

GOVERNMENT OF NAIROBI CITY COUNTY



THE NAIROBI CITY COUNTY ASSEMBLY

OFFICE OF THE CLERK

THIRD ASSEMBLY

(FIFTH SESSION)

NCCA/TJ/PL/2026(79)

23RD JUNE 2026

PAPER LAID

SUBJECT: REPORT OF COMMITTEE

Pursuant to the provisions of Standing Order 196 (6) and 228 (5), I beg to lay the following Paper on the Table of the Assembly, today, Tuesday, 23rd June, 2026

- THE 40TH REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE, BUDGET AND APPROPRIATIONS ON THE REVENUE AND EXPENDITURE ESTIMATES FOR THE FY 2026/2027 FOR THE NAIROBI CITY COUNTY GOVERNMENT AND THE COUNTY ASSEMBLY.

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

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

Handwritten notes in blue ink:
Paper laid
on the floor
He. 23/6/26
He. 23/6/26
He. 23/6/26

NCCA/TJ/NTC/2026

GOVERNMENT OF NAIROBI CITY COUNTY



THE NAIROBI CITY COUNTY ASSEMBLY

THIRD ASSEMBLY
(FOURTH SESSION)

23rd June 2026

NOTICE OF MOTION

Subject: Adoption of the report of a Committee

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

THAT, this Assembly adopts **THE 40TH REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE, BUDGET AND APPROPRIATIONS ON THE REVENUE AND EXPENDITURE ESTIMATES FOR THE FY 2026/2027 FOR THE NAIROBI CITY COUNTY GOVERNMENT AND THE COUNTY ASSEMBLY**, laid on the Table of the Assembly on 23rd June 2026.

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

*Notice given
Hon. Odhiambo
23/6/26
[Signature]*

COUNTY GOVERNMENT OF NAIROBI CITY



NAIROBI CITY COUNTY ASSEMBLY

THIRD ASSEMBLY – FIFTH SESSION

**40TH REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE,
BUDGET AND APPROPRIATIONS**

ON

THE CONSIDERATION OF THE REVENUE AND EXPENDITURE ESTIMATES
FOR THE FY 2026-27 FOR THE NAIROBI CITY COUNTY GOVERNMENT AND
THE COUNTY ASSEMBLY

JUNE, 2026

I. PREAMBLE

1.1 Background

Mr. Speaker Sir, former President Barack Obama once remarked that, "**A budget is more than just a series of numbers on a page; it is an embodiment of our values.**" This poignant observation underscores the reality that budgets are not merely fiscal instruments but moral compasses that reveal the priorities, commitments and aspirations of those entrusted with public stewardship. As the sands of time continue to trickle through the hourglass and with barely a year remaining before Nairobians return to the ballot to adjudicate the performance of the present administration, the verdict will hinge on whether this regime has demonstrated sufficient fidelity to its promises to merit a renewed five-year mandate or whether persistent shortcomings will precipitate a paradigm shift in the County's leadership. It is against this backdrop that the Third County Government constituted by both the County Executive and the County Assembly must rise above partisan predispositions and collectively interrogate innovative pathways for surmounting the budgetary implementation headwinds inherited from preceding administrations while simultaneously addressing the emergent fiscal and governance challenges that have manifested during the tenure of the current dispensation.

Mr. Speaker Sir, budgets serve as critical policy tools through which governments allocate scarce resources to priority areas that promise the greatest impact and value for money. Given that public resources are inherently limited, it becomes necessary to make deliberate and strategic choices on how best to utilize them. If, hypothetically, resources were infinite, the need for budgeting would be redundant as all proposed programmes and projects would be implemented without constraint. However, the reality of scarcity necessitates prudent planning and prioritization. It is on this fundamental principle that this Third County Assembly has once again been called upon to examine, interrogate,

and ultimately determine the priorities and sector allocations outlined in the budget.

Mr. Speaker Sir, in accordance with the provisions of Section 129 of the Public Finance Management (PFM) Act, 2012, as well as Standing Order 228 of this Assembly, the County Revenue and Expenditure Estimates for the Financial Year 2026/27 were formally submitted before the County Assembly within the prescribed timelines, the document was duly committed to the relevant Sectoral Committees alongside the Finance, Budget and Appropriations Committee. These Committees were tasked with the responsibility of scrutinizing the document, considering its contents in detail, and subsequently reporting back to the Assembly within the scope of their respective mandates.

Mr. Speaker Sir, the essence and significance of Standing Order 227(6) lies in guiding the Assembly towards a comprehensive outcome from this rigorous review process. Specifically, the Assembly is expected to pronounce itself on the total projected revenues for the County, approve the expenditure estimates for both the County Government and the County Assembly, and determine the allocation of resources across various Votes and programmes for the Financial Year 2026/27. This final determination not only provides fiscal direction but also ensures accountability, transparency and alignment of resources with the County's strategic development priorities.

1.2 Committee Membership

Mr. Speaker Sir, the following 23 members of the County Assembly Finance, Budget & Appropriations Committee oversaw the consideration of the budget estimates:

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. Asli Muhamed, MCA
10. Hon. Rosemary Masitsa, MCA
11. Hon. Perpetua Mponjiwa, MCA
12. Hon. Peter Oweru Oluoch, 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. Jane Wanjiru, MCA

1.3 Committee Secretariat

Mr. Speaker Sir, the during the consideration of these estimates the Committee received technical support the County Assembly Budget Office that provided analytical reviews, simplified and synthesized data for meaningful decision making as well as offering coordination services during this important budget cycle. This was made possible under the stewardship of **Mr. Erick Otieno**, the Principal Fiscal Analyst and the Head of the Budget Office together with the following officers: -

- | | |
|-------------------------|---|
| 1. Mr. Wilfred Manyi | - Senior Clerk Assistant/ Committee Clerk |
| 2. Mr. Alphonse Ouma | - Senior Fiscal Analyst |
| 3. Mr. Jonathan Koinari | - Fiscal Analyst |
| 4. Mr. Joseph Otsyula | - Fiscal Analyst |
| 5. Mr. Peter Opuch | - Fiscal Analyst |

6. Mr. John Kirai - Clerk Assistant
7. Ms. Elizabeth Tsombe - Hansard Reporter

1.4 Examination of the Budget Estimates for the FY 2026-27

Mr. Speaker Sir, in compliance with the applicable legal provisions and the County Assembly Standing Orders requiring stakeholder engagement prior to consideration of the estimates, the Committee conducted public hearings across all 17 Sub-Counties. It also convened consultative meetings during which it received submissions from the County Executive, led by the Executive Committee Member for Finance and the Chief Officer for Finance. The Sectoral Committees deliberated on 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 their respective mandates. Additionally, the Committee considered submissions from the County Assembly Service Board, presented by the Clerk to the County Assembly. The discussions centered around the rationale for funds allocations, justification for additional funding and broader policy measures aimed at strengthening budget formulation and implementation. This final product being presented today is therefore an outcome of a vigorous process involving various stakeholders and the Committee has incorporated their views while making the final determinations on the proposals.

1.5 Acknowledgment

Mr. Speaker Sir, the Committee wishes to register its heartfelt gratitude to the various actors in the budget processes, the key offices that played pivotal roles as well as individuals whose input were immeasurable: -

- a) The members of the public who have upheld their Constitutional duty to ensure that the estimates capture their aspirations;
- b) The Office of the Speaker for allowing the Committee to consider the estimates during the recess period;
- c) Offices of the Clerk for administrative support crucial to the consideration and finalization of the budget estimates;

- d) The County Treasury led by the County Executive Committee Member for Finance and the Chief Officer for Finance for appearing before the Committee to clear the air on the issues raised as well as the rationale for the allocations;
- e) Members of the Finance, Budget and Appropriations Committee who despite being on recess laid aside other commitments to review the estimates and consider them within the prescribed statutory timelines;
- f) The Chairs and the Sectoral committee alongside their respective clerk assistants for the insightful deliberations and feedbacks on the budget estimates; and
- g) The County Assembly Budget Office who conducted an in-depth analysis for the sectors as well as offering technical support to the Committee in coming up with this final report.

