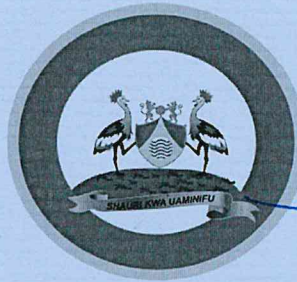


GOVERNMENT OF NAIROBI CITY COUNTY



THE NAIROBI CITY COUNTY ASSEMBLY

OFFICE OF THE CLERK

THIRD ASSEMBLY
(FOURTH SESSION)

NCCA/TJ/PL/2024(60)

26TH JUNE 2025

PAPER LAID

SUBJECT: REPORT OF COMMITTEE

Pursuant to Standing Order 196, I beg to lay the following Paper on the Table of this Assembly, today Thursday 26th June 2025:

— THE 27TH REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE, BUDGET AND APPROPRIATIONS ON CONSIDERATION OF REVENUE AND EXPENDITURE ESTIMATES FOR NAIROBI CITY COUNTY GOVERNMENT AND THE COUNTY ASSEMBLY FOR FY 2025/2026.

(Chairperson of the Select Committee on County Finance, Budget and Appropriations)

Copies to:
The Speaker
The Clerk
Hansard Editor
Hansard Reporters
The Press

*Papers laid on
the Table of the
Assembly by
Hon. Delia Ochieng
26/6/2025
(her)
26/6/2025*

NCCA/TJ/NTC/2025

GOVERNMENT OF NAIROBI CITY COUNTY



THE NAIROBI CITY COUNTY ASSEMBLY

THIRD ASSEMBLY
(FOURTH SESSION)

26th June 2025

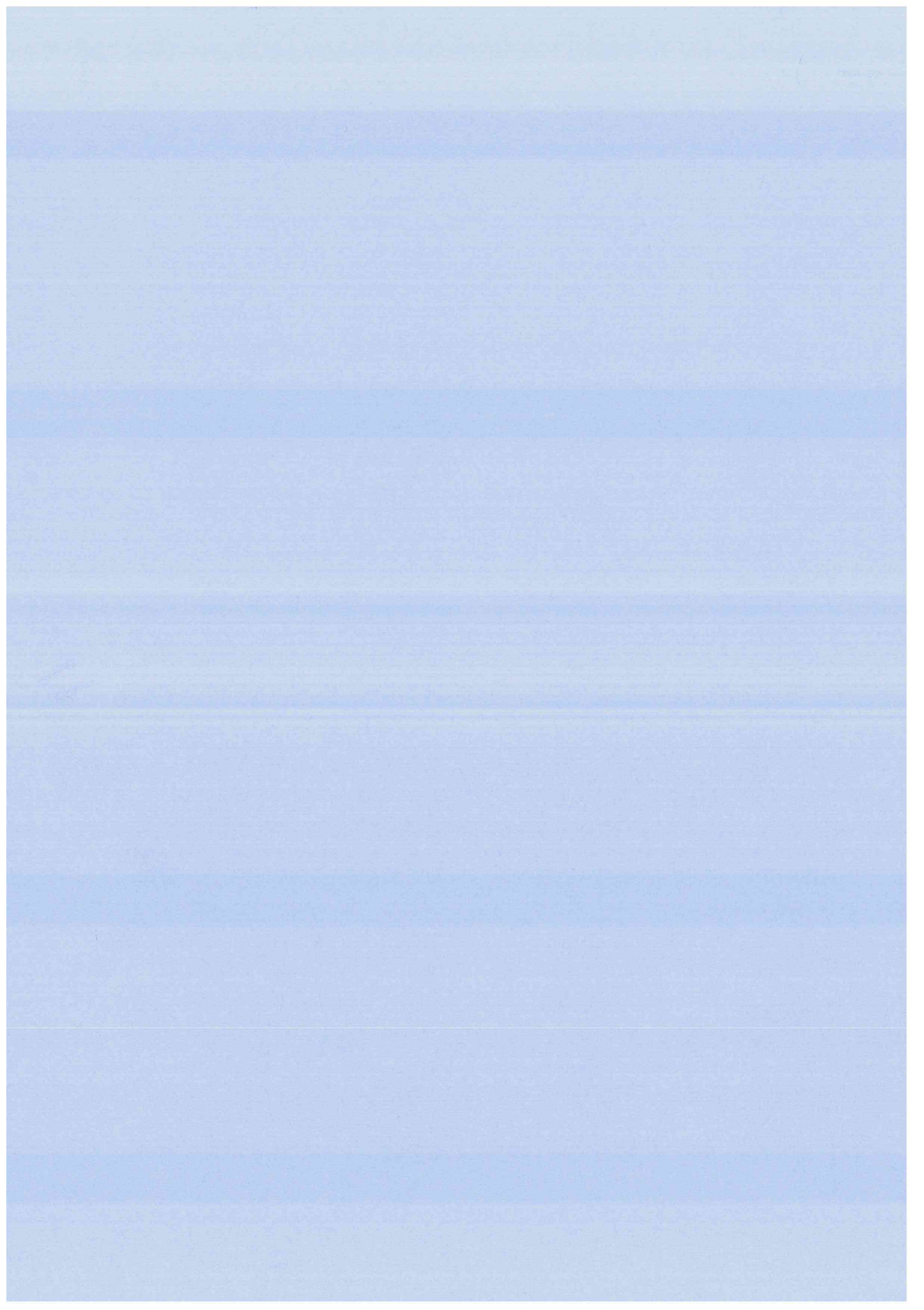
NOTICE OF MOTION

Subject: Adoption of report of a Committee

Hon. Speaker, I beg to give notice of the following motion:-

THAT, this Assembly adopts **THE 27THREPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE, BUDGET AND APPROPRIATIONS ON CONSIDERATION OF REVENUE AND EXPENDITURE ESTIMATES FOR NAIROBI CITY COUNTY GOVERNMENT AND THE COUNTY ASSEMBLY FOR FY 2025/2026** laid on the Table of the Assembly on 26th June 2025.

(Chairperson of the Select Committee on County Finance, Budget and Appropriations)



COUNTY GOVERNMENT OF NAIROBI CITY



NAIROBI CITY COUNTY ASSEMBLY

THIRD ASSEMBLY – FOURTH SESSION

**27TH REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE,
BUDGET AND APPROPRIATIONS**

ON

THE CONSIDERATION OF THE REVENUE AND EXPENDITURE ESTIMATES FOR
THE NAIROBI CITY COUNTY GOVERNMENT AND THE COUNTY ASSEMBLY FOR
THE FY 2025-26

JUNE 2025

*Papers Laid
on the Table
by the Chair
on 26/6/2025
(Signature)
28/6/2025*

I. PREAMBLE

1.1 Background

Mr. Speaker Sir, Rachel Cruze, a certified financial coach highlights the liberating aspect of budgeting in one of her famous quotes that "**A budget doesn't limit your freedom; it gives you freedom**," a reminder that time is ticking and barely two years from now, Nairobians will be reviewing the scorecard of the current regime as to whether to grant them another freedom of 5 years to accomplish their aspirations or to take a paradigm shift owing to unfulfilled obligations. Fully aware of this underpinning doctrine, this Third County Government made up of the County Executive and the County Assembly is therefore required to congregate and brainstorm on how to navigate the budget implementation turbulences inherited from the previous regimes as well as those that have cropped up during this tenure.

Mr. Speaker Sir, during the last General Elections, the electorates weighed the available options and chose the administration of His Excellency Governor Johnson Sakaja with a unique promise to make Nairobi a city of order, hope, dignity and opportunities for all. The promise was premised on several desires key among them a working universal health care, delivery of clean and safe water, sustainable environmental protection, decentralization of services at grassroots through boroughs, efficient mobility services, 100% transition rate at all education levels by supporting lunch programmes, 100% transition to secondary through bursary disbursements, modelling and equipping vocational training centres, advancing hustler aspirations, building new markets, delivering a unified single business permit, full implementation of AGPO and prioritize construction of sport centres in all sub counties as well as establishment of community libraries.

In this regard, **Mr. Speaker Sir**, the Budget Committee has reviewed these third annual budget estimates prepared by the current administration with sole intention of determining whether the intentions of the administration have been upheld and once again reminded the County Executive officials to remain vigil and ensure that the strategies are realized as had been put forth.

