entity strategic plan;
- b) All revenue and expenditure shall be entered into county government budget estimates;
- c) Expenditure entered into the budget estimates shall be authorized for one financial year only;
- d) Budget revenue and expenditure shall be balanced;
- e) Total budget shall cover total expenditure and therefore except as provided by legislation, there shall be no use of specific revenue to finance specific expenditure;

- f) The CECM- Finance shall cause to be conducted public hearings on the estimates and views received from the public included by the Accounting Officers.

22. Mr. Speaker, it is creditable to note that the tabled budget estimates have details of revenues and expenditures included in the budget estimates, expenditures are authorized for FY 2021-22 only, the revenue and expenditures are balanced and there are no earmarked expenditures not backed by legislation. However, as was the case during the consideration of the current year estimates, the Committee could not ascertain whether the County government entities have strategic plans to support the expenditures being requisitioned for the FY 2021-22. Specifically, the Committee noted that the budget estimates for the County Assembly Service Board were prepared and submitted without an enabling Strategic Plan that would provide overall direction against which the resources should be applied.

D. Summary of Key Issues Arising from Public Submissions

23. Mr. Speaker, the locus of the public on any affair that impacts on their lives cannot be underestimated and it is for this purpose that the provisions of Article 221 (5) of the Constitution and Section 131 (2) of the PFM Act, 2012 require that before the Assembly considers the estimates the relevant Committee in finalizing its recommendations on the budget estimates to the Assembly shall take into account the views of the public in the proposed recommendations. In conformity to these legal provisions and to ensure that members of the public are integrated as major stakeholders in the budget process, the County Assembly placed an advert on the dailies seeking the written comments on the estimates. The Committee requested for submission of written memoranda due to deterrence of public gatherings as a way of controlling the spread of the corona virus in line with the Ministry of Health guidelines. The Committee also wrote to various stakeholders to submit written comments on the estimates key among them The Institute for Social Accountability (TISA), Kenya Taxi Cab Association, Kenya

Alliance of Resident Association (KARA), Nairobi County Citizens Assembly, County Budget Economic Forum(CBEF), Kenya Institute for Public Policy Research and Analysis (KIPPRA), Institute of Economic Affairs(IEA), Karengata Association, International Budget Partnership Kenya, The Controller of Budget (COB) and the Commission on Revenue Allocation (CRA). The Committee reports that it was able to receive submissions from a number of stakeholders that have been included in this report.

24. Mr. Speaker Sir, in their submission, the Controller of Budget opined as follows;

- 1) That the own source revenue target of Kshs. 19.7 billion is unrealistic based on historical trends and the economic slowdown occasioned by the COVID-19 pandemic and should be revised in line with historical trends to avoid a hidden budget deficit.
- 2) That the estimates capped expenditure on wages at 44% which is against the Regulation 25(1)(b) of the Public Finance Management (County Government) Regulations,2015 that sets a limit on expenditure on wages and benefits at 35% hence the need for the County to ensure compliance to the set limit.
- 3) That the County should ensure that budget complies with the ceilings in the approved CFSP for 2021.
- 4) That as a good budgeting practice specific projects earmarked for implementation should be identified and full details be provided key being the projects name, geographical location, budget outlay among others in order to ascertain equity in resource allocation across the wards in the County.

25. Mr. Speaker, the Institute of Public Finance Kenya in the submission raised pertinent issues in regard to the budget estimates. The Institute avers that:

- 1) The own source revenue is over ambitious going by past trends and the County should consider setting realistic targets based on past revenue performances to avoid cash flow crunches mounting to pending bills.

- 2) The County has only managed to absorb 10% of the allocated funds which goes against the objects of the devolution hence the need for the County to fully implement their procurement and work plans and ensure adherence to project implementation timeliness in a bid to achieve timely delivery of services and improved budget utilization.
- 3) The Budget Estimates do not clearly identify expenditure related to COVID-19 interventions as was in the FY2020-21 despite the upsurge in infection cases to the point of locking the County. There is therefore need for the County to allocate resources aimed at mitigating against the virus.
- 4) The Budget Estimates do not provide a breakdown of the programmes/projects to be implemented under the transferred functions despite being allocated Kshs. 19.6 billion and the same being funded from the County Revenue Fund. To enhance transparency and accountability the budget estimates should provide programmes and projects being implemented in order to track their budget implementation.
- 5) The County has unpaid obligations of Kshs.37.07billion owed to LAPFUND and LAPTRUST that is attracting monthly penalties charged as interest on principal of Kshs.8.83billion meaning the County has attracted a penalty of Kshs.28. 22billion.This is unsustainable and the County would be soon incapable of settling these amounts. The County should therefore develop a repayment plan and reach a consensus with creditors to ensure the debt level is sustainable.
- 6) To ensure transparency the County should upload critical policy documents i.e. the Annual Development Plan, The Finance Bill, 2021 and the Citizen's Budget to give opportunity to the citizen to hold the county government accountable for service delivery.

E. Submissions from Sectoral Committees

26. Mr. Speaker, the provisions of Standing Order 222 (4) require that the estimates be considered by all the Sectoral Committees in line with their respective mandates and report to the Finance, Budget and Appropriations Committee. In respect to this, the Committee received the approved reports of

Sectoral Committees on the estimates detailing the budget performance for the FY 2020-21, the Sectoral priorities and the associated budgetary allocations for the FY 2021-22. The Sectoral Committees made the following recommendations to the Budget Committee.

Lands, Planning and Housing

- a) That the recurrent expenditure allocation to the office of the County Executive Committee Member be increased from Kshs. 46,954,375 to Kshs. 70,000,000 to allow his office to fully meet its expectations on the functions it is handling.
- b) That the Budget Estimates for FY 2021/22 for the Lands, Housing & Urban Renewal, Urban Planning & Development be adopted as listed in the approved CFSP 2021/22.

Labour and Social Welfare

- a) **That Youth, Gender and Social Services** sectors be granted additional of Kshs. 155,300,000 being an increase of Kshs. 118,300,000 for recurrent expenditure and Kshs. 37,000,000 for development expenditure;
- b) **That County Public Service Board** be allocated a total of Kshs. 160,550,000 and that the sector be granted additional recurrent expenditure allocation of Kshs. 17million with development allocation being pegged at Kshs. 48,767,000;
- c) **That the recurrent expenditure for Public Service Management** be increased by Kshs. 198million and that of development expenditure be increased by Kshs. 30million and the Sector budget be capped at a total of Kshs. **1,954,687,127 being Kshs.** 1,899,687,127 for recurrent and Kshs. 55,000,000 for development expenditure.

Trade, Tourism and Cooperatives

- a) That the budget estimates of Kshs. 1,028,024,861 for the Sector of Commerce, Tourism and Cooperatives be approved as tabled.
- b) That the development projects for the Trade, Commerce, Tourism and Cooperatives Sector be implemented in the FY 2021/2022 as below;

Project	Delivery Unit	Location	Cost project of	Projection 2021/2022
Establishment of Micro & Small Enterprise Common manufacturing centre for Metal fabricators	Trade Development	Kamukunji	100,000,000	18,000,000
Construction of textile & furniture tooling centres		Makadara sub county	100,000,000	29,330,710
Construction of Information Centres		Kangundo Road Market & Westlands, Dagoretti North	90,000,000	17,500,00
Purchase motor vehicle		County HQ	8,000,000	8,000,000
Carry out baseline survey on Micro & Small Enterprises in the County & update databases		County wide	12,000,000	100,000,000
Sub Total			517,000,000	82,830,710
Construction of New markets	Markets Services	Dandora E extension	35,000,000	15,000,000
		Muthurwa Market	35,000,000	15,000,000
		Kamulu market perimeter wall and sheds	35,000,000	15,000,000
		Construction of abattoirs at Karandini market	5,000,000	3,138,558
		Drilling of borehole at Westlands market, installation & connection with reservoirs and networking	15,000,000	10,000,000
		Signage for the new markets(Westlands,Karandini,Kangundo road and Quarry road)	1,000,000	1,000,000
		Karen	20,000,000	9,000,000
		Makina	42,000,000	17,000,000
		City Park Market	243,000,000	20,000,000
Construction of Modern Kiosks(Pumwani, Pangani, Kware,		10 wards	25,000,000	25,000,000

Kabiro Dandora, Kariobangi North, Mowlem, Hamza/Maringo, Kangemi & Woodley Kenyatta Golf Course)				
Purchase double cabin vehicle		County HQ	8,000,000	8,000,000
Sub total			1,165,500,000	138,138,558
Acquire Weighbridge verification unit			30,000,00	30,000,000
Acquire Legal Metrology Standards and testing equipment Devolve weights and measures services to sub-county level		4 sub-counties	14,036,580	14,036,580
Sub Total				44,036,580
Establish and Equip tourist information centre	Tourism	CBD	18,000,000	18,000,000
Purchase of motor vehicle			9,357,720	9,357,720
Park installation			2,000,000	2,000,000
Sub Total			29,357,720	29,357,720
Research	culture development	CBD	3,407,592	
Sub Total			3,407,592	3,407,592
Purchase of motor vehicle	Gaming & Betting	County Hq	9,790,524	9,790,524
Purchase of 2 double cabin motor vehicles	Administrative planning & Support Services	County Hq	16,775,840	16,775,840
Grand Total				324,337,738

Health Services Committee

- a) That the following be approved as the sector priorities for the Health Sector:
- Improved Reproductive, Maternal, Neonatal, Child and Adolescent Health (RMNCAH)

- ii. Provision of quality environmental health services to reduce the burden of communicable diseases
 - iii. Access to health services
 - iv. Increase access to quality health care services and to decongest Kenyatta national Hospital by expanding health physical infrastructure and upgrading 10 health facilities (health centres) to referral hospitals
- b) That the ceiling for the Health sector contained in the tabled Budget Estimates be approved as proposed at Kshs. **10,193,937,007** with recurrent sector ceilings being Kshs. 9,552,937,005 and development being Kshs. 641,000,002.
- c) That the following development projects for the Health sector be approved and implemented in the FY 2021-22;
- Construction & Completion of Mathare Nyayo (Korogocho Hospital) at Kshs. 315,000,000
 - Completion of Construction & Equipping of 5No. Level 3 Facilities at Kshs. 140,000,000
 - Construction & Equipping of 19No. Level 2&3 Health Facilities at Kshs. 186,000,002

Environment and Natural Resources

- a) That the recurrent expenditure of Kshs. 48,803,000 for the County Sector of Environment, Water and Energy be approved in order to cater for policy formulation, training and capacity building, salaries and other personnel emoluments in order to conform with the approved CFSP for FY 2021-22;
- b) That the recurrent and development Expenditure for Transferred functions and ancillary services budget estimates be considered and approved as tabled and as per the ceilings approved in the CFSP for FY 2021-22.

Agriculture, Livestock and Fisheries Sector

- a) That an additional Kshs 100,628,640 be allocated to the sector for staff recruitment.

Ward Development Fund

- a) That the budget estimates for the Ward Development Fund of Kshs.1,545,286,249 be approved without any alteration as tabled;
- b) That the Wards Development Fund fiscal strategies be approved as provided in the Budget estimates.

