

COUNTY GOVERNMENT OF NAIROBI CITY



NAIROBI CITY COUNTY ASSEMBLY

SECOND ASSEMBLY –FIFTH SESSION

29TH REPORT OF THE SELECT COMMITTEE ON COUNTY ASSEMBLY FINANCE,
BUDGET AND APPROPRIATIONS

ON

THE ANNUAL DEVELOPMENT PLAN FOR THE FY 2021-22

MARCH 2021

Mr. Speaker Sir, planning process in the County Government is underpinned in the provisions of Section 104 of the County Governments Act 2012 decree that planning is the penultimate activity that precedes budgeting and that no resources should be appropriated outside a planning framework developed by the County Executive Committee and approved by the County Assembly. Therefore, the importance of an Annual Development Plan (ADP) during any financial year cannot be gainsaid. It is for this reason that the Finance, Budget and Appropriations Committee has been insistent and consistent in reminding this house that allocation and utilization of public resources should be a methodological process devoid of guesswork and miscalculations.

To kickstart the budget making process for the FY 2021-22, the County Executive Committee Member for Finance (CECM-F), submitted to the County Assembly the ADP for 2021-22 on 1st September 2020 pursuant to the provisions of Section 126 of the Public Finance Management Act 2012 and implied provisions of Standing Order 219. The Paper was laid on the floor of the Assembly on Tuesday 8th September 2020 and committed to the Sectoral Committees for review in line with their respective mandates and reporting to the Finance, Budget and Appropriations Committee. The Plan was also concurrently submitted to the Finance, Budget and Appropriations Committee for consideration of the Sectors it oversees namely the Finance Sector and the County Assembly.

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

Mr. Speaker Sir, the examination of the ADP 2021-22 was stewarded by the following 25 Members of the County Assembly Finance, Budget & Appropriations Committee:

- | | |
|-----------------------------|--------------|
| 1. Hon. Robert Mbatia, MCA | Chair |
| 2. Hon. Michael Ogada, MCA | Vice – Chair |
| 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

Examination of the County Annual Development Plan for the FY 2021-22

In reviewing the Annual Development Plan for the FY 2021-22, the Committee held a number of sittings where it heard from our own Sectoral Committees, the County Executive and members of the public on the positive aspects of the plan as well as areas that would require improvement by this County Assembly. The Committee shall use this report to point out the same for adoption by the house.

Acknowledgment

Hon. Speaker, the consideration of this ADP marks the second last time this County Assembly shall be called upon to consider and indeed approve a plan meant to breathe life to the aspirations that we continue to make to Nairobians. The consideration of the ADP as is the case with any other budget related document has been engaging and this could not have been achieved without the dedication of various actors and stakeholders who individually and jointly made a contribution towards the successful completion of this review exercise. Specifically, the Committee wishes to acknowledge: -

- a) The Office of the Speaker for having accorded Members of the Committee and the County Assembly in general the time and the resources to consider and report on the Plan;
- b) The Sectoral Committees for the fruitful deliberations they had with their Sectors and for the informative reports they submitted to the Finance Committee;
- c) The County Executive through the Office of the County Executive Committee Member for Finance and the County Secretary for all the support granted to the County Assembly during the consideration of the ADP;
- d) The Office of the Clerk for all the resources and guidance provided throughout the process. The Committee notes that the roles of the County Assembly Budget Office and the Clerk Assistants of various Sectoral Committees during this review was invaluable;
- e) The Members of the Public who despite the restrictions imposed by the Covid-19 pandemic honored the call of the County Assembly and submitted written memoranda on the ADP. Their submissions have been integral towards the finalization of the report.

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

SIGN.....

DATE.....26th Feb' 2021

Hon. Robert Mbatia, MCA

Chairman: Finance, Budget and Appropriations Committee

A. BACKGROUND INFORMATION

Mr. Speaker Sir,

1. The stages of the County budget process are outlined in the provisions of Section 125 of the Public Finance Management Act 2012 which provides safeguards for utilization of public resources in the hands of the County Government. The guiding law is unambiguous that the annual budget roadmap starts with integrated planning which is anticipated to include establishment of financial and economic priorities over the medium term. The law requires that during integrated planning the County Government should be able to make an overall estimation of the county governments revenues and expenditures. The Planning stage therefore involves setting up of County priorities by striking off areas with less impact for those that can attract the most optimal returns. The balancing of priorities is customarily undertaken in an environment of limited budget legroom, growing budget deficits and shrinking revenue figures hence the need for timely awareness of the prevailing factors that may alter the intended projections.
2. The County Integrated Development Plan (CIDP) 2018-22 which houses the contents of the ADP 2021-22 was adopted by the County Assembly at the beginning of the FY 2018-19. The approved CIDP for 2018-2022 provides clear goals and objectives accompanied with targets, key performance indicators and implementation matrix for the realization of the set outcomes. This Annual Development Plan is meant to actualize the aspirations of the County Government as set out in the fourth year of implementation of the CIDP. The Committee reviewed the ADP with this background and critical information in mind.