Mr. Speaker Sir, on behalf of the Finance, Budget & Appropriations Committee, I count it a privilege to table this report on the County Revenue and Expenditure Estimates for the FY 2026-27 and recommend it to the Assembly for adoption.

Signed.......... Date.....23/06/2026.....

Hon. Wilfred Oluoch Odalo, MCA
Chairman: Finance, Budget and Appropriations Committee

II. SCRUTINY OF THE NAIROBI CITY COUNTY BUDGET ESTIMATES FOR THE FY 2026-27

A. The Snapshot of the Overall Budget

- 1. Mr. Speaker Sir,** the proposed estimates as submitted will see the County total budget pegged at Kshs.46.98 billion of which Kshs.32.89 billion is meant for recurrent expenditure while Kshs.14.09 billion has been earmarked for development projects. In comparison to the allocations in the approved budget for the current financial year, there is an increment of about Kshs. 2.4 billion in the overall budget. The proposed estimates were noted to have been rationalized downwards by about Kshs.2.5 billion in comparison to the approved County Fiscal Strategy Paper 2026 that had specified the broad strategic priorities and policy goals that guide the County Government in preparation of its budget. In the CFSP the County Assembly approved the ceilings at Kshs.49.5 billion with Kshs.34.6 billion being allocated for recurrent expenditure and Kshs. 14.9 billion for development priorities.
- 2. Mr. Speaker Sir,** it should be appreciated that the decision to shift from the traditional budgeting to the Programme Based Budgeting (PBB) has addressed a myriad of challenges. The latter links allocated funds to clear performance indicators and outputs, prioritizing the "why" and "what" of spending hence ensuring value for money while categorizing costs by the program they serve in contrast to the traditional methods that focused on details of every individual expense that primarily answered *how much* is being spent queries. The County overall budget has therefore been organized around several programmes with Health, Wellness and Nutrition Sector having the highest allocation of Kshs. 13.75 billion intended towards achieving its overarching goal of reducing the burden of both communicable and non-communicable diseases. This allocation is about 29% of the overall budget surpassing the minimum of 25% condition prescribed by DANIDA.

3. To ensure seamless service provision to the residents of the city the Boroughs and Public Administration has a proposed allocation of Kshs.5.4billion while the Environment Sector saw an allocation of Kshs. 5billion in ensuring that the capital remains clean, guarantee prudent solid waste management and provision of clean water with a focus to improve sanitation for the citizens. The Mobility and Works sector has been allocated Kshs. 4.03 billion meant to undertake its core mandate of improving infrastructure, transport and operational efficiency, accessibility and safety. In furtherance to the development at the grassroots across the 85 wards the 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. The need for prudent financial management remain core to every institution and in this regard the Finance Sector has been allocated Kshs. 3.84billion. The need for literate populace eager to make a difference in the future days while also enhancing individual talents has seen the Talents and Skills sector allocated Kshs.3.1billion.
4. **Mr. Speaker Sir**, in the Constitutional spirit of separation of powers, the County Assembly has been allocated a total of Kshs. 2.8 billion intended to ensure democratic governance and safeguarding the welfare of the electorate. Of this allocation, Kshs. 1.8 billion has been earmarked for recurrent expenditure, while Kshs. 1 billion is designated for the implementation of capital development projects. It is imperative to remind this Honorable House that the recurrent expenditure ceilings for County Assemblies are ordinarily determined through the County Allocation of Revenue Act (CARA). It is commendable unlike the past that the President assented the bill into an Act on 15th June 2026 providing a legroom for adjustments of the County Assembly's ceilings to conform to the figures contained in the Act. This timely passage of these statutory instruments is essential in enhancing predictability and fiscal prudence in the budgeting process, while simultaneously strengthening the spirit, efficacy and enduring promise of

devolution. The Counties have therefore no urgency to prepare supplementary estimates to conform with the ceilings given they have been assented in good time.

B. Financing of the 2026-27 Budget Estimates

5. Mr. Speaker, in compliance with the legal requirement for a balanced budget, the County's projected revenue has been aligned with the proposed expenditure framework. The County expects to generate Kshs. 24.2 billion from own-source revenue and receive Kshs. 22.8 billion in external transfers, comprising Kshs. 21.68 billion as equitable share and Kshs. 1.12 billion in conditional grants. Further, the County Treasury projects Kshs. 1.15 billion in cash balances carried forward from the current financial year to supplement the revenue basket.

6. Mr. Speaker Sir, reports indicate that the County had collected Kshs.9.4billion as at 31st March 2026 being about Kshs. 10 billion shy of the annual target considering the fact that the County experiences a high collection rate during the third quarter of the financial year. The Committee in the scrutiny of these estimates noted that the robust revenue raising measures fronted during the approval of the current financial year's budget estimates remained beyond reach as the revenues continue to dwindle. During the engagements with the public, the Committee noted the concerns raised requiring the County to readjust its budget within realistic revenues. The Committee has considered the proposed internal revenue projections with above realities in mind while also taking into account the revenue strategies approved in the CFSP 2026 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 targets that is within reach for the County Government.

7. Mr. Speaker Sir, the submitted estimates anticipate the County equitable share to equal Kshs. 21.68 billion a negligible increase from the current allocation of Kshs.21.47 billion. The fair share of Nairobi County is based on the County Allocation of Revenue Bill that allocated Kshs.420 billion as the equitable share to all county governments. The President signed into law the County Allocation of Revenue Act, 2026 on 15th June 2026 paving way for the counties to share Kshs. 428billion a figure that was arrived at as a compromise between the two Houses of Parliament following mediated settlement providing counties with Kshs. 13 billion more than the Kshs.415 billion allocated in the current 2025/2026 financial year. It is therefore evident that the amounts reflected in the County Allocation of Revenue Act have substantially increased compared to those in the bill and as such the County will also experience a marginal increase in its share to Kshs.22.1billion. The Committee shall hence be adjusting the projected Equitable share to reflect the most accurate position arising from the recent developments.

8. Mr. Speaker Sir, the allocations for the County has taken into consideration the approved Fourth basis revenue sharing formula that basically comprises of three components being a baseline figure arising from the most recent actual revenues, affirmative action and the balances on a prescribed formula composed of four parameters being Population weighted at 45%, Poverty Index weighted at 12%, Geographical Size Index weighted at 8 %, and Basic Share index weighted at 35%. The County anticipates conditional grants funding in the submitted budget estimates but past receipts of such funding remains indeterminate making their forecasting unpredictable. Given the uniqueness of Nairobi City County there is still need for round table discussions to ensure that additional allocations are granted to the County in order to support and sustain its position in relation to other cities as well as its importance in the international arena.

9. Mr. Speaker Sir, the County also intends to borrow Kshs. 6.9 billion to finance pending development projects and settle payments of completed projects across the various wards. According to the submitted information, the proposed borrowing facility will have a term of ten years (120 months), with interest rates pegged to the prevailing Central Bank of Kenya (CBK) base rates, although the final rate remains indicative and subject to negotiation with the lender. The loan is proposed to be repaid on a quarterly basis over the life of the facility. In addition, the County has indicated that its own-source revenue and equitable share transfers will serve as the securities for the borrowing arrangement. Given the implications of this commitment on the County's future fiscal space and debt sustainability, it is important that further details be provided on the borrowing terms, the specific projects to be financed, the repayment projections, and the measures in place to ensure that the pledged revenue streams are sufficient to meet the County's obligations without adversely affecting service delivery and other budgetary commitments.

**C. Review of Compliance of the Budget Estimates for The FY 2026-27
to the Prevailing Legislation**

10. Mr. Speaker Sir, in view of the perennial scarcity of resources and the multiplicity of competing public needs, the planning, allocation, utilization and reporting of public finances are governed by an elaborate legal and institutional framework designed to safeguard fiscal discipline, transparency and accountability. Chapter Twelve of the Constitution unequivocally delineates the pivotal role of the County Assembly within the budget-making process, a mandate that is further reinforced by the provisions of the Public Finance Management Act, 2012, the County Governments Act, 2012, the Public Finance Management (County Governments) Regulations, 2015, and the County Assembly Standing Orders. In discharging its oversight and quasi-arbitral responsibilities, the County Assembly acts through the Finance, Budget and Appropriations

Committee, which is entrusted with the responsibility of scrutinizing budget documents to ensure that the estimates submitted for approval conform to the prescribed constitutional, legal, and statutory requirements. This Honorable County Assembly must therefore remain adequately apprised of the extent to which the submitted estimates have complied with the various provisions of the law so as to facilitate informed deliberations and uphold the principles of prudent public financial management.

