REPUBLIC OF KENYA

COUNTY ASSEMBLY OF BOMET

SECOND ASSEMBLY- FIFTH SESSION

COMMITTEE ON BUDGET AND APPROPRIATION

REPORT

ON THE BOMET COUNTY FISCAL STRATEGY PAPER FOR THE FINANCIAL YEAR 2021 - 2022.

MARCH 2021

Laid on the Table of the County Assembly on 12th March 2021 at 9:00 a.m.

BOMET COUNTY ASSEMBLY
CLERK
12 MAR 2021
P.O. Box 590-20400 BOMET

Table of Contents

1 Introduction 3

1.1 Mandate of the Committee 4

1.2 Examination of the Medium Term Fiscal Strategy Paper 4

1.3 Acknowledgement 5

1.4 Ownership, affirmation and approval.. **Error! Bookmark not defined.**

2 ANALYSIS OF THE MEDIUM TERM COUNTY FISCAL STRATEGY PAPER FOR FY 2021/2022 6

2.1 LEGAL FRAMEWORK 8

2.2 Legal compliance of the County Fiscal Strategy Paper 2021 9

2.2.1 Adherence to Fiscal Responsibility Principles 11

2.3 County Own Revenue 12

2.3.1 Analysis of the current budget vs the proposed ceilings 13

3 FINDINGS AND OBSERVATIONS 16

3.1 Linkage between CIDP, BPS and CFSP.. 16

4 VIEWS FROM VARIOUS STAKEHOLDERS 18

4.1 SUMMARY VIEWS FROM MEMBERS OF THE PUBLIC.. 18

4.2 SECTORAL COMMITTEE SUBMISSIONS AND REACTIONS/CEC FOR FINANCE SUBMISSIONS 21

4.2.1 DEPARTMENT OF AGRICULTURE, LIVESTOCK AND FISHERIES 21

4.2.2 DEPARTMENT OF ADMINISTRATION, ICT AND PUBLIC SERVICE 23

4.2.3 PUBLIC SERVICE UNIT 24

4.2.4 ICT UNIT 25

4.2.5 Department of Education and VTC 27

4.2.6 Department of Roads and Infrastructure 28

4.2.7 Department of Medical Services And Health 29

4.2.8 Department of Youth & Social services 30

4.2.9 Lands, Housing & Urban Planning 31

4.2.10 Department of Trade, Tourism and Industry 34

4.2.11 Concerns noted; 37

4.2.12 Recommendation 37

4.3 COUNTY ASSEMBLY 38

5 BUDGET AND APPROPRIATION COMMITTEE RECOMMENDATIONS 44

5.1 County Revenue 44
5.2 Public Service 44
Personnel Emoluments 44
The committee recommended that; 44
5.3 Finance 45
5.4 Economic Planning 45
5.5 Water, Sanitation and Environment 45
5.6 Roads, Public Works and Transport 45
5.7 Agriculture, Livestock and Fisheries 45
6 County Assembly 46
6.1 Recurrent expenditure 46
6.2 Capital expenditure, car loan and mortgage 46
7 APPROVED CEILINGS TABLE 47

Annexure

- Submitted CFSP 2021

ABREVIATIONS

CIDP...............County Integrated Development Plan

CBROP............County Budget Review and Outlook Paper

ADP................ Annual Development Plan

BPS.................Budget Policy Statement

PREFACE

1 Introduction

Mr. Speaker Sir,

Honorable members, I wish to take this opportunity on behalf of members of the committee on Budget and Appropriation to present to the House, the Committee's report on the Medium-Term County Fiscal Strategy Paper (CFSP) for FY 2021 - 2022 and medium term submitted to the County Assembly by the Executive Committee Member for Finance on Monday 1st March 2021.

Mr. Speaker sir,

Budget and Appropriation committee as currently constituted comprises of the following Honorable members:

1. Hon. Haron Kirui – Chairperson
2. Hon. Clarah Cherotich – Vice Chairperson
3. Hon. Weldon Kirui -Member
4. Hon. Josphat Kirui -Member
5. Hon. Robert Langat -Member
6. Hon. Leonard Kirui -Member
7. Hon. Robert Serbai -Member
8. Hon. Davis Kipkirui -Member
9. Hon. Joseah Chepkwony -Member
10. Hon. Chesangi Alice -Member
11. Hon. Kiprotich Wesley -Member
12. Hon. Robert Rono -Member
13. Hon. Andrew Maritim -Member

