

**COUNTY GOVERNMENT OF NAIROBI CITY**



*Paper laid by Hon. Odalo  
on Tuesday 25 June 2024  
@ 2:30pm  
[Signature]  
25/06/24*

**NAIROBI CITY COUNTY ASSEMBLY**

**THIRD ASSEMBLY – THIRD SESSION**

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**18<sup>TH</sup> REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE,  
BUDGET AND APPROPRIATIONS**

**ON**

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**THE CONSIDERATION OF THE REVENUE AND EXPENDITURE ESTIMATES FOR  
THE NAIROBI CITY COUNTY GOVERNMENT AND THE COUNTY ASSEMBLY FOR  
THE FY 2024-25**

**JUNE 2024**

## **I.PREAMBLE**

### **1.1. Background**

**Mr. Speaker Sir**, it has been approximately two years since Kenyans went to the ballot to elect the leadership of the Third County Government with a promise to change the dimming fortunes that have been accruing to Nairobians since the onset of devolution. The new leadership came to office to a backlog of historical challenges that had been carried forward from the previous administrations which the elected representatives undertook to solve through a myriad of mitigating measures. The Third County Government made up of the County Executive and the County Assembly is therefore required to have a meeting of minds with a singular focus of ensuring that by the end of the term of the current regime the challenges are nipped in the bud.

**Mr. Speaker Sir**, it is important to remind Members that at the polls the electorate chose the administration of His Excellency Johnson Sakaja with an underlying theme and desire of making Nairobi a city of order, hope, dignity and opportunities for all. As part of this broad desire the Governor had set out to achieve the following:-

- 1) A working universal healthcare to ensure residents are able to access medical health as a right guaranteed under the Constitution;
- 2) Delivering clean and safe water for all Nairobi households;
- 3) Sustaining environmental protection by ensuring a clean and green Nairobi that is conducive for living and investment opportunities;
- 4) Taking services closer to the people through decentralization of the city into five (5) boroughs for focused service delivery;
- 5) Efficient mobility services that are affordable, reliable and orderly;
- 6) Ensure 100% transition rate at all levels of education by supporting healthy lunch for all learners in public primary schools;
- 7) Ensure 100% transition to secondary schools through fair identification and disbursement of bursaries;
- 8) Modelling and equipping vocational training centres into technical and skills hubs as well as ensuring TVETs are adequately funded and have modern training equipment;
- 9) Advancing the hustlers aspiration of building the economy from bottom up;

- 10) Building new markets within the city;
- 11) Delivering a digital unified single business permit;
- 12) Ensure full implementation of the AGPO; and
- 13) Prioritize construction of sport centres in all sub counties and establish more community libraries.

In this regard, **Mr. Speaker Sir**, the Budget Committee has reviewed these annual budget estimates with clarity of mind and objectivity of purpose on what the administration intended to accomplish at its inauguration and once again reminded the County Executive officials to remain vigil on timely attainment of the grand plan.

**Mr. Speaker Sir**, this is the second time that this third County Assembly has congregated to consider and make determination on annual budget estimates for the Nairobi City County Government and the County Assembly. The Committee has positively used the lessons learnt from the previous exercise to better the budget making process and make our budgets responsive to the needs of the electorate.

**Mr. Speaker Sir**, the provisions of Article 221 of the Constitution , as read with modifications, 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. In the same vein, 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. In this regard, the estimates for revenue and expenditure were submitted to the County Assembly and tabled as required by the provisions of the Public Finance Management Act, 2012 and the Standing Orders.

### **1.2. Committee Membership**

**Mr. Speaker**, the consideration of these budget estimates for the FY 2024-25 was stewarded by the County Assembly Finance, Budget & Appropriations Committee under



the leadership of the Chairman, **Hon. Wilfred Oluoch Odalo** and supported by the following Members:

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|---|---------------------------|
| 1) <b>Hon. Emily Oduor, MCA</b>         | <b>– Vice Chairperson</b> |
| 2) Hon Anthony Kiragu, MCA              |                           |
| 3) Hon. Moses Ogeto, MCA                |                           |
| 4) Hon Mark Mugambi, MCA                |                           |
| 5) Hon. Jeckoniah Onyango, MCA          |                           |
| 6) Hon. Catherine Apiyo Okoth, MCA      |                           |
| 7) Hon. Jane Muasya, MCA                |                           |
| 8) Hon. Jane Wanjiru, MCA               |                           |
| 9) Hon. Asli Muhamed, MCA               |                           |
| 10) Hon. Rosemary Masitsa, MCA          |                           |
| 11) Hon. Perpetua Mponjiwa, MCA         |                           |
| 12) Hon. Collins Ogenga, MCA            |                           |
| 13) Hon. Fathiya Abdillahi Mohamed, MCA |                           |
| 14) Hon. Sam Kago, MCA                  |                           |
| 15) Hon. Anthony Ngaruiya Jasho, MCA    |                           |
| 16) Hon Paul Ndungu, MCA                |                           |
| 17) Hon Ciciliah Wairimu Njathi, MCA    |                           |
| 18) Hon Waruguru Kanyi, MCA             |                           |
| 19) Hon Joyce Kamau Muthoni, MCA        |                           |
| 20) Hon Waithera Chege, MCA             |                           |
| 21) Hon Susan Makungu, 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 205 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 2024-25**

**Mr. Speaker Sir,** in reviewing the Budget Estimates for FY 2024-25, the Committee held meetings in which it received submissions from the County Executive Committee Member responsible for Finance, the Sectoral Committees led by their respective Chairpersons, the various Sectors and the Secretary to the County Assembly Service Board. The Committee also received a wide range of submissions from the Members of the public through public hearings on the draft estimates held in the various sub counties. 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) Officers from the County Executive led by the County Treasury, who appeared before the Finance Committee for the purposes of making submissions on the estimates;
- c) Sectoral Committees led by the respective Chairpersons who diligently scrutinized the estimates and submitted very informative recommendations to the Committee;
- d) 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;
- e) Members of the public who set aside their daily hustles and honored their civic duty by attending and participating in the public hearings on estimates that were held in the 17 sub counties; 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 2024-25 and the medium term and recommend it to the Assembly for adoption.

Signed..... ..... Date 25/06/2024.....

**Hon. Wilfred Odalo, MCA**

**Chairperson: Finance, Budget and Appropriations Committee**

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## **II. SCRUTINY OF THE BUDGET ESTIMATES FOR THE FY 2024-25**

### **A. Review of the overall Budget for the FY 2024-25**

- 1. Mr. Speaker Sir**, in line with the approved ceilings in the County Fiscal Strategy Paper 2024, the total County budget is proposed to equal Kshs. 41.56billion out of which Kshs. 29.1billion is meant for recurrent expenditures while Kshs. 12.47billion has been earmarked for development initiatives. With these allocations the development budget represents about 30% of the overall budget. Comparing these intended allocations to the revised budget for the FY 2023-24 as contained in supplementary I there is proposed downward revision of the overall budget by about Kshs. 718million.
- 2. Mr. Speaker Sir**, on individual Sectoral allocations, the Health, Wellness and Nutrition Sector once again leads pack with an allocation of Kshs. 8.9billion thereby providing a safe buffer for continued implementation of the universal health coverage. This allocation for the Health Sector represents about 22% of the overall budget implying that Nairobi City County is on track towards achievement of the Danida condition on 25% allocation to the Health related programmes.
- 3. Mr. Speaker Sir**, the overall leader in terms of development budget allocation is the Mobility and Works Sector which has been charged with the responsibility of improving the County physical infrastructure. To support this expansive mandate, the Sector has a proposed development allocation of Kshs. 2.9billion with majority of that amount having been allocation for maintenance of lighting fixtures and road maintenance. The fight on climate and its attendant effects including ensuring a clean environment is a responsibility placed on the shoulders of the Green Nairobi Sector and specifically the Environment Sub-Sector which has been allocated a total budget of Kshs. 2.97billion. Tapping on the enormous potential that the youth possess is a catalyst for growth and it is for this reason that the Talents, Skills Development and Care Sector has been allocated to the tune of Kshs. 3.5billion for among others supporting



disbursement of bursaries, construction of stadia, renovation of social halls among other core departmental objectives. The implementation of the budget and proper harvesting of its fruits is dependent on the existence of a sound fiscal environment germinated in a fertile ground of fiscal discipline prudent management of limited resources and highest level of accountability. The Finance and Economic Affairs Sector intends to guarantee this through the application of the Kshs. 3.2billion allocated in the FY 2024-25.

