



COUNTY GOVERNMENT OF NAIROBI CITY

THIRD ASSEMBLY – (SECOND SESSION)

NAIROBI CITY COUNTY ASSEMBLY

VOTES AND PROCEEDINGS

THURSDAY, JUNE 29, 2023 AT 2.30 P.M.

1. The Assembly assembled at thirty minutes past Two O'clock.
2. The Proceedings were opened with Prayer.

QUORUM OF THE ASSEMBLY

The Speaker having confirmed that there was Quorum at the commencement of the Sitting called the Assembly to order.

3. NOTICE OF MOTION – HON. MOSES OGETO, MCA – MAJORITY WHIP

THAT, aware that, Paragraph three (3) of Part two (2) of the Fourth Schedule to the Constitution of Kenya gives County Governments the mandate of controlling air pollution; **CONCERNED** that, according to the United Nations Environment Program (UNEP), Nairobi City's air quality breaches all limits set by the World Health Organization (WHO); **FURTHER CONCERNED** that, air pollution represents the largest environmental risk to public health in the City and contributes to the increase in the number of cases of respiratory diseases such as asthma, lung and throat cancer and damage to vital body organs such as blood vessels, liver and kidneys; **ACKNOWLEDGING** that, the City's air pollution is particularly attributed to emissions from old vehicles, including cars, buses, motorbikes and trucks; **NOTING** that, the area along Landhies Road has been identified as the most polluted area in terms of air quality due to the high number of pollutant emitting vehicles using the said road; **FURTHER NOTING** that, the County Government has failed or refused to take any remedial measures to address this public health threat in the City; **NOW THEREFORE**, the County Assembly resolves that the County Executive:-

- i) Imposes a ban on all vehicles and motorbikes emitting pollutants particularly those discharging fumes and smoke to the environment from using all roads in the City; and
- ii) Invests in infrastructure that promotes the use of other greener forms of transportation such as bicycles and electric cars across the entire City.

4. STATEMENTS PURSUANT TO STANDING ORDER 47(2)(C): -

The following Statements were requested pursuant the provisions of Standing Order 47(2)(c): -

- i. Hon. Eutyclus Mukiri, MCA requested for a Statement from the Chairperson of the Sectoral Committee on Culture and Community Services regarding the deplorable state of Kahawa Social Hall in Kongo area of Kahawa Ward – *response due in two (2) weeks*; and
- ii. Hon. Maurice Ochieng, MCA requested for a Statement from the Chairperson of the Sectoral Committee on Labour and Social Services regarding the welfare of the staff of the County Executive – *response due in two (2) weeks*.

5. PROCEDURAL MOTION – REDUCTION OF PUBLICATION PERIOD OF THE NAIROBI CITY COUNTY APPROPRIATION BILL, 2023 (ASSEMBLY BILL NO. 3 OF 2023)

Motion Made and Question Proposed;

THAT, notwithstanding the provisions of Standing Order 131, this Assembly resolves to reduce the publication period of **THE NAIROBI CITY COUNTY APPROPRIATION BILL 2023 (ASSEMBLY BILL No.3 OF 2023)** from seven (7) days to one (1) day.

(Hon. Peter Imwatok, MCA – Majority Leader)

Debate ensued;

Mover replied;

Question put and *Agreed to*.

6. BILL – THE NAIROBI CITY COUNTY APPROPRIATION BILL, 2023 (ASSEMBLY BILL NO. 3 OF 2023)

Order for First Reading read;

Bill read a First Time

7. BILL – THE NAIROBI CITY COUNTY APPROPRIATION BILL, 2023 (ASSEMBLY BILL NO. 3 OF 2023)

Order for Second Reading read;

Motion made and question proposed-

THAT, The Nairobi City County Appropriation Bill, 2023 (Assembly Bill No. 3 of 2023) be now read a Second Time.

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

Debated ensued;
Mover replied;
Question put and Agreed to.

Bill read a Second Time and committed to the Committee on the Whole County Assembly.