1.1 Mandate of the Committee

Standing Order No. 190 establishes the committee on Budget and Appropriation with specific mandate to:

a) *Investigate, inquire into and report on all matters related to coordination, control and monitoring of the County Budget.*

b) *Discuss and review the estimates and make recommendations to the County Assembly.*

c) *Examine the County Fiscal Strategy Paper presented to the County Assembly;*

d) *Examine Bills related to the County budget, including Appropriations Bills; and*

e) *Evaluate tax estimates, economic and budgetary policies and programs with direct budget outlays.*

1.2 Examination of the Medium Term Fiscal Strategy Paper

Mr. Speaker sir,

The provisions of the PFM Act, 2012 require the County Executive Member for Finance to submit the approved Fiscal Strategy Paper to the County Assembly by 28th February of each year. The Act further provides that, not later than fourteen days after its submission, the County Assembly shall consider and **may** adopt it with or without amendments.

Mr. Speaker sir,

In the process of reviewing the County Fiscal Strategy Paper, the committee on Budget and Appropriation consulted several stakeholders and took into consideration their views and comments, among them Sectoral committees, members of the public including from special interests' groups, CEC member for Finance and Clerk of the Assembly. Sectoral committees submitted views after reviewing the proposed sector ceilings and priorities and mandates of their respective departments.

The views, **Mr. Speaker sir,** were required to allow the Committee members to make an informed judgment on the document.

1.3 Acknowledgement

Mr. Speaker sir,

Acting as a resource envelope and as a determinant of the expenditure guide for each spending unit, the County's Fiscal Strategy Paper is pivotal to the County's budgetary process. This explains why in spite of the seemingly unachievable timelines, the committee strives to subject the document to comprehensive review and consultations. The document was tabled on Tuesday 2nd March, 2021 thereafter followed by enormous activities whereby the committee members deliberately held several lengthy sessions to accord the document the attention it deserves and to meet the set deadline. For this reason, Mr. Speaker, I wish to sincerely appreciate the Committee members. We now have a fiscal strategy for the coming financial year.

On behalf of the Committee, I wish to extend the committee appreciation to the Assembly administration for facilitation, sectoral committees for their meaningful submissions, CECM for Finance for heeding committee calls for clarifications from time to time and for his views, Clerk of the Assembly for his clarifications on matters touching on Assembly and last but not least committee secretariat for their invaluable support. The committee is also grateful to the members of the public and other interest groups who attended and participated in a public participation forum held on Wednesday 10th March 2021 at the County Assembly grounds.

Invaluable comments from the aforementioned stakeholders greatly helped the committee to arrive at the decisions made.

1.4 Ownership, affirmation and approval

Mr. Speaker sir,

It is therefore my pleasant duty and privilege, on behalf of the committee on Budget and Appropriation to table this report and recommend it to the House for adoption.

Signed---

THE HON. HARON KIRUI

CHAIRPERSON, BUDGET AND APPROPRIATION COMMITTEE

Date----12th MARCH 2021---

We, honorable members of the Budget and Appropriation Committee, do hereby affix our signatures to this report to affirm our approval, confirm its accuracy, validity and authenticity: -

No.	Name	Position	Signature
1.	Hon. Haron Kirui	Chairperson	
2.	Hon.Clarah Cherotich	Vice Chairperson	
3.	Hon. Weldon Kirui	Member	
4.	Hon. Josphat Kirui	Member	
5.	Hon. Robert Langat	Member	
6.	Hon. Leonard Kirui	Member	
7.	Hon. Robert Serbai	Member	
8.	Hon. Davis Kipkirui	Member	
9.	Hon. Joseah Chepkwony	Member	
10.	Hon. Chesangi Alice	Member	
11.	Hon.Kiprotich Wesley	Member	
12.	Hon. Robert Rono	Member	
13.	Hon. Andrew Maritim	Member	

ANALYSIS OF THE MEDIUM TERM COUNTY FISCAL STRATEGY PAPER FOR FY 2021/2022

Mr. Speaker sir,

An approved Fiscal Strategy Paper is as good as a budget for the reason that PFM regulations limit any changes on the ceilings after its adoption at 1%. The document sets out broad objectives, policy goals and strategic priorities that guide the County Governments in preparing their budgets both for the following financial year and over the medium term. Ideally, it contains four key elements as explained below:

Budget performance in the previous year and the first six months of the current year:

Since the document is produced in February, it contains data on revenue and expenditure from June to December of the implementation year. These performance data are important for making decisions about what is realistic going forward. It guides in arriving at realistic revenue estimates.

Projections of the total budget (revenue, expenditure and deficit) for the coming financial year:

While the projections are at a highly aggregate level, it should include broad categories for revenue (National Revenue Allocation, County Own Revenue, Conditional grants, etc.) and expenditure for both recurrent and development. The basis for estimated local revenue should be clear and broken down for each revenue source.