- 4. Mr. Speaker Sir,** to provide the right ammunition for oversight of implementation of the budget and other executive functions, the County Assembly allocations in the proposed budget estimates equal Kshs. 3.49billion out of which Kshs. 2.18billion is meant for recurrent programmes while Kshs. 1.31billion is for development related programmes. It is imperative to note that the recurrent ceilings for the County Assembly are set through the approval by the Senate on the County Allocation of Revenue Bill. At the time of considering these estimates the Senate through its Committee on Finance and Budget had recommended that the recurrent ceilings for the County Assembly be placed at Kshs. 1.924billion, a figure that has been domesticated in determining the Sectoral allocations contained in this report. In this regard, therefore the Committee shall be making recommendations to effect this position as approved in the national law.

#### **B. Financing the 2024-25 Budget**

- 5. Mr. Speaker Sir,** realizing that the provisions of the underpinning law only tolerate a balanced budget, the total County in flows for the FY 2024-25 are expected to be in tandem with the expenditure side of the budget at Kshs. 41.57billion consisting of Kshs. 20.38billion as equitable share, Kshs. 20.06billion as locally mobilized revenues, Kshs.351million being amounts collected from liquor licenses and Kshs.781million as conditional grants. The Committee in its review of the submitted budget estimates noted that the figures for revenues did not include projected allocations for other conditional grants

contained in the draft County Allocation of Revenue Bill and the projected cash balances to be carried forward from the current financial year.

**6. Mr. Speaker Sir,** during the consideration of these estimates the Committee took notice of the status of revenue performance with key focus being on the internal revenue generation. The Committee was informed that as the time the County had been able to collect about Kshs. 12.5billion with the County being fully on track to collect above Kshs. 13billion by the end of the FY 2023-24. The Committee also appreciated the concerns raised by the Controller of Budget on the internal revenue performance in which she affirmed that the own source revenue target may be unrealistic based on the historical trends. It was the view of the Office that unrealistic revenue projections have the potency of undermining the credibility of the budget leading to pending bills and stalling projects. The Committee has considered the submissions and notes that the County has the necessary to collect the revenue target contained in the budget with proper application of the tools available to it and the revenue enhancement measures approved in the County Fiscal Strategy Paper 2024. It is noteworthy that the Commission on Revenue Allocation has placed Nairobi's revenue potential at over **Kshs. 67billion** thereby requiring concerted effort to ensure that all amounts due to the County are swept and directed in the County basket. Following deliberations with the County Treasury the Committee resolved to retain the revenue target as proposed but re-emphasized the need to fully implement the strategies contained in the recommendations part of this report.

**7. Mr. Speaker Sir,** during the consideration of the budget estimates for the FY 2023-24 the Committee noted that the greatest threat to the realization of the devolution agenda is partly on the irregular disbursement of amounts due to the Counties as equitable share. The Committee lamented that late and non-linear disbursement of amounts due to the Nairobi County as equitable share has the net effect of making the County lame duck thereby limping in realization of objects and aspirations of devolution intended by Article 174 of the Constitution. It was indeed the view of the Committee that untimely remittances



from equitable share coupled with missed internal revenue targets plants enough landmines for unreliable service delivery and constipation of counties' development agenda. Review of the budget implementation report for the current financial year indicates that the factors have not changed much a year later. As the end of the Third Quarter of the current financial year the County Government had received just about Kshs. 13.4billion out of an annual target of Kshs. 20.1billion implying that once again the fiscal hammer might fall on the operations of the current financial year without full commitment of exchequer releases. The Committee emphasizes that the Constitution makes all stage organs partners for progress thereby imploring upon all involved to ensure that these disbursement hiccups are nipped in the bud going forward.

### **C. Review of Compliance of the Budget Estimates for The FY 2024-25 to the Prevailing Legislation**

- 8. Mr. Speaker Sir,** walkthrough the provisions of law contained in the Constitution of Kenya 2010, existing statutes and our very own Standing Orders lead to the inescapable conclusion that the County Assembly has the necessary paraphernalia to ensure that the budget making process is run as required. 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 County Governments Act 2012, the PFM (County Government) Regulations 2015 and the County Assembly Standing Orders. It is the responsibility of the Finance, Budget and Appropriations Committee to confirm to the County Assembly that budget documents submitted to it pass master in terms of conformity to the set legal and statutory requirements. This Section of the report therefore aims to draw the attention of this County Assembly to the level of compliance with the set legal parameters.
- 9. Mr. Speaker Sir,** in terms of adherence to the set timelines, the provisions of Article 221 and Section 129 (2) (a) of the PFM Act, 2012 require 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 the itemized and the program-based budgets by 30<sup>th</sup> April 2024. The program-based budgets submitted are meant to provide information on the linkage of the resources requested for various activities to the outputs that the public would derive from such expenditures.

**10. Mr. Speaker Sir,** in their submissions the Controller of Budget noted that Section 12 of the Second Schedule of Public Finance Management (PFM) Act, 2012 required County Governments to implement programme based budget (PBB) as from FY2014/15 and pointed out that the Human Resource Approved Establishment Analysis is not captured in the PBB despite the same being captured in Circular No.2/2024 of Nairobi City County. Further, during the consideration of these estimates the Committee noted that the County Treasury had not adhered to this requirement as the programmes lack costing for various targets. Moreover, the Committee was concerned that there were serious gaps identified under Health, Wellness and Nutrition sector with blanks spaces left with comments for an officer to fill. Further, The Committee noted that some of the programmes in the submitted budget estimates were not in the approved County Fiscal Strategy Paper.

**11. Mr. Speaker Sir,** in the previous approvals on budget documents by the County Assembly emphasis has been given on the program based budgets as efficient tools for stakeholders in the budget process to oversight budget implementation. The drafters of the PFM Act, 2012 were alert on the deficiencies posed by itemized budgets as they provide limited information on the outputs intended to be realized through the application of public resources and key performance indicators to measure the path to the intended outcome. The Committee notes that without proper link between the programme based and the itemized budget then then it makes the resources requested for various expenditure lines stand on sinking sand. The Committee has once again advised accounting officers that there is need for them to pay keen attention on matters

pertaining to programmes during formulation of various budget documents and in cases where such information was not provided the Committee has proposed amendments in other parts of the report.