ICT, E- Government and Public Communication Sector

- a) That recurrent expenditure of the Information, Communication and E-Government Sector be increased from Kshs.300, 090,944 to Kshs. 365,112,428 and that of the development expenditure be increased from Kshs. 259,150,000 to Kshs. 537,900,000 so that the overall budget of the sector be capped at **Kshs.903, 012,428**.
- b) That the programmes for the Information, Communication and E- Government Sector be approved as below;

Program	Sub-program	Name of the Project	Printed Budget Estimates FY 2020-21 (Kshs)	Table Estimates FY 2021-22	Additional Request (Kshs.)
General Administration Planning and Support Services	ICT Headquarters	Office Renovation	9,000,000	3,000,000	4,000,000
Sub-total			9,000,000	3,000,000	4,000,000
Information and Communication Services	a)-News and Information Services	Bulk SMS		2,000,000	10,000,000
	b)-E-government Services	Implementati on of the ICMS Project	156,300,000	163,250,000	333,000,000

		Maintenance of LAIFOMS & E-payment System	51,000,000		20,000,000
Sub-total			207,300,000	165,250,000	363,000,000
ICT & Infrastructure Development	ICT Infrastructure Connectivity	Smartnet Licenses and EMC Support	54,900,000	85,000,000	86,000,000
		Structured Cabling			64,400,000
		connectivity	6,000,000		14,600,000
	Information Security	Disaster Recovery site			5,900,000
Sub-total			60,900,000	85,000,000	170,900,000
Total				259,150,000	537,900,000

c) That the recurrent expenditure for **Energy Directorate** be approved at **Kshs.796,280,000;**

d) That the programs for the Energy Directorate in NMS be approved as proposed below;

S/No.	Item Description	Budget FY 2020-21	Proposed Estimates FY 2021-22
1	Purchase of street public lighting Maintenance Materials	853,986,140	884,384,754
2	Projects implementation to install new street/public lights in 85no wards	1,073,078,050	947,770,245
3	Purchase of electrical maintenance materials for public NCCG facilities	15,935,810	31,871,620
4	Purchase and in-house installation of 20,000 smart lights	35,000,000	800,000,000
5	Purchase of electrical maintenance equipment	250,000,000	50,000,000
	Total	2,315,500,000	2,714,026,619

Education, Youth Affairs, Sports, Culture & Social Services Sector

a) That the Bursary Fund allocation be increased to Kshs. 382,500,000 as proposed in the Annual Development Plan for the FY 2021-2022;

- b) That the Sector should start the procurement process immediately at the beginning of the financial year to avoid last minute cancellation of tenders which hampers commencement of projects;
- c) That the Sector should prioritize the ongoing projects to ensure they are completed in the FY 2021/2022 before starting new projects and the Sector to focus on projects with aim of completing them within the set time and avoid having ~~may~~ incomplete projects.

Transport and Public Works Sector

- a) The Sectoral Committee of Transport and Public Works recommends that the following policy measures be initiated:
 - That the Nairobi Metropolitan Services (NMS) and the County Executive to initiate and roll out a structured working framework that is aimed at enhancing collaboration and complementarity in service delivery and in adherence to performance obligations and accountability requirements of the various statutes of devolution;
 - That the Nairobi Metropolitan Services (NMS) to present sector specific policy documents going forward to enable the County Assembly and its Committees discern relevant details that can inform decisions specific to Sectors;
- b) That the Sector Programmes for FY 2021/2022 be approved as indicated in Sectoral Committee Report;
- c) That the following be approved as the Sector budget for the Roads, Transport and Public Works;
 - Kshs. 50,386,000 as recurrent expenditures for County Executive Department of Roads, Transport and Public Works.
 - Kshs. 1,158,209,602 and Kshs. 12billion for recurrent and development expenditures respectively for NMS Department of Roads, Transport and Public Works.
- d) That the Sector Priorities for Roads, Transport and Public Works Sector be approved as annexed in the Sectoral Report.

Justice and Legal Affairs Committee

The Sectoral Committee on Justice and Legal Affairs after examination of the budget estimates recommends that;

- a) **The Devolution Subsector** be allocated Kshs. 51,649,602 for construction of 6 Sub County offices and Kshs. 36,000,000 for Sub county fleet acquisition for supervision.
- b) **The Legal Department** development expenditure be increased by Kshs.27.6million, legal fees by Kshs.500million and Kshs.7.2million for promotion, recruitment and hiring of interns.
- c) In order to fully implement its mandate, the **Audit Department** development expenditure be increased by Kshs.28 Million.
- d) Development expenditure of Kshs. 128,175,000 for **Administration Headquarters Sub sector under the Governor's Office** be increased by Kshs. 40,000,000 while the recurrent budget of Kshs. 472,004,267 be approved as tabled.
- e) The **County Executive Headquarters Sub Sector's** recurrent expenditure of Kshs. 286,153,145 be increased to Kshs. 389,727,695
- f) **Security and compliance sub sector** be allocated Kshs. 342,225,640 that was erroneously omitted from the budget for execution of security and compliance mandate as below;

Accounts No	Particulars	City Inspectorate Kshs	Investigation& Information Analysis Kshs
2110315	Extraneous Allowance	5,000,000	825,000
2110302	Honoraria	12,000,000	2,400,000
5312000401	Motor cycles 300cc	8,000,000	
2211312	Confidential	10,000,000	3,000,000
2211031	Specialized material	20,000,000	
5312000401	Renovation of Dagorretti training school	30,000,000	
Pending Bill	Unexecuted uniforms LPO	104,000,000	
2211020	2021/22 uniforms for 2500 officers	104,000,000	

2211020	Plain clothes Allowance	3,000,000	1,200,000
5312000801	Re-design 2 nd floor offices		10,000,000
Pending bill staffs	Plain clothes Allowance arrears for 8 years		11,800, 640
Total		304,000,000	38,225,640

F. General Observations of the Finance, Budget and Appropriations Committee on The Sectors Budget Estimates for the FY 2021-22

27. Mr. Speaker Sir, the pending bills has remained a thorny issue for the County for the past years and the County Assembly has made strides to ensure that the County Treasury settle the huge chunk of the bills. To validate on this, the Finance and Economic Planning Sector in the FY 2020-21 had a total annual budget of Kshs. 5.4 billion with the all the amounts allocated for recurrent activities. This figure was enhanced to Kshs. 10billion with recurrent increasing to Kshs. 9.5billion. For the financial year 2021-22 the Sector budget estimates indicate a downward review to Kshs. 2.2billion out of which Kshs. 53million has been allocated to development programmes of purchasing two double cabin pick-ups and refurbishment of offices. The reallocations undertaken in the supplementary estimates were meant to free up resources for settlement of debts and pending bills. Given that the amounts are not projected for roll over to the coming financial year, it is assumed that the settlement shall be finalized within the current financial year. The County Treasury submitted during the consideration of these estimates that the funds shall be utilized to ease the burden on those who have done business with the County Government.

28. Mr. Speaker Sir, the County Allocation of Revenue Act 2020 provided clear guidelines on the funding of the transferred functions and the position of the County Assembly in regard to the transferred function key being providing an avenue for joint consultation between the County executive committee and the national government in determination of the cost of the transferred functions and the role of the County Assembly in appropriation of monies. The provisions

of the Public Finance Management Act 2012 require that the County Governments should prepare program-based budgets that shift focus from inputs to outputs in relation to the resources being requested. The Committee in the course of its scrutiny noted that the budget for transferred functions fell short of this requirement since both their itemized and program-based budgets were not submitted.

29. Mr. Speaker Sir, the Committee noted with concerns that the county risk foregoing the conditional grants allocations as a result of not fulfilling the laid down conditions specified for accessing such funds. There is also witnessed blame game occasioned by lack of cooperation between the County Treasury and Nairobi Metropolitan Services on the timely compliance with the conditions relevant to the access of such grants. The need for consensus building in matters of mutual benefit to the advancement of spirit of devolution is paramount and cannot be over-emphasized. In this regard the Committee advises that both the County Treasury and Nairobi Metropolitan Services foster harmonious working relationship to unlock the conditional grants funding to the benefit of the residents in the City especially now that some of them shall lapse at the end of this financial year.

30. Mr. Speaker Sir, on absorption of development budget, the Committee noted that the County Assembly has continued to ask for allocations for development initiatives but has not been implementing them for the past few financial years. There is therefore need for the Assembly to show her commitment on utilizing such allocated funds. In the coming financial year, the County Assembly Service Board has requested for resources in excess of Kshs. 1.7billion for development and unless stringent and watertight measures are put in place the same may not be expended when the curtain falls on the financial year 2021-22 budget period.

31. Mr. Speaker Sir, while it is laudable that County proposes to allocate Kshs.12.6billion which is about 32% of the overall budget towards development, the Finance Committee has observed that in as much as the allocation meets the

30% threshold set by PFM (County Government) Regulations 2015, the allocation may just be for conformity purposes. It is noted that as at the end of 3rd Quarter for FY 2020- 2021 the County Executive had spent a paltry Kshs.79 million whereas the transferred functions development expenditure amounted to Kshs.8.2 billion against the allocation of Kshs.14.7billion. Going by past trends where on average about 10% of the allocations have been actually utilized in development the County still risks having dummy allocations towards development initiatives. Of concern is the fact that over the years new challenges are being fronted for non-utilization of development funds. In the year under review the Committee noted that the County Treasury blames the slow uptake of development funds to delayed enactment of the Appropriation Act which hindered the commencement of roll out of capital projects. The late enactment of the Appropriation Act may have slammed the breaks on utilization of development budget but nothing significant has also been accomplished since the same was approved early in the second quarter and paved way for utilization of development funds. The County Treasury should therefore come up with robust strategies to ensure optimal utilization of development funds. As a remedy to this, the Committee once again agreed with the County Treasury on the need to hasten tiresome approval process of development related activities and solve the related procurement bureaucracies in the County.

- 32. Mr. Speaker Sir,** during these deliberations the County Treasury own admission that the Voluntary Early Retirement Policy had been developed by Public Service Management and the County Public Service Board but not submitted to the County Assembly for approval cast doubt on the commitment by the County to reduce the ever-ballooning wage bill that could soon cripple the critical county services as a result of failure in funding. The Committee continues to question the objectives that the policy envisages to achieve since it has been in the formulation stage for a couple of financial years by now and there seems to be no effort in actualization of the policy. The Committee further took note of the proposal by the County Executive to roll out Car and Mortgage Scheme Benefits to it employees. However, with a staff establishment of about 10,000 and initial

allocation of seed capital of Kshs. 100million the Committee was concerned how the Scheme will be implemented arising from the proposed budgetary allocation and whether the County Executive had developed regulations and policies as required by the enabling Salaries and Remuneration Commission circular. The County Treasury conceded that the amounts allocated for the scheme are inadequate but appreciated the same as a launching pad that would ensure the fund is grown to the level that would ensure the last staff in the County Government structure benefits. The Committee agrees that due to limited resources the same shall be left untouched.

33. Mr. Speaker Sir, it would interest Members to note that this budget has taken steps to address a number of issues that are pertinent. With an allocation of Kshs. 1.545billion for Wards Development Fund in the coming financial year there is proposed increase for each Ward to Kshs. 18million, amounts that would continue to revitalize development at the grassroots. Further, the Committee shall be proposing amendments in this budget to increase allocation for bursaries per Ward to Kshs. 4.5million. Additionally, and while appreciating the vital role of a working health infrastructure, the Committee shall be making adjustments in the budget to enhance allocation for Health function under the Nairobi Metropolitan Services with an aim of ensuring that more health centres are rehabilitated or constructed across the County

34. Mr. Speaker Sir, on the budget estimates for the County Assembly Service Board it is worth reminding Members that the recurrent ceilings for the Board are set through the County Allocation of Revenue Bill. Through the revision of the ceilings by the Senate the County Assembly recurrent budget was set at a maximum of Kshs. 1.545billion being about Kshs. 900million less compared to the figures contained in the tabled budget estimates. In this regard, the Committee tasked the Clerk to review the submitted estimates to comply with the set ceilings. In the revised ceilings the Committee has been keen to ensure that there is sufficient allocation for facilitation of Members, training of staff of the County Assembly, implementation of the County Assembly organizational

structure among other key priority areas. The Committee shall be making recommendations on specific areas that it feels might have been overlooked during that budget preparation.