8. COMMITTEE OF THE WHOLE County ASSEMBLY

Order for Committee of the Whole County Assembly read;

IN THE COMMITTEE

(Hon. Paul Kados, MCA – in the Chair)

The Nairobi City County Appropriation Bill (Assembly Bill No. 3 of 2023)

Clause 2:

Question that Clause 2 be part of the Bill proposed, put and agreed to;

Clause 3:

Question that Clause 3 be part of the Bill proposed, put and agreed to;

Schedule:

Question that The Schedule be part of the Bill proposed, put and agreed to;

Title:

Question that the Title be part of the Bill proposed, put and agreed to;

Clause 1:

Question that Clause 1 be part of the Bill proposed, put and agreed to;

Motion Made and Question proposed: -

THAT, the Committee do Report to the County Assembly its consideration of The Nairobi City County Appropriation Bill, 2023 (Assembly Bill No. 3 of 2023) and its approval thereof without amendments.

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

Question put and Agreed to.

9. ASSEMBLY RESUMED: -

The Nairobi City County Appropriation Bill, 2023(Assembly Bill No.3 of 2023)

Bill reported without amendments

Motion made and Question proposed: -

THAT, the Assembly do agree with the Committee of the Whole County Assembly in the said report.

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

Question put and Agreed to.

Motion made and question proposed: -

THAT, The Nairobi City County Appropriation Bill, 2023 (Assembly Bill No.3 of 2023) be now read a Third Time.

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

Debate ensued;

Question put and Agreed to.

Bill read a Third Time and **passed**.

10. PRONOUNCEMENT OF THE BUDGET HIGHLIGHTS AND REVENUE RAISING MEASURES FOR THE COUNTY GOVERNMENT – COUNTY EXECUTIVE COMMITTEE MEMBER FOR FINANCE AND ECONOMIC PLANNING

The Hon. Speaker conveyed the following communication: -

PRONOUNCEMENT OF THE BUDGET POLICY HIGHLIGHTS AND REVENUE-RAISING MEASURES FOR THE COUNTY GOVERNMENT OF NAIROBI CITY FOR THE FY 2023/2024

“Hon. Members, Section 132 of the Public Finance Management Act of 2012 and Standing Order 232 requires the **County Executive Committee Member responsible for Finance** to make a public pronouncement on the budget policy highlights and revenue raising measures for the county government for each Financial Year. In this regard, the CEC Member will be making this pronouncement shortly.

Hon. Members, I wish to recognize the dignitaries present in the galleries today. They include members of the County Executive Committee, the Ag. County Secretary, Chief Officers and various Directors of the County Government Departments. On behalf of the County Assembly and on my own behalf, I welcome all of you to the County Assembly. Before I invite the **CEC Member responsible for Finance and Economic Planning** to make his pronouncement, I wish to remind the House, that in accordance with the provisions of Standing Order 232 (3), the CEC Member shall be heard in silence without question or clarification sought and thereafter the House will stand adjourned. Further, the provisions of the County Assemblies Powers and Privileges Act of 2017 shall apply to the CEC Member during this Sitting.

Hon. Members, I now invite the CEC Member for Finance and Economic Planning to make a public pronouncement on the budget policy highlights and revenue raising measures for the county government for the Financial Year 2023/2024.

The CEC Member for Finance and Economic Planning, **Mr. Charles Kerich**, you may now proceed.”

BUDGET STATEMENT FOR THE FISCAL YEAR 2023/24 STATEMENT DELIVERED TO NAIROBI CITY COUNTY ASSEMBLY ON 29TH JUNE 2023 BY MR. CHARLES KORGOREN KIPRONO KERICH, COUNTY EXECUTIVE COMMITTEE MEMBER - FINANCE AND ECONOMIC PLANNING AFFAIRS, NAIROBI CITY COUNTY ON BUDGET HIGHLIGHTS AND REVENUE RAISING MEASURES FOR FISCAL YEAR 2023/2024

The County Executive Committee Member for finance and Economic Planning conveyed the following Budget Statement: -

I. INTRODUCTION

“Mr. Speaker, it is indeed a great privilege to present to this Honorable Assembly, the people of Nairobi and Kenyans at large the budget highlights and revenue raising measures for the Financial Year 2023/2024.