B. COMPLIANCE OF THE ANNUAL DEVELOPMENT PLAN FOR THE FY 2021-21 TO THE PREVAILING LEGISLATION

Mr. Speaker Sir,

3. The Finance, Budget and Appropriations Committee on an annual basis highlights to the Chamber the extent to which budget documents submitted to this County Assembly have complied with the provisions of law and guiding fiscal philosophy. In this regard, the Committee would once again wish to relate the extent to which the submitted ADP has lived up to the expectations of the law and best public finance management practices. From the foregoing, the provisions of the law which have underscored the place and value of planning in public finance management. The place and role of the ADP in the annual budget calendar is secured by available legal literature.
4. The provisions of Section 126 (3) of the PFM Act 2012 require that not later than 1st September of each year the County Executive Committee Member for planning shall submit the development plan to the County Assembly for its approval. The rationale for submission of the ADP for approval early in the financial year is to ensure that there is no delay in the subsequent budget processes and timelines. It is for this reason that the provisions of Section 107 of the County Governments (CGA) Act, 2012 provides that the plan would be able to guide, harmonize and facilitate development within the County. The Committee once again wishes to commend the County Treasury for having adhered to the above provisions of the law and submitted the ADP for the FY 2021-22 within the legal timelines.
5. Hon. Speaker, Section 126 (1) of the PFM Act, 2012 dictates that the ADP shall include:
 - *strategic priorities for the medium term that reflect the county government's priorities and plans;*
 - *a description of how the county government is responding to changes in the financial and economic environment;*
 - *programmes to be delivered with details for each programme of—*
 - (i) the strategic priorities to which the programme will contribute;*
 - (ii) the services or goods to be provided;*

(iii) measurable indicators of performance where feasible; and

(iv) the budget allocated to the programme;

- *payments to be made on behalf of the county government, including details of any grants, benefits and subsidies that are to be paid;*
- *a description of significant capital developments;*
- *a detailed description of proposals with respect to the development of physical, intellectual, human and other resources of the county, including measurable indicators where those are feasible;*
- *a summary budget in the format required by regulations; and*
- *such other matters as may be required by the Constitution or this Act.*

6. **Mr. Speaker Sir**, in reviewing the document the Committee noted that by and large the ADP had met the statutory threshold spelt out in both the County Governments Act and the Public Finance Management Act 2012. The plan has made considerable attempt to evaluate the strategies that the County would aim to pursue in the medium-term period and also provided some of the priorities to be pursued. The strategic priorities remain the main areas of interest for the County and once realized would live up to the expectation of making Nairobi City County a city of choice to live, invest and work in. However, whereas the ADP has tried to persuade on the measures the County has put in place to respond to crosscutting financial and economic issues, the Committee notes that some of the problems and their corresponding solutions are repetitive and outdated. Issues like traffic management, housing, environmental degradation and solid waste management have remained riddles for Nairobi City since rolling out of the County Government and answers to the same must now be found. The Committee continues to urge the County Executive to avoid the temptation of making promises that we can't keep as a County but most importantly that we must endeavor to keep the promises we have already made. In this regard the Committee is committed to ensuring that the County Government in collaboration with the NMS keeps their promise to deliver a clean city free from traffic congestion and interconnected with quality infrastructure.

7. **Mr. Speaker Sir**, the ADP has provided the programmes that the County wants to implement with details of their budget requirement fully captured in the book. The Committee is convinced that most the indicators are realistic and measurable. However, the Committee continues to decry the budgetary link between the CIDP and the ADP. The ADP has a project cost to the tune of Kshs. 12billion that may be impossible to implement within the current resource framework. Whereas the summary budget provided in the ADP conforms to the provisions of law, the Committee notes the request for resources to fund the various programmes may amount to nothing more than wishful thinking if the County does not bolster its revenue collection strategies to fund the activities. In this regard, the Committee has directed the County Treasury to always ensure that the all future Plans submitted to this County Assembly for approval are within the resource requirements achievable by the County in one financial year.
8. **Mr. Speaker Sir**, you are aware that the consideration of this ADP was undertaken at a time when the Nairobi City County Government had transferred some of its core functions that attract majority of the development budget to the National Government. The ADP was hence reviewed with key focus on the functions to be performed at the higher tier of government but with disbursement of resources from the kitty of Nairobi City County Government (NCCG). As submitted the plan had no development programmes for the transferred functions though the same were forwarded following a request from the Committee. In its review of the submitted development priorities for the transferred functions, the Committee noted that they were merely project concept papers which hadn't been prepared in cognizance of the underpinning law on programme based budgeting. Therefore, the Committee encourages the Nairobi Metropolitan Services to always ensure that budget documents submitted to the County Assembly are in tandem with the requirements of the law in all aspects. With regard to the ADP for the FY 2021-22 the County listened to the submissions from the Sectoral Committees and agrees that fidelity to the approved CIDP is critical and shall be making recommendations that cement this understanding.
9. **Mr. Speaker Sir**, the roles and responsibilities of the various entities responsible for implementation of the transferred functions are anchored in the Deed of Transfer of

Functions with the budgetary issues being reinforced through the County Allocation of Revenue Act, 2020 and the Framework for Financing Transferred Functions as developed by the National Treasury. The Committee encourages all participants in the process to at all times adhere to these guidelines when rolling out the budget process.

C. SUBMISSIONS FROM THE PUBLIC ON THE PLAN

10. **Mr. Speaker Sir**, the pinnacle of the Constitution of Kenya 2010 is the critical role that the public plays in the determination of how resources are mobilized and how the same are utilized. To satisfy these legal requirements and ensure that the County Plans have received input from the entire County, the County Assembly through the Finance, Budget and Appropriations Committee invited Members of the public to submit their written submissions on the ADP.
11. In summary these were the submissions that the Members of the public made to the County Assembly: -
 - a) The representatives of Human right defenders presented a written memorandum and noted that the department for social services consider the provision of Safe spaces and shelters for survivors of Sexual and Gender Based Violence (SGBV).
 - b) The Kenyan Paraplegic Organization are proposing Rolling out stakeholder engagement program for development of a Nairobi City County PWD Strategic Plan be considered in ADP 2021-22.
 - c) The Members of Kenyan Peasants League are proposing Allocation of more funds to all the 13 Vocational Training Centers (VTCs) in Nairobi.
 - d) The Kenyan Paraplegic Organization are proposing that in the County Housing Programs, consideration for the qualified PWDs in the County to access ground-floor houses, with PWD friendly payment/mortgage terms.
 - e) The Members are proposing that Persons with Disabilities (PWDs) be provided with amenities like Wheelchairs, braille skills and allocation of Sign language teachers.
 - f) The Members are also proposing the provision of Laboratory services in all public health centers in Kitisuru, Ruai, Dandora, Kangemi, Ngara, Kamakunji and Korogocho Wards

g) The Nairobi Youth through Nairobi Youth Advisory Group in written memorandum are proposing construction and equipping of:-