Priorities in the budget. The narrative section on priorities in the CFSP should explain the choices made in the coming budget year among different sectors, for example why Water has been prioritized but not the Education sector. The budgets for each sector can then be examined to see if the narrative and the numbers match. It should be possible to then link these narrative explanations to the numbers in the ceilings section.

Ceilings are the maximum amount of funds going to each sector. The CFSP determine the final distribution of funds across sectors. The sector ceilings, and how it is changing over time is useful for understanding which programs will be prioritized in the coming year.

2.1 LEGAL FRAMEWORK

Section 117 of the PFM Act provides that;

"(1) The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28th February of each year.

(2) The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.

(3) In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term.

(4) The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.

(5) In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of —

(a) the Commission on Revenue Allocation;

(b) the public;

(c) any interested persons or groups; and

(d) any other forum that is established by legislation.

(6) Not later than fourteen days after submitting the County Fiscal Strategy Paper to the county assembly, the county assembly shall consider and may adopt it with or without amendments.

(7) The County Treasury shall consider any recommendations made by the county assembly when finalizing the budget proposal, the financial year concerned.

(8) The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the county assembly.

2.2 Legal compliance of the County Fiscal Strategy Paper 2021

Mr. Speaker Sir,

The committee carried out an assessment on the extent to which the County Fiscal Strategy Paper for 2021/22 FY has complied with legal compliance and obtained the following results;

Table 1 Legal compliance of the County Fiscal Strategy Paper 2020

Requirement	PFM Section	% Level of Compliance	Comment
Submission of the County Fiscal Strategy Paper by 28th February every year	117(1)	2 out of 5 40%	The document was submitted on 1st March 2021 clearly outside the lawful deadline of 28th February. The committee has severally recommended that the CECM Finance should consider submitting earlier to allow for effective review and consultation before adoption since it is a key document in the budget process.

Alignment of the CFSP with national objectives in the Budget Policy Statement (BPS) 2020.	117(2)	3 out of 5	The Fiscal strategy paper has outlined the national objectives. The document has prioritised healthcare services and Education. However, department of urban planning failed to prioritise construction of low-cost housing. Furthermore, allocation for infrastructure development, especially roads constructions, felled below bar.
Adherence to Fiscal responsibility principles	107(2)(f) and PFM regulation 25(2)	2 out of 5	Allocation to PE is 39% way above the ceiling of 35%. Allocation to Development expenditure is 32% and thus complied with the lawful limit.
The total resources allocated to individual programmes and projects within departments for	-	3/5	The information was clearly stipulated. Expenditure details contained in the provided draft budget estimates. However there is noticeable discrepancy

the period identified indicating outputs expected from such programme or projects during the period.			between allocations to programmes and activities in the draft budget estimates for some departments.
The principle of public participation and other stakeholders is a requirement in the Constitution.	117(5)	4.5 out of 5 90%	The document was accompanied with public participation minutes. It only failed to indicate how the views were considered.
Total Level of Compliance	**-**	**14.5 out of 25 58%**	**-**

The table above indicates that there is a slight drop in compliance from 62% to 58% compared to previous CFSP. Issues raised should be addressed in the upcoming BE and next FY CFSP.

Policy direction for compliance to Fiscal responsibility principles, listed below, should be addressed as a matter of county priority.

2.2.1 Adherence to Fiscal Responsibility Principles

PFM Act 2012 and the PFM (County) Regulations 2015 require the County Government to adhere to the following guidelines:

i. The County Government's recurrent expenditure shall not exceed the County Government's total revenue; **Provision complied**

ii. Over the medium term a minimum of thirty percent of the County Government's Budget shall be allocated to the development expenditure; **Provision complied**

iii. The County Government's expenditure on wages and benefits for its public officers shall not exceed 35% percentage of the County Government's total revenue as prescribed by the County Executive Member for Finance in regulations and approved by the County Assembly; **Provision not complied**

iv. Over the medium term, the County Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure; **The paper has not provided for borrowing.**

v. The County Debt shall be maintained at a sustainable level as approved by County Assembly; **The CEC submitted that County had no plans for borrowing**

vi. The fiscal risks shall be managed prudently; **This provision was not clearly articulated**

vii. A reasonable degree of predictability with respect to the level of Tax Rates and Tax bases shall be maintained, taking into account any Tax reforms that may be made in the future **This provision was not clearly articulated**;

2.3 County Own Revenue

The Treasury revised its own source revenue target from the current FY of KES 275M to KES 250M. however, the committee was uncomfortable with this reduction especially since the CECM Finance was set to launch cashless system and expand revenue base.