This is in fulfilment to the provisions of Section 132(1) of Public Finance Management Act, 2012 and premised on article 201 of the Constitution of Kenya 2010 on the principles of public finance which among others decree that management of public resources shall be done within the realm of openness accountability, public involvement, equitable society, prudent use of public resources and clarity in financial reporting.

Mr. Speaker, this being the first budget following the conclusion of the General Elections held in August 2022, allow me to congratulate all the Honorable Members who were reelected and those who are serving for the

first time in the third Assembly. I look forward to working closely with all of you in promoting County economic recovery for inclusive growth of Nairobians and Kenyans at large.

Mr. Speaker, allow me to take this opportunity to express my deep appreciation to His Excellency, The Governor for appointing me as the CEC Member for Finance and Economic Planning Affairs and entrusting me with the privilege of overseeing the management of Fiscal Policy and the public financial management in the County. I also wish to extend my sincere gratitude to County Executive and the Assembly for the wise counsel during the preparation of these budget policy highlights and revenue raising measures that will lay a strong foundation for our socio-economic transformation.

Mr. Speaker, before presenting the fiscal and revenue framework let me start by highlighting the economic context in which this budget has been prepared.

Mr. Speaker, during the Financial Year 2022/2023 both the domestic and global economic environment recovery has been slow, therefore impacting on service delivery and threatening the survival of many businesses. This impacted negatively on performance of own source revenue. This in effect, affected service delivery due to the emergent resource constraints.

II. POLICY PRIORITIES AND THE ECONOMIC OUTLOOK IN THE MEDIUM TERM

Mr. Speaker, Nairobi City County operates within the global and national macro-economic framework thus directly and indirectly influencing the County's fiscal decisions and operations. The Global dynamics impacted the grants and loans that are targeted at supporting Counties. Unstable global economic performance also results in the lower national GDP growth that trickled down to County levels this calls for the County to explore alternative financing for its developmental programs such as enhancing PPP and sourcing for grants. The real interest rates reflected the real cost of borrowing, savings and return on investment for both the County Government and Nairobi business communities.

Mr. Speaker, despite the challenges, both the global and the domestic economy is projected to be on a growth path in 2023. We remain optimistic that the growth trajectory is expected to translate to better outcomes to the economy and the County in terms of uptake of our services translating to increased revenue and increased fiscal space.

Mr. speaker, the budget estimates for the Financial Year 2023-24 submitted to the County Assembly on 28th April 2023, seeks to entrench institution

transformation for better efficiency and effectiveness in service delivery, as well as bring the County and its residents to a path of recovery through entrenching the new County Government's mission of Order, Dignity, Hope and Opportunity.

Additionally, as we are beginning to implement the new CIDP 2023-2027, we are committed to achieve development goals by actualizing our motto "LETS MAKE NAIROBI WORK".

Hon. Speaker, the economic growth strategy underlying the budget for the next financial year and the medium term includes: -

1. Increased own source revenue mobilization;
2. Timely payment of bills to ensure debt sustainability;
3. Effective implementation of the Development initiatives;
4. Effective implementation of the various County restructuring strategies and enhancing accountability by Officers;
5. Support for the private sector by reducing the cost of doing business.

Hon Speaker, to support the above growth strategies, the Administration will be focusing funding and efforts towards the following key areas: -

1. To reverse negative trend on own revenue sources, the Nairobi Revenue act, 2021 will be implemented starting with institutionalization of the Nairobi City County Revenue Authority;
2. Over-reliance on Own source revenue and exchequer releases has tethered the County to underfunding and underperformance, the administration will pursue a radical shift in other sourcing of funding such as grants donations and Private Public Partnership. To support this, the Administration has come up with a directorate to coordinate the efforts.
3. The County Treasury will be enforcing the fiscal responsibility as stipulated in Public Finance Management Act section 107 this will bring sanity in funds appropriations and expenditure control.
4. Despite meeting the provisions of section 107 2b of the PFM Act, 2012 the County has not been able to honor its obligation towards development. The only solution to this is rein-fencing the allocations towards development with reduction of nonessential recurrent expenditure and increasing County revenues to accommodate non-discretionary expenditure.
5. The Administration will be reducing the cost of doing business by actively implementing the unified business permit and implementing the Trade Licensing Act.