Mr. Speaker Sir, in accordance with the provisions of Sections 129(1) and 130 of the Public Finance Management (PFM) Act, 2012 and pursuant to Standing Order 228 of the Nairobi City County Assembly, the County Executive Committee Member for Finance submitted to the County Assembly the proposed Revenue and Expenditure Estimates for the FY 2025-26. These Budget Estimates were tabled before the House on 30th April 2025 for consideration and approval.

Mr. Speaker Sir, following the tabling, the Budget Estimates were committed to the Nairobi City County Assembly's Finance, Budget & Appropriations Committee for consideration and reporting in line with Standing Order 205. The said Standing Order provides that the Committee is mandated to:

- a) Investigate, inquire into and report on all matters related to coordination, control and monitoring of the County budget;*
- b) Discuss and review the budget 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 the Appropriations Bill; and*
- e) Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlay.*

1.2 Committee Membership

Mr. Speaker Sir, the Finance, Budget & Appropriations Committee that steered the consideration of the Budget Estimates for FY 2025-26 was composed of the following 23 Honorable Members:

- 1. Hon. Wilfred Oluoch Odalo, MCA - Chairperson**
- 2. Hon. Emily Oduor, MCA - Vice Chairperson**
3. Hon. Anthony Kiragu, MCA
4. Hon. Moses Ogeto, MCA
5. Hon. Mark Mugambi, MCA
6. Hon. Jeckoniah Onyango, MCA

7. Hon. Catherine Apiyo Okoth, MCA
8. Hon. Jane Muasya, MCA
9. Hon. Asli Muhamed, MCA
10. Hon. Jane Wanjiru, MCA
11. Hon. Rosemary Masitsa, MCA
12. Hon. Perpetua Mponjiwa, MCA
13. Hon. Collins Ogenga, MCA
14. Hon. Fathiya Abdillahi Mohamed, MCA
15. Hon. Sam Kago, MCA
16. Hon. Anthony Ngaruiya Jasho, MCA
17. Hon. Paul Ndungu, MCA
18. Hon. Ciciliah Wairimu Njathi, MCA
19. Hon. Waruguru Kanyi, MCA
20. Hon. Joyce Kamau Muthoni, MCA
21. Hon. Waithera Chege, MCA
22. Hon. Peter Oweru, MCA
23. Hon. Susan Makungu, MCA

1.3 Committee Secretariat

Mr. Speaker Sir, the Committee received technical support from the County Assembly Budget Office during the process of consideration and review of the estimates. These officers provided continuous analytical support, data interpretation and coordination services throughout the exercise. The team was stewarded by the following:

1. Mr. Erick Otieno – Principal Fiscal Analyst / Head of Budget Office
2. Mr. Wilfred Manyi – Senior Clerk Assistant / Committee Clerk
3. Mr. Alphonse Ouma – Senior Fiscal Analyst

1.4 Examination of the Proposed Budget Estimates for the FY 2025-26

Mr. Speaker Sir, in coming up with this final product, the Committee held consultative meetings with the County Treasury, led by County Executive Committee Member for Finance, Sectoral Committees under the steward of their Chairs, the different sectors in the County and Secretary to the County Assembly Service Board to review the policy objectives, budget ceilings and program-based allocations in line with the County's priorities and available resources. The Sectoral Committees were briefed on the content of the submitted Budget Estimates and subsequently met with their respective County Executive Committee Members, Chief Officers and other relevant staff in coming up with sectors' reports in line with the provisions of the Standing Orders. The Committee as required in law also received a myriad of submissions from the Members of the public through public hearings on the proposed estimates conducted in all the 17 sub counties as well as submissions through memoranda. These engagements allowed the Committee to make informed decisions and impactful recommendations as contained in other sections of this report.

1.4 Acknowledgement

Mr. Speaker Sir, the Committee wishes to express its sincere appreciation to the following offices and individuals for their support during the consideration of this Budget Estimates:

- a) The Office of the Speaker, for granting permission for the Committee to meet and deliberate during the recess period;
- b) The Office of the Clerk, for providing procedural guidance and administrative support throughout the exercise;
- c) The County Executive Committee Member of Finance and the County Treasury, for appearing before the Committee and responding to inquiries on budget allocations and policy directions;

- d) The Chairs and Members of Sectoral Committees and their Clerk Assistants, who facilitated the sectoral hearings and submitted valuable sector feedbacks;
- e) The Finance, Budget & Appropriations Committee Members, for their tireless commitment, objectivity and dedication throughout the review period;
- f) Members of the Public who demonstrated their civic responsibility by actively participating in public hearings on the Budget Estimates held across all the 17 sub-counties; and
- g) The County Assembly Budget Office for their professional and technical support, guidance in analyzing the Estimates and unpacking to make it simple for informed decision making by members of the County Assembly.

Mr. Speaker Sir, on behalf of the Members of the Finance, Budget & Appropriations Committee, I am honored to submit to this Honorable House the Committee's Report on the Proposed Revenue and Expenditure Estimates for the FY 2025/2026 and recommend the Report for consideration and adoption by the County Assembly.

Signed.......... Date..........

Hon. Wilfred Oluoch Odalo, MCA

Chairperson: Finance, Budget & Appropriations Committee

II. SCRUTINY OF THE BUDGET ESTIMATES

A. Review of the overall Budget for the FY 2025/26

- 1. Mr. Speaker Sir,** the total County Budget is proposed to be Kshs.48.98 billion out of which Kshs.34.72 billion is meant for recurrent expenditure and Kshs.14.26 billion for the development initiatives. Comparing the proposed budget allocations to the revised budget (I) for FY 2024-25 there is an upward revision of the overall budget by Kshs.5.1 billion. The approved County Fiscal Strategy Paper 2025 that specifies the broad strategic priorities and policy goals that guide the County Government in preparing its budget had set the ceilings at Kshs.46.5 billion with Kshs.31.5 billion allocated for recurrent expenditure and Kshs.13.98 billion for development priorities.
- 2. Mr. Speaker Sir,** Programme Based Budgeting (PBB) has shifted the budgeting focus from simply controlling inputs to achieving specific policy objectives through well-defined programs and objectives rather than just the traditional line-item categories. In this regard, the sectors have been granted funds necessary to realize intended outputs with the Health, Wellness and Nutrition Sector leading the pack with the highest allocation at Kshs.11.75 billion meant to propel the County towards achieving its overarching goal of reducing the burden of both communicable and non-communicable diseases. The proposed allocation represents about 24% of the overall budget which is an improvement in comparison to the current FY 2024-25 allocation of Kshs.9 billion that represented 20% of the overall budget. With this allocation, the County is on course to achieving the Danida condition that requires 25% allocation to Health-related programmes. The Mobility and Works sector has been allocated Kshs. 3.5 billion meant to undertake its core mandate of improving infrastructure, transport and operational efficiency to promote accessibility and safety. Ward Development Programmes has the lion's share of development budget at Kshs.2.155 billion intended to ensure equity through providing quality physical infrastructure within the wards with every ward expected to garner Kshs.25.4million. To guarantee a clean environment and reliable water supply the Green Nairobi Sector has been allocated Kshs.

4.5billion whereas the Finance Sector mandated to ensure proper financial management has also been allocated Kshs. 4.5billion.

- 3. Mr. Speaker Sir,** to provide checks and balances and also ensure proper legislation that contributes to the general welfare of the electorates, the County Assembly has been allocated Kshs.3.6 billion with Kshs.2.15 billion desired to meet the recurrent needs while Kshs.1.46 billion will be channeled to the capital projects. It is important to remind this House that the recurrent ceilings for the County Assembly are determined through the County Allocation of Revenue Bill, a document that had not been developed at the time of drafting this report. The Committee has considered these estimates fully alive to this and continues to urge the stakeholders at the National level to support devolution by enacting such necessary pieces of legislation in time.