**12. Mr. Speaker Sir,** as was the case during the previous financial year, the Committee observed that the consolidated budget for the County Government as submitted did not contain the breakdown of the budget for the County Assembly. On the budget for the County Assembly, the Committee urges that the County Executive Committee Member for Finance to ensure fidelity to the law by statutorily submitting his comments on the budget estimates for the County Assembly as required by the provisions of Section 129 (4) of the Act. Whereas the Committee appreciates the challenges with compiling the itemized budget for County Assembly devoid of an approved County Allocation of Revenue Bill, it emphasizes that compliance to indelible provisions of law must not have any holidays.

**13. Mr. Speaker Sir,** the provisions of Section 129 (2) (b) of the Act require that the 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 provisions of the law are not static and they allow the County Executive Committee Member for Finance to keep the County Assembly abreast on areas of adjustments compared to the approval granted through the County Fiscal Strategy Paper. In this regard, the Office of the Controller of Budget pointed out that the budget allocation for the Emergency Fund and the Department of Boroughs and Public Administration deviate from the County Assembly resolutions on the CFSP 2024. On non-compliance with the CFSP ceilings as raised by the COB, the Committee observes that the allocation for Emergency Fund of Kshs.199.3million was classified under Boroughs and Public Administration Sector as the Fund falls within the sector during the consideration of CFSP. However, given that Emergency Fund has its separate vote, the proposed Budget Estimate classified each vote with Boroughs and



Public Administration Sector having its share of Kshs.4.1billion and Emergency Fund Kshs.199.3million. The Committee therefore confirms that the CFSP ceilings have been complied with in the preparation of the budget estimates.

**14. 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.*

**15. Mr. Speaker Sir,** once again it is important to remind the County Assembly on the import of the budget summary which is to provide the stakeholders in the budget hierarchy with a snapshot to the issues that are contained in the specific budget under consideration. Review of the submitted budget estimates for the FY 2024-25 indicate that it did not contain the budget summary as required by the provisions of the law. Therefore, it was a herculean task to prima facie comprehend the overall theme of the presented budget as well as attendant guiding philosophy on revenues, expenditures, debts, and debt financing. Lackluster revenue performance coupled with ballooning pending bills have been hypothesized as the parents to incomplete projects and improper budget implementation hence providing narrative solutions to them in this budget would have been critical for this County Government. Drawing a clear road map on debt and deficit financing as well as on debt repayments that has outstretched the asset base of the county would set it on the development trajectory. The budget summary would also have been a critical document towards gauging how the budget relates to the fiscal responsibility principles and the financial objectives of the County. Further, the Committee noted that 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. The Committee requested for this information and it was provided during the consideration of these estimates and the information utilized during determination on the Sectoral resource allocations.

- 16.** Regarding adherence to the fiscal responsibility principles **Mr. Speaker Sir**, the Committee notes that the County has been off track in ensuring that the wage bill is restricted within the 35% mark with actual expenditure on development being nothing to write home about. The Controller of Budget in her submissions reminded the Committee of the provisions of Regulation 25 (1) (b) of the PFM (County Governments) Regulations 2015 which sets the ceiling on expenditure on wages and benefits at 35% of county's total revenue. It was noted that the Draft Budget Estimates had personnel emoluments amounts at Kshs.16.98billion translating to 40.8% of the total revenue. The Committee notes that reduction of personnel emoluments to the 35% threshold required by the law is not an event but steady action points that would ensure that the mark is realized over the medium term. The Third National Wage Bill conference held in December 2023 at the Bomas of Kenya appreciated this fact and indeed resolved that all government agencies endeavor to reach that target by the year 2028. The Committee has hence agreed with the County Executive that the same be adhered to subject to the recommendations contained in other parts of this report.

- 17.** **Mr. Speaker Sir**, in the past the Committee has resolved that the Emergency Fund be implemented within the framework anticipated in the provisions of Sections 110-115 of the PFM Act, 2012. These provisions require that the fund be administered by the County Executive Committee Member for Finance, the funds be utilized for definite purposes and any payments within a financial year do not exceed 2% of the total county revenues. In their submissions to the County Assembly, the Office of the Controller of Budget noted

that the Draft Budget Estimates has allocation under the Department of Emergency Fund of Kshs. 193million to the Emergency Fund which is 0.5 percent of the budgeted revenue estimates. It was the view of the Office that allocations for Emergency Fund had fallen short of the floor required by law. The Committee has reviewed the submissions by the Controller of Budget against the indelible provisions of law and notes that contrary to the assertion by the Controller of Budget, the provisions of Section 110-113 of the PFM Act, 2012 do not set the floor of resources to be contained in an emergency fund. For clarity, Section 113 of the Act, refer to the maximum payments that can be made out of the Fund which is restricted to not more than 2% of the total County government revenue as contained in the audited financial statements for the previous financial year. The Committee therefore submits that the allocations approved for the Emergency Fund meet the legal parameters but has once again urged the County Treasury to ensure that allocations for emergencies are spent in accordance with the law.

- 18. Mr. Speaker Sir,** the provisions of law require that budget documents be prepared in a manner that is clear and easily understood by and readily accessible to members of the public. The Committee notes that there were some budget lines that had amalgamated the allocations together making it difficult to comprehend with clarity the intention of such allocations. The office of the Controller of Budget pointed out that these allocations with sufficient narration and relevant documents to ensure transparency. The Committee has recommended that the same be unbundled with such details submitted to the Committee during these deliberations be included in the final budget books to be published in line with Section 131 (6) of the PFM Act, 2012. The Committee also learnt from the Office of the Controller of Budget that there were items listed as development yet they were supposed to be classified under recurrent votes. The Committee considered this submission with full appreciation of the provisions of the PFM Act, 2012 which defines “development expenditure” as the expenditure for the creation or renewal of assets. The Committee therefore opines that the items listed meet the criteria to be defined as development expenditure.



**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,** once again the Committee commends the County Treasury for having adhered to the above statutory requirements save for the fact that the submitted estimates had no narration on how the County Treasury had implemented the resolutions of the County Assembly on the budget estimates for the FY 2023-24 as already pointed out earlier in this report.

**21. Mr. Speaker Sir,** the provisions of the PFM Regulations have provided additional issues that the County Government should 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 Sir,** drawing parallels between the above provisions with the budget estimates under consideration point to the fact that the tabled budget estimates have details of revenues and expenditures included, expenditures are authorized for FY 2024-25 only, the revenue and expenditures are balanced and all earmarked expenditures are 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 2024-25. Specifically, 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. The Committee has resolved that the same be fast-tracked and made available.

#### **D. Summary of Key Issues Arising from Public Submissions**

**23. Mr. Speaker,** the definitive role 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 compliance 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. Further, the Committee held physical public hearings in the seventeen sub counties within the County on Tuesday 4<sup>th</sup> and Wednesday 5<sup>th</sup> June 2024 where members of the public submitted their views on the tabled budget estimates. The submissions have been considered by the Committee and annexed to this report.

#### **E. Submissions from Sectoral Committees**

**24. Mr. Speaker Sir,** the provisions of Standing Order 228(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 2023-24, the Sectoral priorities and the associated budgetary allocations for the FY 2024-25. The Sectoral Committees made the following recommendations to the Budget Committee.

##### **— Environment and Natural Resources**

- a) That the allocation for solid waste management section be revised upwards from Kshs 855million to Kshs 1.8billion;
- b) That, Kshs. 100,000,000 be provided for purchase of working tools, PPEs and uniforms to facilitate the newly recruited support staff.
- c) That under parks and open spaces sub-programme be increased to Ksh 200million.
- d) That, Kshs 60million be allocated for Environmental noise pollution control and environmental programmes awareness.
- e) That, the allocation for Environment Planning Managements Services (Climate Change and Air Quality) be increased from Kshs. 16million to Kshs100million.