Mr. Speaker, in seeking to achieve our medium priorities, and in fulfilment of the requirement under the Constitution on Public Participation, we accorded Nairobianians the opportunity to share their views on issues that need to be addressed in this Budget.

Mr. Speaker, we received many useful proposals and suggestions that have informed the priorities outlined in this Budget Statement. Broadly, these challenges were infrastructural, social economic and other emerging challenges which prove even more complex to handle. However, Rome was not built in one day and the Government remains committed to ensuring concerns of all residents are addressed.

Mr. Speaker, infrastructural development has not been commensurate to the rapidly growth demands, the population growth in Nairobi City is on an upward trend, demand for water and sewerage far outstrips the supply, traffic congestion continues to bedevil the City, sprouting of slums coupled with high levels of inequalities, intermittent flooding, and insecurity, has been an ever persistent concoction of challenges encountered by Nairobianians and consequently hampering the achievement of our medium term development targets.

Mr. Speaker, in our quest to be a globally competitive City, we have continuously remained committed to overcome this challenge, and a lot of effort and resources have already been invested towards this end. In the medium term infrastructural development has remained a key investment area of the County where new roads have been constructed and existing ones maintained, non-motorized transport systems build, public transport expanded and improved, daily waste management of 3,000 tonnes achieved, beautification of our City and improvement of our public parks done, affordable housing units' project continues, fire stations and equipment's installed, market and modern kiosk build, huge investment in the health sector for maintenance and construction of health facilities done, quality basic education provided, transition rates to school going children improved, construction of school feeding kitchens began, and our vocational training centers improved.

SUPPORT FOR AFFORDABLE HOUSING

Mr. Speaker, the County Government has continued to redevelop County rental houses to support the development of affordable housing for the residents of Nairobi. Two projects are ongoing under phase 1 (Pangani 1,562 units and Jeevanjee 1,830 units) while another seven projects are under procurement for phase 2 and are expected to deliver 14,000 units. These include Woodley (1,700 units), Kariobangi North (1,000 units), Bahati (3,000 units), Ziwani (2,500 units), Maringo (2,000 units) and Jericho (4,000 units). Other phases will be identified after phase 2 commences.

Mr. Speaker, The County has also embarked on renovation of County owned rental houses not earmarked for redevelopment in the near future. We have therefore witnessed renovations of flats in Buruburu, Jamhuri, Kariobangi North, Huruma and Uhuru estate. These renovations will continue to ensure that tenants living in County owned houses live in conducive environments.

Mr. Speaker, the World Bank through the State Department for Housing and Urban Development is also currently supporting NCCG in upgrading informal settlements through planning, tenure regularization and infrastructure upgrading. Settlements that will receive immediate infrastructure support in FY. 2023/2024 are Kayole Soweto, Kahawa Soweto, Embakasi and Kambi Moto. Kshs.400Million will be disbursed in FY. 2023/2024. NCCG has set aside 10% as the mandatory counterpart contribution.

INSTITUTIONAL REFORMS TO SUPPORT RECOVERY

Mr. Speaker, while we celebrate the achievements so far made, we are aware that a lot remains to be done in order to conclusively deal with the pressing socio-economic challenges first, to reverse the effects of the recent past negative shocks, and second, improve and accelerate the betterment of the livelihoods of Nairobians consistent with this goal, the Government will scale up implementation of policy priorities and structural reforms outlined in the County Fiscal Strategy Paper 2023. The strategy will involve increasing investments in Health, infrastructure, education and environment management Mr. Speaker, the County has made steady progress since the onset of devolution in improving the business environment and improving efficiency and accountability. Notably the County has continued to use Integrated Financial Management System (IFMIS) in the management of expenditure thus enhancing accountability in management of public resources. Leveraging on ICT, the County will be undertaking reforms to enhance the revenue administration, procurement through the implementation of an Enterprise Resource Program (ERP) that is intended to ensure full integration of all the Sub-systems. The planned ERP platform is expected to be a panacea to maximize revenue collection and halt perennial outsourcing of revenue collection services thus helping on reducing the cost of collection.

PENDING BILLS

Mr. Speaker, pending bills accumulated to a proportional level over many years. Statutory debts which dates back more than 10 years has affected the welfare of our retirees; who should be enjoying the sunset years after working hard for Nairobians, this has also affected service delivery.