B. Financing of the 2025-26 Budget

- 4. Mr. Speaker Sir,** given that the provisions of the law only advocates for a balanced budget the total county revenue is projected to align with the budgeted expenditure of Kshs.48.98 billion. Towards this the County expects to collect Kshs.23.8 billion from internal revenue streams, receive Kshs.23.5 billion as equitable share and Kshs.590 million as grants. The County Treasury plans to further inject Kshs.1 billion to the revenue basket as projected cash balances carried forward from the current financial year. The Committee during the review noted that the revenue figures were not inclusive of an allocation for County Aggregated Industrial Parks which is a partnership project to be undertaken by both the National Government and the County Government through matching funds with each party expected to contribute to the tune of Kshs.250million. The expected revenues from conditional grants remained indeterminate given their inclusion in the budget books but with no revenue figures with exception of Sweden- Agricultural Sector and Business Development Support Programmes and World Bank- Kenya Informal Settlement Improvement Project II.

- 5. Mr. Speaker Sir,** reports indicate that the County had collected just about Kshs. 13billion as at 31st May 2025 being about Kshs. 7billion shy of the annual target. The Committee in the scrutiny of these estimates noted that internal revenue streams continued to perform dismally despite the County Treasury proposing robust revenue raising measures during the approval of the current financial year's budget estimates. In the County Fiscal Strategy Paper (CFSP) 2025, the County Government has projected to boost its internal revenue collection through green financing and alternative funding approaches among others which however were not clear in the submitted budget estimates. The Committee during this consideration also benefited from the views of the Controller of Budget who lamented that without concrete revenue mobilization strategies the own source revenue targets are unrealistic with likely effects of denting the credibility of the budget, hiking pending bills and multiplying the number of stalled projects. The Committee has considered the proposed internal revenue projections with above realities in mind while also taking into account the revenue strategies approved through the CFSP 2025 and shall be recommending the implementation of corrective measures to ensure that revenue projections align with the current economic realities. Most importantly, the Committee shall be recommending an approval of internal revenue target that is within reach for the County Government.
- 6. Mr. Speaker Sir,** the submitted estimates have raised the anticipated County equitable share to Kshs.23.5 billion whose basis remains unclear as the Division of Revenue Bill approved by the National Assembly allocated Kshs.405 billion to all County Governments, which could guarantee Nairobi about Kshs.21.06 billion equivalent to 5.25% of the total equitable share. During the development of the draft figures, the Commission on Revenue Allocation (CRA) proposed that Counties receive Kshs.417 billion, whereas the Council of Governors suggested Kshs.536 billion. For Nairobi City County to receive the amount reflected in the submitted estimates, the National Government's equitable share would need to be Kshs.450 billion, a figure that has not been considered during the Division of Revenue Bill discussions and approval. The white smoke arising from the recent Mediation Committee

involving the Senate and the National Assembly had set the total County equitable share at about Kshs. 415billion implying that Nairobi City County is likely to receive Kshs. 21.7billion as equitable share in the coming financial year. The Committee shall hence be adjusting the projected Equitable Share to reflect this most accurate position.

C. Review of Compliance of the Budget Estimates for The FY 2025-26 to the Prevailing Legislation

- 7. Mr. Speaker,** given the scarcity of resources and competing needs, there exists several provisions of law that guide the planning, use and reporting of finances. Chapter 12 of Constitution clearly spells the niche occupied by the County Assembly in the budgeting process, a position that is further buttressed by the PFM Act 2012, the County Governments Act 2012, the PFM (County Government) Regulations 2015 and the County Assembly Standing Orders. This umpire role of the County Assembly is undertaken through the Finance, Budget and Appropriations Committee which is mandated to ensure that budget documents submitted and approved by the County Assembly meet the set legal and statutory requirements. It is therefore imperative that this Honorable County Assembly remains informed on the extent to which the estimates have lived to requirements of various provisions of the law.
- 8. Mr. Speaker Sir,** in conformity to the 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 compliance with these provisions, the County Treasury submitted on 30th April 2025, the itemized and the program-based budgets which provide the linkage of the resources requested for various activities to the outputs that the public would derive from such expenditures. The Committee, however, noted that the County Treasury did not submit the monitoring and evaluation report which would make it possible to do a comparative analysis of how the funds allocated in the current financial year

actualized the different programmes that were approved for implementation. The Committee has in this regard informed the County Treasury that such details be availed in the future.

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

10. **Mr. Speaker Sir**, the provisions of Section 129 (2) (b) of the Act mandates the County Executive Committee Member for Finance to ensure that the estimates submitted are in accordance with the resolutions adopted by County Assembly on the County Fiscal Strategy Paper. These provisions are not like the Pharisaical laws that permitted discretionary implementation hence County Executive Committee Member for Finance is expected to keep the County Assembly abreast on any changes to the resolutions of the County Assembly. The Committee noted that the estimates submitted to this House had not adhered to the resolutions adopted on the County Fiscal Strategy Paper with the overall budget increasing by over Kshs. 2.51billion. The Committee noted that this adjustment of the overall budget without submission of any explanations as required by the provisions of Sections 129 and 130 of the PFM Act, 2012 amounted to disregard of the resolutions of the County Assembly, a position that has been shared by the Controller of Budget. To address this overreach, the Committee has taken steps and reduced the overall budget estimates to comply with the overall ceilings approved in the County Fiscal Strategy Paper. Further, the Committee shall be making recommendations that

require that such adjustments are accompanied by the necessary budget summary and explanations as required by the underpinning law.

11. The framers of the of the laws regarding the Public Finance, **Mr. Speaker Sir**, set out the fiscal responsibility as a bulwark against usage of public funds in non-priority areas. The Committee observes that the County has miles to cover in order to ensure that the wage bill is accommodated within 35% threshold. The Committee and the Controller of Budget both concede that the ballooning wage bill that stands at about 41% of the overall budget is unsustainable. Whereas the Committee appreciates that the reduction of personnel emoluments to the 35% threshold is not a one-off event and would require painstaking actions over time, it was not convinced on whether the actors have put into place strategies towards the realization of the goal. The Committee has hence agreed with the necessary departments in the County Government to implement the previously approved resolutions on management of the wage bill to forestall any further growth in that regard.

12. The drafters of the laws guiding public finance management had solemn intention in ensuring that development priorities are not shelved at the expense of meeting ever recurring needs. **Mr. Speaker Sir**, in the proposed estimates the share for the development budget represents 29.1% of the overall budget whereas Section 107(2) (b) of the Public Finance Management Act, 2012 makes it mandatory that over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure implying that the proposed budget estimates has not attained this minimum legal threshold. To further rivet this provision into the bloodline of the budget implementers, the provisions of Regulation 25 (g) of the PFM (County Governments) Regulations 2015 herein referred to as PFM Regulations require that Counties do not only allocate funds for development but also utilize the amounts allocated. Casting these provisions with reality on the ground reveals that 3 months to the end of the current financial year the County had spent just about Kshs. 2.79billion of the Kshs. 11.4billion

allocated through the Supplementary (I) budget estimates thereby reaffirming that the County Government is fully on track to offend the above requirements of the law. The Committee shall be making recommendations aimed at ensuring that the development allocation reaches the 30% threshold required by law.

13. 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.*

14. Mr. Speaker Sir, it is vital to remind this House that a budget summary is intended to provide a synopsis of the issues as contained in the estimates. During the scrutiny of the submitted budget estimates, the Committee noted that it has not departed from the missteps of the past financial year where the County Treasury failed to include as part of the submitted documents a budget summary as required by law. Due to this dereliction of duty, it was not possible to comprehend the overall theme of the presented budget as well as how it conforms to the fiscal objectives and strategies in County Fiscal Strategy Paper. Precise details of the budget policies on revenue, expenditure, clear road map on debt and deficit financing as well as on debt repayments were also lacking thereby making the document not fit as paralleled with the provisions of the guiding law. The Committee has in this regard resolved that the strategies and policies approved through the CFSP 2025 be domesticated to guide the budget estimates for the FY 2025-26.

15. Mr. Speaker, the provisions of Section 130 (1) (b) of the PFM Act, 2012 requires 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.*

16. Mr. Speaker Sir, it is commendable that most of the above requirements were adhered save for the fact that the estimates had no narration on how the County Treasury had implemented the resolutions of the County Assembly on the Annual Development Plan for the FY 2025-26, the County Fiscal Strategy Paper, 2025 and those contained in Supplementary I budget estimates for the current financial year. Whereas during the review of these estimates the Committee was taken through the implementation status of the previous resolutions, the Committee has resolved that compliance with this provision

should have no leave days and any document that is not aligned shall henceforth be considered inadmissible.