- f) That recurrent budget of the Environment and Natural Resources sub-sector be increased from **Kshs 2.76billion to Kshs 4.9billion** and that of the development expenditure be increased from **170 million to Kshs 643million**.

— **Lands, Planning and Housing**

**1) Policy Recommendations**

- a) That the County Executive Committee Member for Built Environment and Urban Planning to put in place policy measures where preparation of bills of quantities is done early in time in order to inform actual allocations in Budget Estimates;
- b) That the County Executive Committee Member decentralizes finance function to Sectors to facilitate expeditious processing and monitoring of budget and expenditures. This is geared towards enhancing budget absorption;
- c) That the County Executive Committee Member reviews procurement processes in view of identifying areas for introduction of reforms in order to make the procurement process expeditious;
- d) That the County Executive puts in place policy measures to guide public private engagements with respect to funding of major development projects; and
- e) To ensure enhanced budget absorption, the CEC Member for Built Environment and Urban Planning to commit funds as per the approved budget early in time.

**2) That the Committee recommends the following re-allocations:**

- a) That, Ksh. 19million allocated for purchase of bulk fillers be re-allocated to Office refurbishment for 1<sup>st</sup> and 4<sup>th</sup> Floors at City Hall Annex since the same was already procured. Further, the Committee allocates an additional Ksh. 21million to sum up to Ksh. 40million in line with the BQs;
- b) That, Ksh. 50million be excised from Land and GIS development budget of Ksh. 157million and be re-allocated to re-current expenditure under Land and GIS for establishment of a County valuation court;
- c) That, Ksh. 10million allocated for renovation of Madaraka Estate be re-allocated for renovation of Kariokor Estate since Madaraka Estate ceased to be a County Estate; and



- d) That, Ksh. 50million of the Ksh. 60million allocated for maintenance of lifts and machinery under Land and GIS recurrent expenditure be re-allocated to purchase and installation of 5 new lifts at City Hall Annexe as a capital project;

**3) The Committee recommends the following additional allocations:**

- a) That, additional Ksh. 31million be allocated to personnel emolument up from the current Ksh. 353,401,230 to cater for staff promotions;
- b) That, on the project for purchase of 2 double cabin pickups at Ksh. 10million, the Committee allocates an additional Ksh. 50million to for purchase of 2 more double cabin picks ups and one (1) 14 seater van;
- c) That, the Committee allocates Ksh. 16million for filling of vacant positions in the Urban Development and Planning Sub-Sector where officers have been in acting capacity for a long time;
- d) That, the Committee allocates an additional Ksh. 50million towards implementation of Land Use; and Development Control Policies;
- e) That, the Committee allocates an additional Ksh. 155million for renovation of Kariokor, New Pumwani, and Mbotela Estates at Ksh. 70million, Ksh. 20million and Ksh. 65million respectively. This is in addition to Ksh. 10million reallocated to Kariokor from Land and GIS project;
- f) That, local Physical and land use plans and physical address systems project proposed in FY 2023/2024 but removed through Supplementary Estimates be allocated Ksh. 16million for completion;
- g) That, the Committee allocates additional Ksh. 6million for renovation of Gorofani and Kaloleni County estate offices at Ksh. 3million each;
- h) That, the Committee allocates additional Ksh. 150million for completion of the County Housing Policy; and
- i) That, the Committee allocates an additional Ksh. 300million towards a joint venture with partners towards re-development of Ziwani, Bahati, Jericho (Lot 1 and 2), Woodley, Kariobangi North and Maringo Estates. Investors in this Joint Venture to contribute development investment worth Ksh. 50billion.

**4) The Committee recommends the following proposed rolled over projects:**

- a) That, renovation of worth Ksh. 102.2million for Harambee, Huruma, Uhuru and Outerring road Estates projects at Ksh. 17.6million, Ksh. 20million, Ksh. 40million and Ksh. 24.6million respectively be rolled over and allocated funds; and
- b) That, renovation of County Estate Offices at Dandora HDD at Ksh. 3million be rolled over and allocated the funds.

— **Ward Development Fund**

- a) That, the Committee approves the Sector budget ceilings as proposed with the recurrent budget at Kshs. 65million and Development allocation at Kshs. 1.955billion with the total allocation at Kshs. 2.02billion.

— **Children, Early Childhood Education & Vocational Training**

- a) That, the Select Committee on County Finance, Budget and Appropriations approves an additional Kshs. 216million to facilitate construction of 114 classrooms in 67 ECD Centres. This will enable completion of 500 classrooms at a cost of Kshs. 2.5million per classroom;
- b) That, an additional Kshs. 70million be allocated for operations and maintenance to make to a total of Kshs. 96million.
- c) That, in summary therefore, the total additional allocation for the Sector be Kshs. 286million out of which Kshs. 216million is for recurrent expenditure and the balance of Kshs. 70million being development expenditure.

— **Trade, Tourism and Cooperatives**

- a) That, the Business & Hustler Opportunities sector's budget estimates be approved as proposed.

— **Water and Sanitation**

- a) That, the Sub-Sector's development budget be increased by Kshs 813million (*The allocate budget was Kshs. 41million but the sector requested for a total budget of Ksh. 855million*) t



cater for all roll over projects and all the pending bills and proposed newly implemented projects; and

- b) That, the Sub-Sector's recurrent budget be increased by Kshs. 56million (*The sector requested for Kshs. 100million but was allocated Kshs. 44million*).

— **Labour and Social Welfare**

- a) That, the County Public Service Board Budget be reviewed upwards to consider additional funds of Kshs. 181million (consisting of recurrent Kshs. 140million and development Kshs. 41million);
- b) That, the Public Service Management budget be approved with the recurrent expenditure being Kshs. 4.2billion and development expenditure of Kshs. 1billion.
- c) That, the budget for Youth Affairs and Social Services be increased by Kshs 29,684,610;
- d) That, the budget for Gender & Inclusivity Sub Sector be allocated an additional amount of Kshs. 100,000,000 for various program.

— **Health Services**

- a) That, the allocation for school feeding be increased by Ksh. 898,000,000 to be able to cater for the targeted school going children;
- b) That, allocation for Primary Health Care allocation be increased by Ksh. **29,505,520** to be able to support establishment of Primary Care Networks, a model for delivering UHC;
- c) That, health commodities be allocated a minimum of **Ksh. 600,000,000** to be able to buy drugs, laboratory reagents and other non-pharmaceuticals for 2024/2025.
- d) That, level 5 hospitals be given an additional **Ksh. 22,300,000** for normal operations;
- e) That, an additional Ksh. 175,000,000 be allocated for capital projects that were awarded and/or ongoing projects that will be rolled over to FY 2024-25;
- f) That, Mama Margaret Uhuru Hospital be allocated Kshs. 1.474billion for recruitment of health care workers.
- g) That an allocation of Kshs. 300million be made towards Health administration in the Headquarter which caters for O&M like fuel for ambulances, utility vehicles, generators, incinerators and for fumigation.



— **Justice and Legal Affairs**

**1. Office of the County Secretary and Headquarters**

- a) That an additional allocation of **Ksh. 540million** be made from Mobility Sub-Sectors for Vehicle Utility, Lubricant and Fuel (rearrangement for effective execution)
- b) That an amount of **Ksh. 235 Million** be allocated for Governor's Residence as recommended by the Salary and Remuneration Commission in 2015.