G. Committee's Recommendations

35. Mr. Speaker Sir, the remainder of this report should be construed as an amendment on the submitted budget for the financial year 2021-22 with an aim of ensuring that it is aligned to the County Fiscal Strategy Paper and other County planning documents while taking into account the recommendations of the public, the County Executive Committee Member for Finance and the Sectoral Committees:

a) Policy Measures

36. Mr. Speaker Sir, the Committee noted various critical issues during the consideration of the estimates which it would like addressed. In addition to the proposals contained in other parts of this report, the Committee proposes that the Assembly resolves as follows: -

- 1) That the Nairobi Metropolitan Services and the County Treasury pursues measures to ensure full realization of the full amounts due to the Nairobi City County Government as equitable share in the FY 2020-21;
- 2) That the Nairobi Metropolitan Services and the County Treasury pursues measures to ensure full disbursements of amounts due to the Nairobi City County Government as conditional grants in the FY 2020-21;
- 3) That the Nairobi City County Assembly fast tracks the preparation and rolling out of its Strategic Plan;
- 4) That the Public Service Management and the County Public Service Board initiates measures to roll out the Voluntary Early Retirement programme including submission of attendant regulations to the County Assembly for approval before the amounts allocated are utilized;
- 5) That the Public Service Management and the County Public Service Board develops relevant regulations on the Car Loan and Mortgage Scheme and ensure that the same are approved before the amounts allocated are utilized;

- 6) That the Nairobi Metropolitan Services and the County Treasury in collaboration with the Kenya Revenue Authority ensures timely roll out of the Valuation Roll and the attendant rates be submitted for approval through the Finance Bill, 2021; and
- 7) That the County Government holds a consultative meeting with the Kenya Revenue Authority to develop a joint framework for enhancement of revenue collection and the same be captured in the Finance Bill 2021.

b) Revenue Adjustments

- 1) That the conditional grants from the National Government and other donors totaling Kshs. 1billion as contained in the County Governments Grants Bill, 2021 be included in the budget estimates; and
- 2) That the budget estimates for respective Sectors where the conditional grants are domiciled be amended accordingly to reflect that change.

c) Expenditure Adjustments

— Nairobi City County Assembly Service Board

- 1) That in line with approval in the County Allocation of Revenue Bill, 2021 the budget for the Nairobi City County Assembly be approved as follows:
 - Recurrent – Kshs. 1.545billion
 - Development – Kshs. 1.506billion
- 2) That the budget for the Nairobi City County Assembly as approved by the County Assembly Service Board on 16th June 2021 as contained in Annex I be noted;
- 3) That the following amendments be made on the budget for the Nairobi City County Assembly contained in Annex I: -
 - a) The allocation for Compensation to Employees be approved at Kshs. 892million consisting of an additional Kshs. 17million for promotions and/or recruitments;
 - b) The carders of promotions be in line with the Board resolution on the organizational structure in Annex II and be implemented with respect to the positions contained in Annex III;

- c) That the allocation for Domestic Travel and Subsistence and other transportation costs under the Office of the Clerk, vote 2210300 be reduced by Kshs. 17million and the budget be amended accordingly to reflect that change; and
- d) That in line with the ceilings approved in the County Fiscal Strategy Paper 2021 the development budget be reduced to Kshs. 1.506billion and the development priorities contained in Annex 1 be amended accordingly to reflect that change.

— Nairobi Metropolitan Services

- 4) That the budget for the Nairobi Metropolitan Services be increased by Kshs. 500million and the amounts to utilized as follows
 - a) Kshs. 400 million for constructions/ rehabilitation of health centres; and;
 - b) Kshs. 100million for rolling out of the Nairobi City County Community Health Services Act, 2019 and specifically for initial payment of Community Health Volunteers
- 5) That the recurrent budget for the Wards Development Fund be increased by Kshs. 24million and the budget for the transferred functions be amended accordingly to reflect that change.

— Nairobi City County Government




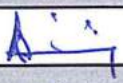
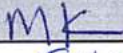


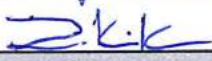
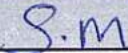
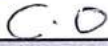
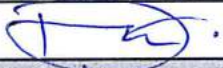



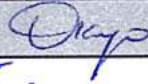

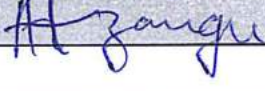


- 6) That the budget for the Education, Youth Affairs, Sports, Culture and Social Services be increased by Kshs. 195million and the additional allocation be utilized as follows:
 - a) Kshs 170 million for Scholarships and other Educational Benefits- Primary Education translating to Kshs. 4.5million per Ward; and
 - b) Kshs. 25million for disability mainstreaming and rolling out of the provisions of the Nairobi City County Persons Living with Disability Act,2015
- 7) That the budget for ICT and E- Government Sector be increased by Kshs. 160million and that the amounts be utilized for rolling out of the ICRMS

- 8) That the budget for the Trade, Commerce, Tourism and Cooperatives Sector be increased by Kshs. 200million and that the amounts be utilized for rolling out of the Small and Medium Enterprises Revolving Fund subject to enactment of an appropriate policy framework.

Mr. Speaker Sir, in conclusion and pursuant to the provisions of Section 131 (1) of the Public Finance Management Act 2012 and Standing Order 222 (6) the Select Committee on County Finance, Budget and Appropriations recommends that:

This County Assembly adopts the Report of the Finance, Budget and Appropriations Committee on Consideration of the Budget Estimates for the Nairobi City County Government, the Nairobi Metropolitan Services and County Assembly for the FY 2021-22.

We the undersigned Members of the Finance, Budget and Appropriations Committee affirm that this is the approved report of the Committee on the Budget Estimates for the FY 2021-22 as adopted by the Committee on the 24th day of June, 2021

NAME	SIGNATURE
1. Hon. Robert Mbatia, MCA	
2. Hon. Michael Ogada, MCA	
3. Hon. Patrick Karani, 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. David Okello, MCA	
15. Hon. Nancy Muthami, MCA	
16. Hon. David Mberia, MCA	
17. Hon. Nimo Hajji, MCA	
18. Hon. Kennedy Oyugi, MCA	
19. Hon. Fredrick Okeyo, MCA	
20. Hon. Melab Atema, MCA	
21. Hon. Herman Azangu, MCA	
22. Hon. Emapet Kemunto, MCA	
23. Hon. Cecilia Ayot, MCA	
24. Hon. Jacinta Wanjiru, MCA	
25. Hon. Elizabeth Nyambura, MCA	

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OFFICE OF THE CLERK

NCCA/FP 1/VOL.V/051/2021

16th June 2021

Chairperson
Finance Budget & Appropriations Committee
Nairobi City County Assembly
NAIROBI

RE: SUBMISSION OF COUNTY ASSEMBLY FY2021/2022 PROPOSED BUDGET ESTIMATES

In accordance with section 128 of the Public Finance Management Act, 2012 the County Executive Committee Member for Finance shall issue a circular setting out guidelines to be followed by all of the county government's entities in the budget process.

In this regard we refer to proposed County Allocation Revenue Bill, 2021 which informed Nairobi City County Assembly Recurrent budget ceilings of Kshs. 1,545,872,087. Accordingly, the FY2021/2022 budget estimates were revised in alignment with the budget recurrent ceilings as proposed by the senate.

We are pleased to inform you that the County Assembly Service Board reviewed the County Assembly Budget to a total of KShs. 3,834,872,087 out of which the recurrent budget estimate stands at Kshs. 1,545,872,087 and development budget at Kshs. 2,289,000,000.

The County Assembly's budget estimates for the Financial Year 2021/2022 have been prepared in accordance with section 154(2) of Public Finance Management Act, 2012.

This is therefore to forward the said estimates to your office.


ADAH ONYANGO
Ag. CLERK, NAIROBI CITY COUNTY ASSEMBLY

Cc

1. Deputy Clerk Legislative Services
2. Deputy Clerk Administrative Services

NAIROBI CITY COUNTY



COUNTY ASSEMBLY SERVICE BOARD

**PROPOSED BUDGET ESTIMATES FOR
RECURRENT AND DEVELOPMENT
EXPENDITURE**

for the

NAIROBI CITY COUNTY ASSEMBLY

FOR FINANCIAL YEAR 2021/2022

&

PROJECTIONS FOR 2022/2023

City Hall, Nairobi

16TH JUNE 2021

NAIROBI CITY COUNTY ASSEMBLY

2021/2022 BUDGET HIGHLIGHTS

1. INTRODUCTION

This program based budget has been prepared in accordance with the provisions of the Public Finance Management (PFM) Act, 2012 and the County Governments Act, 2012. Section 12(7)(c) puts the responsibility to prepare annual financial estimates for County Assemblies on the County Assembly Service Board (CASB). This responsibility has further been delegated to the Clerk of the County Assembly under Section 129(3) of the Public Finance Management Act, 2012.

Clause 12 of the second schedule of the PFM Act, 2012 requires that effective 2014/2015 financial year all budgets of the County Governments shall be program based. The concept of Program Based Budgets (PBB) requires expenditures to be based on specific outputs, outcomes and performance indicators based on the core mandate of the particular institution preparing the estimates. The Nairobi City County Assembly's key mandate is primarily Legislation, Oversight and Representation. This mandate forms the key program of the County Assembly out of which several sub-programs, outputs and key performance indicators have been derived.

To better inform the activities planned for the financial year 2021/2022, we have aligned ourselves with the overall vision and the mission statement of the County Assembly as well as its goals, objectives and core values.

2. KEY HIGHLIGHTS OF THE 2021/2022 FINANCIAL ESTIMATES

The FY2021/2022 proposed budget estimates were prepared in accordance with the County Assembly's policies, objectives and goals for the financial year 2021/2022. The FY2021/2022 recurrent budget ceiling for the Nairobi City County Assembly has set at Kshs. 1,545,872,087 by Proposed County Allocation Revenue Bill of 2021 and Kshs. 2,289,000,000 saved as the development budget.

This is a cut down by Kshs.880 million of the proposed recurrent expenditures which was initially estimated at Kshs.2.42Billion by the County Assembly FY2021/22 County Fiscal Strategy Paper.

The development budget of Kshs.65million of the FY2020/21 development projects have been rolled to FY2021/22.

Accordingly, the County Allocation of Revenue Bill, 2020 informed the County Assembly recurrent ceiling at Kshs.1.409 billion. In comparison, the FY2021/22 proposed recurrent budget ceiling depicts an increase of Kshs.135.89M of the currently approved FY2020/21 recurrent budget.

A summary of this expenditure has been provided below.

ITEM DESCRIPTION	2020/2021 Approved Supplementary II Estimates	2021/2022 Proposed Budget Estimates	2022/2023 Projection	2023/2024 Projection
	KSHS	KSHS	KSHS	KSHS
SUMMARY				
Compensation to Employees	886,046,453	876,194,790	980,100,269	1,077,881,60
Use of Goods and Services	641,538,772	665,677.298	729,404,030	802,008,48
Acquisition of Recurrent Assets	31,734,242	- 4,000,000	-	
Transfers to County Assembly Funds	246,000,000	-	-	
Total recurrent	1,805,319,467	1,545,872,087	1,708,504,298	1,879,890,08
DEVELOPMENT	50,652,405	2,289,000,000	-	
Total Net Expenditure	1,855,971,872	3,834,872,087	1,708,504,298	1,879,890,087

Specific Highlights;

Some of the Specific expenditure activities the County Assembly intends to undertake in the Financial Year 2021/2022 include;

1. Purchase of Non-residential building (Assembly Offices) at Kshs.1.7billion.

2. Equipping of Non Residential Building (Admin Block) at Kshs.100Million.
3. Acquisition of the County Assembly Speaker's residence at Kshs.35Million.
4. Acquisition and refurbishment of non-residential building (ward offices) at Kshs.191Million.
5. Purchase of ICT networking and communication equipment at Kshs.200million.
6. Purchase of software(ICT) at Kshs.33million.
7. Provision for the annual salary increment for members and staff at Ksh 34Million
8. Provision of gratuity to members at Ksh 61.9Million
- ~~9. Provision of ward Imprest to members at Ksh 100,000 per quarter allocation.~~
10. Provision of county legislature and oversight committee functions retreats by Ksh 44.9M and Ksh. 111.3M
11. Provision of county legislature and oversight committee functions Foreign retreats by Ksh 10.6M and Ksh. 20.6M
12. Provision for training and capacity building for staff at Ksh 27M.

In addition to the above expenditure activities, the County Assembly will be undertaking the usual operational activities which include medical insurances, continuous capacity building for the Members, strengthening the oversight function of the County Assembly, transfer of the gratuity benefits for the Members to Local Administrator of Pension Fund and other critical operational activities.