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

- a) All budget proposals shall be supported by the county government entity strategic plan;*
- b) All revenue and expenditure shall be entered into county government budget estimates;*
- c) Expenditure entered into the budget estimates shall be authorized for one financial year only;*
- d) Budget revenue and expenditure shall be balanced;*
- e) Total budget shall cover total expenditure and therefore except as provided by legislation, there shall be no use of specific revenue to finance specific expenditure;*
- f) The CECM- Finance shall cause to be conducted public hearings on the estimates and views received from the public included by the Accounting Officers.*

18. Mr. Speaker Sir, a comparison of the above provisions with the budget estimates being considered leads to a conclusion that indeed the estimates contain details of revenue and expenditures, expenditures only pertain to one financial year and the revenues and the expenditures are at equilibrium. However, during this review the Committee was informed that the County intended to adjust the existing mechanism of garbage collection and let function be undertaken by a dedicated team operating on the framework of a semi-autonomous agency. The Committee while appreciating the operational efficiency likely to be created due to this new methodology notes that the same should be guided by an existing legal framework approved by the County Assembly. In this regard the Committee has agreed with the Controller of Budget that expenditures lines like Biashara Ward Revolving Fund and the

proposed “Green Nairobi Limited” be authorized only once the legal framework has been enacted.

19. The Committee was taken aback **Mr. Speaker Sir** with regards to the overall itemized budget presentation with several budget lines amalgamated or not defined with precision making it almost impossible to comprehend with accuracy the intent of such allocation. The law being cognizant of diverse stakeholders involved in the budget process expressly provide in Section 131 (6) of the PFM Act, 2012 that the County Executive Committee member for Finance shall take all reasonably practicable steps to ensure that the approved budget estimates are prepared and published in a form that is clear and easily understood by, and readily accessible to, members of the public. This concern of the Committee has been documented by the Controller of Budget who has identified list of items that require further narration and supporting documents for them to live within the legal imperative of clarity and openness. The Committee shall to this end be recommending that the same be supported with necessary explanations as recommended by the Controller of Budget.

D. Issues Arising from Public Submissions

20. **Mr. Speaker**, Article 1 of the Constitution of Kenya recognizes the sovereignty of the people and grants them all the power that can either be exercised directly or through their democratically elected representatives. The electorates being governed therefore must be granted an opportunity to give their input on all affairs that impacts on their lives. The provisions of Article 221(5) of the Constitution and Section 131(2) of the PFM Act, 2012 puts an obligation on the County Assembly that before it considers the estimates to ensure its relevant Committee in finalizing its recommendations on the estimates take into account the views of the public. In compliance to the requirement and recognizing the public as key actors in the budget, the County Assembly placed adverts on the newspaper of Tuesday 20th May 2025 calling on members of the public to submit their views on the estimates. The

committee spearheaded the public participation exercise on the document which was undertaken on Wednesday 4th and Thursday 5th June 2025 across the seventeen Sub counties to grant the citizenry the opportunity to articulate their ideas and concerns on the budget estimates. This report took into account the submission by members of the public and separate report detailing the views from the public shall be submitted to this House for noting.

E. Submissions from Sectoral Committees

1. TRANSPORT AND PUBLIC WORKS

- a)** That the following policy measures be initiated:
 - 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; and
 - The Sector to expedite formulation of the various policies to enhance operational accountability.
- b)** That the Committee rejects projects for Mobility and Works Sector as proposed and the Sector prioritizes stalled, pending and ongoing projects including defunct NMS projects as recommended by the County Assembly in its ADP report for FY 2025/26; and
- c)** That the Committee rejects the Sector recurrent budget allocation of Kshs. 1,702,223,718.

2. CHILDREN, EARLY CHILDHOOD EDUCATION AND VOCATIONAL TRAINING.

- a)** That all roll over projects be included in the Estimates as recommended in the Committee's report during the consideration of the County Annual Development Plan and the Fiscal Strategy Paper 2025/26;
- b)** That Kshs. 270million be approved for Development under Early Childhood Education and Vocational Training in the Financial Year 2025/26 to complete ongoing and stalled capita projects as recommended by the Committee;

- c) That the allocation of Kshs. 66.4million be approved for Operation and Maintenance to cater for payment of staff perdiems, suppliers and contractors pending bills;
- d) That the increment of Kshs. 41million in the allocation for Personnel Emolument be approved in order to hire new instructors in 11 VTCs;
- e) That the Committee approves an increase of Kshs. 27.3million for Free ECDE Capitation due to the increase in enrollment of children in the ECDE Centres;
- f) That the allocation for Secondary and Primary Education Scholarships be retained at Kshs. 269.9million and Kshs. 595million respectively; and
- g) That Kshs. 72million be approved for Free Vocational Training Capitation for Twelve (12) Vocational Training Centers.

3. WARD DEVELOPMENT FUND

- a) That the budget ceilings for the Ward Development Programme sub sector be approved as proposed in the submitted estimate;
- b) The Committee considers allocating additional Kshs. 2,164,890,114.57 for settlement of pending bills; and
- c) The Committee considers allocating additional Kshs. 1,417,370,644.28 for payment of ongoing projects for FYs 2022/2023 and 2023/2024.

4. LANDS, PLANNING AND HOUSING

- a) Policy recommendations
 - That the County Executive to reconsider the approach where development budget is opened on a quarterly basis since it affects timely implementation of projects for the Sectors;
 - That the procurement of goods and service be done early in any financial year in order to avert pending bills;
 - That in order to enhance revenue collection and address irregular erection of bill boards in the County, the Committee propose billboards fee per structure rather than per occupancy in line with Nairobi City County Outdoor Advertising and Signages Act, 2018;

- That the Committee considers allocating a pool budget for Sectors to hire equipment and the County Executive to put in place equipment hiring guiding framework. This will enable the Sector access critical equipment for enforcement purpose and unlock revenue for the County and ensure compliance with County regulations in a cost effective manner;
 - That the Sector to streamline the County housing section by putting in place digitized measures that enable tenants in County houses to conveniently pay rent without coming to City hall; and
 - That in order to ensure compliance with relevant guidelines and to enhance revenue, the County puts in place technology based system of identifying and mapping signages and billboards in the County. The County also to encourage transition from canvas billboards to multi-use digital billboards.
- b) That the Committee approves the allocation of Kshs. 1, 268,149,878 to Built Environment and Urban Planning Sector with recurrent at Kshs. 645,583,341 and development at Kshs. 622,566,537.
- c) That the Committee approves the Sector Programmes and projects as proposed in the Budget Estimates.

5. ENVIRONMENT AND NATURAL RESOURCES

- a) That the sub-sector implement and finalize previously budgeted projects before initiating new ones;
- b) That the sub-sector prioritizes and complete all projects that stalled during defunct NMS;
- c) That the item “current transfers to others” in the itemized budget be named “Contracted guard and cleaning services” as it appeared in the past budgets;
- d) That the allocation for solid waste management section be retained at Kshs 1.05B (to facilitate Solid waste collection, transportation and management of the disposal cells at the final disposal) and the said project be carried out by the hired contractors and not the illegal Green Nairobi Company Ltd;

- e) That the Sector allocates Kshs. 100million for FLLoCA which provides support for financing climate action; and
- That budget for the Environment and Natural Resources sub-sector be approved as Ksh.3.299billion for recurrent expenditure and Kshs.1.003billion for development expenditure.

6. JUSTICE AND LEGAL AFFAIRS

Office of the County Secretary

- a) That the sub-sector be granted an additional allocation of Kshs. 200million for recurrent expenditure with Administration unit at Kshs. 75.18million, CEC Secretariat at Kshs. 46.34million, Records unit at Kshs. 21.18million, Research unit at Kshs. 20.32million, Reforms unit at Kshs. 18.32million and Efficiency, Monitoring & Evaluation Unit at Kshs. 18.66million.
- b) That the Sub-section be allocated an additional amount of Kshs. 90million for development expenditure for the respective units being Administration unit at Kshs. 30million, CEC Secretariat Kshs. 30million and Records unit at Kshs. 30million.