11. Mr. Speaker Sir, in conformity with the prescribed statutory timelines, Article 221 of the Constitution and Section 129(2)(a) of the Public Finance Management Act, 2012 require the submission of budget estimates to the County Assembly at least two months before the end of the financial year, together with all supporting documents and any legislation necessary to implement the budget. In compliance with these provisions, the County Treasury submitted the itemized and programme-based budget estimates within the required timelines thereby providing a linkage between the resources requested and the outputs expected from the proposed expenditures. However, the Committee noted that the County Treasury did not submit the Monitoring and Evaluation Report, which would have enabled a comparative assessment of the extent to which allocations in the current financial year translated into the implementation of approved programmes and projects. The Committee therefore urge the County Treasury to ensure that such reports accompany future budget submissions to strengthen accountability, facilitate informed scrutiny, and enhance oversight of public expenditure.

12. Mr. Speaker Sir, Section 129(3) of the Public Finance Management Act, 2012 requires the Clerk of the County Assembly to submit the budget estimates of the County Assembly Service Board to the County Assembly, with a copy forwarded to the County Executive Committee Member for Finance. Further, Section 129(4) obligates the County Executive Committee

Member for Finance to prepare and present comments on the estimates submitted by the Clerk. However, the Committee was unable to ascertain whether this statutory requirement was complied with, as no evidence of such comments was presented during the budget consideration process. Consequently, the Committee urged the County Executive Committee Member for Finance to ensure strict adherence to these provisions in future budget cycles to enhance compliance, transparency, and accountability in the budgeting process.

13. Mr. Speaker Sir, the Public Finance Management Act, 2012 requires the County Executive Committee Member for Finance to ensure that the budget estimates submitted to the County Assembly are consistent with the resolutions adopted on the County Fiscal Strategy Paper (CFSP). Any departures from the approved expenditure ceilings should be accompanied by adequate explanations and supporting documentation as stipulated under Sections 129 and 130 of the Act. However, the Committee observed that the submitted estimates are less than the CFSP-approved budget ceilings by over Kshs. 2.5 billion without any accompanying written justification. The County Treasury while appearing before the Committee verbally provided the rationale for such decrease to be occasioned by a desire to have realistic budgets arising from complaints that the county was biting more than it could chew, fiscally speaking. Consequently, the Committee recommends that any future adjustments to the budget framework be supported by the requisite explanatory notes to ensure compliance with the law and enhance transparency and accountability in the budgeting process.

14. Mr. Speaker Sir, the fiscal responsibility principles embedded in public finance laws were designed to serve as a safeguard against the diversion of public resources to non-priority areas and to promote prudent financial management. Key among these principles is taming of the wage bill within the 35 per cent threshold of the total budget. The Committee noted that the

wage bill will shoot given the enhanced personnel costs across all sectors occasioned by the desire to implement a Collective Bargaining Agreement (CBA). The Committee was also taken aback by the proposed interventions that have failed to yield any fruit for over a decade. Consequently, the Committee resolved, that though attaining the prescribed threshold cannot be achieved instantaneously it will require deliberate and sustained interventions over time, drastic measures must be implemented in consultation with the relevant County departments to enforce previously approved resolutions on wage bill management in order to curb any further escalation and steer the County towards long-term fiscal sustainability.

15. The fiscal architecture underpinning public finance management **Mr. Speaker Sir**, was deliberately crafted to ensure that long-term development priorities are not subordinated to recurrent expenditure pressures. In the proposed estimates, development expenditure accounts for 29.98 per cent of the overall budget, falling short of the minimum threshold prescribed under Section 107(2)(b) of the Public Finance Management Act, 2012, which requires that at least 30 per cent of a county government's budget be allocated to development expenditure over the medium term. This requirement is further reinforced by Regulation 25(g) of the PFM (County Governments) Regulations, 2015, which obligates counties not only to allocate resources towards development but also to utilize the funds so allocated. A review of the current financial year's implementation reveals undesirable trend, as three months to the close of the financial year, the County had utilized approximately Kshs. 5.23 billion out of the Kshs. 13.42 billion allocated in the Approved Budget. This performance suggests that the County remains at risk of contravening both the allocation and absorption requirements stipulated in law. Consequently, the Committee will make the necessary recommendations to ensure that the development budget attains the statutory threshold of 30% and that the allocated resources are effectively translated into tangible development outcomes.

16. Mr. Speaker Sir, it is important to remind this Honorable House that a budget summary serves as a concise exposition of the key policy priorities, fiscal assumptions, and strategic considerations underpinning the budget estimates. However, during its scrutiny of the submitted estimates, the Committee observed that the County Treasury had repeated the shortcomings noted in the previous financial year by failing to include a budget summary as part of the supporting documentation, contrary to the requirements of the law. This omission hindered the Committee's ability to appreciate the overarching theme of the proposed budget and assess its alignment with the fiscal objectives and strategic priorities articulated in the County Fiscal Strategy Paper (CFSP).

17. Mr. Speaker Sir, 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.

18. Mr. Speaker Sir, the Committee notes with appreciation that the County Treasury substantially complied with most of the statutory requirements governing the submission of the budget estimates. However, the estimates did not provide a narrative on the extent to which the resolutions of the County Assembly on the FY 2025/26 Annual Development Plan and the County Fiscal Strategy Paper, 2025 had been implemented. Although the Committee was subsequently briefed on the status of implementation during its review of the estimates, it emphasized that compliance with this requirement should be unequivocal and reflected in the submitted documentation. Consequently, the Committee resolved that all future budget submissions must clearly demonstrate adherence to Assembly resolutions, and any documents that fail to meet this requirement shall be deemed precluded for consideration.

19. Mr. Speaker Sir, to provide more clarity the provisions of the PFM Regulations has enumerated what to be considered 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.

20. Mr. Speaker Sir, a walk through the submitted estimates leads one to infer that indeed the budget is at equilibrium, expenditures are for one year and to a larger extent the aspirations are as contained in the CIDP and the ADP and all revenues entered in the budget estimates. The Committee however noted during the presentations by Sectoral Chairpersons that there are some donor funds that perhaps have not been reported and that the resolution of the County Assembly authorizing the Donor and Stakeholder Engagement Department to be the single gate for engagement with stakeholders in as far as partnership is concerned to enhance efficiency and accountability of such funds has not been adhered to. The Committee also expressed concerns regarding the presentation of the itemized budget estimates, noting that some expenditure lines termed “other operating expense” lacked sufficient specificity, thereby making it difficult to accurately discern the purpose and intended use of the allocations.

21. Moreover, Mr. Speaker Sir, they were some programmes whose entire allocations were lumped under one-line key being the school feeding programmes at Kshs.1 billion and solid waste management at Kshs.1.6billion. Recognizing the need for transparency and public accessibility in the budget process, Section 131(6) of the Public Finance Management Act, 2012 requires the County Executive Committee Member for Finance to take all reasonably practicable steps to ensure that approved budget estimates are prepared and published in a manner that is clear, readily understandable, and accessible to members of the public. The Committee further noted that similar concerns have been raised in the past estimates requiring additional narration and supporting documentation to satisfy the legal standards of clarity and

openness. Consequently, the Committee will recommend that such allocations be accompanied by adequate explanations and supporting details.

D. Issues Arising from Public Submissions

22. Mr. Speaker Sir, in Kenya it is almost impossible to ignore the sovereign power of the people in any matter of their interest. In keeping with this constitutional principle, Article 221(5) of the Constitution and Section 131(2) of the Public Finance Management Act, 2012 require the County Assembly, through its relevant Committee, to take into account the views of the public before finalizing its recommendations on the budget estimates. In compliance with this obligation and in recognition of the public as integral stakeholders in the budgeting process, the County Assembly published notices in the newspapers on Thursday, 21st May 2026, inviting members of the public to submit their views on the proposed estimates. The Committee subsequently spearheaded public participation forums held on Thursday 28th May 2026 across the seventeen sub-counties, providing residents with an opportunity to articulate their priorities, concerns, and proposals regarding the budget. The Committee considered these submissions in the preparation of this Report, while a separate report detailing the views and recommendations received from the public shall be tabled before this Honorable House for noting.