3. CONCLUSION AND RECOMMENDATION

The Nairobi City County Assembly has come a long way since its inception in 2013 after the General Elections that marked full implementation of Devolution in Kenya. Major strides have been made in ensuring the County Assembly achieves its mandate of Legislation, Oversight and Representation. In the process the institution has experienced financing challenges brought about by the restricted budget ceilings found insufficient to fully cater for the Assembly activities.

These proposed financial estimates for the Financial Year 2021/2022 forms part of the tools that will ensure that the institution fully fulfills its mandate as a legislative

organ of the County. It is therefore our recommendation that all the stakeholders support the approval and implementation of these estimates as herein contained.

ADAH ONYANGO

Ag. CLERK NAIROBI CITY COUNTY ASSEMBLY

NAIROBI CITY COUNTY

**PROPOSED BUDGET ESTIMATES FOR
RECURRENT & DEVELOPMENT FOR THE
FINANCIAL YEAR**

2021/2022

PROGRAM BASED BUDGET

FY2021/2022 PROPOSED PROGRAM BASED BUDGET

1. Background

The Nairobi City County Assembly is established pursuant to section 176 of the Constitution of Kenya. Article 185(1) of the constitution vests the legislative authority of a County Government on its County Assembly. The main functions of any County Assembly and therefore the Nairobi City County Assembly can be summarized thus;

- a) Legislation
- b) Representation
- c) Oversight

To enable us deliver these functions, we have developed the following vision and mission statements;

Vision

To be the most efficient and effective legislature in promoting good governance

Mission

To advance economic, social, cultural and political aspirations of the people of Nairobi City County through robust legislation, prudent oversight and responsive representation

A. Context of Budgeting Intervention

The County Assembly Service Board's objective is to "facilitate the Members of County Assembly to efficiently and effectively fulfill their constitutional functions in a representative system of government by upholding and ensuring the autonomous status of the County Assembly in its corporate relationship with the County Executive and other stakeholders is maintained". The proposed FY2021/2022 budget estimates will focus on the continued legislative, oversight and representation functions

B. Programs and their Objectives

Program	Objectives
Legislation, Oversight and Representation	To strengthen capacity for members of County Assembly to make laws, offer oversight to County executive and effectively represent their constituents.

2. OVERVIEW OF FY2020/2021 BUDGET IMPLEMENTATION

The County Assembly budget for the FY2020/2021 was approved at Kshs.1.855 billion by the Supplementary II budget estimates; out of which the recurrent expenditures stood at Kshs.1.805 billion and development at Kshs.50.65Million.

This budget came into force after the approval of the County Allocation of Revenue Bill 2020 by Senate, which informed the recurrent budget ceilings at Kshs.1.409billion. However, by the Nairobi City County Supplementary Act 2021, the recurrent budget was revised to Ksh 1,655,977,879 an increase by Ksh 246Million to cater for the MCAs car grant. Subsequently, these estimates were revised to Kshs.1.855 by the second Supplementary Act 2021 indicating an increase of Kshs.149million. The Kshs.149 million was a result of approval of an appeal to Commission on Revenue Allocation(CRA) by the County Assembly which sort release of Kshs.149Million funds for suspended payments accrued by the end of FY2019/2020. The development budget for the County Assembly was revised to Kshs.50.65million due to financing reasons, informing us to roll over the underfunded projects to FY 2021/2022.

Challenges

i. Under Funding

The County Assembly recurrent budget capping for FY2020/2021 was retained at Kshs.1.409 being a replica of the FY2019/2020 recurrent budget ceiling. With this restricted budget capping, a number of prioritized activities for realization within this financial period was insufficiently funded. As a result, the County Assembly forego some committee related activities that plays a big role in carrying out the oversight function of County Assembly.

The County Assembly development budget for FY2020/2021 through the Approved supplementary budget adjusted the budget to Kshs.50M. The County Assembly had proposed to acquire an administrative block for additional offices for its nominated members, leadership and staff offices at a cost of Kshs.500M, for the first phase. These development priorities have since been rolled over to FY2021/22.

ii. Covid-19 Effect

Covid-19 outbreak was followed by a number of government directives and restrictions that were seen appropriate to hamper further spread of the virus. In view of this, the County Assembly had to push forward the implementation of the FY2020/21 intended development plans because of short timelines.

iii. Functional/Operational Challenges

The Assembly underwent a number of operational challenges which involved unprecedented expenditures such as high litigation costs which has vastly surpassed what was initially allocated. In addition, the unprecedented administrative changes regarding leadership offices have also contributed to a rise in the cost for employees' emoluments.

Achievements

Irrespective of challenges experienced, the Assembly has registered the following achievements;

- a. Considered and enacted the following key Bills into Law aimed at streamlining revenue collection and welfare of residents;
 - a) Nairobi City County Finance Bill of 2020;
 - b) Nairobi County Betting, Lotteries and Gaming Bill, 2020;
 - c) Nairobi City County Finance Bill, 2020;
 - d) Approval of the Building Bridges Initiative (Constitutional Amendment) Bill 2020.
- b. Passed Motions on the following key policy areas;
 - a) Approval of Air pollution policy;
 - b) Establishment of Gender-based violence desks in the Wards;
 - c) Vetting and approval of the Deputy Governor nominee and various other nominees for appointment within the County Executive;

- d) Various oversight matters including; markets operations and construction of roads.
- c. Published Nairobi City County Transport Act, 2020.

3. STRATEGIC PRIORITIES FOR 2021/2022 FINANCIAL YEAR

The following are the broad strategic objectives and priorities for the County Assembly in 2021/2022 financial year.

Objective 1: Enhance the Legislative Process in County Assembly

- Development of procedures for cooperation and communication between the County Assembly and County Executive.
- Review of all draft laws with relevant committees with external input from experts and non-state actors and other stakeholders.
- Facilitate benchmarking and exposure visits for MCAs

Objective 2: Improve the Oversight function of the County Assembly

- Conducting quarterly meetings between the Assembly committees and respective County Executive operating sectors and departments.
- Facilitate participation of stakeholders in the oversight processes at Committee stage.
- Facilitate members with expert participation on scrutiny of key issues.
- Analyze annual public expenditure budgets and fiscal analysis on financial estimates and other financial reports and advise committee appropriately.

Objective 3: Enhancement of Representation Role of the Members of the County Assembly

- Construct ward offices for the members of County Assembly.
- Continuous capacity building for ward office staff.
- Provide office space and staff members to all nominated Members of the County Assembly.
- Capacity build Members on their Representative role as Members of the County Assembly.

- Promote Members' welfare in terms of Insurance, medical cover, mortgages and gratuity benefits.

Objective 4: Development and operationalization of effective management structures, systems, policies and procedures

- Review the current organizational structure in light of its functions.
- Develop, implement and monitor annual work plans and budgets.
- Improving coordination and teamwork within secretariat.
- Operationalizing departmental standard operating procedures.
- Establish and operationalize Assembly's Enterprise Resource Planning(ERP) system.

Objective 5: Capacity Building of County Assembly Service

- Implement the staff training plan based on Training Needs Assessment report
- Capacity Building of CASB on corporate governance.
- Evaluation of qualified personnel for promotions as per the approved organizational structure.
- Institute staff and team performance development and measurement
- Promote staff welfare; Insurance, medical cover, mortgages and retirement benefits.

Objective 6: Provision of Infrastructure and Facilities

- Provide adequate office space and equipment to Members and staff of the County Assembly.
- Establish a library Service and archives.
- Acquire operational vehicles for the County Assembly.
- Acquire an administration block for the County Assembly.
- Renovation of the existing Assembly offices.
- Equipping the Assembly through acquiring adequate security system.

Objective 7: Enhancement of Transparency and accountability in financial planning and reporting

- Ensure compliance in all financial planning and reporting measures.
- Liaison and cooperation with relevant key stakeholders and statutory bodies
- Facilitate PFM and Audit Committees operations
- Monitoring and evaluation of County Assembly Risk Register
- Strengthening Records Management
- Enhancing the County Assembly Asset Management systems

C. Summary of Expenditure per Program and Sub-Program for 2021/2022 and Projections for 2022/2023

i. Recurrent

Program	Approved Supplementary Budget Estimates	Proposed Budget 2021/2022	Projection 2022/2023
	Kshs.	Kshs.	Kshs.
Legislation, Oversight and Representation	1,805,319,467	1,545,872,087	1,706,504,298
VOTE TOTAL – COUNTY ASSEMBLY	1,805,319,467	1,545,872,087	1,706,504,298

ii. Development

Program	Approved Supplementary Budget Estimates	Proposed & Projected Estimates	
	2020/2021 Kshs.	2021/2022 Kshs.	2022/2023 Kshs.
Legislation, Oversight and Representation	50,652,405	2,289,000,000	-
VOTE TOTAL – COUNTY ASSEMBLY	50,652,405	2,289,000,000	-

<i>Sub-Programme 1: Legislation and Representation</i>			
Recurrent Expenditure	716,632,491	747,817,775	822,599,553
Compensation to Employees	557,591,925	557,618,094	613,379,904
Use of goods and services	159,040,766	180,932,437	199,025,681
Capital Expenditure	-	-	-
Acquisition of Non-Financial Assets	-	-	-
Other Development			
Total Expenditure	716,632,491	738,550,531	812,405,585
<i>Sub-Programme 2: Oversight</i>			
Recurrent Expenditure	140,720,935	154,098,598	169,508,457
Compensation to Employees	-	-	-
Use of goods and services	140,720,935	154,098,598	169,508,457
Other Recurrent			
Capital Expenditure			

Acquisition of Non-Financial Assets			
Other Development			
Total Expenditure	140,720,935	154,098,598	169,508,457
<i>Sub-Programme 3 : General Administration and Support Services</i>			
Recurrent Expenditure	947,966,042	654,322,958	728,286,946
Compensation to Employees	328,454,728	318,576,695	366,720,365
Use of goods and services	341,777,072	330,646,263	357,869,891
Acquisition of Assets	31,734,242	-	-
Acquisition of Other Assets(Car Grant)	246,000,000		
Development Expenditure	50,652,405	2,289,000,000	-
Acquisition of non-financial assets	50,652,405	2,289,000,000	-
Total Expenditure	998,618,447	2,942,222,958	724,590,256

D. Summary of Expenditure by Vote and Economic Classification

VOTE 532: NAIROBI CITY COUNTY ASSEMBLY

ECONOMIC CLASSIFICATION	2020/2021 Approved Supplementary Budget Estimates Kshs.	Proposed & Projected Estimates	
		2021/2022 Proposed Kshs.	2022/2023 Projected Kshs.
Recurrent Expenditure	1,805,319,467	1,545,872,087	1,706,504,298
Compensation to Employees	886,046,453	876,194,790	980,100,269
Use of Goods and Services	641,538,772	665,677,298	726,404,030
Acquisition of assets	31,734,242	4,000,000	-
Transfer to county Assembly Fund Car Grant	246,000,000		
Development Expenditure			
Acquisition of non-financial assets	50,652,405	2,289,000,000	-
Total Expenditure	1,855,971,872	3,834,872,087	1,706,504,298

E. Summary of Expenditure by Program and Economic Classification

Legislation, Oversight and Representation

ECONOMIC CLASSIFICATION	2020/2021 Approved Estimates KSH	Projected Estimates	
		2021/2022 Proposed KSH	2022/2023 Projection KSH

Recurrent Expenditure	1,805,319,467	1,545,872,087	1,706,504,298
Compensation to Employees	886,046,453	876,194,790	980,100,269
Use of Goods and Services	641,538,772	665,677,298	726,404,030
Acquisition of assets	31,734,242	4,000,000	-
Transfer to county Assembly Fund Car Grant	246,000,000		
Development Expenditure			
Acquisition and Refurbishment of buildings	50,652,405	2,289,000,000	-
Total Expenditure	1,855,971,872	3,834,872,087	1,706,504,298