- A Nairobi cultural center in at least 2 sub-counties
- A Nairobi City County film and arts theater in two sub-counties
- A Nairobi City County Public Gallery and exhibition in two sub-counties
- A Nairobi City County Conference and recreational Centers in two sub-counties

D. SUBMISSIONS FROM THE SECTORAL COMMITTEES

12. The Finance, Budget and Appropriations Committee organized a meeting between Thursday 18th and Monday 22nd February 2021 during which the Chairpersons of the Sectoral Committees appeared before it with their respective Sector County Executive Committee Members and Chief Officers to make presentation on their consideration of the ADP. The following were the recommendations which were submitted by the Sectoral Committees:

a) Environment and Natural Resources Committee

- That the Environment and Natural Resources Sector to align the ADP to the CIDP;
- That the Sector should clearly outline its priorities for the County Annual Development Plan FY 2021/2022; and
- The Sector to provide a detailed breakdown of projects and their locations where these projects have been lamped in regional classification e.g City wide, all sub-Counties

b) Transport and Public Works Committee

Having considered the County Annual Development Plan FY 2021/2022 and the submissions of the Nairobi Metropolitan Services (NMS), the Committee recommends that the Select Committee on County Finance, Budget and Appropriations:

- Adopts the submissions of the Roads, Transport and Public Works Sector on CIDP 2018-2022 on Year 4 for implementation as the ADP FY 2021/2022 as contained in ANNEX 1; and
- Approves the takeover and implementation of all pending and ongoing projects from the Nairobi City County Transport, Roads and Public Works Sector by the Nairobi Metropolitan Services(NMS).

c) Culture and Community services

The Committee therefore recommends the following to the Finance, Budget and Appropriations Committee

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

- That, the Liquor Board improves its performance on revenue collection by ensuring that all Liquor outlets in the County are licensed;
- That, the sub-sector ensures they prioritize in the coming FY the completion of the proposed construction of containerized rehabilitation centres in the sub-counties;
- That, the ADP be approved as proposed.

(ii) Disaster Management and Coordination

- That, the sub-Sector FastTrack the establishment of 4 fire stations in Eastland and Westland at a cost of Ksh.400 million in year 2 to year 5;
- That, the ADP be approved as proposed.

(iii) Education, Youth Affairs, Children, Sports, Culture and Social Services

- That the sub-Sector should prioritize all pending payments to ensure projects are completed within the budget financial year;
- The Committee having looked into the proposed Projects for the County Annual Development Plan 2021/22, therefore recommends the Select Committee on Finance, Budget and Appropriations to approve the County Annual Development Plan 2021/22 for the Children, Early Childhood Education and Vocational Training subject to the provision of list of specific projects and a matrix within baseline of the planned target in the ADP 2021-22.

d) Justice and Legal Affairs Committee

(i) The Security and Compliance Sector and Inspectorate Department Annual Development Plan be approved at a cost of Kshs. 582 million as follows:

- Purchase of 3No customized motor vehicles and 2No supervisory vehicles Effective and efficient service delivery and Prompt response and timely services at a cost of Kshs. 40million;

- Purchase 3No breakdown: 1 No Heavy duty, 2No small, Prompt response, Effective service delivery, Improved work environment at a cost of Kshs. 30million;
- Purchase of 1000NO uniform of lower cadre Promote positive image, better recognition by public, motivation of staff at a cost of Kshs. 100million;
- 1000No protective gears to be purchased to Promote positive image, Better recognition by public, motivation of staff at a cost of Kshs. 10million;
- Purchase of 50No communication gadgets, Installation of 5No boosters in Kasarani, Westlands, Cityhall, Makadara & Kibra Improved security, Improved working environment at a cost of Kshs. 10million;
- Purchase 10No motor bikes -Improved service delivery, Prompt response at a cost of Kshs. 4million;
- Construction of 1No modern training facility for Improved service delivery, Prompt response Promote capacity building, Improve service delivery at a cost of 200million;
- Capacity building 1000NO employees trained at a cost Kshs. 58million for effective service delivery;
- Purchase of 1000No protective gears,5No walk through detectors at a cost of Kshs. 10million for Improved security and improved working environment; and
- Recruitment of 1000No officers Required work force, Improved service delivery Prompt response at a cost of Kshs. 120million;

(ii) The Investigation Department Annual Development Plan be approved at a cost of be approved at a cost of Kshs. 20million as follows:

- 3 Purchase of 3No motor vehicles at a cost of Kshs. 15million for timely response, Fast completion of cases;
- Purchase of 30No communication gadget a cost of Kshs. 2million for Prompt response and Improved communication; and
- Capacity building for 40No employees a cost of Kshs. 3million for Improved service delivery and Motivated work force.

(iii) The Office of the Governor and Deputy Governor Annual Development Plan be approved at a cost of Kshs. 395million as proposed;

- Refurbishment of offices in City Hall Adequate office space for Improved work environment amounting to Kshs. 60million;
- Refurbishment of washrooms in City Hall Ices Improved work environment amounting to Kshs. 10million;
- Repainting of old City hall for Improve work environment amounting to Kshs. 15million;
- Reroofing of City hall for Improve work environment amounting to Kshs. 40million;
- Fleet acquisition and Renewal for Easier supervision & monitoring of county vehicles 210million;
- Installation of hardware & Software to check No. of vehicles installed with the system amounting to Kshs. 30million; and
- Setting up of an offsite Archive for Safe custody of documents Ensure that only current records are kept in the Offices and preservation of Nairobi City heritage amounting to Kshs. 30million.