Boroughs and Sub-County administration

- That the Sub-sector be granted an additional Kshs. 318,803,517 being Kshs. 121,803,517 for recurrent programmes and Kshs. 197,000,000 for Development initiatives.

Security and Compliance

That the following sub-sector projects be approved with respective budgetary allocations: -

- a) Procurement of 16no. operational vehicles at Kshs. 98million;
- b) Procurement of 10no. motor bikes at Kshs. 1.6million;
- c) Procurement of assorted uniforms at Kshs. 51million;
- d) Refurbishing of Muoroto and Pumwani offices at Kshs. 27.7million; and
- e) Renovation of Dagoretti training school at Kshs. 20million.

Internal Audit

The sub-sector be allocated the following amounts for respective activities: -

- a) Audit Committee services at Kshs. 25million;
- b) Procurement of audit software at Kshs. 10million; and
- c) Risk Management services at Kshs. 10million.

Office of the Governor

That the Office be allocated additional allocation of Kshs.150million and be distributed as stated below: -

- a) Executive management Kshs. 90million to enhance Compliance to Statutory requirements on County Government and Improved protocol and hospitality services;
- b) Executive Communication Services Kshs. 20million to Purchase Photographic Equipment to enhance communication;
- c) Donor Coordination & Stakeholder Engagement Kshs. 30million to facilitate development of a legal framework for coordination of external resource mobilization efforts by the County; and
- d) Intergovernmental relations Kshs. 10million for coordinating Forums held between IGRTC, COG & National government Agencies to enable sound relationships between county and intergovernmental organizations.

Office of the County Attorney

— The Office of the County Attorney be allocated Kshs. 20million for personal emoluments to cater for non-practicing allowance for the Legal Counsels in the Office.

7. WATER AND SANITATION

- a) That the Water and Sanitation sub-sector's budget estimates be approved as proposed.

- b) The Sub-Sector's recurrent budget be increased by Kshs. 50million to cater for completion of Water and Sanitation Policy and Bill that will offer County Specific Road Map that will include recognition of Nairobi water as the County Water Service Provider.

8. CULTURE AND COMMUNITY SERVICES

Liquor Licensing Board

- a) The Committee recommends the approval of the following allocation for the Board: -
- Kshs. 120million towards conducting 50No. sensitization/ and Awareness programmes;
 - Ksh. 40million towards formulation of 1No. policy /regulations;
 - Kshs. 50million towards establishment of 2no. rehabilitation centers;
 - Ksh. 20million towards digitization of 1No. Liquor Licensing system;
 - Kshs. 22million towards expedition of 10,000 No. premises for inspection and conducting 408 No. of Sub-County Committee meetings;
 - Kshs. 10million to facilitate 12No. of board meetings;
 - Kshs. 20million towards issuance of 7000 No. of Liquor Licenses;
 - Kshs. 10million to expedite 24 No. of multi - agency operations;
 - Ksh. 18million towards facilitating 180No. of departmental enforcement operations.
- b) To improve work environment and safety, the sector be granted: -
- Kshs. 15million towards Construction of 2No. of offices (in Ruaraka and Dagoretti North Sub - Counties;
 - Kshs. 3million towards Procurement of 100 No. of staff uniforms;
 - Kshs. 8million for Payment of 1 No. of office rent;
 - Kshs. 6million towards Maintenance of 7 No. of offices;
- c) To improve on mobility, the sector be granted: -
- Kshs. 16million towards Procurement of 2 No. of operational vehicles; and
 - Ksh. 15million towards Fueling of 8 No of Motor vehicles.

- d) To enhance leadership and Management Skills, the Sector be allocated Kshs. 24million towards proposed 6 No. of trainings

Youth and Talent

- That the Committee grants the Sub-sector Ksh. 1,269,183,329 being Ksh. 95,392,039 for recurrent and Ksh. 1,173,791,290 towards Development; and
- That the Committee approves Sub-Sector development programmes in line with submitted estimate.

Sports Development

That committee approves the underlisted projects for the Sub-Sector

- Construction of Mwiki Stadium in Mwiki at Kshs. 92,489,013
- Construction of Woodley Stadium in Woodley at Kshs. 93,957,878
- Construction of Umoja 1 Tena grounds in Umoja I at Kshs. 5,296,335
- Construction of Kihumbuini grounds in Kihumbuini at Kshs. 170,000,000
- Construction of Green Park and Soccer Ground Waithaka in Waithaka at Kshs. 30,000,000
- Muslim Sports Ground Construction in Kabiro at Kshs. 50,000,000
- Rehabilitation of Jericho Grounds in Jericho at Kshs. 60,000,000
- Construction of playground at Mukuru kwa Reuben at Kshs. 20,000,000
- Construction of Kiambiu ground at Kshs. 20,000,000
- Rehabilitation of City stadium (Joe Kadenge Stadium) at Kshs. 362,048,064
- Citywide Stadiums (Lindi, Pangani, Mabatini, Kwale, Riruta) at Kshs. 120,000,000

Recreation

That the following projects be approved for the Sub-sector: -

- Equipping 5No. newly Constructed Social Halls (Dandora1, Mugumoini, Saika, Karen, Uhuru) at Kshs. 10,000,000;

- Construction of Dandora II youth complex in Dandora II at Kshs. 24,000,000;
- Construction of Mwiki Social hall in Mwiki at Kshs. 56,000,000;
- Completion of Kabiro Social Hall in Kabiro Ward at Kshs. 15,000,000;
- Rehabilitation of Kaloleni Social Hall in Kaloleni Makongeni ward at Kshs. 15,000,000;
- Rehabilitation of Mathare North Social Hall in Mathare North at Kshs. 15,000,000;
- Construction of ablution block at McMillan in Starehe Banda street at Kshs. 5,000,000.
- Rehabilitate McMillan Library in Starehe – banda street at Kshs. 50,000,000.
- Kshs 70,000,000 to facilitate the kitting of Community teams (2 per ward) and governor's cup.

Inclusivity Public Participation and Customer Service

- That the Sub-sector be granted an additional Kshs. 99,800,000 in addition to the Kshs. 30,847,306 that was approved in the CFSP FY 2025/26.

Disaster Management and Coordination Sector

- a) The Committee recommended that the Budget Committee approves Ksh. 1,175,545,345 towards expedition of the under listed programmes: -
 - Kshs. 302,578,916 for disaster management and coordination headquarters (General Administrative Services)
 - Kshs. 342,500,000 for Ambulance Services.
 - Kshs. 26,476,464 for ambulance services.
 - Kshs. 116,489,967 for Disaster Risk Reduction.
- b) That the Budget Committee approves the following projects worth Kshs. 387.5million for the department: -
 - Kshs. 60million for construction of Kibra Sub - County Fire station (New);

- Kshs. 60million for construction of Clay City Fire station (New);
 - Kshs. 60million for construction of Centre of Excellence (New);
 - Kshs. 60million for construction of Clay City fire station in Clay City Ward (New);
 - Kshs. 59million meant for upgrading (Furnishing & equipping e.t.c) of the centre of excellence in Kagundo Road of Kagundo fire station (New);
 - Kshs. 9million for renovation of enterprise Road (New);
 - Kshs. 5million for renovation of Ruaraka Fire station at Gumba Estate;
 - Kshs. 5million for renovation of Gigiri Fire station in Gigiri;
 - Kshs. 85million for purchase of 5 No. fire Engines in Gikomba, Gigiri, Waithaka, Kibra and Ruaraka;
 - Kshs. 14.5million for construction of Ruaraka fire station wall in Gumba Estate;
 - Kshs. 20million for furnishing and equipping 5 No. fire station in Gikomba, Gigiri, Waithaka, Kibra, Enterprise and Ruaraka; and
 - Kshs. 50million for Establishment of 17No. Disaster Management centres in 17 Sub – Counties.
- c) That the budget Committee approves the budget ceilings of Kshs. 400million for Emergency and Disaster Fund (being Kshs. 50million for Emergency Fund and Kshs. 350million for Disaster Fund).