F. Summary of Program Outputs and Performance Indicators

PROGRAM NAME	PROGRAM OUTCOME	EXPECTED OUTPUTS	MEDIUM TERM PERFORMANCE INDICATORS AND TARGETS
Legislation, Oversight and Representation	Laws enacted enhanced oversight and representation of people	Bills Motions Statements Petitions	Number of Bills, Considered, Motions passed, Statements requested, Petitions received and considered within the financial year
		Reports from various house committees	Number of sittings and reports produced by the house and other Departmental Committees

4. Analysis of Sub-Program Outputs and Performance Indicators

Program: LEGISLATION, REPRESENTATION AND OVERSIGHT

Outcome: Laws enacted enhanced oversight and representation of people

Sub-Program	Delivery Unit	Key Outputs (KO)	Key Performance Indicators (KPIs)	Baseline 2020/2021	Proposed Target 2021/2022	Target 2021/2022
SP.1. Legislation and Representation	Office of the Speaker	Effective coordination of County Assembly Business	100% adherence to Assembly Rules and procedures	100%	100%	100%
	Legislative Procedure	Bills	Number of Bills Considered.	10	15	20
		Motions	Number of Motions Passed	70	90	100
		Statements	Number of Statements Passed	100	120	130
		Petitions	Number of Statements requested Number of Petitions received and considered	10	15	20
SP.2. Oversight	Committees	Reports from various house and select committees	No. of reports prepared and presented to the Assembly Summonses sent to accounting officers from County Executive to	No. of reports prepared and presented to the Assembly Summonses sent to accounting officers from County	Increased No. of reports prepared and presented to the Assembly More summonses sent to	Increased No. of reports prepared and presented to the Assembly More summonses sent to accounting officers from

			shed light on areas of concern Reduced cases of corruption and other malpractices Enhanced service delivery to Mwananchi	Executive to shed light on areas of concern Reduced cases of corruption and other malpractices Enhanced service delivery to Mwananchi	accounting officers from County Executive to shed light on areas of concern Reduction in corruption cases and other malpractices Enhanced service delivery to Mwananchi	County Executive to shed light on areas of concern Reduction in corruption cases and other malpractices Enhanced service delivery to Mwananchi
SP.3. General Administration and Support Services	CASB Office of the Clerk	Policies and guidelines for the County Assembly Committee rooms and Offices Staff retention for continuity of County Assembly operations Healthy Workforce	Approved Policies and guidelines Furniture for Committee Rooms purchased Monthly Payroll Activate Medical insurance cards -Medical statements	Policies and guidelines approved 12 Payrolls 270 270 2 147	Better policies and guidelines approved Furnish Committee Rooms with requisite furniture 12 Payrolls 278 278 2 154	Better policies and guidelines approved 12 Payrolls 278 278 2 154

		Improved Staff Performance	-Medical card utilization report	4		
			Completed Performance Appraisal Forms	8	4	4
		Automation of the internal audit process	Number of system generated audit reports	120	8	8
				12	120	120
		Effective Internal Audit	Performance appraisal reports by Audit Committee		15	19
		Audio clips record of Assembly Proceedings	Audio after every session	Quarterly servicing and repair of 12 no. vehicles. -Weekly fueling of 12 no. Assembly's vehicles.	Quarterly servicing and repair of 12 no. Assembly vehicles. -Weekly fueling of 12 no. Assembly's vehicles	Quarterly servicing and repair of 14 no. Assembly vehicles. -Weekly fueling of 14 no. Assembly's vehicles
		Adequate transport system	Number of Motor Vehicles	20 no. washrooms. - 25 no. offices-1 st and 2 nd floor		
		Effective transportation management	-Servicing and repairs for County Assembly Vehicles -Fuel for County Assembly Vehicles	corridors-2no.foyers - no. lobbies Currently the County	22 no. washrooms- 5 no. urinals-37 no. offices-1 st , 2 nd & 3 rd floor corridors-2no.foyers-	22 no. washrooms-5 no. urinals-37 no. offices-1 st , 2 nd & 3 rd floor corridors-2no.foyers-3 no. lobbies

		Clean working environment	Clean work environment.	Assembly being housed at City Hall with limited space for Assembly needs.	3 no. lobbies	
		Adequate Office Space for County Assembly	Well-furnished Modern Administration Block.	County Assembly Speaker has no official residence for the Speaker despite SRC's provision of the benefit to all Speakers of County Assemblies	Acquire a County Assembly Administration Block	
		Official Residence of the Speaker of the County Assembly	Official Residence of the Speaker purchased.	50MBPS output	Built official residence for the Honorable Speaker	50MPS
		High Standard ICT Capacity	Speed of LAN Connectivity for County Assembly Offices	0	50MBPS	0
		MCA's operating on digital platforms	Digital tablets for Members	3	123	2
		Budget for the County Assembly needs	Approved Budgets	100% Compliance	2	100% Compliance
					100% Compliance	100% Compliance

		Financial statements for County Assembly Mortgage and Car Loan Fund	Audited Financial Statements	100% Compliance	100% Compliance	20
		Financial statements for County Assembly Expenditure	Audited Financial Statements	0	35	
		Efficient Workings tools for Staff	Number of new computers to replace obsolete ones			

5. APPENDIX; KEY DEVELOPMENT PROJECTS

Program	Strategic Priority	Projects	New or Phase d	Expected Output	Measura ble Indicator	Target for 2021/2022	Budget in Kshs.(M illions)	Source of Funds County/D onor
Legislatio n Representation and Oversight	Enhance ment of Represen tation Role of the Member s of the County	Refurbish ment on non-residentia l buildings (office block)	New	Assembl y Offices	Fully refurbish ment office block	Existing Infrastr ucture	100M	Exchequer
	Enhance ment of Represen tation Role of the Member s of the County	Purchase of non-residentia l buildings	New	Assembl y Offices	Number of offices		1,700M	Exchequer

	Assembly							
	Enhancement of Representation Role of the Members of the County Assembly	Construction of non-residential buildings	New	Ward Offices containers	Number of Offices		191M	Exchequer
	Enhancement of Representation Role of the Members of the County Assembly	Construction of residential buildings (Speaker's House)	New	Speakers house	House built or bought		35M	Exchequer
	Improve County Assembly Infrastructure	Acquisition of fire-fighting equipment	New	General Safety against fire	Fire suppression system, extinguishers		20M	

	Improve County Assembly Infrastructure	Purchase of specialized plant, equipment and machinery i.e. lifts	New	Efficient mobility	Installed /operational lift(s)		10M	
	Improve County Assembly Infrastructure	Purchase of ICT networking and communication equipment	New	Improved ICT Infrastructure	Access to ICT resources		200M	
		Purchase of software	New	Enhanced performance & Service delivery	Access to ICT resources		33M	
Total							2,289M	

NAIROBI CITY COUNTY

**PROPOSED BUDGET RECURRENT,
DEVELOPMENT AND REVENUE ESTIMATES
FOR FINANCIAL YEAR**

2021/2022

ITEMISED BASED BUDGET

	NAIROBI CITY COUNTY ASSEMBLY					
	BUDGET ESTIMATES FY2021-2022					
	Program: Legislation, Oversight and Representation					
ITEM	ITEM DESCRIPTION	APPROVED BUDGET 2020-2021	APPROVED SUPPLEMENTARY II ESTIMATES 2020/2021	PROPOSED BUDGET 2021-2022	PROJECTION 2022- 2023	PROJECTION 2023- 2024
	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS
	SUMMARY					
	Compensation to Employees	842,128,216	886,046,453	876,194,790	980,100,269	1,078,110,295
	Operations (Use of goods and services)	535,849,662	641,538,772	665,677,298	726,404,030	799,044,433
	SUB-TOTAL RECURRENT	1,377,977,879	1,527,585,225	1,541,872,087	1,706,504,298	1,877,154,728
	Acquisition of Assets	32,000,000	31,734,242	4,000,000	-	-
	Transfers to County Assembly Fund (Car Grant)	-	246,000,000	-	-	-
	TOTAL RECURRENT EXPENDITURE	1,409,977,879	1,805,319,467	1,545,872,087	1,706,504,298	1,877,154,728
	DEVELOPMENT	600,700,000	50,652,405	2,289,000,000	-	-
	Total Expenditure	2,010,677,879	1,855,971,872	3,834,872,087	1,706,504,298	1,877,154,728
Sub-Program: Legislation and Representation						
	RECURRENT					
	Compensation to Employees	543,878,334	557,591,725	557,618,094	613,379,904	674,717,894
	Cost of Goods and Services	150,970,511	159,040,766	180,932,437	199,025,681	218,928,249
	Transfer to County Assembly Funds					
	Total Recurrent	694,848,845	716,632,491	738,550,531	812,405,585	893,646,143
	DEVELOPMENT					
	Acquisition of Non Financial Assets					
	Other Development					
	Total Development					
	SUB-PROGRAM TOTAL	694,848,845	716,632,491	738,550,531	812,405,585	893,646,143
100	OFFICE OF THE SPEAKER (S.P. Legislation and Representation)					
101	Office of the Speaker Headquarters					
	Cost of Goods and Services					
2210300	Domestic Travel and Subsistence, and other transportation costs	2,724,600	3,049,600	3,692,160	4,061,376	4,467,514
2210301	Travel costs (airlines, bus, railway, mileage allowances, etc)	720,000	920,000	937,815	1,031,597	1,134,756
2210302	Accommodation- Domestic Travel	1,629,600	2,129,600	2,731,845	3,005,030	3,305,532
2210303	Daily Subsistence Allowance	325,000		20,000	22,000	24,200
2210304	Sundry Items (e.g. airport tax, taxis etc...)	50,000		2,500	2,750	3,025
2210400	Foreign Travel and Subsistence, and other transportation costs	1,700,000	-	2,023,990	2,226,389	2,449,028
2210401	Travel costs (airlines, bus, railway, mileage allowances, etc)	500,000	-	863,990	950,389	1,045,428
2210402	Accommodation	1,000,000	-	1,110,000	1,221,000	1,343,100
2210403	Daily Subsistence Allowance	-	-	-	-	-
2210404	Sundry Items (e.g. airport tax, taxis etc...)	200,000	-	50,000	55,000	60,500
2210407	State Visits Abroad	-	-	-	-	-
2210600	Rental Expenses	1,800,000	1,800,000	1,800,000	1,980,000	2,178,000
2210602	Payments of Rents-Residential	1,800,000	1,800,000	1,800,000	1,980,000	2,178,000
2210800	Hospitality Supplies and Services	4,000,000	3,000,000	3,600,000	3,960,000	4,356,000
2210801	Catering Services, (receptions), Accommodation, Gifts, Food and Drinks	4,000,000	3,000,000	3,600,000	3,960,000	4,356,000
2211200	Fuel Oil and Lubricants	-	-	-	-	-
2210201	Refined Fuels and Lubricants for Transport					
2710100	Government Pension and Retirement Benefits					
2710103	Gratuity - Members of County assembly					
	Total Cost of Goods and Services	10,224,600	7,849,600	11,116,150	12,227,765	13,450,542
200	COUNTY LEGISLATURE (S.P. Legislation and Representation)					
201	County Legislature Headquarters					
	Compensation to Employees					
2110100	Basic Salaries - Permanent Employees	231,467,860	230,331,132	246,744,872	271,419,359	298,561,295
2110105	Basic Salaries- County Assembly members	231,467,860	230,331,132	246,744,872	271,419,359	298,561,295
2110200	Basic Wages- Temporary Employees	68,562,000	64,562,000	68,562,000	75,418,200	82,960,020