E. Submissions from Sectoral Committees

1. CHILDREN, EARLY CHILDHOOD EDUCATION AND VOCATIONAL TRAINING

- a) The Committee approves the below expenditures and be allocated as follows;
— That recurrent expenditure of the ECD & Vocational Training Sub-Sector under the education headquarters be increased from Kshs. 1,756,786,600 to Kshs. 1,824,342,864.

- That development expenditure be increased from Kshs.70,628,365 to Kshs.183,098,064.24
- b) That recurrent Budget of Kshs. 1,824,342,864 be allocated as follows;
 - Education Headquarters at Kshs.1,756,786,600.
 - General office supplies and other recurrent Merchant pending bills at Kshs.50,000.
 - Hire ECD teachers at Kshs.42,396,000.
 - Hire Vocational Training Instructors at Kshs.25,110,264.
- c) That development of Kshs.183,098,064.24 for ECD & Vocational Training Sub-Sector to be allocated as follows;
 - Construction of Raila Odinga ECDE Center- Makina Ward at Kshs.18,876,37.
 - Construction of Skyway ECDE Center – Mihango at Kshs.18,876,371.
 - Completion of a new ECDE centre Mwiki ECDE Kshs.12,960,929.
 - Completion of a new ECDE centre - Dandora Day Kshs.9,642,053.
 - Completion of a new ECD – Kawangware Primary Kshs.13,995,406.
 - Completion of a new ECD – Starehe Day Nursery Kshs.13,983,408.
 - Completion of a new ECD – Kangemi Primary Kshs.8,726,129.
 - Completion of a new ECD – Kariobangi South Kshs.12,960,929.
 - Completion of an ECD – Riruta Satelite Primary Kshs.5,513,408.
 - Completion of an ECD – (Joash Olum) at Kshs.5,646,207.
 - Completion of an ECD – Tana Day Nursery at Kshs.14,018,229.
 - Rehabilitation of Umoja 1 VTC at Ksh.10,000,000.
 - Construction of a perimeter fence at Mathare VTC at Kshs.5,010,000
 - Branding of 6 VTCs (Bahati, Mathare, Kangemi, Kiwanja,Dandora & Waithaka) at Kshs.2,899,990.
 - Construction of a toilet block at Kangemi VTC at Kshs.4,498,741
 - Construction of an ICT Lab at Kangemi VTC at Kshs.10,488,893.24
 - Rehabilitation of Mathare VTC at Kshs.15,000,000.
- d) That the programmes for the Children’s Services sub-sector be approved under Social Services Sector as follows;

- Social Services Headquarters at Kshs.86,451,037.
- Children services at Kshs.75,700,534.

2. WARD DEVELOPMENT FUND

- That implementation of projects to be guided by the contract timeline and availability of resources.
- That the Committee approves an additional development budget of Kshs.4.2 billion to cater for pending bills, ongoing projects and new projects.
- That the Sector be allocated an additional amount of Kshs.55 million for recurrent expenditure to cater for department operations in the FY 2026-27.
- That the Committee approves an additional allocation of Kshs.15 million for purchase of a double cabin pickup to facilitate project monitoring and evaluation exercises.

3. AGRICULTURE LIVESTOCK DEVELOPMENT AND FISHERIES

- That the Sub sector recurrent budget be retained as Kshs.207,510,700.
- That the Sub Sector development budget be increased from Kshs.125,000,000 to Kshs.217,080,000 to implement the following 4 projects: -
 - a) Completion of Animal Clinic Kshs.20,000,000 (ongoing)
 - b) Rehabilitation of Nyayo House offices Kshs.20,000,000
 - c) Procurement of specialized vehicles Kshs.22,080,000
 - d) National Agriculture Value Chain Development Project (NAVCDP) Kshs.155,000,000 (Counterpart funding by county Kshs.5,000,000 & Kshs.150,000,000 as grant by the World Bank.

4. ENVIRONMENT AND NATURAL RESOURCES

- That for timely implementation of the Sectors projects and programmes, the Environment Sector be allocated Kshs.2,870,933,741 for recurrent and Kshs.1,988,857,901 for development as captured in the current CFSP.

5. WATER AND SANITATION

- That the Sub-Sector's recurrent budget be increased by Kshs.59.8 million for; -
 - i. Completion of pending Water and Sanitation Policy, Bill and Regulations to support sustainable water and sanitation services;
 - ii. Completion of sewer and sanitation revolving fund Policy, Bill and regulation to support sustainable water and sanitation services; and
 - iii. Recruitment of technical staff.

6. TRADE TOURISM & COOPERATIVES

- That the Business & Hustler Opportunities sector's budget estimates for development be approved as proposed;
- That the Sector's recurrent budget be increased by Kshs.192,703,676 of which Kshs.122,703,676 being budget for the Gaming and Betting sub-sector to be financed from revenue generated through revenue streams provided under the Second Schedule of the Nairobi City County Betting, Lotteries and Gaming Act, 2026 and Kshs.50 million being for Tourism sub sector for purposes of recruitment of thirty-seven (37) new staff to enable the sub sector to execute its mandate effectively.
- That Kshs.20 million allocated for policy implementation.
- That Gaming and Betting be added Kshs.122,703,676.
- That Tourism Sub sector be granted additional funding of Kshs.37 million.
- That the Tourism Sub Sector be transferred from the Inclusivity Public Participation Customer Services to Hustler and Business Opportunity Sector, where it was initially domiciled.

7. LANDS, PLANNING & HOUSING

- That the County Executive Committee Member for Finance and Economic Planning reviews procurement processes in view of identifying areas for the introduction of reforms in order to make the procurement process expeditious.

- That the County Executive Committee Member for Finance and Economic Planning puts in place policy measures to guide public private engagements with respect to funding of major development projects. This includes guidelines on processing and inter-account transfer of partner funds into special accounts, for instance KISIP.
- That, with urgency, the County Executive Committee Member for Finance and Economic Planning facilitates the transfer of any monies received from the World Bank into Special Purpose Account for the implementation of KISIP projects;
- That the County Executive Committee Member for Finance and Economic Planning considers earlier opening of quarterly development budget for timely project implementation by Sector.
- That 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.
- That the Committee approves the Sector programmes as contained in the tabled Budget Estimates.
- That the Committee approves the following additional allocations:
 - a) Kshs.573 million in KISIP II counter-funding.
 - b) The allocation of Kshs.136.6 million towards development expenditure;
 - c) The allocation of Kshs. 587,341,220 towards recurrent expenditure;
 - d) The reinstatement of Kshs.330 million towards the development expenditure to cater for the implementation ongoing and new projects.
 - e) The reinstatement of Ksh.331 million towards operations and maintenance component which is key to service delivery and unlocking revenue potential.
- That the Committee approves the reversion of the installation of lifts project back to the Sector from the Governor's Office for proper and lawful contract execution and performance.

8. TRANSPORT & PUBLIC WORKS

- That the Committee approves the ceilings as presented in the Sector budget for Mobility and Works being Kshs.1.625 billion for recurrent and another Kshs.2.40 billion for development totaling to Ksh.4.03 billion.

9. INFORMATION COMMUNICATION TECHNOLOGY

- That the Innovation and Digital Economy Sector budget for the recurrent programmes FY 2026-27 be approved as contained in the realigned tabulation below;
 - i. ICT Headquarters -Kshs.153,844,81.
 - ii. Digital Economy- Kshs.7,460,000.
 - iii. E-Learning- Kshs.2,000,000.
 - iv. Start Ups- Kshs.7,700,000.
 - v. Smart Nairobi- Kshs.6,809,396.
 - vi. Infrastructure- Kshs.191,132,967.
- That the Sector development budget should be realigned with the Sector's allocated ceiling as follows;
 - i. Incubation hub - Kshs.20 million.
 - ii. Contracted technical services- Kshs.46 million.
 - iii. Technical computing support tools ICT – Kshs.5.8 million.
 - iv. Server and storage platform (County Center Data Upgrade)- Kshs.26.5 million.
 - v. LAN material – Kshs.30.2 million.