Mr. Speaker, the delay in payment of these pending bills has led to serious economic and social disruptions as most service providers suffered financially. In addition, allocation of resources towards debt resolution constraints our fiscal space. The Supplementary Budget for 2022/23 has accommodated quite a number of pending bills owed to suppliers and contractors who were cleared for payment by the Internal Audit Team, in effect by the end of the Financial Year the Government expects to have cleared majority of pending bills owed to suppliers and contractors. To further check the growth of pending bills in the coming Financial Year, and comply with the National Government directive, the County Treasury will roll out expenditure management policies and sectors will be required to ensure all their pending bills are fully cleared before closure of every Financial Year.

III. FISCAL FRAMEWORK FOR FY. 2023/2024

Mr. speaker, over the years the County has continued to experience fiscal deficits due to the underperformance of Own Source Revenue. The fiscal policy to support the estimates for FY. 2023/24 is aimed at reversing this trend by focusing on revenue mobilization of Own Source Revenues. To this end the County established its own revenue authority (Nairobi City County Revenue Authority) in order to address the structural and administrative reforms necessary to achieve the set revenue targets. The County also introduced digital pay platform in January 2023 where Nairobians are conveniently able to pay for the services at the comfort of their location. On expenditure, the County will undertake reforms to enhance prudent management of the available resources in order to reduce expenditure on non-core activities and create space for development expenditures.

REVENUE AND EXPENDITURE PROJECTIONS FOR THE FY. 2023/24

Mr. Speaker, the total revenue projection for the FY. 2023/24 including both National Government transfers and Own Source Revenues amounts to Kshs.42.3Billion. Out of this the projected national transfers amount to Kshs.21.3Billion grants 1.2Billion while the total projected Own Source Revenues amount to Kshs.19.9Billion.

Mr. Speaker, the total projected expenditure amounts to Kshs.42.3Billion made up of both recurrent and development expenditures at Kshs.28.3Billion and Kshs.14Billion respectively. The allocation of development is equivalent to 33% of the total budget which is in line with Section 107 of the Public Finance Management Act, 2012 that requires at least 33% be allocated to development.

Mr. Speaker, the revenue and expenditure projections are in accordance with the approved budget ceilings in the approved County Fiscal Strategy Paper 2023.

IV. BUDGET HIGHLIGHTS FOR THE FY. 2023/24

Mr. Speaker, allow me to highlight the budget details for the FY. 2023/24 as tabled before this house. As aforementioned, the driving theme for the budget is to transform our institution and its processes, and strategically redirect the County and its people to economic recovery. The County budget for FY. 2023/24 stands at Kshs.42.3Billion.

DECENTRALISATION OF SERVICES TO BOROUGHES

Mr. Speaker, in order to bring services closer to the residents, I have allocated Kshs. 400Million, for construction of Borough offices, Sub-County and Ward offices. The Boroughs will be the focal point for planning and will provide a 'One Stop Shop' where the residents can access all the services offered by the Nairobi City County. This will ultimately reduce the time taken for Nairobians to get the services and ultimately the cost of doing business. In the recent past we have witnessed destruction of property due to fire, I will also be requesting that this house approves Kshs.120Million towards construction of fire stations in Kangemi and Gikomba.

WARD DEVELOPMENT PROGRAMME

Mr. Speaker, the Ward Development Programme (WDF) is aimed at reducing disparities in resource allocation and development across all wards. The impact of the programme has been felt all over the County. However, the implementation of ward programs has been faced with various obstacles leading to delayed implementation of projects and therefore denying Nairobians the much needed services. The County Treasury has embarked on payment of completed certificates paving way for a seamless implementation of ward projects in the coming Financial Year.

Mr. Speaker, the projects to be implemented under this programme will be Ward Based depending on the priority of individual wards. The proposals from wards are development oriented, mostly in infrastructure development. I have proposed an allocation of Kshs.1.95Billion as the budget allocation for the FY. 2023/24.