2.3.1 Analysis of the current budget vs the proposed ceilings

VARIANCE ANALYSIS ON PROPOSED CEILINGS VS CURRENT BUDGET				
DEPARTMENT	**A PROPOSED CEILINGS FOR FY 2021/2022**	**B CURRENT BUDGET FOR FY 2020/2021**	**VARIANCE (A-B)**	**% VARIANCE**
COUNTY EXECUTIVES	**185,000,000**	**1,703,107,874**	**-1,518,107,874**	-821%
Personal emoluments		1,517,380,000	**-1,517,380,000**	
Operation & maintenance	185,000,000	185,727,874	**-727,874**	0%
PSB	**48,534,200**	**48,534,200**	**0**	0%
Operation & maintenance	48,534,200	48,534,200	**0**	0%
PUBLIC SERVICE	**1,894,758,129**	0.00	**1,894,758,129**	100%
Personal emoluments	1,679,758,129	0.00	**1,679,758,129**	100%
Operation & maintenance	215,000,000	0.00	**215,000,000**	100%
ADMINISTRATION	**103,000,000**	**103,000,000**	**0**	0%
Operation & maintenance	52,000,000	47,000,000	**5,000,000**	10%
Development	51,000,000	56,000,000	**-5,000,000**	-10%
ICT	**43,205,000**	**41,205,000**	**2,000,000**	5%
Operation & maintenance	26,205,000	24,205,000	**2,000,000**	8%
Development	17,000,000	17,000,000	**0**	0%
FINANCE	**310,316,807**	**162,700,151**	**147,616,656**	48%
Operation & maintenance	216,834,016	97,700,151	**119,133,865**	55%
Development	93,482,791	65,000,000	**28,482,791**	30%

ECONOMIC PLANNING	**248,034,798**	**285,034,798**	**-37,000,000**	-15%
Operation & maintenance	80,680,824	117,680,824	**-37,000,000**	-46%
Development	167,353,974	167,353,974	**0**	0%
LANDS,HOUSING AND URBAN PLANNING	**190,000,000**	**233,000,000**	**-43,000,000**	-23%
Personal emoluments	40,000,000		**40,000,000**	100%
Operation & maintenance	45,000,000	40,000,000	**5,000,000**	11%
Development	105,000,000	193,000,000	**-88,000,000**	-84%
YOUTH, SPORTS, GENDER AND CULTURE	**115,520,370**	**95,020,370**	**20,500,000**	18%
Operation & maintenance	64,520,370	74,020,370	**-9,500,000**	-15%
Development	51,000,000	21,000,000	**30,000,000**	59%
MEDICAL SERVICES & PUBLIC HEALTH	**1,912,139,304**	**1,920,602,392**	**-8,463,088**	0%
Personal emoluments	1,019,500,000	707,300,000	**312,200,000**	31%
Operation & maintenance	613,291,664	933,546,222	**-320,254,558**	-52%
Development	279,347,640	279,756,170	**-408,530**	0%
EDUCATION AND VOCATIONAL TRAINING	**345,770,250**	**294,270,144**	**51,500,106**	15%
Operation & maintenance	135,879,750	151,470,250	**-15,590,500**	-11%
Development	209,890,500	142,799,894	**67,090,606**	32%
WATER SANITATION AND ENVIRONMENT	**350,000,000**	**476,432,407**	**-126,432,407**	-36%
Operation & maintenance	142,400,000	104,250,000	**38,150,000**	27%
Development	207,600,000	372,182,407	**-164,582,407**	-79%
AGRICULTURE COOPERATIVES AND MARKETING	**578,888,692**	**369,913,820**	**208,974,872**	36%

Operation & maintenance	50,790,000	25,155,546	**25,634,454**	50%
Development	528,098,692	344,758,274	**183,340,418**	35%
ROADS, PUBLIC WORKS & TRANSPORT	**564,923,772**	**729,062,594**	**-164,138,822**	-29%
Operation & maintenance	108,673,772	66,882,125	**41,791,647**	38%
Development	456,250,000	662,180,469	**-205,930,469**	-45%
TRADE, ENERGY, TOURISM, INDUSTRY AND INVESTMENT	**84,700,000**	**82,700,000**	**2,000,000**	2%
Operation & maintenance	21,931,000	20,700,000	**1,231,000**	6%
Development	62,769,000	62,000,000	**769,000**	1%
EXECUTIVE TOTAL	**6,974,791,322**	**6,544,583,750**	**430,207,572**	6%
COUNTY ASSEMBLY	**1,112,957,852**	**771,321,526**	**341,636,326**	31%
Personal emoluments	338,876,000	308,200,000	**30,676,000**	9%
Operation & maintenance	449,581,852	323,121,526	**126,460,326**	28%
Development	324,500,000	140,000,000	**184,500,000**	57%
COUNTY TOTAL	**8,087,749,174**	**7,315,905,276**	**771,843,898**	10%
Personal emoluments	**3,078,134,129**	**2,532,880,000**	**545,254,129**	18%
Operation & maintenance	**2,407,788,248**	**2,259,994,088**	**147,794,160**	6%
Development	**2,553,292,596**	**2,502,031,188**	**51,261,408**	2%
Personal emoluments	**38%**	**35%**		
Operation & maintenance	**30%**	**31%**		
Development	**32%**	**34%**		