2110201	Contractual Employees	68,562,000	64,562,000	68,562,000	75,418,200	82,960,020
2110300	Personal Allowance Paid as Part of Salary	180,542,920	170,777,544	172,916,320	190,207,952	209,228,747
2110301	House Allowance	-	-	-	-	-
2110312	Responsibility Allowance	14,502,600	15,979,214	15,876,000	17,463,600	19,209,960
2110314	Transport Allowance	56,920,320	54,678,330	56,920,320	62,612,352	68,873,587
2110315	Extraneous Allowance	-	-	-	-	-
2110317	Domestic Servant Allowance	-	-	-	-	-
2110324	Ward Allowance	-	-	-	-	-
2110325	Car Maintenance Allowance	-	-	-	-	-
2110328	Sitting Allowances (Committees)	109,120,000	100,120,000	100,120,000	110,132,000	121,145,200
2110400	Personal Allowances Paid as Reimbursements	7,500,000	7,500,000	7,440,000	8,184,000	9,002,400
2110405	Telephone Allowance	7,500,000	7,500,000	7,440,000	8,184,000	9,002,400
2110500	Personal Allowances Provided In Kind	-	-	-	-	-
2110504	Payment of Duty - Members Of County Assembly	-	-	-	-	-
2120100	Employer Contributions to Compulsory National Social Security Schemes	-	-	-	-	-
2120101	Employer Contributions to National Social Security Fund	-	-	-	-	-
2710100	Government Pension and Retirement Benefits	55,805,554	84,421,049	61,954,902	68,150,392	74,965,432
2710114	Service Gratuities-Current	55,805,554	84,421,049	61,954,902	68,150,392	74,965,432
	Total cost of MCA Emoluments	543,878,334	557,591,725	557,618,094	613,379,904	674,717,894
	Cost of Goods and Services	-	-	-	-	-
2210300	Domestic Travel and Subsistence, and other transportation costs	22,300,000	34,528,000	44,909,663	49,400,629	54,340,692
2210301	Travel costs (airlines, bus, railway, mileage allowances, etc)	7,500,000	12,145,000	11,520,000	12,672,000	13,939,200
2210302	Accommodation	14,800,000	22,383,000	33,389,663	36,728,629	40,401,492
2210303	Daily Subsistence Allowance	-	-	-	-	-
2210304	Sundry Items (e.g. airport tax, taxi etc...)	-	-	-	-	-
2210400	Foreign Travel and Subsistence, and other transportation costs	5,436,311	36,500	10,626,624	11,689,287	12,858,215
2210401	Travel costs (airlines, bus, railway, mileage allowances, etc)	1,981,509	0	3,459,048	3,804,952	4,185,448
2210402	Accommodation	3,119,252	36,500	6,461,156	7,107,272	7,817,999
2210403	Daily Subsistence Allowance	-	-	-	-	-
2210404	Sundry Items (e.g. airport tax, taxi etc...)	335,550	(0)	706,420	777,062	854,769
2210500	Printing, Advertising, and Information Supplies and Services	-	-	-	-	-
2210505	Trade Shows and Exhibitions	-	-	-	-	-
2210700	Training Expense (including capacity building)	2,459,600	11,126,666	4,350,000	4,785,000	5,263,500
2210701	Travel, Accommodation, Tuition Fees, and Training Allowance	183,600	3,725,766	180,000	198,000	217,800
2210702	Remuneration of Instructors and Contract Based Training Services	276,000	2,400,900	300,000	330,000	363,000
2210704	Hire of Training Facilities and Equipment	2,000,000	5,000,000	3,870,000	4,257,000	4,682,700
2210800	Hospitality Supplies and Services	7,500,000	7,500,000	6,380,000	7,018,000	7,719,800
2210801	Catering Services, (receptions), Accommodation, Gifts, Food and Drinks	7,500,000	7,500,000	6,380,000	7,018,000	7,719,800
2210802	Board, Committees, Conferences and Seminars	-	-	-	-	-
2210900	Insurance Costs	44,500,000	42,200,000	44,500,000	48,950,000	53,845,000
2210901	Group Life Insurance including GPA	4,500,000	3,900,000	4,500,000	4,950,000	5,445,000
2210910	Medical Insurance	40,000,000	38,300,000	40,000,000	44,000,000	48,400,000
2211300	Other Operating Expenses	50,800,000	50,800,000	50,800,000	55,880,000	61,468,000
2211304	Medical Expenses (Refund)	-	-	-	-	-
2211325	Ward Office Rents	16,800,000	16,800,000	16,800,000	18,480,000	20,328,000
2211399	Other Ward Operating Expenses (ward imprest elected)	34,000,000	34,000,000	34,000,000	37,400,000	41,140,000
2220200	Routine Maintenance - Other Assets	-	-	-	-	-
2220202	Maintenance of Office Furniture & Equipments	-	-	-	-	-
2220210	Maintenance of Computers, Software and Networks	-	-	-	-	-
2620100	Membership Fees and Dues, and Subscriptions - International Org.	7,750,000	5,000,000	8,250,000	9,075,000	9,982,500
2620182	Contribution to International Associations	-	-	-	-	-
2620183	Contribution to African County Assembly Associations	-	-	-	-	-
2620184	Contribution to Other County Assembly Associations (CAF, SOCATT etc)	7,750,000	5,000,000	8,250,000	9,075,000	9,982,500
	Total Use of Goods and Services	140,745,911	151,191,166	169,816,287	186,797,916	205,477,708
Sub-Program: Oversight		-	-	-	-	-
	RECURRENT	-	-	-	-	-
	Compensation to Employees	-	-	-	-	-
	Cost of Goods and Services	95,572,962	140,720,935	154,098,598	169,508,457	186,459,303
	Total Recurrent	95,572,962	140,720,935	154,098,598	169,508,457	186,459,303
	DEVELOPMENT	-	-	-	-	-
	Acquisition of Non Financial Assets	-	-	-	-	-

	Other Development					
	Total Development					
	SUB-PROGRAM TOTAL	95,572,962	140,720,935	154,098,598	169,508,457	186,459,303
300	COMMITTEE SERVICES (S.P. Oversight)					
301	Committee Services Headquarters					
	Use of Goods and Services					
2210300	Domestic Travel and Subsistence, and other transportation costs	70,198,520	114,232,048	111,306,400	122,437,040	134,680,744
2210301	Travel costs (airlines, bus, railway, mileage allowances, etc)	21,705,600	29,678,150	27,850,000	30,635,000	33,698,500
2210302	Accommodation- Domestic Travel	47,087,600	82,088,500	81,879,000	90,066,900	99,073,590
2210303	Daily Subsistence Allowance	1,405,320	2,465,398	1,577,400	1,735,140	1,908,654
2210304	Sundry Items (e.g. airport tax, taxis etc...)					
2210400	Foreign Travel and Subsistence, and other transportation costs	8,699,055	(0)	20,620,198	22,682,217	24,950,439
2210401	Travel costs (airlines, bus, railway, mileage allowances, etc)	3,516,404	(0)	8,353,781	9,189,159	10,108,075
2210402	Accommodation	5,118,772		12,187,554	13,406,309	14,746,940
2210403	Daily Subsistence Allowance					
2210404	Sundry Items (e.g. airport tax, taxis etc...)	63,879		78,863	86,749	95,424
2210700	Training Expense (including capacity building)	13,105,387	22,918,887	17,172,000	18,889,200	20,778,120
2210701	Travel, Accommodation, Tuition Fees, and Training Allowance	2,400,000	3,400,000	3,040,000	3,344,000	3,678,400
2210702	Remuneration of Instructors and Contract Based Training Services	2,000,000	2,072,500	2,900,000	3,190,000	3,509,000
2210703	Production and Printing of Training Materials					
2210704	Hire of Training Facilities and Equipment	8,705,387	17,446,387	11,232,000	12,355,200	13,590,720
2210800	Hospitality Supplies and Services	3,570,000	3,570,000	5,000,000	5,500,000	6,050,000
2210801	Catering Services, (receptions), Accommodation, Gifts, Food and Drinks	3,570,000	3,570,000	5,000,000	5,500,000	6,050,000
2210802	Boards, Committees Conferences and seminars					
2211300	Other Operating Expenses					
2211310	Contracted Professional Services					
	Total Use of Goods and Services	95,572,962	140,720,935	154,098,598	169,508,457	186,459,303
Sub-Program: General Administration and Support Services						
	RECURRENT					
	Compensation to Employees	298,249,883	328,454,728	318,576,695	366,720,365	403,392,401
	Cost of Goods and Services	289,306,189	341,777,072	330,646,263	357,869,891	393,656,881
	Acquisition of Assets	32,000,000	31,734,242	4,000,000		
	Total Recurrent	619,556,072	701,966,042	653,222,958	724,590,256	797,049,282
	Cash Transfers (Car Grant)		246,000,000			
	DEVELOPMENT	600,700,000	50,652,405	2,289,000,000		
	Acquisition of Non Financial Assets	600,700,000	50,652,405	2,289,000,000		
	Other Development					
	Total Development	600,700,000	50,652,405	2,289,000,000		
	SUB-PROGRAM TOTAL	1,220,256,072	998,618,447	2,942,222,958	724,590,256	797,049,282
400	COUNTY ASSEMBLY SERVICE BOARD (S.P. General Administration and Support Services)					
401	County Assembly Service Board Headquarters					
2110200	Basic Wages- Temporary Employees	3,480,000	3,480,000	3,480,000	3,480,000	3,828,000
2110201	Contractual Employees (Fourth & Fifth Member)	3,480,000	3,480,000	3,480,000	3,480,000	3,828,000
2110300	Personal Allowance Paid as Part of Salary	3,984,000	3,984,000	4,504,000	4,504,000	4,954,400
2110315	County Assembly Service Board Allowances	3,744,000	3,744,000	4,504,000	4,504,000	4,954,400
2110314	Transport Allowance	240,000	240,000			
2110400	Personal Allowances Paid as Reimbursements	48,000	88,000	96,000	96,000	105,600
2110405	Telephone Allowance	48,000	88,000	96,000	96,000	105,600
	SubTotal - Employee Costs	7,512,000	7,552,000	8,080,000	8,080,000	8,888,000
	Use of Goods and Services					
2210300	Domestic Travel and Subsistence, and other transportation costs	1,907,954	4,769,954	5,645,031	6,209,534	6,830,487
2210301	Travel costs (airlines, bus, railway, mileage allowances, etc)	1,076,835	1,938,835	1,200,000	1,320,000	1,452,000
2210302	Accommodation- Domestic Travel	700,000	2,700,000	4,300,800	4,730,880	5,203,968
2210303	Daily Subsistence Allowance	131,119	131,119	144,231	158,654	174,519
2210304	Sundry Items (e.g. airport tax, taxis etc...)					
2210400	Foreign Travel and Subsistence, and other transportation costs	2,637,152	3,279,050	10,965,174	11,396,839	12,536,523
2210401	Travel costs (airlines, bus, railway, mileage allowances, etc)	1,593,230	1,150,000	4,593,254	7,010,212	7,711,233
2210402	Accommodation	1,043,922	2,129,050	6,372,920	4,386,627	4,825,290