IMPROVING EFFICIENCY IN PROCUREMENT

Mr. Speaker, implementation of various programs and projects will require an efficient procurement system. To this end and in line with the Government Policy on EProcurement, the County will take implementation of E-Procurement in line with the National Government Policy. This will not only enhance efficiency but also ensure the County gets the best services at the best prices possible due to increased competition.

ENHANCING QUALITY AND AFFORDABLE HEALTH CARE

Mr. Speaker, in an effort to achieve Universal Quality Health Care, during the FY. 2022/23, ICU, Renal unit and satellite blood bank were opened in Mama Lucy Kibaki Hospital; Repairs, rehabilitation and equipping of various medical facilities were implemented. To continue with the spirit of affordable health care, I have allocated Kshs.400Million for equipping and stocking of sufficient drugs and non-pharmaceuticals to the County Health Facilities, I have also allocated Kshs.1.1Billion for construction, equipping and rehabilitation of Health Facilities. Ensuring affordable health services are accessible to all remains our key priority.

SCHOOL FEEDING PROGRAM

Mr. Speaker, to take care of the school going children in Nairobi, I have allocated Kshs.1.2Billion in recurrent budget for Public Primary Schools and ECD centers feeding and Kshs.500Million in development for construction of kitchens and serving sheds. This program will improve the nutritional status of the learners and also encourage students to attend school leading to an increase in enrollment, performance and transition to higher levels of education. The County has targeted to feed about 250,000 children.

INVESTING IN INFRASTRUCTURE DEVELOPMENT

Mr. Speaker, the priority area for this Sector will be to enhance pedestrian safety and connectivity through construction and rehabilitation of roads, street lighting, storm water drainage and bridges. Completion of ongoing road works will be targeted as a key priority, together with rehabilitation of already completed works. I have allocated Kshs2.6Billion to facilitate implementation of the development projects in the Sector.

ENHANCING ACCESS TO EDUCATION AND TALENT DEVELOPMENT

Mr. Speaker, in order to enhance access to education, and to support the National Governments effort to ensure transition to Secondary Schools at 100%, the County Government has been providing support to the needy students through the provision of bursaries. The County is continuing with this endeavor and in this regard, I have allocated Kshs.857Billion for provision of bursaries to the needy students. Out of this Kshs.7Million will be allocated to every ward and the balance will be available to sponsor all continuing students under the Executive Scholarship Programme.

Mr. Speaker, in order to develop talent among the youth, I have further allocated Kshs.554Million for the construction and rehabilitation of stadiums which serves as Recreation Centres' for the youth.

CREATING A CONDUCIVE BUSSINESS ENVIROMENT

Mr. Speaker, in order to create an enabling environment for traders and investors, I have allocated Kshs.730Million for construction of various markets within the County and Kshs.100Million for reallocation of informal traders from main streets for maintaining order and dignity in the streets of Nairobi.

SUSTAINABLE ENVIROMENT MANAGEMENT

Mr. Speaker, supply of water remains a constitutional right to the public, and management of sewer is unavoidable responsibility. Management of solid waste and sewerage is a challenge we continuously seek to overcome. We have procured 27 Tippers, 10 Skip Loaders, 24 Refuse Compactors, 3 Bulldozers, 4 Backhoes Trucks and increased human capital by employing 3,000 support staff to undertake cleaning in the City. We are therefore planning to increase the daily waste management to 3,200 tons per day.

Mr. Speaker, for beautification and greening of Nairobi, we planted 365,000 trees, 38,000 flowers, installed 11 air quality monitors in FY. 2022/23. We have programmed to plant additional 1 Million trees, continue with beautification of parks, complete construction of Uhuru park, Jevanjee, and dumpsite weighbridge as well as install litter bins in the City.

ENHANCING FOOD SECURITY & SUPPORT FOR THE YOUTH

Mr. Speaker, in order to enhance food security among Nairobians, the County Government is taking deliberate measures to improve food production through promotion of urban farming across the whole value chain. These measures include; provision of extension services and training the youth on modern farming methods. Towards this, I have allocated the Food and Agriculture Kshs. 123.96Million for the installation of greenhouses, water harvesting tanks, vertical vegetable gardens and promotion of broiler farming.