10. CULTURE AND COMMUNITY SERVICES

Liquor Licensing Board

- That the Budget Committee approves the total budget ceilings of Kshs.407 million for recurrent and development expenditures (Kshs.120 million for development and Ksh.287million for recurrent expenditure) towards the execution of the under-listed programmes.

— That Ksh.287 million be allocated for recurrent expenditure towards the execution of the under-listed programmes;

- i. Kshs.100 million allocated for the Alcoholism Awareness and Sensitization Campaigns Programme to execute 55 targeted public education drives across the county. This includes an additional Kshs.15 million on top of the initial Kshs.85 million CFSP baseline to expand outreach into high-risk areas.
- ii. Kshs.30 million recommended for the Liquor Regulatory Policy and Legislative Framework to finalize 1 critical regulation and policy document to anchor enforcement operations.
- iii. Kshs.30 million allocated for the Alcohol and Drug Abuse Research and Survey Programme to fund the compiling of 1 comprehensive research report on alcohol trends in Nairobi.
- iv. Kshs.34 million allocated for Staff Capacity Building and Leadership Training to complete 8 intensive professional workshops, bolstering the baseline allocation of Kshs.8 million with an additional Kshs.16 million.
- v. Kshs.22 million earmarked for Sub-County Committee operations to fund 408 statutory sub-county liquor committee meetings across all sub-counties.
- vi. Kshs.21 million set aside for Departmental Enforcement Operations to execute 180 independent, localized compliance crackdowns on non-compliant premises;
- vii. Kshs.15 million designated for Fleet Fuel and Maintenance to keep 10 active operational vehicles field-ready for rapid deployment.
- viii. Kshs.8 million allocated for Office Rent and Utilities to maintain the Board's central operational workspace.
- ix. Kshs.8 million earmarked for Statutory Board Meetings to coordinate 12 main board executive oversight reviews.
- x. Kshs.7 million allocated for Office Maintenance to service 7 existing sub-county and headquarters offices.

- xi. Kshs.6 million set aside for the Liquor Licenses Processing and Systems Administration Programme to seamlessly handle the registration and processing of 7,500 target trade licenses;
- xii. Kshs.6 million allocated for Inter-Agency Operations to facilitate 24 extensive joint crackdowns alongside national government security units and public health inspectors;

— That Kshs.120 million for development budget to be allocated as follows;

- i. Kshs.80 million allocated for the Establishment and Equipping of Rehabilitation Centres. This combines the baseline CFSP allocation of Kshs.50 million with an additional recommended Kshs.30 million to successfully set up and fully equip two (2No.) county rehabilitation centres offering life-saving therapy to citizens battling addiction.
- ii. Kshs.24 million recommended for the Construction and Refurbishment of Office Spaces to construct and upgrade two (2No.) designated sub-county liquor administrative offices.
- iii. Kshs.16 million recommended for Capital Vehicle Acquisition to purchase two (2No.) new heavy-duty field vehicles to boost the mobility of enforcement officers during night operations and remote ward crackdowns.

Disaster Management and Coordination Sector

— That the Budget Committee approves the budget ceilings of Kshs.734,288,000 for recurrent and development expenditures (Kshs.130 million for development and Kshs.604.2 million for recurrent expenditure) towards the expedition of its programme.

— That development Budget: Infrastructure Expansion and Specialized Capacity Building at Kshs.130 million to be allocated as follows;

- i. Equipping Gikomba and Mukuru Fire Stations at Kshs.40 million.
- ii. Renovation of Strategic Fire Stations at Kshs.30 million.

- That Equipping the Nairobi County Fire and Disaster Management Training School at Kshs.60 million to be utilized as follows;
 - i. Kshs.20 million for furnishing to create a modern learning environment.
 - ii. Kshs.20 million for procuring Specialized Training and Simulation Equipment.
 - iii. Kshs.20 million to elevate the institution into a legally certified, premier regional academy.
- An additional Kshs.15.9 million be urgently granted to cater for an incoming cohort of 55 staff members resulting from a necessary department-wide restructuring.
- Need to fund Firefighters and disaster officers work extraneous and overtime allowances as they work in high-stress environments under extreme, unpredictable hours to save lives as follows;
 - i. 1 Director at an annual rate of Kshs.360,000.
 - ii. 3 Deputy Directors at Kshs.900,000 annually
 - iii. 7 Assistant Directors at Kshs.2,100,000 annually
 - iv. 8 Administration officers at Kshs.2,400,000 annually.
- At the ground level, it supports: -**
 - i. 6 In-Charge Watches for Fire and Ambulance at Kshs.1,440,000 annually.
 - ii. 8 Operations In-Charge officers for Fire and Ambulance at Kshs.2,400,000 annually.
 - iii. 17 Sub-County Disaster Management Officers at Kshs.5,100,000 annually and
 - iv. 5 Technical Innovation and Disaster Risk Reduction Operations staff Kshs.1,500,000 annually.
- To align Nairobi's disaster management framework with global contemporary standards, an allocation of Kshs.25 million is requested to facilitate an intensive foreign benchmarking and specialized training mission.

- That recruitment of 200 additional personnel should be allocated Kshs.58,388,000
- That Disaster Management Fund be allocated Kshs.200 million (Non-Lapsing fund) to be allocated as follows;
 - Pillar 1: School Safety Training at Kshs.50 million.
 - Pillar 2: Domestic Safety Training at Kshs.50 million.
 - Pillar 3: Community Development & Safety Networks at Kshs.50 million.
 - Pillar 4: Informal Settlement Safety & Rapid-Response Infrastructure at Kshs.50 million.
- That Kshs.300 million be allocated for Emergency Relief Fund designed to provide immediate, nimble financial and material response to an estimated 180 major incidences across the county annually.

Inclusivity Public Participation and Customer Service (specifically focusing on the city culture & arts department).

- That recurrent total of Kshs. 345,340,000 to be allocated as follows;
 - Kshs. 211,338,000 allocated for the Inclusivity, Public Participation, and Customer Care Headquarters.
 - Kshs. 110,000,000 earmarked for the Cultural Festivals and Competitions Programme to be shared strictly between the planning and execution of the annual Nairobi Festival and the Battle of the Choirs;
 - Kshs.24,002,000 designated for the City Culture & Arts Core Operations Programme.
 - Kshs.10,000,000 recommended for restoration under the Creative Economy Policy Framework.
 - Kshs.10 million for Capacity Building for the City Culture creatives
 - Kshs.20 million for cultural gallery/heritage
- That development total: Ksh.147,500,000 to be allocated as follows;

- Kshs.97,500,000 allocated for the General Sector Infrastructure Programme.
- Kshs.50,000,000 recommended for restoration under the Youth Creative Infrastructure Programme.

Social Services

- That recurrent expenditure at Kshs.193,142,246 to be allocated as follows;
 - Kshs.86,451,037 allocated for the Social Services Headquarters to fund staff salaries, administrative overheads, and institutional operations.
 - Kshs.75,700,534 earmarked for Children Services to support the daily feeding, medical care, and protection tracking of rescued and vulnerable youth across the county.
 - Kshs.17,831,544 set aside for Family Welfare to manage community-level dispute resolutions, family protection cases, and welfare counseling systems.
 - Kshs.2,077,895 designated for the Control of Drugs and Pornography to implement public awareness drives, school outreach programs, and localized regulatory campaigns against societal vices.
 - Kshs.1,082,236 channeled toward Community Empowerment to drive grassroots capacity-building workshops and local economic inclusion initiatives.
- That development Projects Expenditure at Ksh.166,713,900 to be allocated as follows;
 - Kshs.100,613,900 be appropriated for the completion of the Ruai Children Rehabilitation Centre (Ruai Ward) to finalize dormitories, classrooms, and vocational workshops for rescued street children.
 - Kshs.25,000,000 be voted for the construction of a perimeter fence at the Ruai Children's Rehabilitation Center (Ruai Ward).
 - Ksh.15,000,000 be assigned for the construction of a robust perimeter fence at Mji Wa Huruma (Karura Ward - Runda).