**2. Boroughs and Sub County Administration**

- a) That, an additional Kshs. 200million be allocated for operations and Maintenance; and
- b) That, an amount of Ksh. 200million be allocated for development of sub-County Ward offices and complete the 3 No. of stalled sub-Counties.

**3. Internal Audit Sub-Sector**

- a) That the Internal Audit Sub-Sector allocations for the FY 2024/25 be retained as proposed in the submitted estimates.

**4. The Office of the County Attorney; -**

- a) That, an additional **Ksh. 90million** allocation be granted for recruitment of new staff ie. 40 Legal Counsel across the Sectors;
- b) That, an additional **Ksh. 20million** be allocated for development of Legal fees Management Policy;
- c) That an additional Ksh. **1.374billion** allocation be set aside for the settlement accrued pending legal fees;
- d) That an additional **Ksh. 10million** allocation be granted for the refurbishment of the County Attorney's Office;
- e) That an amount Ksh. **15million** be allocated towards Purchase of 2 Motor Vehicles for ease of the operations of the Office of the County Attorney; and
- f) That, an additional allocation of **Ksh. 20million** be considered for the Development of the Legal Services Policy for Legislation and review.

#### 5. Records Management Sub-Sector

- a) That the Budget for the **Records Management Sub-Sector** be retained as proposed.

#### 6. Research and Policy Development Sub-Sector

- a) That an additional allocation of Ksh. 15million be set aside for research and Development.

#### 7. Donor Coordination and Stakeholders Engagement Sub-Sector

- a) That, the allocation for the **Donor Coordination and Stakeholder Engagement Sub-Sector** be retained as proposed.

#### 8. Investigation Department

- a) That the budget for the **Investigation Department** be retained as proposed.

#### 9. Security and Compliance Sector; -

- a) That, an additional **Kshs. 144million** be allocated for purchase of Inspectorate Officers and recruit's uniform (Graduating in 2 Months' time)
- b) That, an additional **Ksh. 30million** be set aside for acquisition of customized Motor vehicles for security and compliance;
- c) That, an additional **Ksh. 3million** be allocated for Purchase of 20 No. of Motorbikes;
- d) That, an additional **Ksh. 20million** be availed for Purchase of Band Equipment's;
- e) That additional **Ksh. 40million** be granted for purchase of communication gadgets;
- f) That an amount of **Ksh. 50million** be allocated for refurbishment of Muoroto and Pumwani Offices; and
- g) That, an additional Ksh. 125million be allocated for construction of Dagoretti Trainig School (Roll over project).



— **Culture and Community Services**

**1. Liquor Licensing Board**

- a) That the Committee recommends the allocation of Kshs. 57 million to cater for the completion of roll over projects and initiation of new rehab at a cost of Kshs. 23million, construction of liquor offices at Kshs. 10million, acquisition of liquor data system at Kshs. 10million and purchase of motor vehicles at Kshs. 14million;
- b) That the Committee recommends approval of an allocation of Kshs 351million to cater for reduction of alcoholism, conduct sensitization programmes on alcoholism, establish rehabilitation center, acquire data on alcoholism;
- c) That, the budget Committee approves allocation of Kshs. 59million to improve performance in control and regulation of alcohol industry; and
- d) That, the budget Committee approves allocation of Kshs. 114million for increased compliance with liquor laws and regulations;

**2. Family & Social Services**

- a) That the Committee approves allocation of Kshs. 6million to cater for empowerment of vulnerable households;
- b) That the Committee approves allocation of Kshs. 25million for development of Social Welfare fund;
- c) That the Committee approves allocation of Kshs. 15million for establishment of family resource centres;
- d) That the Committee approves allocation of Kshs. 10million for rehabilitation of home for older persons.

**3. Control of Drugs and Pornography**

- a) That the Committee approves an additional allocation of Kshs. 5.2million (from the initial Kshs. 802,160) for conducting information campaigns on drugs and substance abuse;
- b) That the sector be allocated Kshs. 13million for completion of perimeter fence at Mji wa Huruma; and

- c) That the sector be allocated Kshs.10million for construction of 2 No. duty house for care givers at Mji wa Huruma;

#### **4. Children & Rehabilitation Services**

- a) That, the Committee approves allocation of Kshs.25million for construction of perimeter fence for the 4 existing children rehabilitation centres;
- b) That the Committee approves additional Kshs. 28.8million (on the initial Kshs. 1.2million) for rehabilitation of street children (feeding and medical); and
- c) That, the Committee approves allocation of Kshs. 25million for construction of perimeter fence for Ruai Street Children Rehabilitation Centre.

#### **5. Youth, Talent and Sports**

- a) That, the Committee approves allocation of additional Kshs. 127.1million for recurrent and an additional Kshs. 200million for development expenditure

#### **6. Inclusivity, Public Participation and Citizen Engagement Sub Sector**

- a) That, the Committee approved allocation of Kshs. 141million for recruitment of technical staff; and
- b) That, the Committee approves allocation of Kshs.10million for refurbishment of offices.

#### **7. City Culture, Arts and Tourism**

- a) That the Committee approves allocation of Kshs. 50million to cater for stage, Sound and lighting for events;
- b) That the Committee approves allocation of Kshs. 20million for conference and board Committee;
- c) That the Committee approves allocation of Kshs. 136million to cater for battle of choirs (Kshs. 56million), Walk of Fame (Kshs. 30million) and Community Cultural Festivals (Kshs. 50million);
- d) That the Committee approves additional allocation of Kshs. 60million to cater for Nairobi Festival that was initially awarded Kshs. 60million; and
- e) That the Committee approves Kshs. 30million for marketing strategy.



### **8. Public Participation, Citizen Engagement and Customer Service**

- a) That, the Committee approves allocation of Kshs. 10million for review of the public Participation Act 2015;
- b) That, the Committee approves allocation of Kshs. 10million for developing and publishing of guidelines and regulations;
- c) That, the Committee approves allocation of Kshs. 40.8million to facilitate Civic Education in the Wards;
- d) That, the Committee approves allocation of Kshs. 5million to develop County digital public participation platform; and
- e) That, the Committee approves additional allocation of Kshs. 40.8million for Ward public participation forums

### **9. Public Communication**

- a) That the Committee approves allocation of Kshs. 24million for purchase of road show truck for enhancing communication with the public particularly during public participation;
- b) That the Committee approves allocation of Kshs. 20million for developing Communication and broadcasting policy;
- c) That the Committee approves allocation of Kshs. 5million for developing digital notice board;
- d) That the Committee approves allocation of Kshs. 30million for editing and production suites; and
- e) That the Committee approves allocation of Kshs. 20million for developing Editorial policy

### **10. Customer Service**

- a) That the Committee approves allocation of Kshs. 25million for Geographical Information System at The Langata Cemetery;
- b) That the Committee approves allocation of Kshs. 20million for developing customer Service Policy; and
- c) That the Committee approves allocation of Kshs. 3million for developing an automated digital database.