COUNTY ASSEMBLY

Mr. Speaker, the County Assembly (CA) plays an important role in all legislative functions within the County including approval of County laws, policies, budget and expenditures, integrated development plans, tariffs rates and service charges as well as playing an oversight role on the County Executive. To achieve this role, Mr. speaker, I have proposed an allocation of Kshs.3.25Billion to the County Assembly for recurrent and development.

V. REVENUE RAISING MEASURES AND SUSTAINABILITY

Mr. Speaker, I now turn to the fiscal projections and the revenue raising measures for the FY. 2023/24.

Mr. Speaker, the FY. 2023/2024 budget estimates will be financed from Transfers from National Government and Own Source Revenues. As highlighted earlier, the total resource projection for the FY. 2023/2024 stands at Kshs.42.3Billion up from Kshs.39.6Billion in FY. 2022/2023. The budget is balanced and therefore no borrowing is envisaged.

Mr. Speaker, to ensure the County targets are met, the County Treasury projects an income of Kshs.19.9Billion from internal sources and Kshs.22.5Billion from external sources. We remain hopeful that the diminished revenue due to the harsh economic period will be reversed in the coming Financial Year. In order to realize the projected OSR, the Government has established a County Revenue Authority (NCCRA) amongst other revenue raising strategies.

STRUCTURAL AND ADMINSTRATIVE REFORMS

Mr. Speaker, for a long time, the County has lacked requisite legislation for key revenue streams. This weakened the administration and mobilization of revenue collection. In the coming year, the County Government will be pursuing this agenda through NCCRA to ensure every revenue stream has an enabling legislation and with the help of this house we expect better performance henceforth. We will also continue using the digital pay service platform for convenience and broadening our revenue base.

Mr. Speaker, completion and capturing of Geographical Information System (GIS) based valuation roll remains our key strategy to boost our rates collection. Land rates are currently charged based on new valuation roll of 2019. The number of ratable properties is expected to increase from the current 181,000 to approximately 241,000 properties. We will also introduce sectional properties rates targeting individual houses on a block of apartments. Cumulatively this measure will increase rates income by approximately Kshs.1Billion.

Mr. Speaker, we intend to restructure the Single Business Permits codes by introducing new parameters (hyper, mega, large, medium, small and mini) for classification of business in order to enhance fairness and compliance. This will bring on board small traders who previously defaulted due to higher charges. We expect to collect an additional Kshs.1Billion after implementation.

Mr. Speaker, we will also be mapping revenue streams and setting targets for each stream, Sub-County, Ward and Individuals. This will increase revenue base which will ultimately increase actual revenue and form a logical basis for setting targets.

Mr. Speaker, we have proposed minor adjustments and new charges through the Finance Bill 2023. The key areas of interest in this bill are: -

Reductions

1. Reduction of originating and terminating charge (seasonal tickets) for public service vehicles (PSV) terminating outside the Central Business district (CBD) by reducing the current charge by 50%. This will enhance compliance by the PSV who operate outside CBD with potential of increasing the collections by Kshs. 500million.
2. Review and graduated the Fire Inspections and Certificates as per the sizes and activities in order to enhance compliance level. The old charges were too high that led to many clients to seek the same services from neighboring Counties that are charging lower fees.
3. Reduction of the annual licenses and permits for water bowsers and exhausters to enhance compliance. The old charges are too high resulting to non-compliance by many operators. This will also enhance the safety of the water and clean environment.
4. Reduced charges for complementary education institutions in informal settlement areas to as low Kshs. 3,000 for small centers with less than 200 pupil's payable in instalments in line with the Nairobi City County Trade Licensing Act, 2019 to recognize and encourage the services given to the vulnerable people in the society.
Increments and new charges
5. Restructuring of the Single Business Permit codes by introducing new parameters (hyper, mega, large, medium, small and mini) for classification of business in order to enhance fairness, compliance and revenues. The new parameters will be charged as follows;
 - (i) Hyper - Supermarket at Kshs. 40,000
 - (ii) Mega Supermarkets at Kshs. 30,000
 - (iii) Large Butchery shop or retail service at Kshs. 4,000
 - (iv) Kiosk at Kshs. 1,000
 - (v) All shops and retail services in Nairobi City County owned Markets at Kshs. 2,000
6. The introduction of new charges following the improvement and installation of modern new facilities in the County Hospitals and Health facilities. The increase of existing charges to cover the cost of service delivery with direct impact on the quality of service given to the citizens. All the funds collected will be used to improve the County Health facilities and put them at par with the private health centers.
7. Introduction of hiring of County equipment and machinery under the Mobility and Works whenever they are not in use. The proposal would make full use of the County assets and staff and bring in revenue as opposed to having them lying idle in our yards.