- Kshs.10,000,000 be dedicated to the construction of 2No. care givers' duty houses at Mji Wa Huruma (Karura Ward - Runda).
- Kshs.10,000,000 be invested in the general rehabilitation of the Mji Wa Huruma Home (Karura Ward - Runda).
- Kshs.6,100,000 be optimized for the purchase of an age-friendly van for Mji Wa Huruma (Karura Ward - Runda).

Youth Talent and Sports

— That Sports Promotion Programme at Kshs.487,661,715 to be allocated as follows;

- Kshs.55,500,000 to cater for construction of Mwiki Stadium (Mwiki Ward) to advance and secure the community sports arena.
- Kshs.20,000,000 to cater for construction of Kiambiu football ground to promote sporting activities.
- Kshs.81,500,935 to cater for construction of Woodley Stadium (Woodley Ward): to continue the structural realization of the iconic sports ground.
- Kshs.115,000,000 for construction of Ziwani & Kawangware Stadia (Kariokor & Kawangware Wards) to simultaneously deliver dual high-capacity sports facilities in high-density urban areas.
- Kshs.35,160,780 for construction of Kihumbuini Grounds (Kihumbuini) to optimize and safe-fence the critical community pitch.
- Kshs.35,000,000 for construction of Green Park and Soccer Ground (Waithaka Ward): meant for modern soccer surfaces and green recreation zones;
- Kshs.35,000,000 for rehabilitation of Jericho Grounds (Jericho) to restore one of Nairobi's most historic football talent factories.
- Kshs.70,500,000 for rehabilitation of City Stadium / Joe Kadenge Stadium (City Stadium): intended for targeted structural renovations to maintain the county's flagship stadium facility.

- Kshs.20,000,000 meant for construction of Biafra Basketball Court & Kinyago Playground (California Ward) to expand multi-sport infrastructure for youth basketball and football.
 - Kshs.20,000,000 meant for upgrading of Majimbo Ground (Makongeni Ward) to overhaul the playing surface and security boundaries.
 - Kshs.80,000,000 for construction of Muslim Sports Ground (Kabiro Ward): to deliver an accessible community sports field.
 - Kshs.5,000,000 for construction of Umoja 1 Tena Grounds (Umoja 1 Ward): for foundational grading and rehabilitation.
- That Talent and Recreation Services Programme at Ksh.91,755,750 to be allocated as follows;
- Kshs.20,000,000 allocated for the construction of Dandora II Youth Complex (Dandora II) to build a multi-purpose youth empowerment and innovation hub;
 - Kshs.25,000,000 earmarked for the construction of Mwiki Social Hall (Mwiki Ward) to establish an expansive indoor community center;
 - Kshs.15,000,000 set aside for the rehabilitation of Mathare North Social Hall (Mathare North) to revive and structurally repair a heavily relied-upon community facility;
 - Kshs.10,000,000 designated for the completion of Kabiro Social Hall (Kabiro Ward) to finalize outstanding structural finishes and open the facility to the public.
 - Kshs.21,755,750 voted for equipping 5 Newly Constructed Social Halls (Dandora I, Mugumoini, Saika, Karen, and Uhuru Wards) to fully purchase furniture, public address systems, and youth indoor recreational kits for these five freshly completed facilities.
 - Kshs.10 million for capacity building.
- That Library Services Programme at Kshs. 55 million to be allocated as follows;
- Kshs.50,000,000 channeled toward the construction of an Ablution Block and Renovation of McMillan Library (Starehe CBD) to restore, protect, and

modernize this historic architectural landmark in our city center, ensuring hygienic, dignified public facilities for hundreds of daily researchers and students;

- Kshs.5,000,000 appropriated for the rehabilitation of Kibera Library (Kibra Ward) to perform interior renovations, improve book shelving, and upgrade local study spaces.

11. JUSTICE AND LEGAL AFFAIRS

Office of the County Attorney (OCA)

- That the Office to reduce accumulation of legal fees and decrees.
- That OCA to complete the current years project before initiating new ones.
- That Kshs.100 million be allocated for the digitization of the Civil Litigation Registry.
- That Kshs.300 million be allocated for contracted professional services.
- That Legal fees dues/fees, arbitration and compensation allocation be increased from Kshs.181, 289, 200 to Kshs.500 million.

Internal Audit

- That capital expenditure Kshs.15 million to be allocated as follows;
 - i. Purchase of audit software-Kshs.5,000,000
 - ii. Purchase of motor vehicle-Kshs.7,000,000
 - iii. Resource centre-Kshs.3,000,000
- That recurrent expenditure of Kshs.10 million to be allocated for risk management.

Security and Compliance

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

- i. That Kshs.600 million for promotions of officers.
- ii. That Kshs.800 million for recruitment of enforcement officers.

- iii. That Kshs.72 million to buy uniform and pay pending bills.
- iv. That Kshs.20 million for development of Service Standing Orders.
- v. That Kshs.7 million for confidential expenditure.
- vi. That Kshs.7 million for renovation of Dagorreti Training School.
- vii. That Kshs.1 million for extraneous allowance.

Office of the Governor

- That the Donor and Stakeholder Engagement Directorate be the only central point of Public Private Partnerships in the County and produce quarterly reports on the revenue addition.
- That the Donor Coordination & Stakeholder Directorate be allocated Kshs.25 million to facilitate development of a legal framework for coordination of external resource mobilization efforts in the County.

Boroughs and Sub-County administration

- That the County Executive to decentralize procurement department to sectors to expedite processes and Treasury to disburse sector funds timely to prevent project delay.
- That the Sub Sector be granted additional Kshs.33 million for recurrent being Kshs.4 million for extraneous allowance, Kshs.20 million for Boards, Committees, Conferences and Seminars, Kshs.3 million for General Office Supplies & Kshs.6 million for purchase of other Office Equipment.

Office of the County Secretary

- That all City Hall Annex renovations be undertaken by the Office of the County Secretary.
- That the sub-sector be granted an additional Kshs.41,499,000 for rent at CBK Towers.

12. HEALTH WELLNESS & NUTRITION

- The Public Health Sub-Sector's development budget be increased as follows;
 - i. Expansion of mortuary services and infrastructure at Kshs.1.5 billion.
 - ii. Expansion of medical waste management at Kshs.250 million.
 - iii. Installation of CCTV in health facilities at Kshs.70 million.
- The Health Facilities Sub-Sector's budget be increased by Kshs .70million for installation of CCTV in health facilities.
- That the Medical Services Sub-Sector's recurrent budget be increased by Kshs.1billion for recruitment and promotion of 2,000.
- That the Nutrition and school feeding Sub-Sector's development budget be increased by Ksh.110 million for renovation of kitchen and fencing.

13. LABOUR AND SOCIAL WELFARE

- That the County Public Service Board Budget be reviewed to consider additional funds of Kshs.320,880,000 being for use of goods and services at Kshs. 274,880,000 and development expenditure at Kshs. 46,000,000.
- That additional of Kshs. 2,262,977,000 be granted to Public Service Management to be allocated as follows;
 - i. Personnel Emoluments at Kshs.100 million.
 - ii. Retirees at Kshs.260 million.
 - iii. Collective Bargaining Agreement at Kshs.1.9 billion.
 - iv. Construction of Training School at Kshs.100 million
 - v. Executive Car Loan & Mortgage at Kshs.500 million.
 - vi. Medical Insurance at Kshs.650 million
 - vii. WIBA G.P.A and OSHA at Kshs.315 million.
 - viii. Medical Refunds and Ex Gratia at Kshs.40 million.
 - ix. Equipping and Renovating Wellness Centre Highridge Clinic at Kshs.50 million.
 - x. Capacity Building of Staff at Kshs.10 million.
 - xi. Digitization of Staff Cards at Kshs.10 million.