City Culture and Tourism

- That the budget Committee approves the City Culture Sub-sector budget of Kshs. 232,000,000 being Kshs. 80million for recurrent and Kshs. 152million for development expenditures and Tourism Sub-sector budget of Kshs. 44,000,000 being Kshs. 34million for recurrent and Kshs. 10million for development expenditures.

9. HEALTH SERVICES

- a) That the Sector be allocated additional budget to address the gaps left by the cessation for funding by the US government. The breakdown of additional funding requirements are as listed below: -
- Kshs. 187,047,910.85 for medical drugs and non-pharmaceutical to avert commodity stock outs that will affect health service delivery;

- Kshs. 569,708,232 for 839 healthcare workers that are USG supported and working in Nairobi City County Government facilities into the County Payroll;
 - Kshs. 98,000,000 support towards digital infrastructure and support Electronic medical records and cloud computing;
 - Kshs. 105,882,352 support program service delivery activities for continued accessible and affordable quality health services; and
 - Kshs. 1,335,000,000 for development which will be used to complete the stalled projects.
- b) That the Committee approves the allocations that include the stalled projects that need to be completed in the FY 2025/26.

10. TRADE TOURISM AND COOPERATIVES

- a) That the Sector's recurrent budget be enhanced by additional Kshs. 628,650,000 with the following breakdown: -
- Kshs. 167.7million for Administration and Support Services
 - Kshs. 171.6million for Markets and Trade
 - Kshs. 151.2million for Trade and Industry
 - Kshs. 68.35million for Trade Licensing
 - Kshs. 14.3million for Weights and Measures
 - Kshs. 13million for Cooperatives Development
 - Kshs. 10.8million for Cooperatives Audit
 - Kshs. 10million for Micro Small and Medium Enterprises
 - Kshs. 21.7million for Gaming and Betting
- b) That the Sector's recurrent budget be enhanced by additional Kshs. 1,469,500,000 with the following breakdown: -
- Kshs. 40million for Administration and Support Services
 - Kshs. 979.5million for Markets and Trade
 - Kshs. 130million for Trade and Industry
 - Kshs. 50million for Trade Licensing
 - Kshs. 10million for Cooperatives Development

— Kshs. 260million for Micro Small and Medium Enterprises

11. AGRICULTURE LIVESTOCK DEVELOPMENT AND FISHERIES

- a) That the sub sector be allocated Kshs. 388,492.733 for the FY 2025/2026 as per the CFSP; that is Recurrent Kshs. 303,492,733 and Development budget Kshs. 85,000,000.
- b) That on the development projects, the Sub Sector reallocates Kshs. 30,000,000 to cater for 2 projects which are going to be rolled over from 2024/25 as follows:
 -
 - Kshs. 20,000,000 to be reallocated from the cone gardens for vegetable production to installation of poultry units; and
 - Kshs. 10,000,000 to be reallocated from purchase of vehicles and Underground water harvesting structures for crop production; that is Kshs 5,000,000 from each to Installation of 3 food waste management equipment.

12. INFORMATION, COMMUNICATION AND TECHNOLOGY

- a) That the Innovation and Digital Economy Sector budget for the recurrent programmes be approved as contained in the budget estimates FY 2025/2026.
- b) That the Innovation and Digital Economy Sector budget for the development programmes be approved as contained in the budget estimates FY 2025/2026.

**F. General Observations of the Finance, Budget and Appropriations
Committee on The Sectors Budget Estimates for the FY 2025-26**

21. Mr. Speaker Sir, during the consideration of the budget estimates for FY2024-25 the Committee highlighted key issues the County had persistently been grappling with and reminded this House County's vintage economic bonuses were dependent of the approach employed to address the issues. The issues ranged from the challenges of preparation of programme based budget to management of conditional grants, dwindling internal revenue inflows, management of pending bills, low intake of development funds, year in year out projects roll overs, the ballooning wage bill and the implementation ward based programmes. The Committee once again recapitulates that there exists a direct correlation between the County's ability to become an international commercial hub and how it effectively tackles these challenges that blur the hidden gem of opportunities. This section therefore has unveiled the challenges and attempts to address them through budgetary allocations in the FY2025-26.

22.

23. Mr. Speaker Sir, a review of the Budget Policy Statement for 2025 reveals that the National Government and the Counties alike are battling the menace of pending bills which without urgent surgery may remain an obstacle to the path of achieving the priorities in the Medium-Term IV Plan and the devolution agenda. Moreover, the National Government, under the Kenya Kwanza administration, recently presented a budget to the tune of Kshs. 4.29 trillion. The budget focuses on revenue-raising measures and prioritizes debt servicing that saw an allocation of over Kshs 1.37 trillion allocated to debt financing representing almost 32% of the total budget. This huge allocation re-emphasizes the fact that debt servicing and pending bills has the likelihood of crowding out any gains in the ambitious National and County budgets. The Controller of Budget during the consideration of FY2025-26 recommended that the County treat as first charge the pending bills as well providing a schedule of payment plan based on FIFO principles. The County Assembly in its 2025 CFSP report likewise resolved that the County Treasury submits the

audited list of pending bills and payment framework before approval of FY2025-26 budget estimates. Despite enhanced allocation of Kshs. 600million for recurrent related pending bills and Kshs. 300million for development related ones under Finance Sector, the Committee noted that the progress towards management of debt to sustainable levels require concerted effort and fiscal discipline. The Committee has maintained its previous stance that the plan on settlement of pending bills be included as provided under Section 131(6) of the PFM Act, 2012 and will further be recommending auxiliary measures and allocations to ensure the County debt stock is gradually moving to sustainable levels.

24. To underscore the need to ensure that those that trade with the County are paid **Mr. Speaker Sir**, while reviewing the County Fiscal Strategy Paper (CFSP) for the year 2025, the County Assembly observed that the initial allocation for settling pending bills was insufficient and took corrective action by increasing the allocation by Kshs.350 million, bringing the total amount earmarked for pending bills to Kshs.750 million. However, despite this proactive adjustment, the submitted budget estimates failed to provide adequate detail on the progress made in implementing the County Assembly's earlier resolutions. Specifically, there is no clear indication of how various sectors are being held accountable for curbing the accumulation of pending bills at the source that is, at the point where obligations are initially incurred. This lack of sector-level responsibility continues to be a concern, as unmonitored growth in pending bills undermines fiscal discipline and efficient public service delivery. The Committee calls upon this House to remain vigilant in ensuring that its resolutions are taken in consideration to avoid reoccurrences of similar instances.

25. **Mr. Speakers Sir**, the most valuable asset of any organization is its human capital yet the County has continued to grapple with an aging workforce and the first County Government proposed a voluntary early retirement scheme to allow staff who are approaching the mandatory retirement age to exit the service and allow the County enjoy benefits associated with recruitment of young and energetic employees. The Committee

noted that over the years this proposal has remained a pipedream and has failed to take off with key impediment to the whole process being failure to submit such plan for implementation. Moreover, the past regimes failure to remit the employees statutory deductions has piled pressure on the County scarce resources. During the consideration of these estimates, the Committee heard from the management of LAPTRUST retirement benefit scheme that the County is on the brink of apocalypse as far as settlement of retirement arrears is concerned. The Committee has in this regard through these estimates proposed an initial allocation of Kshs. 700million towards settlement of LAPTRUST arrears.

- 26. Mr. Speaker Sir**, the Committee reviewed these estimates cognizant of the provisions of Regulation 37 (1) of the Public Finance Management (County Government) Regulation 2015 which indicates 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 of the law prima facie assumes that the budget under consideration has been fully aligned to the resolutions adopted in the CFSP and has met all the fiscal responsibility principles. The contemporary situation as has been espoused elsewhere in this report is that the Committee was confronted with a budget that is not aligned to the CFSP, whose development allocations is below the 30% threshold, the wage bill was not properly explained and there were mismatches between the itemized and the program based budget making the baseline scenario highly untidy. In this regard, the Committee has considered and made the following recommendations within an aim of ensuring that the final budget document adheres to the principles of law and best budgeting practices.