### **11. Disaster Management and Coordination**

- a) That the Committee approves the rolling over of the construction of 3 No. Fire Stations to the FY 2024/25 worth Kshs. 120million;
- b) That the Committee approves the rolling over of the upscaling of Kangundo road fire station to the Financial Year 2024/25 worth Kshs. 10million;
- c) That the Committee approves the rolling over of renovation of Tom Mboya fire station and 15<sup>th</sup> floor new DMCS offices in city hall annex worth Kshs. 10million;
- d) That the Committee approves additional allocation of Kshs. 83.04million to cater for Employment of 200 Fire fighters at Job Group E; and
- e) That the Committee approves additional allocation of Kshs. 400million to cater emergency (on the initial Kshs. 193million) and should be domiciled in the Disaster Management and Coordination Sub Sector.

— **Energy & Information Communication Technology**

- a) That the Innovation and Digital Economy Sub Sector budget for the recurrent programmes be approved as contained in the budget Estimates FY 2024/2025.
- b) That the Innovation and Digital Economy Sub Sector budget for the development programmes be adjusted upwards to a tune of Kshs. 821, 939.972 from the proposed Kshs. 263,974,624.

— **Transport and Public Works**

That the following policy measures be initiated:

- a) The Sector to expedite the operationalization of the Nairobi City County Transport Act, 2020 that will introduce proper sectoral regulatory measures to enhance service delivery;
- b) The Sector to expedite formulation of the various policies to enhance operational accountability;
- c) That once the transfer is complete, the Sector to undertake a comprehensive implementation and legal assessment of the said projects and complete them through the in-house mechanisms;
- d) That the Committee **approves** projects for Mobility and Works Sector as proposed;



- e) That the Committee **approves** as the Sector budget for Mobility and Works under Recurrent Expenditure of Kshs. **1,096,825,911; and**
- f) That the Committee **approves** Mobility and Works Sector Development expenditure of Kshs. 2,901,031,768.

— **Agriculture, Livestock Development and Fisheries**

- a) That the Sub-sector recurrent budget be approved at Kshs. 265,807,560 to facilitate Sub Sector operations; and
- b) That the development budget be approved at Kshs 25,698,600 to cater for construction of 17 poultry units and stocking with chicks at Kshs. 21million and expansion of tree nursery at City Park for Kshs. 4.7million

**25. Mr. Speaker Sir,** the Committee has considered the recommendations of the Sectoral Committees and submissions of the Public and accommodated the ones that it agreed with under the Recommendations Part of this report.

**General Observations of the Committee on the Budget Estimates for the FY 2024-25 and submissions from Sectoral Committees**

**26. Mr. Speaker Sir,** during the consideration of the budget estimates for the FY 2023-24 the Committee walked down memory lane on the exit report that the Second Assembly handed to the third Assembly prior to the sine die adjournment of that Assembly. The issues that the retired Committee forewarned this Committee about included challenges on preparation of programme based budgets, management of conditional grants, internal revenue collection, management of pending bills, low absorption of development budget allocations, continuous roll over of projects, the wage bill and implementation of WDF projects and revenue collection. In its exit report the Committee had regretted the failure by the Second County Government to fully harvest the low hanging fruits available to it which would have ensured that the Nairobi's economy is built to last and thereby exceeding the approximation of 27.5% of

the Gross County Product. The Committee reiterates that the County's marginal propensity to prosper into a modern city is a coefficient of how effectively it shall utilize the budgeting tool to eradicate these challenges. This Section of the report shall endeavor to address the extent to which the budget estimates for the FY 2024-25 has remained alive to moving the County forward while tackling the contemporary issues that we face.

**27. Mr. Speaker Sir,** as has been noted in other parts of this report, the management of pending bills is a serious undertaking that requires both the legislature and the Executive to converge at the roundtable with solutions. In her submissions the Controller of Budget recommended that the County should provide a schedule of all pending bills and a payment plan of the same based on FIFO principles. It was noted that such intervention is critical towards curtailing any further growth on pending financial obligations. The Committee associates itself with the Controller of Budget and notes that the path to management of debts to sustainable levels remains a slippery one despite some allocation of Kshs.746million for recurrent creditors under Finance Sector. The Committee noted during these deliberations that development pending bills had not been allocated any money under the sector. To sort this out the Committee has recommended that the plan on settlement of pending bills be included as part and parcel of the published budget books required under Section 131 (6) of the PFM Act, 2012. Further the Committee shall be recommending additional allocations for pending bills to ensure that the County remains on track towards honoring her pending obligations.

**28. Mr. Speaker Sir,** the Committee informed this House during the consideration of the previous budget estimates that there is urgent need for the drafters of the budget documents to be wary of filling our budget books with abstract figures not supported by any market survey or hard facts. Once again, in the tabled budget estimates the Committee noted various allocations for construction of roads, markets, health centres among other allocations that upon interrogation were determined not to be supported by any verifiable data



hence casting doubt on the likelihood of the projects being implemented as proposed. The Committee urges the County Executive to adopt this wise counsel and ensure that budget documents are properly worked out with figures presented fully supported and measures put in place to uproot the budget related challenges instead of pruning their effects.

- 29.** Lastly, **Mr. Speaker Sir**, the Committee reviewed these estimates in full appreciation of the provisions of Regulation 37 (1) of the Public Finance Management (County Government) Regulations 2015 which indicate that whenever the County Assembly adopts any changes on the budget estimates the same shall be restricted to not more than 1% of the vote's ceilings. This provision is aimed at ensuring that the fiscal objectives contained in the County Fiscal Strategy Paper are not lost in the process of adopting the budget estimates. However, it is imperative to note that this provision assumes an ideal scenario where the priorities contained in the approved CFSP have fully been translated to the budget estimates with no areas of deviation. During the consideration of these estimates and specifically on receipt of the views of the County Executive Committee Member for Finance, the Committee was confronted with additional facts that made it impossible and fiscally unwise to fully adopt the ceilings approved in the CFSP 2024. The recurrent budget for the County Assembly had been lowered by over 10% compared to the approved ceiling, the County's equitable of revenue had been enhanced by over 20%, some economic factors had shifted since the approval of the CFSP and the Committee had a number of submissions from stakeholders, including the Controller of Budget, that if considered would make full adherence to this provision an impossible ask. The Committee has therefore reviewed these estimates and made recommendations conscious of the legal provisions and prevailing realities at the time.

## **F. Committee's Recommendations**

### **a) Policy Measures**

**30. 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 prior to submission of budget documents to the County Assembly, the County Treasury puts in place measures for timely conceptualization of projects including feasibility studies and preparation of bills of quantities;
- 2) That the Budget Summary submitted by the County Treasury during the consideration of these estimates be noted and included as part of the estimates as required by the provisions of Section 130 of the PFM Act, 2012;
- 3) That the allocations for fuel and lubricants be allocated and utilized as follows:
  - The fueling of vehicles for Solid Waste Management be undertaken by the Sector as contained in the tabled estimates;
  - That allocations for fueling of Emergency vehicles be domiciled and utilized within the Disaster Management and Coordination Sector;
  - That the allocation for fueling of County ambulances be domiciled in Health, Wellness and Nutrition Sector; and
  - That allocations for fueling for all other County operations and departments be domiciled within the Fleet Management Sector.
- 4) That the Nairobi City County Assembly fast tracks the preparation and rolling out of its Strategic Plan;
- 5) That prior to certification and publication of the budget estimates for the FY 2024-25, the County Treasury shall undertake proper review and correction of the material errors noted on the Programme Based Budget Estimates;
- 6) That the Nairobi City County Government fast tracks the preparation and rolling of spatial and sectoral plans;
- 7) That as part of management of the wage bill, the County Public Service Board and the Public Service Management freezes non- critical employment, continuously undertakes staff audit and ensure that all employment are subject to advisory from the County Treasury as per approved budgets;