- xii. Purchase of Vehicles at Kshs.20 million.
 - xiii. Other Operating Expenses at Kshs.50 million.
- That the Social Service Sub - Sector request an additional Kshs. 150,613,900 on development in order to complete the following rolled over projects;
- i. Construction of 2No.care givers duty houses at Mji wa Huruma at Kshs.10 million.
 - ii. Purchase of age friendly Van for Mji wa Huruma at Kshs.6.1 million
 - iii. Construction of perimeter fence at Mji wa Huruma at Kshs.15 million
 - iv. Rehabilitation of Mji wa Huruma home at Kshs.10 million.
 - v. Completion of Ruai children rehabilitation Centre at Kshs.100.6 million
 - vi. Construction of perimeter fence for Ruai Children’s Rehabilitation Center at Kshs.25 million.
- That the Youth Affairs Sub - Sector be granted an additional budget of Kshs. 115,935,711 for Youth HQ Personnel Emolument at Kshs.98,210,135 and Youth Empowerment and Promotion at Kshs. 17,725,576
- That the Gender and Inclusivity Sub – Sector be allocated additional budget of Kshs.71 million to be allocated as;
- i. Development of policy and regulations at Kshs.25 million.
 - ii. Development of service delivery strategy at Kshs.2.5 million.
 - iii. Team building at Kshs.1.5 million.
 - iv. Office supplies at Kshs.1.5 million
 - v. Food and utilities for safe house at Kshs.5 million.
 - vi. Gender conference at Kshs.5 million.
 - vii. Training and skills development at Kshs.5 million.
 - viii. Accessibility audit at Kshs.5 million.
 - ix. Mapping and data collection for organization of PWDs at Kshs.3 million.
 - x. Equipment for safe house at Kshs.4 million

- xi. Assistive devices for pwds at Kshs.15 million
- xii. Awareness on AGPO at Kshs.2 million.
- xiii. Medication for survivors of GBV at Kshs.1 million.
- xiv. Office imprest at Kshs.2 million.
- xv. Learning visits at Kshs.8 million.
- xvi. Transportation 1 utility van at Kshs.10 million.

**F. General Observations of the Finance, Budget and Appropriations
Committee on The Sectors Budget Estimates for the FY 2026-27**

23. Mr. Speaker Sir, during the consideration of the FY 2025/26 Budget Estimates, the Committee underscored a number of persistent structural and fiscal challenges confronting the County and reminded this Honorable House that the County's long-term economic prospects are inextricably linked to the manner in which these issues are addressed. To this end a perusal of the submitted budget estimates unearthed a number of issues that have remained unattended even in the submitted estimates and continually impact the stability and the performance of the County. These issues center around non adherence to fiscal responsibility principles, failure to unlock own source revenues potential, the management of conditional grants, the accumulation of pending bills, low absorption of development funds, recurrent project roll-overs, the ballooning wage bill, and the implementation of ward-based programmes. The Committee is cognizant that the success of the County greatly depends on how the issues are tackled. Accordingly, this section highlights these challenges and examines the extent to which the FY 2026/27 budget estimates seek to address them through the proposed allocations and policy interventions.

24. Mr. Speaker Sir, in reviewing the FY 2026/27 Budget Estimates, the Committee remained mindful of the provisions of Regulation 37(1) of the Public Finance Management (County Governments) Regulations, 2015,

which stipulate that any amendments adopted by the County Assembly should not exceed one per cent of a vote's approved ceiling. Ordinarily, this provision presumes that the budget estimates presented before the Assembly have been prepared in conformity with the resolutions adopted in the County Fiscal Strategy Paper (CFSP) and are fully compliant with the fiscal responsibility principles prescribed in law. However, as demonstrated elsewhere in this Report, the Committee was confronted with estimates that departed from the approved CFSP ceilings, failed to attain the statutory minimum threshold of 30 per cent allocation to development expenditure, did not provide sufficient explanation regarding the composition and sustainability of the wage bill, and contained notable discrepancies between the itemized and programme-based budgets. These inconsistencies undermined the integrity of the baseline estimates and constrained the Committee's ability to undertake its review within the conventional parameters contemplated under the Regulations.

25. In the course of its scrutiny, **Mr. Speaker Sir**, the Committee came across instances where funds have been allocated to non-existent projects and an occasion where a project has not been allocated attendant funds. The Committee noted that school feeding with a budget of Kshs.1billion had been classified as a development priority with other costs lumped together without accompanied explanation key being the development allocation of Kshs.1.65billion for solid waste management and other operating expenses registered across sectors. In the circumstances, the Committee found it necessary to make targeted adjustments and formulate recommendations aimed at regularizing the estimates and ensuring that the final budget document complies with the applicable legal requirements, upholds fiscal discipline and reflects the principles of transparency, accountability and sound public financial management.

26. Mr. Speaker Sir, the National Government presented Kenya's Kshs. 4.82 trillion budget for the 2026/27 financial year on June 11, 2026. The budget prioritizes fiscal consolidation, economic resilience amid global uncertainties, and targeted revenue mobilization without overwhelming compliant taxpayers. In the budget the Kenyan government allocated an estimated Kshs. 2.3 trillion toward debt servicing (covering both interest payments and debt redemption). This accounts for nearly half of the total Kshs. 4.8 trillion budget, and represents the single largest expenditure under the Consolidated Fund Services. This is a confirmation that debt repayments remain one of the core budget lines and the County has its own distinct challenges in its debt servicing. The Committee noted that the County debt and pending bills could be in excess of Kshs. 86 billion as there were some debts that have been removed from the balance sheet including the Kshs 4.5 billion KCB loan. Going by the budget estimates, the Committee noted that the proposed allocation of Kshs. 700 million for settlement of development related pending bills while the County debt stock continues to increase cast doubt on the commitment of the County to settle her obligations. Moreover, the status of the settlement of pending bills could not be determined despite the clarion call made in the past considerations and the Committee is concerned that despite proposing a raft of measures including accepting responsibility for sector based pending bills at the point where they are incurred, no substantial progress seem to have been made. In this regard the Committee will not tire and shall be proposing interventions of curbing pending bills in order for the County to remain afloat.

27. Mr. Speaker Sir, strategic borrowing can be a vital instrument in advancing development objectives, particularly where it enables the completion of priority projects and the settlement of obligations arising from works already undertaken. The Committee noted that the County Executive intends to borrow Kshs. 6.9 billion to finance pending development projects

and settle payments for completed projects across the various wards. The proposed facility is expected to support the timely delivery of development interventions and address outstanding commitments that have persisted over previous financial periods. Through this financing arrangement the County seeks to accelerate project completion, enhance service delivery and ensure that residents derive the intended benefits from investments already initiated. The Committee therefore acknowledges the proposed borrowing as part of the broader strategy aimed at sustaining the County's development agenda and improving the implementation of critical projects across the County. However, the Committee noted that for such form of deficit financing to find its way to the Budget Estimates it had to comply with the provisions of law including guarantee by the National Treasury. The Committee has therefore recommended that the loan be removed from these estimates awaiting the subsequent processes to be finalized.

- 28. Mr. Speaker Sir,** in as much as the human resource remains one of the core assets for any institution, the County has grappled with huge personnel costs that has undermined its infrastructural development. A key review of the equitable share received from the National Exchequer pin points that the county is in critical condition since almost all the equitable share is directed towards employee's remuneration. During the consideration of these estimates it came to the fore that the County will begin the implementation of Collective Bargaining Agreement and as such personnel costs have substantially increased across sectors. This house is reminded that during the consideration of the budget estimates for FY2025/26 some Kshs.700million was allocated to LAPTRUST towards settlement of the arrears. The Committee continues to urge the County Treasury to ensure timely remittance of employee deductions as a way of reducing pressure on scarce County resources.

29. Mr. Speaker Sir, the 3rd Quarter Revenue and Expenditure Report paints a dull picture that as at 31st March 2026 only Kshs.5.2billion had been spent on development initiatives out of the allocation worth Kshs.13.4billion. This low absorption, the Committee observed has a rippling effect with roll overs expected in the next financial year with some projects appearing in the budget books year in year out. The Committee reminded the County Executive through the sectors that it would be no logic to continue allocating more resources when the sectors had no absorption capacity. In a rejoinder the sectors lamented at obstacles occasioned by the implementation of E-GP that slowed the procurement processes as well as lack of funds to honor obligation that had fallen due. The Committee shall once again propose radical measures to ensure the County is able to generate sufficient funds to bolster development.