8. Introduction of Environmental levy charged capped at 2% of the annual rates for all properties within the County. The revenue will be used for improvement of our environment and making the City regain its glory as the “GREEN CITY IN THE SUN”.
9. Increase betting shops and pool tables charges to control betting activities and enhance revenue.
10. Regularization of unauthorized developments and imposition of penalties for the same.
11. Review the Planning charges and increase County revenues by inclusion of various advertisement forms that had not been captured in the previous Finance Acts, small increments in fees by small percentage to encourage compliance and remove ambiguity and properly classify all advertisements to differentiate each type and category e.g. on motor bikes, 3 wheelers, mobile advertisement and street displays.

Mr. Speaker, to boost the above mentioned strategies, we will be creating awareness on all the County levies for citizens to pay, how to pay, deadlines and consequences of being in default. We shall also ensure prompt billing and serving of demand notices combined with continuous inspections and enforcement to ensure compliance. We shall provide necessary tools to facilitate collection, inspection and enforcement of revenue.

VI. CONCLUSION

As I conclude, Hon Speaker, I cannot fail to reiterate that the County Government remains focused and steadfast to ensuring that the development targets are met, consequently transforming the County into glorious city in the sun, a competitive City globally, bringing Order, Dignity, Hope and Opportunities to Nairobians, with its people benefitting from a high quality of life. The budget making process was consultative, crafted on the backdrop of limited resources and trade-offs have been done to ensure that the County only pursues areas of optimal gains.

This could not have been possible without the support of the office of H. E Excellency the Governor, your office Mr. Speaker and that of the Clerk to the County Assembly. I thank you for having granted me the opportunity to present this budget highlights and also for the support this far received throughout this process. I am also grateful to the Finance, Budget and Appropriation Committee led by the very able Chairman, Hon Wilfred Odalo, all other Sectoral Committees, The Leader of the Majority Party, Hon. Peter Imwatok and the Leader of the Minority Party Hon. Antony Kiragu for their commitment to see this process end successfully.

I cannot forget my fellow County Executive Committee Members, County Chief Officers, staff at the County Treasury led by the County Chief Officer for Finance and economic Planning who have jointly and individually worked hard to ensure that the budget and all supporting documents met the legal timelines.

Finally, Mr. Speaker, I wish to thank Nairobians in general for their continued involvement in County affairs through Public Participation, their unwavering fulfillment of their civic duty which finances the County operations and pledge that as a County we will focus on the priority areas they helped us identify.

“LET’S MAKE NAIROBI WORK”

Thank you all and God bless Nairobi City County.

Mr. Speaker, allow me to submit the Finance Bill 2023 and the Budget Statement for the FY. 2023/24 to this House for consideration.

THANK YOU HONORABLE SPEAKER”.

11. ADJOURNMENT: -

The speaker issued the following communication on the adjournment of the County Assembly;

“Hon. Members. I wish to take this opportunity to thank the CEC Member for Finance and Economic Planning, Mr. Charles Kerich, for effectively making a public pronouncement of the Budget Policy Highlights and Revenue Raising Measures for the County Government of Nairobi City for the Financial Year 2023/2024.

Hon. Members, it is now my pleasure to invite all Members, the CEC Member and all invited guests to a reception at Windsor Golf Hotel and Country Club.

Hon. Members, the time being five minutes past Five O’clock, the House now stands adjourned until Tuesday, 4th July, 2023 at 2:30 p.m.”

There being no other business and the time being five minutes past Five O’clock, the Speaker adjourned the Assembly without Question put pursuant to the provisions of the Standing Orders.

12. ASSEMBLY ROSE - at five minutes past Five O’clock.

MEMORANDUM

The Speaker will take the Chair on
Tuesday, July 4th, 2023 at 2.30 p.m.