G. Committee's Recommendations

a) Policy Measures

- 1. 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 in the FY 2025-26 the County Treasury shall oversee and facilitate rolling out of all the development projects approved in this report within the first quarter of the financial year;
- 3) That in strict compliance with Section 130 of the Public Finance Management Act, 2012 the County Treasury shall ensure that all budget documents submitted to the County Assembly for approval contains: -
 - The budget summary detailing policies on revenue, expenditure, debt and deficit financing;
 - An explanation of how the budget relates to the fiscal responsibility principles and the financial objectives; and
 - 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;
- 4) That prior to certification and publication of the budget estimates for the FY 2025-26, the County Treasury shall undertake proper review and correction of the material errors noted on the Programme Based Budget Estimates;
- 5) That the Nairobi City County Government fast tracks the preparation and rolling of spatial and sectoral plans;
- 6) 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;
- 7) 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;
- 8) That the Public Service Management Sector and the County Public Service Board develops and makes available the Human Resource Establishment and

such analysis includes optimal staff structure for inclusion in this and future sectoral budgets as basis for budgeting for employee costs;

- 9) That the list of WDP projects be developed and included in the budget estimates;
- 10) 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 2025-26;
- 11) 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 2025;
- 12) That the Office of the County Attorney finalizes verification of fee notes to inform settlement of pending legal fees;
- 13) 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
- 14) 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) Deficit Financing and Pending Bills

- 1) That in furtherance to the debt financing mechanisms approved in the Debt Management Strategy Paper 2025 and the County Fiscal Strategy Paper 2025 the following approvals be granted for implementation in the FY 2025-26: -
 - a) That additional Kshs. 700million be provided for settlement of pension arrears owed to LAPTRUST
 - b) That Kshs. 900billion be provided under Finance and Economic Affairs Sector for settlement of development related pending bills.

c) 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 2025-26 be adjusted as follows: -
 - a) That in line with the County Allocation of Revenue Bill 2025 the equitable be reduced by Kshs. 2.083billion to Kshs. **21.417billion**
 - b) That the projected internal revenue target be reduced by Kshs. 2,442,710,660 to stand at **Kshs. 21,413,889,340**
 - c) That the overall revenue framework be approved at **Kshs. 44,620,889,340**
- 2) That to achieve the internal revenue targets contained in the approved budget estimates for the FY 2025-26 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, 2025
 - Periodic issuance of agency notices
 - Auctioning of properties with arrears
 - Issuance of caveat at Ministry of Lands on transaction of properties with rates arrears

d) Budget Classification and Reallocations

- 1) That under the Green Nairobi Sector the Vote description “2640499 Other Current Transfers – Others” be deleted and replaced thereof with “Contracted Guards and Cleaning Services”
- 2) That under Education Sector the descriptions titled “Scholarships and Other Educational Benefits – Primary Education” and that on “Scholarships and other Educational Benefits -Secondary Education” all be amended to read “Scholarships and Other Educational Benefits”
- 3) That all allocations and descriptions related to rolling out of the Green Nairobi Limited be knocked off the budget pending enactment of an appropriate legal and regulatory framework by the County Assembly.
- 4) That in finalizing the budget estimates and the Appropriation Bill 2025, the County Treasury and the Public Service Management shall undertake comprehensive rationalization of personnel emoluments across all sectors to reflect the accuracy of staff in various posts both current and projected.
- 5) That in line with the recommendations of the Controller of Budget the following expenditures be declassified: -
 - County Assembly development budget
 - WDP Projects
 - Maintenance of lighting fixtures
 - Construction/ Maintenance of ECDE Classes
 - Equipping of County Health facilities
 - Rehabilitation of ward and sub county offices
 - Description for construction of various markets, stadia, sports complexes etc
 - List of pending bills to be settled with the amounts allocated
- 6) That the itemized and program-based budgets for the Nairobi City County Government be amended accordingly to reflect the changes in this report.

Mr. Speaker Sir, in order to ensure that the overall budget estimates are aligned to the ceilings approved in the County Fiscal Strategy Paper 2025, there is a balance in distribution of development projects, the budget is aligned to previously approved budget documents and that the overall development budget does not fall below the

30% threshold the above reallocations, the following budget reductions and increases be effected in the submitted budget estimates for the FY 2025-26.

e) Budget Reductions

- 1) That pending the implementation of the payroll management measures contained in other parts of this report, the overall budget allocation for personnel emoluments be reduced by 10%;
- 2) That the allocation for foreign travel and related costs across all sectors be knocked off the budget;
- 3) That the allocation for domestic travel and related costs across all sectors be reduced by 50%;
- 4) That the allocations for other operations and maintenance across all sectors be reduced by 25%;

f) Budget Increases

That after taking into account the budget reductions above the following further adjustments be made under respective budget lines:

— **Nairobi City County Assembly Service Board**

- 1) That in line with the County Allocation of Revenue Bill, 2025 the budget for the County Assembly Service Board be adjusted as follows: -
 - Recurrent — Kshs. 1.569billion
 - Transfer to other County Funds – Kshs. 70million
 - Development — Kshs. 1billion
- 2) That the development allocation for the County Assembly be utilized to undertake the following projects: -
 - Construction of Assembly block
 - Construction/ Renovation of ward offices
 - Construction of Speaker’s residence
 - Renovation of Assembly building
- 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 budget for Green Nairobi under Climate Change be increased by Kshs. 50million for Flocca;
- 2) That the following expenditure increases be effected in respective recurrent budget lines under Boroughs and Sub County Administration: -
 - Kshs. 10million for Monitoring and Evaluation;
 - Kshs. 10million for Research;
 - Kshs. 30million for Donor Coordination and Stakeholder Engagement;
 - Kshs. 20million for Security and Compliance
 - Kshs. 100million for Disaster Management and Coordination.
- 3) That the following expenditure increases be approved in respective budget lines under the Health Sector;
 - Kshs. 120million for construction and completion of works of 400bed capacity complex at Mama Lucy Kibaki Hospital
 - Kshs. 70million for construction of medical block at Mbagathi Hospital
 - Kshs. 18million for establishment of ICU and NICU at Pumwani Maternity Hospital
 - Kshs. 38million for construction of modern block at Mutuini Hospital
 - Kshs. 16million for completion of stalled medical block at Mathare North Health Centre
 - Kshs. 28million for construction of level II hospital in Utalii Ward
 - Kshs. 26million for completion of Upendo dispensary
 - Kshs. 5million for completion of Siranga dispensary
 - Kshs. 20million for completion of stalled medical block at Kamulu Health Centre
 - Kshs. 21million for completion of stalled medical block at Dandora II Health Centre
 - Kshs. 5million for upgrade of Korogocho Health Centre
 - Kshs. 26million for completion of stalled medical block at Karen Health Centre

- Kshs. 14million for rehabilitation of Mountain View dispensary
 - Kshs. 14million for completion of Makongeni dispensary
 - Kshs. 70million for construction of perimeter walls in selected health facilities
 - Kshs. 10million for delivery of electricity connection at Parklands/Highridge hospital
 - Kshs. 20million for completion of Kwa Njenga Level IV Hospital
 - Kshs. 5million for completion of new medical block at Lungalunga Health Centre
 - Kshs. 5million for completion of theatre at Kibera South Health Centre
- 4) That the following expenditure increases be effected under the respective budget lines for Built Environment and Planning Sector: -
- Kshs. 50million for Regularization of Developments
 - Kshs. 26million for County Valuation Board
 - Kshs. 10million for renovation of Uhuru Estate
 - Kshs. 7.6million for renovation of Harambee Estate
 - Kshs. 20million for renovation of Huruma Estate
 - Kshs. 30million for construction of perimeter wall in Huruma Estate
 - Kshs. 20million for reroofing of Kariokor Estate
- 5) That the following expenditure increases be effected under the respective budget lines for the Mobility and Works Sector: -
- Kshs. 25million for construction of Wairimu Road Phase I
 - Kshs. 25million for construction of Rafuok- Obama Road
 - Kshs. 25million for construction of Primrose Road
 - Kshs. 25million for construction of Reckysha Road
 - Kshs. 25million for re-carpeting of Police Line, Catholic, Deliverance and Phase III Roads
 - Kshs. 25million for construction of Mau Mau Road in Mlango Kubwa
 - Kshs. 25million for construction of Mau Mau Road in Mabatini
 - Kshs. 25million for construction of Maingi Road
 - Kshs. 20million for construction of Meta Meta Road