(iv) The Department of Sub County Administration Annual Development Plan be approved at a cost of Kshs. 770million as proposed;

- Office accommodation amounting to Kshs. 352million and Fabrication of containers for use as temporary offices amounting to Kshs. 34million for wards adequate budgetary allocation and prompt payment of contractors
- Public participation amounting to Kshs. 60million to achieve Public consultation;
- Civic Education amounting to Kshs. 60million to achieve Public consultation;
- Capacity Building for Sub County Administrators for Skills reading amounting to Kshs. 17million and Staff Training and Skills Enhancement amounting to Kshs. 30million respectively;
- Maintenance of Assets at all decentralized units to develop and roll out a Maintenance programme for Assets at all decentralized units amounting to Kshs. 30million;

- Procurement of Supervision vehicles for Coordination of Ward activities amounting to Kshs. 70million;
 - Staff Performance Appraisal to Conduct Scheduled Staff Performance Appraisal amounting to 2million;
 - Improvement of the Work Environment to Conduct Work Environment survey at a cost of Kshs. 1 million;
 - Alcohol and Substance Abuse sensitization for sensitization purposes at a cost of Kshs. 20million;
 - HIV/AIDS Sensitization at a cost of Kshs. 20million;
 - Complaints Handling Procedures to create awareness at a cost of Kshs. 2million;
 - Provision of working tools and equipment at a cost of Kshs. 30million;
 - Provision of staff uniforms and protective gear at a cost of Kshs. 30million; and
 - Monitoring and evaluation at a cost of Kshs. 2million.
- (v) The office of the County Attorney-Legal Department Annual Development Plan be approved at a cost of Kshs. 178million as proposed;
- Legal Services Policy for a Streamlined operation of the Department amounting to Kshs. 15million;
 - Obsolete County Laws for a harmonized County Laws with Kenya Constitution and other Laws Adequate staffing levels and reduced Legal cost amounting to Kshs. 25million;
 - Capacity Building-Recruitment of legal Counsels and Training of staff for adequate staffing levels and Reduced Legal cost amounting to Kshs. 47million;
 - Management of Legal Services for Manageable legal fee amounting to Kshs. 2million;
 - Creation of a Depository (Purchase of Bulk cabinets for proper record management amounting to Kshs. 15million and (Procurement of Legal Case File Management System) for Management of court cases and legal fee amounting to Kshs. 16million respectively;
 - Purchase of 2 numbers of Vehicles for Coordinated operations amounting to Kshs. 5million;
 - Installation of Online Library amounting to Kshs. 5million for research Facilities;

- Legal Compliance and Reform through Sensitization of County Executive, Chief Officer and Directors, Sensitization of Security and Compliance Sector amounting to Kshs. 20million for Legal Compliance and reduction in Court Cases Filed against the County;
 - Renovation of City Hall Annexe 12th Floor Offices amounting to Kshs. 12million for Safe and clean work environment and motivated staff;
 - Furnishing City Hall and City Hall Annexe Offices and Courts amounting to Kshs. 3million for Improved work space; and
 - Renovation of Courts and chambers (4 No.) amounting to Kshs. 13million for More space for court users and improved audio.
- (vi) The office of the Internal Audit & Risk Management Department Annual Development Plan be allocated Kshs. 68 Million as follows;
- Automation of Audit services through Acquisition and installation of audit software Installed audit software at a cost of Kshs. 10million;
 - Capacity Building of 50 County staff on Risk Management in order to obtain an Updated risk register by trained officers at a cost of ksh.32million;
 - Procurement of a motor vehicle for increased mobility on field work assignment at a cost of Ksh. 18million; and
 - Training of audit staff and induction of audit committee to achieve quality audit reports and enhanced auditing skills at a cost of Kshs. 8million.
- (vii) The Annual Budget estimates for the Sectors be in line with the Sectors' priorities to enable the Sectors achieve their objectives;
- (viii) The County to provide adequate funding for the Sectors in order to ensure implementation of planned activities; and
- (ix) The County should endeavor to decentralize the procurement system so as to address the lengthy procurement process challenge in the County.

e) Children, Early Childhood education and Vocational Training

- The Sector should prioritize all pending payments to ensure projects are completed within the budget financial year;

— The Committee having looked into the proposed Projects for the **County Annual Development Plan 2021/22**, therefore recommends the Select Committee on Finance, Budget and Appropriations to **approve the County Annual Development Plan 2021/22** for the Children, Early Childhood Education and Vocational Training subject to the provision of list of specific projects and a matrix within baseline of the planned target in the ADP 2021-22.

f) Planning and Housing Committee

— That All the projects listed in the fourth year of the CIDP should be appearing in the ADP 2021/22 including CIDP wish list in the table below; -

Table 1.1: Urban Planning sub-sector Objectives, outcomes and outcome-indicators

S/No.	Objectives	Outcomes	Indicators
1	To promote spatial order for sustainable development	-Properly guided development within the County -Environmental aspects inculcated into urban Development -Automated city development management and enhanced ease of doing business -Formalized	-% integration of urban Development plans -% uptake of e-services -% compliance with outdoor advertisement regulations -% compliance with development regulations -% reduction of number of days it takes to approve aiming to reduce by 2

		development Improved planning compliance	number days from a baseline of 14 days
2	To foster integrated management of urban public spaces	-Safe, secure and inclusive public spaces -Revitalized public spaces	-% reduction of safety concerns in public spaces -No. of public spaces audited and reclaimed
3	To establish a framework for the naming of streets and numbering of properties	Increased ease of navigation Efficient system of proper identification and accessibility within the County	Timeliness in identification of streets and properties
4	To manage advertisements and outdoor activities application process	-Automated permit application -Order in outdoor advertisements	-% of applications done Online -Time taken in enforcement of outdoor advertisement

— The sector priorities in the table below outlined in the Annual Work Plan of the Urban Planning & Development be approved as the projects for the FY 2021/22