- 8) That in line with the resolutions of Third Annual Wage Bill Conference the Nairobi City County Government initiates and rolls out measures aimed at reducing the overall wage bill costs to 35% of revenues by the year 2028;
- 9) That the County Public Service Board develops and makes available the Human Resource Establishment and such Analysis includes optimal staff structure for inclusion in subsequent Sectoral budgets as the basis for employee costs;
- 10) That the development budget be included in the budget estimates in addition to the list of projects submitted;
- 11) That the list of WDP projects be developed and included in the budget estimates;
- 12) That all conditional grants in support of the County budget including those directed towards the School Feeding Programme and the County hospitals be declared and included in the budget estimates for the FY 2024-25;
- 13) That the County Executive Committee Member for Finance sets up and roll out a unit for Budget Monitoring and Control to ensure approved budgets are implemented in line with projected cash flows;
- 14) That the County Treasury undertakes proper audit and reconciliation of pending bills and share the report to the County Assembly by the end of September 2024;
- 15) That the Office of the County Attorney finalizes verification of fee notes to inform settlement of pending legal fees;
- 16) 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; and
- 17) That any amounts set aside for rolling out of Small and Medium Enterprises Revolving Fund be utilized subject to enactment of an appropriate policy framework.

**b) Revenue Framework**

- 1) That while taking account the projected inflows for conditional grants and equitable share, the overall resource framework informing the budget estimates for the FY 2024-25 be adjusted as follows: -

- a) That in line with the County Allocation of Revenue Bill 2024 the equitable be increased by Kshs. 480million to Kshs. 20.86billion
  - b) That the total conditional additional allocations from National Government of Kshs. 224million be included in the budget estimates as contained in the approved County Allocation of Revenue Bill 2024.
  - c) That the total conditional additional allocations from proceeds of loans and grants from Development Partners of Kshs. 832million be included in the budget estimates as approved in the County Allocation of Revenue Bill 2024.
  - d) That revenues from Kenya Informal Settlement Improvement Project II be reduced by Kshs. 20million.
- 2) That the approximates Kshs. 1billion from Facility Improvement Fund be included as part of the Own Source Revenue and indicated as Appropriations-in- Aid.
- 3) That to achieve the internal revenue targets contained in the approved budget estimates for the FY 2024-25 the following policy measures be initiated: -
- Full operationalization of the Nairobi City County Revenue Authority
  - Full roll out of the Unified Business Permit to enhance compliance on all mandatory licenses and permits
  - Formalize rates based on the Sectional Properties Act
  - Focus on small format advertisement revenue
  - Regularization of unauthorized developments and imposition of penalties on the same
  - Improvement of the revenue collection system
  - Continuous engagement with tax payers
  - Inclusion of and monitoring of collections from County Level IV, Level V hospitals and City Mortuary as per the Facility Improvement Fund Act
  - Enactment of an elaborate revenue collection roadmap and structure through the Finance Bill, 2024
- 4) That to ensure full realization of revenue targets from Land Rates the following measures be rolled out in the FY 2024-25: -
- Periodic issuance of agency notices
  - Auctioning of properties with arrears



- Issuance of caveat at Ministry of Lands on transaction of properties with rates arrears

**c) Budget Classification and Reallocations**

- 1) That the budget reallocations for the Built Environment and Urban Planning Sector be rationalized as proposed by the Sectoral Committee on Lands, Planning and Housing
- 2) That the budget for Vote 5338 – Nairobi Revenue Authority be retained as proposed in the submitted estimates and classified as follows: -
  - Nairobi Revenue Authority – Recurrent at Kshs. 226million
  - Revenue Administration - Recurrent at Kshs. 225million, Development at Kshs. 100million
- 3) That in line with (4) above the respective revenue budget lines be administered as follows: -
  - Nairobi Revenue Authority – County Revenue Administrator
  - Revenue Administration - Chief Officer, Revenue Administration
- 4) That the allocation of Kshs. 240million be redistributed to provide resources for the following projects: -
  - Kshs. 50million for rehabilitation of Slum Soccer Ground.
  - Kshs. 30million for construction of Green Park and Soccer Field in Waithaka.
  - Kshs. 50million for construction of Muslim Sports Ground.
- 5) That in line with the recommendation of the Office of the Controller of Budget, the following expenditure items be declassified: -
  - County Assembly development budget
  - WDP Projects
  - Road Maintenance
  - Maintenance of lighting fixtures
  - Consolidated ECDE Classes
  - Descriptions for construction of various markets, stadia, sports complexes
- 6) That in finalizing the budget estimates and the Appropriation Bill 2024, the County Treasury shall undertake comprehensive rationalization of personnel

emoluments across all sectors to reflect the accuracy of staff in various posts both current and projected.

**Mr. Speaker Sir**, the proposed reallocations above and the budget reductions and increases in the subsequent parts of this report have been necessitated by the need to balance the distribution of development projects, align the budget to previously approved budget documents and ensure that the overall development budget does not fall below the 30% threshold.

**d) Budget Reductions**

- 1) That the allocation for Road Maintenance Materials be reduced by Kshs. 1billion.
- 2) That the allocation for construction of official residence of the Deputy Governor be reduced by Kshs. 65million
- 3) That the allocation for General Insurance be reduced by Kshs. 97million
- 4) That the recurrent budget for the County Assembly be reduced by Kshs. 255million
- 5) That the allocation for "Other Recurrent Expenses" across all Sectors be reduce by Kshs. 1.066billion
- 6) That the allocation for recurrent related pending bills be reduced by Kshs. 46million
- 7) That the allocation for Borough Offices be reduced by Kshs. 100million
- 8) The allocations for construction of various markets be rationalized downwards by the amounts indicated hereunder: -
  - Kahawa West- Kshs. 12million
  - Karen Market – Kshs. 25million
- 9) That the allocation of maintenance of lighting fixtures be reduced by Kshs. 300million.
- 10) That the allocation for maintenance of lifts under Built Environment Sector be reduced by Kshs. 20million

**e) Budget Increases**

— **Nairobi City County Assembly Service Board**



- 1) That in line with the County Allocation of Revenue Bill, 2024 the recurrent budget figures for the Nairobi City County Assembly Service Board be reduced by Kshs. 255million and the development budget be increased by Kshs. 325million and overall budget adjusted as follows: -
  - Recurrent – Kshs. 1.925billion
  - Development – Kshs. 1.635billion
- 2) That unfinished projects for the FY 2023-24 be rolled over to the FY 2024-25
- 3) That in line with (1) above, the itemized and program based budgets for the County Assembly Service Board be amended accordingly to reflect that change.