- Kshs. 25million for construction of Laundry – Babadogo Road
- Kshs. 20million for rehabilitation of roads in Roysambu Ward
- Kshs. 25million for construction of Migingo- Dandora V Bridge
- Kshs. 25million for construction of Powerline-Charity Road
- Kshs. 25million for construction of Mogra Road
- Kshs. 25million for construction of Klarie Hihu Road
- Kshs. 20million for construction of Chief Road
- Kshs. 20million for construction of Jacaranda Estate Roads
- Kshs. 25million for construction of Majimbo Road
- Kshs. 25million for construction of Gikomba access roads
- Kshs. 25million for construction of Chieko Road
- Kshs. 25million for construction of Kongo/Kiangishiri Road
- Kshs. 25million for Salim Road in Kabiru Ward
- Kshs. 25million 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. 25million for construction of Ring Road Nasra
- Kshs. 25million for construction of Forest View Road
- Kshs. 25million for construction of Ndigi Mwana wa Nzeki Road
- Kshs. 20million for construction and rehabilitation of drainages in Mabatini
- Kshs. 25million for construction of Tecla Loroupe Road
- Kshs. 25million for construction of Chania Avenue
- Kshs. 25million for construction of Embassy Road
- Kshs. 25million for construction of Mama Loise Road
- Kshs. 25million for construction of Sakaja Road
- Kshs. 25million for construction of Simaloi flats to Jeska Road
- Kshs. 25million for construction of Uzima Road
- Kshs. 25million for construction of Karandi-ini Road
- Kshs. 25million for construction of Mweni Road

- Kshs. 20million for drainage improvement works in Runda
- Kshs. 25million for construction of Athi Road
- Kshs. 25million for construction of Maratha Road
- Kshs. 20million for construction of Marurui Kinyanjui Road
- Kshs. 20million for construction of Mugure Feeder Road
- Kshs. 25million for construction of Kosovo- City Carton Steel Footbridge
- Kshs. 25million for construction of Githunguri Road
- Kshs. 25million for improvement of Galole Street
- Kshs. 25million for construction of Diamond Road
- Kshs. 25million for construction of Nziu Road
- Kshs. 25million for paving of Nairobi West Shopping Centre
- Kshs. 20million for construction of Kenya Power – Mathare 4A Road
- Kshs. 20million for rehabilitation of Waudo Street
- Kshs. 25million for construction of Kosovo and 4B roads
- Kshs. 25million for re-tarmacking of Jerusalem Shopping Centre
- Kshs. 27million for construction of Jerusalem- Kiambiu Motorable Bridge
- Kshs. 17million for construction of footbridge at Deep Sea
- Kshs. 30million for construction of Kasabuni- Mama Margaret Kenyatta Hospital Bridge
- Kshs. 20million for construction of box culvert at Gatwekera in Lindi Ward
- Kshs. 30million for construction of Maji Mazuri Mwiki Bridge
- Kshs. 20million for construction of Ngumba Bridge
- Kshs. 15million for construction of Sunton- Mugumoini Road
- Kshs. 20million for construction of Feeder Road next to Kenya builder Plot 10 Taj-Mall- Mashariki
- Kshs. 50million for upgrading to bitumen of Drumvale- Sir Henry Ring Road
- Kshs. 268million for purchase of Road maintenance materials

- Kshs. 25million for rehabilitation of public transport facilities in Riruta
 - Kshs. 20million for development of transport facilities in Kahawa West Shopping Centre
 - Kshs. 48million for development of transport facilities in Maji Mazuri, Kasarani
 - Kshs. 30million for construction of Police line road in Upper Savanna
- 6) That the following expenditure increases be effected under the respective budget lines for the Talents, Skills Development and Care Sector: -
- Kshs. 10million for construction of Raila Odinga ECDE Centre in Makina Ward
 - Kshs. 10million for construction of Skyway ECDE Centre in Mihango
 - Kshs. 5million for construction of new ECDE in Mwiki
 - Kshs. 5million for construction of new ECDE in Dandora Day
 - Kshs. 5million for completion of new ECDE in Kawangware Primary
 - Kshs. 5million for completion of new ECDE in Starehe Day Primary
 - Kshs. 5million for completion of new ECDE in Kangemi Primary
 - Kshs. 5million for completion of new ECDE in Kariobangi South
 - Kshs. 5million for completion of new ECDE in Rituta Satellite Primary
 - Kshs. 5million for completion of new ECDE in Joash Olum
 - Kshs. 14million for completion of new ECDE in Tana Day Nursery
 - Kshs. 14million for completion of new ECDE in Ayany Pre Primary
 - Kshs. 15million for completion of Komarock South ECD
 - Kshs. 15million for construction of Undugu ECD
 - Kshs. 10million for construction of new VTC at Nyayo Highrise
 - Kshs. 10million for construction of Umoja 1 VTC
 - Kshs. 92million for construction of Mwiki Stadium
 - Kshs. 94million for construction of 94million of Woodley Stadium
 - Kshs. 45million for construction of Umoja 1 Tena and Gaikuyu Grounds







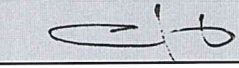
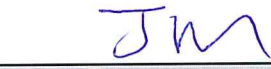
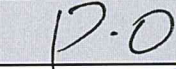

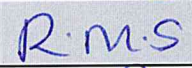
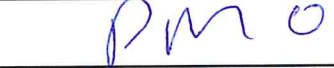
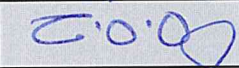




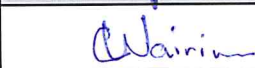

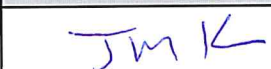
- Kshs. 170million for construction of Kihumbuini Stadium
 - Kshs. 30million for construction of Green Park Soccer Ground
 - Kshs. 25million for construction of Muslim Grounds
 - Kshs. 252million for Rehabilitation of City Stadium
 - Kshs.100million for Construction of AA Stadium in Mukuru kwa Reuben and Pand Pierri Stadium in Githurai
 - Kshs. 30million for construction of Biafra Grounds and Basket Court in California
 - Kshs. 20million for upgrade of Majimbo Grounds
 - Kshs. 20million for upgrade of Bombay playing field
 - Kshs. 20million for construction of Dandora II Youth Complex
 - Kshs. 40million for construction of Mwiki Social hall
 - Kshs. 15million for construction of Kabiro Social Hall
 - Kshs. 15million for rehabilitation of Kaloleni Social Hall
 - Kshs. 20million for levelling of Undugu Grounds
 - Kshs. 15million for construction of Ngumba Social Hall
 - Kshs. 15million for rehabilitation of Mathare North Social Hall
- 7) That the following expenditure increases be effected under the respective budget lines for the Business and Husler Opportunities Sector: -
- Kshs. 57million for Jujo Market
 - Kshs. 80million for Karen Market
 - Kshs. 80million for Kahawa West Market
 - Kshs. 35million for Mutuini Market
 - Kshs. 65million for construction of Miraa Market
 - Kshs. 40million for Lucky Summer Market
 - Kshs. 53million for Toi Market

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 County Finance, Budget and Appropriations Committee on the Budget Estimates for the Nairobi City County Government and County Assembly for the FY 2025-26”

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 Budget Estimates for FY 2025-2026 as adopted by the Committee on the 26th day of June 2025

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	
7) Hon. Catherine Apiyo Okoth, MCA	
8) Hon. Jane Muasya, MCA	
9) Hon. Peter Overa, MCA	
10) Hon. Asli Muhamed, MCA	
11) Hon. Rosemary Masitsa, MCA	
12) Hon. Perpetua Mponjiwa, MCA	
13) Hon. Colins Ogenga, MCA	
14) Hon. Fathiya Abdillahi Mohamed, MCA	
15) Hon. Sam Kago, MCA	
16) Hon. Anthony Ngaruiya Jasho, MCA	
17) Hon Paul Ndungu, MCA	
18) Hon Ciciliah Wairimu Njathi, MCA	
19) Hon Waruguru Kanyi, MCA	
20) Hon Joyce Kamau Muthoni, MCA	
21) Hon Waithera Chege, MCA	
22) Hon Susan Makungu, MCA	
23) Hon. Jane Wanjiru,	