Sno	PROGRAM	OBJECTIV E	ACTIVITIES	OUTPU T	TOT AL
1	Upgrade the e construction permit development application system	To enhance efficiency in processing developme nt application s	1.Document item approval processes,	Upgrade d e- construct ion permit develop ment applicati on system	30 M
			2.Hold approval process forums with the system developers,		
		To improve on data manageme nt	3.Review and assimilate the system prior to implementation,		
			4.Procure and purchase of the office furniture and equipment,		
2	Finalization of physical address policy	To pave way for implement ation of the	1.Organize for capacity building on training needs,	Enacted and Publishe d	15 M
			2.Hold 3 workshops to review the draft street address policy,		

		physical address system	3.Organize for City to City bench marking forums, 4. Engage county assembly in the approval process.	physical address policy	
3	Planning for 3 subcentres of Ruai, Kasarani and Airport North as per the Nairobi Integrated Urban Development Plan (NIUPLAN)	To guide spatial development in Ruai, Kasarani and Airport North	1.Prepare Terms of Reference (TORs) and Request for Proposal (RFP) to procure consultant / developers 2.Advertise and procure consultants/ developers 3.Coordinate stakeholder mobilization and forums 4.Coordinate formulation of the plan 5.Organize for capacity building on training needs, 6.Hold workshops to review the draft spatial plan, 7.Organize for City to City bench marking forums, 8.Engage county assembly in the approval process	Local Development Plans for Ruai, Kasarani and Airport North	150 M
4	Review of Development Control Guidelines	To vision and order the spatial form of	1.Prepare Terms of Reference (TORs) and Request for Proposal (RFP) to procure consultant / developers, 2.Advertise and procure consultants/ developers,	Reviewed and Approved Development	54 M

		Nairobi City	3.Coordinate stakeholder mobilization and forums,	ment Control Guidelines	
			4.Organize workshops to review the draft Spatial plan,		
			5.Organize for capacity building on training needs,	(Ksh 6m paid bal 54m)	
			6.Hold workshops to review the draft spatial plan,		
			7.Organize for City to City bench making forums,		
			8. Engage county assembly in the approval process.		

- NMS should get back to the drawing board and seek the help of the County Treasury in formulating an ADP that will address the Sector priorities as aligned in the CIDP 2018-2022. Priorities for priorities for **Housing, Urban Renewal, Land & Planning Sector** should also be included.

g) Health Services Committee

- The Directorate of Health Services, NMS should liaise with County Treasury to develop proper framework for preparation of ADP; and
- The Select Committee on Finance, Budget and Appropriations considers for approval programmes and sector priorities contained in the County Integrated Development Plan

h) Water and Sanitation Committee

— The Committee recommends to the Finance, Budget & Appropriations Committee that the programmes, projects and sector priorities under year 4 as captured in the CIDP 2018 -2022 should form the sectors CADP for FY 2021/22.

i) Energy and ICT Committee

That the Select Committee on Finance, Budget and Appropriations considers for approval priorities submitted to the Sectoral Committee as follows:

a) ICT and E-Government

— The ICT and E-Government Annual Development Plan be approved as proposed to be in line with the Sectors' priorities to enable the Sectors achieve their objectives;

Programme	Sub-Programme	Estimated Cost
<u>Programme 1.</u> General ICT Administration & Planning Support Services	Sub- Programme 1. Administration Section	103,866,253
Programme 1 Total		
<u>Programme 2.</u> Public Communication	Sub- Programme 1 Headquarters	1,361,800
	Sub-Programme 2 Publishing and Printing Services	5,447,900
	Sub- Programme 3 Advertising, Awareness and Publicity Campaigns	60,154,700
	Sub-Programme 4 Hospitality Supplies - other (4,539,900

Programme 2 Total		71,504,300
<u>Programme 3</u>		
E-government	Sub-Programme 1. EGovernment Services	13,177,100
	Capital	209,100,000
Programme 3 Total		222,277,100
<u>Programme 4</u>		
ICT Infrastructure	Sub-Programme 1. Infrastructure	5,447,600
	Capital	60,900,000
Programme 4 Total		66.347,600
<u>Programme 5</u>		
Information Security	Sub-Programme 1. Information Security	5,447,600
Programme 5 Total		5,447,600
<u>Programme 6</u>		
eLearning	Sub-Programme 1.	8,901,300
Programme 6 Total		8,901,300
TOTAL		472,896,553

— The County Executive should endeavor to decentralize the procurement system so as to address the lengthy procurement process challenges in the County.

b) Energy Sub-Sector

— That the following be approved as the sector priorities for the Energy Sub-sector as provided in the CIDP

Delivery Unit	Output	Activities	Indicators	Budget Est. (Kshs. Million)
Energy Sub-Sector	Increased uptake in renewable Energy	Installing of solar panels & Led lighting	No. of solar panels installed No. of LED lighting installed	20M
		Introducing innovative clean cooking – ethanol stove tier 4	No. of improved cooking stoves installed	50M
		Energy generation from waste water ponds	Amount of energy generated from waste water ponds	1.6
	Increased Energy efficiency in institutional buildings	Carrying out energy audits	No of energy audits carried out	50M
	Total			89M

j) Labor and Social Welfare Committee

Having considered the County Annual Development Plan FY 2021/2022 and the submissions by the Sectors, the Committee recommends as follows:

— The Public Service Management Annual Development Plan be approved as proposed to be in line with the PFM's priorities to achieve the sector's objectives;

RECURRENT (0-5320000201)		
HUMAN RESOURCE MGT SP.1	FROM (Kshs 000')	TO (Kshs 000')
Medical Insurance	650,000,000	1,100,000,000
Car Loan	0	250,000,000
Mortgage	0	250,000,000
Voluntary early retirement scheme (VERS)	0	100,000,000
Training (<u>Industrial Training Levy</u>)	8,000,000	38,000,000
Training (Capacity Building)	20,000,000	30,000,000
	678,000,000	1,768,000,000
SUB TOTAL		
DEVELOPMENT		
HUMAN RESOURCE MGT SP.1	FROM (Kshs 000')	TO (Kshs 000')
Biometric	0	16,000,000
Customer Care	30,000,000	15,000,000
SUBTOTAL	30,000,000	31,000,000