2210403	Daily Subsistence Allowance					
2210404	Sundry Items (e.g. airport tax,taxis etc...)					
2210800	Hospitality Supplies and Services					
2210801	Catering Services,(receptions), Accommodation, Gifts, Food and Drinks					
2211300	Other Operating Expenses					
2211320	Temporary Committee Expenses					
	Total Use of Goods and Services	4,545,106	8,049,004	16,611,205	17,606,373	19,367,011
500	Office of The Clerk (S.P. General Administration and Support Services)					
501	Office of the Clerk Headquarters					
	Compensation to Employees					
2110100	Basic Salaries - Permanent Employees	142,055,580	181,833,565	158,671,700	174,538,870	191,992,757
2110112	Basic Salaries - County Assembly	142,055,580	181,833,565	158,671,700	174,538,870	191,992,757
2110300	Personal Allowance paid as part of Salary	117,721,163	112,125,932	115,785,000	144,457,500	158,903,250
2110301	House Allowance	66,561,000	68,645,804	71,025,000	78,127,500	85,940,250
2110302	Honoraria	8,782,260	14,161,524		17,094,000	18,803,400
2110304	Overtime	9,152,620	7,883,538	8,100,000	8,910,000	9,801,000
2110303	Acting Allowance					
2110305	Non-Practising Allowance	914,083	1,688,912	780,000	858,000	943,800
2110310	Top up Allowance					
2110312	Responsibility Allowance	13,200,000	142,022			
2110313	Entertainment Allowance					
2110314	Transport Allowance	17,712,000	18,520,132	19,104,000	21,014,400	23,115,840
2110315	Extraneous Allowance			15,540,000	17,094,000	18,803,400
2110316	Security Allowance					
2110317	Domestic Servant Allowance					
2110320	Leave Allowance	1,399,200	1,084,000	1,236,000	1,359,600	1,495,560
2110323	Late Duty Allowance					
2110400	Personal Allowance paid as Reimbursement					
2110403	Refund of Medical Expenses					
2120100	Employer Contributions to Compulsory National Social Security Schemes					
2120101	Employer Contributions to National Social Security Fund					
2120300	Employer Contributions to Social Benefit Schemes	28,505,493	25,557,919	33,584,349	36,942,784	40,637,062
2120301	Employer Contributions to Private Social Security Funds and Schemes	28,505,493	25,557,919	33,584,349	36,942,784	40,637,062
2710100	Government Pension and Retirement Benefits	2,455,646	1,385,312	2,455,646	2,701,211	2,971,332
2710114	Service Gratuities-Staff on Contract	2,455,646	1,385,312	2,455,646	2,701,211	2,971,332
	SubTotal - Employee Costs	290,737,883	320,902,728	310,496,695	358,640,365	394,504,401
	Goods and Services					
2210100	Utilities Supplies and Services	2,400,000	4,000,000	3,000,000	3,300,000	3,630,000
2210101	Electricity Expenses	2,400,000	4,000,000	3,000,000	3,300,000	3,630,000
2210102	Water and sewerage charges					
2210200	Communication Supplies and Services	8,400,000	6,620,439	8,950,000	9,845,000	10,829,500
2210201	Telephone,Telex, Facsimile and Mobile Phone Services	3,000,000	3,105,946	4,800,000	5,280,000	5,808,000
2210202	Internet Connections					
2210203	Courier and Postal services	200,000	30,000	50,000	55,000	60,500
2210204	Leased Communication lines					
2210207	Purchase of Bandwidth Capacity	4,800,000	3,134,493	4,000,000	4,400,000	4,840,000
2210299	Other Communication Supplies and Services(Bulk SMS)	400,000	150,000	100,000	110,000	121,000
2210300	Domestic Travel and Subsistence, and other transportation costs	41,987,552	77,905,100	77,564,008	85,320,409	93,852,450
2210301	Travel costs (airliner,bus, railway, mileage allowances, etc	10,024,622	15,957,151	15,957,151	17,552,866	19,308,153
2210302	Accommodation- Domestic Travel	20,321,684	50,304,676	50,304,676	55,335,144	60,868,658
2210303	Daily Subsistence Allowance	11,641,246	11,643,273	11,302,181	12,432,399	13,675,639
2210304	Sundry Items (e.g. airport tax,taxis etc...)					
2210400	Foreign Travel and Subsistence, and other transportation costs	5,901,266	-	9,000,000	9,900,000	10,890,000
2210401	Travel costs (airliner,bus, railway, mileage allowances, etc	1,819,793	-	3,500,000	3,850,000	4,235,000
2210402	Accommodation	2,635,001	-	3,500,000	3,850,000	4,235,000
2210403	Daily Subsistence Allowance	1,226,812	-	2,000,000	2,200,000	2,420,000
2210404	Sundry Items (e.g. airport tax,taxis etc...)	219,660	-			
2210500	Printing, Advertising, and Information Supplies and Services	18,000,000	21,650,000	18,000,000	19,800,000	21,780,000
2210501	International News Services					
2210502	Publishing and Printing Services	7,000,000	7,150,000	7,000,000	7,700,000	8,470,000
2210503	Subscriptions to Newspapers, magazines and Periodicals	3,000,000	3,000,000	3,000,000	3,100,000	3,630,000
2210504	Advertising, Awareness and Publicity campaigns	6,000,000	10,500,000	8,000,000	8,800,000	9,680,000
2210505	Trade Shows and Exhibitions					
2210506	Purchase of Curios (Gifts)					
2210599	Other expenses on printing, advertising and information supplies	2,000,000	1,000,000			
2210600	Rentals of Produced Assets					
2210604	Hire of Transport, Equipments, Plant and Machinery					
2210700	Training Expense (Including capacity building)	27,309,547	46,617,757	27,023,484	29,725,832	32,698,416
2210701	Travel ,Accommodation, Tuition Fees, and Training Allowance	20,927,667	34,149,025	18,023,484	19,825,832	21,808,416
2210702	Remuneration of Instructors and Contract Based Training Services	2,142,000	2,323,232	4,200,000	4,620,000	5,082,000
2210703	Production and Printing of Training Materials					
2210704	Hire of Training Facilities and Equipment	3,965,500	9,745,500	4,800,000	5,280,000	5,808,000

2210705	Field Training attachments:					
2210711	Tuition Fees	274,180	400,000			
2210799	Other Training Expenses					
2210800	Hospitality Supplies and Services	5,491,474	7,491,474	5,200,000	5,720,000	6,292,000
2210801	Catering Services,(receptions), Accomodation, Gifts, Food and Drinks	5,491,474	7,491,474	5,200,000	5,720,000	6,292,000
2210899	Other Hospitality Supplies					
2210900	Insurance Costs	47,250,000	39,057,350	51,750,000	56,925,000	62,617,500
2210901	Staff Group Life Insurance including GPA & WIBA	4,650,000	3,956,568	8,150,000	8,965,000	9,861,500
2210902	Buildings Insurance	500,000	319,042	500,000	550,000	605,000
2210904	Motor Vehicles, Office Equipment and Machinery Insurance	2,100,000	2,446,120	3,100,000	3,410,000	3,751,000
2210910	Medical Insurance	40,000,000	32,335,620	40,000,000	44,000,000	48,400,000
2211000	Specialised Materials and Supplies	13,204,587	7,069,600	5,204,587	3,300,000	3,630,000
2211009	Education and Library Supplies					
2211010	Supplies for Broadcasting and Information Services					
2211011	Purchase/Production of Photographic/Audiovisual Materials					
2211015	Food and Rations					
2211016	Purchase of Uniforms and Clothing - Staff	7,000,000	5,135,800	3,000,000	3,300,000	3,630,000
2211021	Purchase of Beddings and Linnen					
2211029	Purchase of healthy/Safety gear	6,204,587	1,933,800	2,204,587		
2211100	Office and General Supplies & Services	11,704,000	6,201,506	10,100,000	11,110,000	12,221,000
2211101	General Office Supplies (papers, pencils, forms, small office equipment etc.	2,940,000	1,872,800	3,300,000	3,630,000	3,993,000
2211102	Supplies and Accessories for computers and printers(tonners)	7,000,000	3,300,000	5,000,000	5,500,000	6,050,000
2211103	Sanitary and cleaning materials supplies and services	1,764,000	1,028,706	1,800,000	1,980,000	2,178,000
2211199	Other Office and General Supplies					
2211200	Fuel, Oil and Lubricants	3,600,000	6,437,225	8,400,000	9,240,000	10,164,000
2211201	Refined fuel and Lubricants for transport	3,600,000	6,437,225	8,400,000	9,240,000	10,164,000
2211203	Fuel oil and other operation expenses					
2211204	Other Fuels					
2211300	Other Operating Expenses	76,206,708	101,589,560	76,342,979	83,977,277	92,375,005
2211301	Bank Charges	13,500	13,500			
2211403	Refund of Medical Expenses					
2211305	Contracted Guards and Cleaning Services	5,000,000	4,151,966	5,172,000	5,689,200	6,258,120
2211306	Subscriptions to professional bodies	393,496	500,000	500,000	550,000	605,000
2211308	Legal Fees	40,000,000	80,000,000	50,000,000	55,000,000	60,500,000
2211310	Contracted Professional Services (Bill drafting)	10,000,000	3,530,000	3,000,000	3,300,000	3,630,000
2211311	Contracted Technical Services	2,000,000		7,700,000	8,470,000	9,317,000
2211320	Temporary Committee Expenses	10,686,000	8,489,892	5,000,000	5,500,000	6,050,000
2211329	HIV/AIDS Workplace Policy Management					
2211399	Other Operating Expenses	8,113,712	4,904,202	4,970,979	5,468,077	6,014,885
2220100	Routine Maintenance of Vehicles and Other Transport Equipments	5,500,000	4,500,000	4,000,000	4,400,000	4,840,000
2220101	Routine Maintenance Expenses - Motor Vehicles	5,500,000	4,500,000	4,000,000	4,400,000	4,840,000
2220200	Routine Maintenance - Other Assets	17,805,950	4,588,057	9,500,000	7,700,000	8,470,000
2220201	Maintenance of Plant, Machinery and Equipment (air con, lifts, generators,cctv, photocopiers)	2,000,000	617,190	2,000,000		
2220202	Maintenance of Office Furniture & Equipments	1,392,251	184,580	1,000,000	1,100,000	1,210,000
2220205	Maintenance of Buildings and Stations - (ward offices)					
2220209	Minor Alterations to Buildings and Civil Works(renovation of assembly offices)	800,000	525,256	500,000		
2220210	Maintenance of Computers, Software and Networks	7,000,000	2,821,302	2,000,000	2,200,000	2,420,000
2220211	Maintenance of Security Equipment					
2220212	Maintenance of Communication Equipment and hardware	6,613,699	439,729	4,000,000	4,400,000	4,840,000
	Total Use of Goods & Services	284,761,084	333,728,068	314,035,058	340,263,518	374,289,870
	ACQUISITION OF ASSETS UNDER RECURRENT EXPENDITURE					
3110700	Purchase of Vehicles & Other Transport Equipment	15,000,000	27,626,000			
3110701	Purchase of Motor Vehicles	15,000,000	27,626,000			
3110704	Purchase of Bicycles & Motorcycles					
3111000	Purchase of Office Furniture & General Equipment	17,000,000	4,108,242	4,000,000		
3111001	Purchase of Office Furniture & Fittings(Assembly)					
3111002	Purchase of Computers, Printers and other IT Equipment(laptops and assembly comps)			4,000,000		
3111003	Purchase of airconditioners, fans and heating appliances					
3111004	Purchase of exchange and other communication equipment					
3111008	Purchase of printing equipment					
3111009	purchase of other Office Furniture and General equipment(ward offices)	17,000,000	4,108,242			
3111100	Purchase of Specialised plant, Equipment and Machinery					
3111106	purchase of fire fighting equipment					
3111108	Purchase of Specialised plant, Equipment and Machinery ie lifts					
3111110	Purchase of Generators					