G. Committee 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 in the FY 2026-27 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 2026-27, 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 2026-27;
 - 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 2026;

- 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 2026 and the County Fiscal Strategy Paper 2026 and in line with the provisions of the underpinning law, the following approvals be granted for implementation in the FY 2026-27: -
 - a) That the deficit of financing of Kshs. 6.92billion be included in the fiscal strategies for the FY 2026-27 together with attendant debt management strategies.
 - b) That the fiscal framework informing the tabled budget estimates be amended to exclude the loan financing and the revenue framework be approved as contained in the subsequent part of this report.
 - c) That once the deficit financing has complied with the provisions of Section 58 of the Public Finance Management Act, 2012 the implementation of the debt financing be included in the Supplementary Budget Estimates for the FY 2026-27, if any.

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 2026-27 be adjusted as follows: -

- a) That in line with the County Allocation of Revenue Bill 2026 the equitable be approved at **Kshs. 22.11billion** and Kshs. 1.359billion
 - b) That the projected internal revenue target be approved at **Kshs. 20.86b**
 - c) That the overall revenue framework be approved at **Kshs. 49.27billion**
- 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
 - Auctioning of obsolete County assets in line with the provisions of the Public Procurement and Disposal Act
 - 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 and attendant allocations for Solid Waste Management be reallocated from development vote to recurrent vote.
- 2) That under the Health, Wellness and Nutrition Sector the vote description and attendant allocations for School Feeding Programme be reallocated from development vote to recurrent vote.
- 3) That in finalizing the budget estimates and the Appropriation Bill 2026, 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.
- 4) That the following expenditures be declassified: -
 - 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
 - Solid Waste Management
- 5) 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 2026, 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 2026-27.

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 rationalized.
- 2) That the allocations for the following line items be rationalized as indicated:-
 - Scrapping all allocations for Purchase of vehicles
 - Reducing all allocations for "Other operating expenses" by 50%
 - Scrapping all allocations for Contracted Professional Services
 - Scrapping all allocations for Capacity building

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, 2026 the budget for the County Assembly Service Board be adjusted as follows: -
 - Recurrent — Kshs. 2,075,901,135
 - Pending Bills — Kshs. 650million
 - Development — Kshs. 1.8billion
- 2) That the development allocation for the County Assembly be utilized to undertake the following projects: -
 - Purchase of land for construction of Assembly Administration Block at Kshs. 1.05billion
 - Acquisition of Speaker's residence at Kshs. 150million
 - Construction of Ward offices at Kshs. 300million
 - ICT related activities at Kshs. 119million
 - Renovation of County Assembly at Kshs. 121million
 - Installation of security scanner at Kshs. 30million
 - Setting up of library and media centre at Kshs. 30million

- 3) That in line with (1) above, the itemized and program based budgets for the County Assembly Service Board be amended accordingly to reflect these changes

— **Nairobi City County Government**

- 1) That in line with Nairobi City Alcoholic Drinks Control and Licensing Act, 2014 the budget for Liquor Licensing Board be amended to reflect the Appropriation in Aid as follows: -
 - The recurrent budget be increased by Kshs. 61.075million
 - The development budget be increased by Kshs. 70million.
 - The programmes, projects and items be adjusted accordingly to reflect this change.
- 2) That in line with the Nairobi City County Betting, Lotteries and Gaming Act, 2026 the budget for Betting and Gaming be amended to reflect the Appropriation in Aid of Kshs. 135.179million
- 3) That the development budget for the Water Sub Sector be increased by Kshs. 70million to take care of the following items:-
 - Drilling of borehole at Canaan Estate
 - Settlement of costs associated with sewer connection at Joash Olum and Level II Highrise Hospital
 - Renovation of Undugu Ablution Block
 - Drilling of borehole at Undugu
 - Constrution of ablution block at No.10, Muoroto, 3C Village and Ngumba
- 4) That the budget for Disaster Management and Coordination be increased to take care of the following items:-
 - Kshs. 40million for equipping of Gikomba and Mukuru Fire Stations
 - Kshs. 100million for Emergency Fund
- 5) That the budget for the Talents, Skills Development and Care be increased under the following items: -

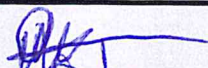
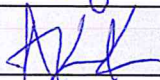
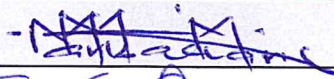
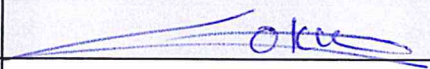
- Kshs. 10million for construction of new VTC in Nyayo Highrise
 - Kshs. 15million for completion of ECD at Joash Olum Primary School
 - Kshs. 60million for completion of Majimbo Grounds
 - Kshs. 10million for refurbishment of Madaraka ECD Playing Field
 - Kshs. 20million for equipping of Waithaka Social Hall
 - Kshs. 20million for construction of multipurpose Gatitu field
 - Kshs. 40million for completion of Muslim Sports Ground
 - Kshs. 30million for construction of Undugu Playing Ground
 - Kshs. 20million for construction of Mabatini Social Hall
 - Kshs. 20million for construction of Mlango Kubwa Social Hall
- 6) That the budget for Mobility and Works be increased under the following items:-
- In line with the motion approved by the County Assembly on the erection of the monument in honor of the late Rt. Hon. Raila Odinga, Kshs. 20million be allocated under Mobility and Public Works Sector for the same;
 - That in line with the allocation for street lights, priority be given to Kodi 2 Road, Karuri Gakure Road, Bombay, Keri Road, Ole Sangale Road, Gikomba Road, Kasarani
 - Kshs. 30million for rehabilitation of Waudu Street
 - Kshs. 20million for upgrading of Muhoya Close
 - Kshs. 20million for completion of Catholic Road
 - Kshs. 20million for caperting of Uongozi Road
 - Kshs. 20million for upgrade of DC- Mwembeni Nyumba Kubwa Gaza Road
 - Kshs. 20million for construction of Wairimu Road
 - Kshs. 40million for installation of sewer system at Chieko Area and Ngumba Road
 - Kshs. 20million for improvement of Umoja I Estate Roads

- Kshs. 20million for rehabilitation of Kusini Road
 - Kshs. 20million for completion of Mwangaza Lane Road
 - Kshs. 20million for construction of Ela Road
 - Kshs. 20million for construction of Riverside – Kariobangi Bridge
 - Kshs. 20million for rehabilitation of access roads in Sarang’ombe
 - Kshs. 20million for construction of Mountain View Estate Road
 - Kshs. 20million for construction of Elite Road
 - Kshs. 20million for recarpeting of Snack Road
- 7) That the budget for Business and Hustler Opportunities be increased under the following items:-
- Kshs. 20million for construction of Huruma Market
- 8) That in line with the amendments above, the itemized and program based budgets for the County Government be amended accordingly to reflect those changes.

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 Select Committee on County Finance, Budget and Appropriations on the Budget Estimates for the Nairobi City County Government and County Assembly for the FY 2026-27”

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 for Nairobi City County Government and County Assembly for FY 2026-2027 as adopted by the Committee on the 19th day of June 2026

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.J.O
7) Hon. Catherine Apiyo Okoth, MCA	
8) Hon. Jane Muasya, MCA	
9) Hon. Peter Oweru, MCA	P.O.
10) Hon. Asli Muhamed, MCA	A.M.M
11) Hon. Rosemary Masitsa, MCA	R.M.S
12) Hon. Perpetua Mponjiwa, MCA	P.m.O
13) Hon. Colins Ogenga, MCA	C.O.O
14) Hon. Fathiya Abdillahi Mohamed, MCA	
15) Hon. Sam Kago, MCA	
16) Hon. Anthony Ngaruiya Jasho, MCA	
17) Hon Paul Ndungu, MCA	P.N
18) Hon Ciciliah Wairimu Njathi, MCA	C.W.N
19) Hon Waruguru Kanyi, MCA	W.K
20) Hon Joyce Kamau Muthoni, MCA	
21) Hon Waithera Chege, MCA	
22) Hon Susan Makungu, MCA	S.M
23) Hon. Jane Wanjiru,	JW