GRAND TOTAL	708,000,000	2,799,000,000
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— The County Public Service Board Annual Development Plan be approved as proposed to be in line with the Board's priorities to enable achieve its objectives;

Programme	Sub-Programme	Estimated Cost
	Personnel Emoluments	38,037,179.00
General Administration and Support Services	Office Renovation	15
	Automation	25
Sub Total		40 million
Policy, Planning and Development	Human Resource Policies and Procedures Manual	20
	Staff Code of Conduct	15
	CPSB Strategic Plan	10
	Career guidelines	15
	Values and Principles	10
Sub Total		70 million
Grand Total		148,037,179.00

— The Youth Affairs & Social Services Sectors' Annual Development Plan be approved as proposed to be in line with the Sectors' priorities to enable the Sector achieve its objectives;

Programme	Projects	Target for 2021/22	Budget (Millions)
	- Rehabilitation and construction of perimeter wall for Community Centres	12	65
Family and Social Welfare	Care for the aged	250	4
	Psycho-social support and care	1,530	2
	Sensitization of vulnerable persons	300	4
	Social work exchange program	4	3.2
	Development of county social welfare policy	1	5
	Construction of perimeter fence at Mji wa Huruma	1	8
	Establish a Gender Based Violence (GBV) Rescue center at karura	1	50
	TOTAL		291.7

- That the Public Service Management, County Public Service Board and Gender and Social Services sectors align their respective projects in ADP as captured in the CIDP; and
- The Sectors to liaise with the Finance and Economic Planning as well as Procurement department to ensure that all ongoing projects are implemented to avoid rollover that affect new ones.

k) Agriculture, Livestock and Fisheries Committee

- The Sector to make a provisions and fill in the baseline figures to facilitate tracking of change in programmes and projects across the years;
- The Sector to provide a detailed breakdown of projects and their locations where these projects have been lamped in regional classification e.g City wide, all sub-Counties;

Programme	Projects	Target for 2021/22	Budget (Millions)
Youth Empowerment	-Establishment of a Data base of youth serving organizations	1 No	3.5
	-Capacity building to address gaps affecting youth	1,000	4.5
	-Creating awareness on topical issues affecting youth	2,000	2.8
	-Formulation of County Youth legislations	1No. ACT	4.7
Gender and Disability Mainstreaming	-Formulation of County gender legislations	2	10
	-Undertake gender audit	10	10
	-Construction of a safe house for GBV survivors	1	40
	-Establish a Breastfeeding room	1	5
	Appointment of a PWDs advisory committee	1	8
	Establishment of a PWDs economic empowerment fund	1	20
	Provision of sanitary towels for basic education APBT		20
Recreation and welfare services	-Talent scouting and development	100	2
	-Organizing youth recreational festivals	5	5
		800	
	-Equipping/ furnishing and provision of training materials	17	15

- The Sector to liaise with the Finance and Economic Planning Department to ensure that all ongoing projects are clear in the current financial year to avoid roll overs to FY 2022/2023 that will interfere with rolling out of new projects; and
- The Sector to supply the committee with a detailed Annual Development Plan covering areas of critical interest to enable the committee to interrogate the sector's forecasted plans.

l) Ward development Committee

Having considered the submissions by the WDF Sub-Sector, the Committee recommends that the Select Committee on County Finance, Budget and Appropriations:

- Adopts the priority projects of then Ward Development Fund for implementation during the FY 2021/2022 as set out in ANNEX 2 attached;
- Approves the takeover and implementation of ongoing projects by the NMS for expeditious realization of the objective of the Fund.

m) Trade, Tourism and Cooperatives Committee

- The Sector to liaise with the Urban Planning Sector and Finance and Economic Planning Sector to complete all the ongoing/ pending projects to avoid roll overs;
- The Sector to come up with a bill on County Cooperative Societies for seamless operations; and
- The Sector to align the ADP to the CIDP;

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

13. **Mr. Speaker**, in the process of consideration of this ADP the Finance, Budget and Appropriations Committee held discussions with the County Treasury, Chairs of Sectoral Committees and the various Sectors to disseminate the specifics of the projects and programmes enlisted in the ADP and from the discussions the Committee managed to come up with a number of observations. This section of the report would endeavor to record some of the observations of the Committee on selected Sectors programmes as well as propose ways of dealing with any identified gaps.
14. **Mr. Speaker Sir**, the County Assembly Service Board (CASB) is charged with the responsibility of ensuring that the County Assembly as an independent organ of the County Government is resources with adequate resources to take care of the welfare of the Members and staff of the County Assembly. It was noted that the ADP as tabled did not contain the development priorities for the CASB and it is for that reason that the Committee requested for the same to be submitted for review and approval. From the submitted information it is noted that in the financial year 2021-22 the CASB intends to implement the strategies contained in the approved CIDP with focus being on acquisition of non-residential assets, construction of ward offices, installation of ICT infrastructure, digitization of County Assembly Services and acquisition of the Speaker's residence. The Committee noted that some of the ADP priorities for the Board as submitted were not in consonance with the best budgeting practices, had a bloated resource requirement that could not be housed in the budget for the coming financial year, the allocation for the Speaker's residence exceeded the amount allowed by the Salaries and Remuneration Commission (SRC), the budget for the County Assembly was anchored on a non-existent strategic plan and also not fully compliant with the Program Based Approach to budgeting. Further, the Committee was not convinced that the Board was fully on track towards meeting the set deadline for acquisition of the Speaker's residence.