**— Nairobi City County Government**

- 1) That the following expenditure increases be effected in respective budget lines under the Boroughs, Sub County Administration and Personnel Sector:
  - Kshs. 50million for construction of Ward Offices;
  - Kshs. 50million for purchase of uniforms for Security and Compliance officers;
  - Kshs. 20million for development of policies under the Inspectorate Sector
  - Kshs. 40million for purchase of PPEs under the Disaster Management and Coordination Sector
  - Kshs. 20million for completion of Dagoretti Training School
  - Kshs. 50million for employment of 200 fire officers
  - Kshs. 20million for purchase of equipment for County Band
- 2) That the budget for the Finance and Economic Affairs Sector be increased by Kshs. 100million for development related pending bills
- 3) That the allocation of Kshs. 199million allocated for Emergency Fund be increased by Kshs. 50million and redistributed as follows: -
  - Kshs. 149million as additional allocations to the Disaster Management Sector.
  - Kshs. 100million as seed capital for operationalization of the Emergency Fund in line with the provisions of Sections 110-115 of the PFM Act, 2012.
- 4) That the budget for the Office of the County Attorney be increased by Kshs. 150million to take care of the following expenditure items: -
  - Kshs. 50million for Review of policies, regulations and Acts of the County

Government

- Kshs. 100million for legal related pending bills
- 5) That the following expenditure increases be effected in respective budget lines under the Health Sector;
- Kshs. 448million for Community Health Promoters
  - Kshs. 50million for Health Commodities
  - Additional Kshs. 70million for construction of modern block and Mutuini Hospital
  - Additional Kshs. 20million for Umoja I Hospital; and
  - Additional allocation of Kshs. 7million for Kayole II Hospital.
- 6) That the following expenditure increases be effected under respective budget lines for the Talent, Skills Development and Care Sector: -
- Kshs. 70million operation and maintenance under Education Headquarters.
  - Kshs. 10million for completion of Kabiro Social Hall
  - Kshs. 10million for completion of Makongeni Social Hall
  - Kshs. 10million for completion of Biafra Social Hall
  - Kshs. 20million for completion of 3C Village Social Hall
  - Kshs. 20million for construction of Kosovo Social Hall
  - Additional Kshs. 10million for Phase II construction of Mwiki Social Hall
  - An additional Kshs. 20million for rehabilitation of street children (feeding and medical)
  - Kshs. 20million for construction of Mathare Vocational Training Centre and installation of perimeter wall.
- 7) That the following expenditure increases be effected under the respective budget lines for Built Environment and Planning Sector: -
- Kshs. 10million for repainting of Madaraka Blocks
  - Kshs. 20million for titling, survey and regularization
  - Kshs. 20million for registration of leases
- 8) That the following expenditure increases be effected under respective budget lines for Inclusivity, Public Participation and Citizen Engagement Sector;
- Kshs. 30million for stage, sound and lighting of events



- Kshs. 20million for purchase of road show truck for enhancing communication with the public particularly during public participation
  - Kshs. 50million for purchase of Sanitary Pads
- 9) That the following expenditure increases be affected under the respective budget lines for Ward Development Programmes: -
- Additional Kshs. 200million for roll over projects and related pending bills
  - Additional Kshs. 15million for recurrent expenditures
- 10) That the following expenditure increases be effected under the respective budget lines for the Mobility and Works Sector: -
- Kshs. 30million for construction of Mau Mau Road in Mlango Kubwa
  - Kshs. 30million for construction of Mau Mau Road in Mabatini
  - Kshs. 30million for construction of Wairimu Road
  - Kshs. 30million for construction of Rafuok- Obama Road
  - Kshs. 20million for construction of Ngumba Bridge
  - Kshs. 20million for construction of Primrose Road
  - Kshs. 20million for construction of Reckisha Road
  - Kshs. 40million for re-carpeting of Police Line, Catholic, Deliverance and Phase III Roads
  - Kshs. 30million for construction of Maingi Road
  - Kshs. 30million for construction of Kasabun- Mama Margaret Kenyatta Hospital Bridge
  - Kshs. 20million for rehabilitation of roads in Roysambu Ward
  - Kshs. 20million for construction of Maji Mazuri- Mwiki Bridge
  - Kshs. 30million for construction of Councillor's Road
  - Kshs. 30million for construction of Minto- Aberdare Road
  - Kshs. 30million for construction of Gikomba access roads
  - Kshs. 30million for construction of Chieko Road
  - Kshs. 20million for Mugumoini- Keroka Road
  - Kshs. 30million for construction of Freedom Junior School- Jose Maria Academy Innercore Road

- Kshs. 20million for construction of Kwa Kanji- Utalii Footbridge
  - Kshs. 20million for construction of road to Ela School
  - Kshs. 30million for construction of Queensway Jada A Road
  - Kshs. 20million for construction and rehabilitation of drainages in Mabatini
- 11) That the following expenditure increases be effected under the respective budget lines for the Business and Hustler Opportunities Sector: -
- Kshs. 40million for construction of Waithaka Market
  - Additional Kshs. 40million for construction of Mutuini Market
  - Kshs. 25million for construction of Fig Tree Market
  - Kshs. 40million for development of Trade policy
  - Kshs. 40million for renovation of Trade offices
  - Kshs. 25million for construction of Embakasi Traders Market
- 12) That the following expenditure increases be effected under the respective budget lines for the Green Nairobi Sector
- Additional Kshs. 500million recurrent allocation under Solid Waste Management to make it a total of Kshs. 931million.
  - Kshs. 230million development allocation for Improvement of Access Roads at Dandora dumpsite.
  - Kshs. 10million for construction of ablution blocks Mashimoni, Kwa Kanji, 3A Village and 3C Village.
  - Kshs. 20million for drilling of boreholes and installation of water tanks within Mabatini Ward
  - Kshs. 70million for development projects under the Water Sub Sector
  - Kshs. 20million for renovation of offices under the Agriculture Sector
  - Kshs. 20million for construction of poultry units
  - Kshs. 5million for expansion of tree nursery.

**Mr. Speaker Sir, in conclusion and pursuant to the provisions of Section 131 (1) of the Public Finance Management Act 2012 and Standing Order 228 (7) the Select Committee on County Finance, Budget and Appropriations recommends that:**




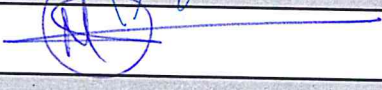


**“This County Assembly adopts the Report of the Finance, Budget and Appropriations Committee on the Budget Estimates for the Nairobi City County Government and County Assembly for the FY 2024-25”**





We the undersigned Members of the Finance, Budget and Appropriations Committee affirm that this is the approved report of the Committee on the Consideration of the Revenue and Expenditure Estimates for the Nairobi City County Government and County Assembly for the FY 2024-25 as adopted by the Committee on 25<sup>th</sup> day of June 2024

NAME	SIGNATURE
1) Hon. Wilfred Oluoch Odalo, MCA	
2) Hon. Emily Oduor, MCA	
3) Hon Anthony Kiragu, MCA	
4) Hon. Moses Ogeto, MCA	
5) Hon Mark Mugambi, MCA	
6) Hon. Jeckoniah Onyango, MCA	J.O.
7) Hon. Catherine Apiyo Okoth, MCA	C.A.
8) Hon. Jane Muasya, MCA	
9) Hon. Asli Muhamed, MCA	
10) Hon. Rosemary Masitsa, MCA	R.M.S
11) Hon. Perpetua Mponjiwa, MCA	P.M.D
12) Hon. Collins Ogenga, MCA	C.O.O
13) Hon. Fathiya Abdillahi Mohamed, MCA	
14) Hon. Sam Kago, MCA	S.K.K
15) Hon. Anthony Ngaruiya Jasho, MCA	A.N.M
16) Hon Paul Ndungu, MCA	P.N.D
17) Hon Ciciliah Wairimu Njathi, MCA	C.W.N
18) Hon Waruguru Kanyi, MCA	W.K.
19) Hon Joyce Kamau Muthoni, MCA	
20) Hon Waithera Chege, MCA	
21) Hon Susan Makungu, MCA	S.M
22) Hon. Jane Wanjiru, MCA	J.W.