311111	Purchase of ICT networking and Communication equipment					
311112	purchase of software					
	Total Assets	32,000,000	31,734,242	4,000,000		
	TOTAL RECURRENT (WITHOUT CASH TRANSFERS)	1,409,977,879	1,559,319,467	1,545,872,087	1,706,504,298	1,877,154,728
	TRANSFERS TO COUNTY ASSEMBLY FUNDS	-	246,000,000	-	-	-
4110400	Car Loans and Mortgages	-	246,000,000	-	-	-
4110405	Car Loans to public Servant	-	246,000,000	-	-	-
	TOTAL OTHER RECURRENT (Transfers to Assembly Fund)	-	246,000,000	-	-	-
	TOTAL RECURRENT ESTIMATES	1,409,977,879	1,805,319,467	1,545,872,087	1,706,504,298	1,877,154,728
	DEVELOPMENT					
3110100	Purchase of Buildings	500,000,000	-	1,735,000,000	-	-
3110101	Purchase of Residential Buildings		-	35,000,000		-
3110102	Purchase of Non Residential Buildings (Assembly Offices)	500,000,000	-	1,700,000,000		-
3110200	Construction of Buildings	29,000,000	-	191,000,000	-	-
3110201	Construction of Residential Buildings	-	-	-	-	-
3110202	Construction of Non Residential Buildings (ward office containers)	9,000,000	-	191,000,000	-	-
3110299	Construction of parking shades	20,000,000	-	-	-	-
3110300	Refurbishment of Buildings	-	2,000,000	100,000,000	-	-
3110302	Refurbishment of Non Residential Buildings (Refurbishment and equipping of NCCA Admin Block)	-	2,000,000	100,000,000	-	-
	Purchase of Vehicles & Other Transport Equipment	-	-	-	-	-
	Purchase of Motor vehicles	-	-	-	-	-
	Purchase of Bicycles & Motorcycles	-	-	-	-	-
3111000	Purchase of Office Furniture & General Equipment	-	-	-	-	-
3111001	Purchase of Office Furniture & Fittings	-	-	-	-	-
3111002	Purchase of Computers, Printers and other IT Equipment	-	-	-	-	-
3111004	Purchase of exchange and other communication equipment (Installation of CCTV cameras on 3rd Floor)	-	-	-	-	-
3111008	Purchase of printing equipment	-	-	-	-	-
3111009	purchase of other Office Furniture and General equipment	-	-	-	-	-
3111100	Purchase of Specialised plant, Equipment and Machinery	71,700,000	48,652,405	263,000,000	-	-
3111106	purchase of fire fighting equipment	10,000,000	-	20,000,000	-	-
3111108	Purchase of Specialised plant, Equipment and Machinery ie lifts	5,000,000	2,000,000	10,000,000	-	-
3111110	Purchase of Generators	-	-	-	-	-
3111111	Purchase of ICT networking and Communication equipment	44,700,000	46,652,405	200,000,000	-	-
3111112	purchase of software	12,000,000	-	33,000,000	-	-
	TOTAL CAPITAL AND DEVELOPMENT	600,700,000	50,652,405	2,289,000,000	-	-
	TOTAL BUDGET FY2019-2020	2,010,677,879	1,855,971,872	3,834,872,087	1,706,504,298	1,877,154,728

ANNEX II

NAIROBI CITY COUNTY ASSEMBLY



ORGANIZATIONAL STRUCTURE

FOR

NAIROBI CITY COUNTY ASSEMBLY SERVICE

**NAIROBI CITY COUNTY ASSEMBLY ORGANIZATIONAL
STRUCTURE ADOPTED BY THE COUNTY ASSEMBLY
SERVICE BOARD**

MARCH 2021

[illegible]

ANNEX III		
NAIROBI CITY COUNTY ASSEMBLY		
PROPOSED PROMOTIONS AND RECRUITMENTS		
VACANT POSITIONS		
DESIGNATION	SALARY SCALE	NO. OF VACANCIES
Clerks Chambers		
Director, Comt Services	11	1
Principal Clerk Assistant	10	1
Senior Fiscal Analyst	9	1
Senior Clerk Assistant	9	5
Serjeant-At-Arms		
Senior Serjeant-At-Arms	9	1
Serjeant-At-Arms I	8	2
Serjeant-At-Arms II	7	7
Legal		
Director Legal Service	11	1
Principal Legal Counsel	10	1
Public Relations Officer		
Principal Public Relations Officer	10	1
Senior Public Relations Officer	9	1
Public Relations Officer II	8	1
Internal Audit		
Principal Internal Auditor	10	1
Senior Internal Auditor	9	1



Human Resources		
Director, HR Services	11	1
Principal HR Officer	10	1
Financial Services		
Director, Financial Services	11	1
Principal Finance Officer	10	1
Senior Accountant	9	1
Senior Procurement Officer	9	1
Senior Finance Officer	9	2
Finance Officer I	8	1
Research Services		
Director Research	11	1
ICT Services		
Director, ICT	11	1
Senior ICT Officer	9	1
ICT Officer I	8	1

MINUTES OF THE 55TH SITTING OF 2021 OF THE NAIROBI CITY COUNTY ASSEMBLY FINANCE, BUDGET AND APPROPRIATIONS COMMITTEE (SECOND ASSEMBLY) HELD ON THURSDAY 24TH JUNE 2021 AT 10.00AM VIA ZOOM.

PRESENT

- | | |
|-----------------------------------|--------------|
| 1. Hon. Robert Mbatia, MCA | Chair |
| 2. Hon. J.M Komu, MCA | |
| 3. Hon. Jacinta Wanjiru, MCA | |
| 4. Hon. Emily Oduor, MCA | |
| 5. Hon. Fredrick Okeyo, MCA | |
| 6. Hon. James Kariuki, MCA | |
| 7. Hon. Paul Ndungu, MCA | |
| 8. Hon. Catherine Okoth, MCA | |
| 9. Hon. Nancy Muthami, MCA | |
| 10. Hon. Emapet Kemunto, MCA | |
| 11. Hon. Wanjiru Kariuki, MCA | |
| 12. Hon. Herman Azangu, MCA | |
| 13. Hon. Cecilia Ayot, MCA | |
| 14. Hon. Nimo Haji, MCA | |
| 15. Hon. Elizabeth Nyambura, MCA | |
| 16. Hon. Susan Makungu, MCA | |
| 17. Hon. Patrick Karani, MCA | |
| 18. Hon. David Mberia, MCA | |
| 19. Hon. Kennedy Oyugi | |
| 20. Hon. Mellab Atemah, MCA | |

ABSENT

1. Hon. Michael Ogada, MCA
2. Hon. Osman Adow, MCA
3. Hon. Anthony Ngaruiya, MCA

4. Hon. Daniel Ngengi, MCA

5. Hon. David Okello, MCA

IN ATTENDANCE

- | | |
|----------------------|---------------------------|
| 1. Mr. Erick Otieno | -Principal Fiscal Analyst |
| 2. Mr. Alphonse Ouma | -Senior Fiscal Analyst |

SECTRETARIAT

- | | |
|--------------------|-----------------|
| 1. Mr. Farah Gabow | -Fiscal Analyst |
|--------------------|-----------------|

MIN 264/FBAC/JUN/2021: Preliminaries

The Chairperson called the meeting to order at fourteen minutes past ten o'clock in the morning and opened with a word of prayer. He welcomed all the participants to the meeting and mentioned the agenda for the day which were as follows: -

1. Preliminaries
2. **Consideration and Adoption of the Report on the Budget Estimates for the FY 2021-2022**
3. Any Other Business
4. Adjournment

The agenda for the day was adopted after being proposed by Hon. Emily Oduor and Seconded by Hon. Jacinta Wanjiru.

MIN 265/FBAC/JUN/2021: Consideration and Adoption of the Report on the Budget Estimates for the FY 2021-22.

The draft report on the Budget Estimates for FY 2021-22 was presented to the Committee Members by the Principal Fiscal Analyst.

The following were the issues raised by the members: -

- The Voluntary Early Retirement Policy that had been developed by Public Service Management and the County Public Service Board but not submitted to the County Assembly for approval cast doubt on the commitment by the County to reduce the ever-ballooning wage bill that

could soon cripple the critical county services as a result of failure in funding.


- The County Assembly has continued to ask for allocations for development initiatives but has not been implementing them for the past few financial years. There is therefore need for the Assembly to show her commitment on utilizing such allocated funds.
- The county risk foregoing the conditional grants allocations as a result of not fulfilling the laid down conditions specified for accessing such funds.
- The budget for transferred functions fell short of the requirement of the Public Finance Management Act, 2012 since both their itemized and program-based budgets were not submitted.

The following were the recommendations of the Committee to be captured in the report on the Budget Estimates for the FY 2021-22: -

a) Policy Measures

The Committee proposes that the Assembly resolves as follows: -

- 1) That the Nairobi Metropolitan Services and the County Treasury pursues measures to ensure full realization of the full amounts due to the Nairobi City County Government as equitable share in the FY 2020-21;
- 2) That the Nairobi Metropolitan Services and the County Treasury pursues measures to ensure full disbursements of amounts due to the Nairobi City County Government as conditional grants in the FY 2020-21;
- 3) That the Nairobi City County Assembly fast tracks the preparation and rolling out of its Strategic Plan;
- 4) That the Public Service Management and the County Public Service Board initiates measures to roll out the Voluntary Early Retirement programme including submission of attendant regulations to the County Assembly for approval before the amounts allocated are utilized;

- 
- 5) That the Public Service Management and the County Public Service Board develops relevant regulations on the Car Loan and Mortgage Scheme and ensure that the same are approved before the amounts allocated are utilized;
 - 6) That the Nairobi Metropolitan Services and the County Treasury in collaboration with the Kenya Revenue Authority ensures timely roll out of the Valuation Roll and the attendant rates be submitted for approval through the Finance Bill, 2021; and
 - 7) That the County Government holds a consultative meeting with the Kenya Revenue Authority to develop a joint framework for enhancement of revenue collection and the same be captured in the Finance Bill 2021.


b) Revenue Adjustments

- 1) That the conditional grants from the National Government and other donors totaling Kshs. 1billion as contained in the County Governments Grants Bill, 2021 be included in the budget estimates; and
- 2) That the budget estimates for respective Sectors where the conditional grants are domiciled be amended accordingly to reflect that change.

c) Expenditure Adjustments

— Nairobi City County Assembly Service Board

- 1) That in line with approval in the County Allocation of Revenue Bill, 2021 the budget for the Nairobi City County Assembly be approved as follows:
 - Recurrent – Kshs. 1.545billion
 - Development – Kshs. 1.506billion
- 2) That the budget for the Nairobi City County Assembly as approved by the County Assembly Service Board on 16th June 2021 as contained in Annex I be noted;
- 3) That the following amendments be made on the budget for the Nairobi City County Assembly contained in Annex I: -

- 
- a) The allocation for Compensation to Employees be approved at Kshs. 892million consisting of an additional Kshs. 17million for promotions and/or recruitments;
 - b) The carders of promotions be in line with the Board resolution on the organizational structure in Annex II and be implemented with respect to the positions contained in Annex III;
 - c) That the allocation for Domestic Travel and Subsistence and other transportation costs under the Office of the Clerk, vote 2210300 be reduced by Kshs. 17million and the budget be amended accordingly to reflect that change; and
 - d) That in line with the ceilings approved in the County Fiscal Strategy Paper 2021 the development budget be reduced to Kshs. 1.506billion and the development priorities contained in Annex 1 be amended accordingly to reflect that change.

— **Nairobi Metropolitan Services**

- 4) That the budget for the Nairobi Metropolitan Services be increased by Kshs. 500million and the amounts to utilized as follows
 - a) Kshs. 400 million for constructions/ rehabilitation of health centres; and;
 - b) Kshs. 100million for rolling out of the Nairobi City County Community Health Services Act, 2019 and specifically for initial payment of Community Health Volunteers
- 5) That the recurrent budget for the Wards Development Fund be increased by Kshs. 24million and the budget for the transferred functions be amended accordingly to reflect that change.

— **Nairobi City County Government**

- 6) That the budget for the Education, Youth Affairs, Sports, Culture and Social Services be increased by Kshs. 195million and the additional allocation be utilized as follows:


- a) Kshs 170 million for Scholarships and other Educational Benefits- Primary Education translating to Kshs. 4.5million per Ward; and
- b) Kshs. 25million for disability mainstreaming and rolling out of the provisions of the Nairobi City County Persons Living with Disability Act,2015
- 7) That the budget for ICT and E- Government Sector be increased by Kshs. 160million and that the amounts be utilized for rolling out of the ICRMS.
- 8) That the budget for the Trade, Commerce, Tourism and Cooperatives Sector be increased by Kshs. 200million and that the amounts be utilized for rolling out of the Small and Medium Enterprises Revolving Fund subject to enactment of an appropriate policy framework.

The members adopted the report with the above recommendations after it was proposed by Hon. Wanjiku Kariuki and seconded by Hon. Catherine Okoth.

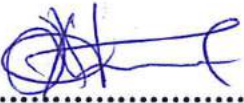
MIN 266/FBAC/JUN/2021: AOB

There been no other business and having dispensed with the business of the day the Chair adjourned the meeting at nine minutes to eleven o'clock in the morning.

CONFIRMED AS TRUE RECORD OF PROCEEDINGS

Sign.......... Date.....24-06-2021.....

(CHAIRMAN)

Sign.......... Date.....24th June 2021.....

(FISCAL ANALYST)