15. **Mr. Speaker Sir**, following response from the Clerk of the County Assembly the Committee was informed that the the review of the Strategic Plan has commenced with the ADP being rolled out on the branches of the CIDP 2018-22, the ADP was amended to comply with the critical requirements of PBB and the excessive allocation of Kshs. 1.72billion for digitization was knocked off the budget. By and large the Committee agreed with the submissions from the Clerk but resolved that going forward the County Assembly must always endeavor to meet the timelines for submission of documents to the County Treasury for consolidation, all budget documents must be prepared in line with the PBB, and the submitted budgets must be alive to the resources limits and historical information on the County's revenue availability and absorption capacities.

16. The Finance and Economic Planning Sector has the solemn duty of guaranteeing the other Sectors of the Nairobi City County Government on the availability of financial resources necessary for actualizing the immediate and future needs. The submitted ADP has a resource requirement of Kshs. 12billion excluding the budget for the transferred functions and the CASB casting doubt on whether the aspirations contained therein are realistic or they are merely wishful thinking. The Committee listened carefully to the County Treasury who in response submitted that with an optimal revenue collection there would be surplus resource capable of funding all the activities while also transferring adequate financial capital to NMS for rolling out programmes under transferred functions. The Committee hopes the revenue raising measures talked about shall be implemented and all functions funded as indicated.

17. **Mr. Speaker Sir**, the County Assembly has emphasized the need for settlement of pending bills with considerable resources being appropriated annually in this regard. However, these efforts have done little to ensure that the County has no pending obligations at the tail end of the financial year. The PFM Regulations have attempted to cure late commitments in the financial year by requiring that all procurements for the supply of goods and services are done not later than end of May. There is need to ensure that the debt management strategies pronounced annually are implemented and that the figures set aside for settling debts/ pending bills are utilized for that purpose. Implementation of projects listed in the budget would be remain a daunting task if the

County continues dishonor its contractual agreements and settle amounts for completion certificates submitted.

18. **Mr. Speaker Sir**, during the receipt of Sectoral Committee reports on this ADP most Sectoral Committees submitted requests for purchase of motor vehicles to be used to advance the activities of the respective Sectors. In this regard there were requests for purchase of vehicles under Security and Compliance, Sub County Administration, Internal Audit among others making that line item a key development agenda in the coming financial year. The Committee also listened to the County Treasury's submissions that there is need to evaluate the need of additional motor vehicles against the existing pool of vehicles that either require repair or proper allocation for use. The Committee shall hence be making recommendations aimed at ensuring that purchase of motor vehicles across the various Sectors does not crowd out other key development priorities.

F. COMMITTEE'S RECOMMENDATIONS

19. Mr. Speaker, in summary and pursuant to the provisions of Section 126 (3) of the PFM Act, 2012 and Standing Order 219, the Finance, Budget and Appropriations Committee recommends that the Annual Development Plan for the FY 2021-22 be amended as follows under the respective Sectors: -

— Transferred Functions (County Health Services; County Transport Services; County Planning and Development Services; County Public Works, Utilities and Ancillary Services)

- a) That in implementation of the programmes under the Transferred Functions the Nairobi Metropolitan Services shall take into account the approved CIDP 2018-22 with specific focus on the fourth year of the CIDP which informs the ADP for FY 2021-22; and
- b) That the projects, programmes and priorities for the Wards Development Fund be included in the ADP and the same be implemented as proposed by the Select Committee on Wards Development Fund







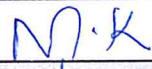
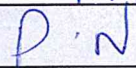

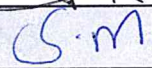

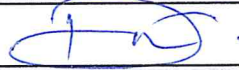
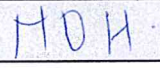
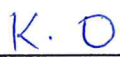
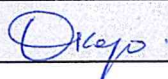
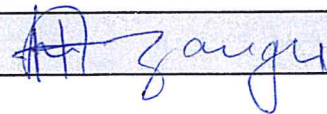
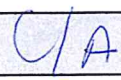


— County Assembly Service Board

- a) That the development priorities for the CASB be amended by deleting the allocation, programmes, activities and all matters related to the Kshs. 1.72billion for digitization of Assembly services;
- b) That the CASB finalizes the preparation of the Strategic Plan for 2020-24 and the same be available before approval of the budget estimates for the FY 2021-22; and
- c) That the Clerk of the County Assembly shall always ensure that budget related documents for the CASB are prepared and submitted to the County Treasury for consolidation in line with the guidelines issued by the County Treasury as borrowed from the PFM Act, 2012

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

“This County Assembly adopts the Report of the Select Committee on County Finance, Budget and Appropriations on the Annual Development Plan 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 Annual Development Plan for the FY 2021-22 as adopted by the Committee on the 26th February, 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	

MINUTES OF THE 5TH SITTING OF 2021 OF THE NAIROBI CITY COUNTY ASSEMBLY
FINANCE, BUDGET AND APPROPRIATIONS COMMITTEE (SECOND ASSEMBLY) HELD
ON FRIDAY 26TH FEBRUARY 2021 AT 12.00PM IN THE COUNTY ASSEMBLY
COMMITTEE ROOM 4, CITY HALL BUILDINGS.

PRESENT

- | | |
|----------------------------------|------------------|
| 1. Hon. Robert Mbatia, MCA | Chair |
| 2. Hon. Michael Ogada, MCA | Vice-Chairperson |
| 3. Hon. J.M Komu, MCA | |
| 4. Hon. Wanjiru Kariuki, MCA | |
| 5. Hon. Herman Azangu, MCA | |
| 6. Hon. Jacinta Wanjiru, MCA | |
| 7. Hon. Cecilia Ayot, MCA | |
| 8. Hon. Daniel Ngengi, MCA | |
| 9. Hon. Emily Oduor, MCA | |
| 10. Hon. Fredrick Okeyo, MCA | |
| 11. Hon. James Kariuki, MCA | |
| 12. Hon. Nimo Haji, MCA | |
| 13. Hon. David Okello, MCA | |
| 14. Hon. Osman Adow, MCA | |
| 15. Hon. Elizabeth Nyambura, MCA | |
| 16. Hon. Patrick Karani, MCA | |
| 17. Hon. Susan Makungu, MCA | |
| 18. Hon. Anthony Ngaruiya, MCA | |

ABSENT

1. Hon. David Mberia, MCA
2. Hon. Paul Ndungu, MCA
3. Hon. Catherine Okoth, MCA
4. Hon. Kennedy Oyugi

5. Hon. Nancy Muthami, MCA
6. Hon. Emapet Kemunto, MCA
7. Hon. Mellab Atemah, MCA

SECRETARIAT

1. Mr. Farah Gabow -Fiscal Analyst

IN ATTENDANCE

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

MIN 026/FBAC/FEB/2021: Preliminaries

The Chairperson called the meeting to order at seven minutes past twelve o'clock in the afternoon 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. House Keeping
3. Tabling of Nairobi City County Metropolitan Bill, 2021
4. Tabling of 1st Quarter Nairobi County Budget Implementation Report FY 2020/21 from Controller of Budget
5. Tabling of letter from NMS on payment of verified pending bills
6. Consideration and Adoption of the Report on ADP for FY 2021/22
7. Any Other Business
8. Adjournment

The agenda for the day was adopted after being proposed by Hon. Fredrick Okeyo and Seconded by Hon. Elizabeth Nyambura.

MIN 027/FBAC/FEB/2021: Housing Keeping

The members were reminded of the Committee's pending businesses key among them being Supplementary Estimates (1) FY 2020/21, the Finance Bill, 2020 and County Fiscal Strategy Paper 2021/22 and the need to conclude their processing within a short timeline. The members' attention of Members was also drawn to the upcoming Workshop in Kisumu where the Committee will be deliberate on the Supplementary Estimates (1) FY 2020/21 and also unpack CFSP 2021/22.

MIN 028/FBAC/FEB/2021: Tabling of Nairobi City County Metropolitan Bill, 2021

The members noted the Bill and Chairman directed that the Budget Office analyze the Financial Implication of the Bill before the Committee makes determination on the same.

MIN 029/FBAC/FEB/2021: Tabling of 1st Quarter Nairobi County Budget Implementation Report FY 2020/21 from Controller of Budget

The Controller of Budget First Quarter report on the implementation of Nairobi City County Government Budget for FY 2020/21 was laid before the Committee.

The members noted the report and the Chairman directed that the Budget Office to prepare brief on the same.

MIN 030/FBAC/FEB/2021: Tabling of letter from Nairobi Metropolitan Services (NMS) on payment of verified pending bills

The letter from NMS was read for the members by the Principal Fiscal Analyst (PFA). The letter that is addressed to the Cabinet Secretary at the National Treasury and copied to the Chairman of the Finance, Budget and Appropriations Committee indicated that the verified pending bills would be struck off from the list of pending bills by the County Government ones the payment has been finalized.

MIN 031/FBAC/FEB/2021: Consideration and Adoption of the Report on ADP for FY 2021/22

The draft report on the County Annual Development Plan 2021/22 was presented to the Members by the PFA.

The following were the concerns raised by the Members: -

- The County Assembly Service Board has become reluctant and would be invited for a meeting during consideration of the CFSP 2021/22. This was prompted by late submission of documents that require to be consolidated with that of the County Executive.
- The CFSP 2021/22 would likely to bring challenges since the priorities of the Nairobi Metropolitan Services that were ought to have been included in the ADP for FY 2021/22 have not been submitted.
- There is need to address the disconnect between NMS and the County Executive.
- The County Assembly is not submitting statutory deductions they deduct as part of salary. This includes PAYE and deductions on Car Loan and Mortgage.
- The Need for a meeting with NMS before consideration the CFSP to allow room for their priorities be included in the ADP if possible before the report is approved by the County Assembly.
- The Report on ADP for FY 2021/22 be tabled next week on Tuesday 2nd March 2021.

The following were the recommendations of the committee to be captured in the report on the ADP FY 2021/22.

- Transferred Functions (County Health Services; County Transport Services; County Planning and Development Services; County Public Works, Utilities and Ancillary Services)
 - a) That in implementation of the programmes under the Transferred Functions the Nairobi Metropolitan Services shall take into account the approved CIDP 2018-22 with specific focus on the fourth year of the CIDP which informs the ADP for FY 2021-22; and

- b) That the projects, programmes and priorities for the Wards Development Fund be included in the ADP and the same be implemented as proposed by the Select Committee on Wards Development Fund

— County Assembly Service Board

- a) That the development priorities for the CASB be amended by deleting the allocation, programmes, activities and all matters related to the Kshs. 1.72billion for digitization of Assembly services;
- b) That the CASB finalizes the preparation of the Strategic Plan for 2020-24 and the same be available before approval of the budget estimates for the FY 2021-22; and
- c) That the Clerk of the County Assembly shall always ensure that budget related documents for the CASB are prepared and submitted to the County Treasury for consolidation in line with the guidelines issued by the County Treasury as borrowed from the PFM Act, 2012.

The members adopted the report with the above recommendations in readiness for tabling on the floor of the County Assembly.

MIN 032/FBAC/FEBRUARY/2021: AOB

The members agreed to have occasional physical meeting since at times concentration on the online platform may hindered when there are large documents to be considered.

MIN 033/FBAC/FEB/2021: Adjournment

The time being sixteen minutes past one o'clock in the afternoon and having dispensed with the business of the day the Chair adjourned the meeting.

CONFIRMED AS TRUE RECORD OF PROCEEDINGS

Sign.....

Date.....

(CHAIRMAN)

Sign.....

Date.....

(FISCAL ANALYST)

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