The above table clearly indicates that the PE will shift from 35% to 39% thus flouting the Fiscal responsibility principle which sets the ceiling at 35%. It also indicates that budgeting of PE has been moved from County Executives to Public Service. Proposed allocation for operations &maintenance went down by 1% while development will reduce from 34% to 32%. Total revenue went up due to increase in equitable share.

3 FINDINGS AND OBSERVATIONS

Mr. Speaker Sir,

Upon review of the document, the committee made the following findings and observations;

3.1 Linkage between CIDP, BPS and CFSP

The County Treasury is required by law, PFM Act, 2012 to align its CFSP with the national objectives in the Budget Policy Statement (BPS) and specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium-term. These priorities should also be outlined in the CIDP.

BPS talks of the big four plan targets as indicated below;

i. Support value addition and raise the manufacturing sector's share to GDP to 15 percent by 2022. This will accelerate economic growth, create jobs and reduce poverty;

ii. Focus on initiatives that guarantee food security and nutrition to all Kenyans by 2022 through expansion of food production and supply, reduction of food prices to ensure affordability and support value addition in the food processing value chain

iii. Provide Universal Health Coverage thereby guaranteeing quality and affordable healthcare to all Kenyans; and,

iv. Provide at least five hundred thousand (500,000) affordable new houses to Kenyans by 2022, and thereby improve the living conditions for Kenyans

Upon scrutinizing the CFSP 2021, the priorities given in the department of Urban planning did not outline measures to support construction of low cost housing in line with the BPS.

Universal Health Coverage is one of the Big Four Agenda to transform Kenya by 2022. UHC will ensure all Kenyans have access to preventive, Promotive, curative, rehabilitative and palliative health services at minimum financial burden. The paper submits that County Government support to UHC will involve; Construction of a new model fully equipped and functional maternal, newborn and child health unit annexed to Longisa County referral hospital, construction, renovating existing and equipping health facilities, establishing a reliable drugs supply chain mechanism and management, strengthening health administration, Policy, Planning and Support services through supporting development and domestication of existing health bills and policies, enhancement of access to reproductive health services through provision of integrated approach to reproductive health services for instance cancer, reproductive health and maternal child and adolescent health care services, providing suitable work environment through sound, spacious building structure and equipment through completion of on-going health facilities, enhancing disease surveillance and strengthening health promotion and disease prevention.

4 VIEWS FROM VARIOUS STAKEHOLDERS

4.1 SUMMARY VIEWS FROM MEMBERS OF THE PUBLIC

Mr. Speaker Sir,

Article 201(a) of the constitution 2010 requires openness and accountability, including public participation in financial matters.

In compliance with the said Article, the Committee conducted public participation on Tuesday 10th March 2019 at the County Assembly grounds. The event had been advertised in newspapers and announced in local radio stations. It was organized so to give the opportunity to the public to react on the document and to confirm whether their views were taken into consideration following another public participation conducted by the executive during the preparatory stage of the document.

Participants freely submitted their independent views on the document as follows;

1. That decline in revenue which has had led to unachievable targets is a result of the fact that the County Government has not implemented the collection of distribution fee/charges. The members of the public therefore resolved that the County Government should implement the collection of distribution charges.

2. That land for cancer centre for the proposed "chepcricket cancer centre" had already been acquired by the County Government. Concern was raised as to why there was no allocation for the construction of the said cancer centre despite availability of land. The members of the public further proposed that cancer screening should be implemented at the ward level.

3. Concern was raised over the fact that the county government has enhanced the remuneration of agricultural extension officers and yet there are no services from the said personnel at the ward level which has led to further spread of communication disease like MLND.

4. That the allocation for renovations and construction of cattle dips be increased so as to bring services closer to the people.

5. That the allocation for the Enterprise Development Fund should be increased from its proposed allocation of KES 41M to KES 75M so that each ward receives KES 3M each.

6. That part of the proposed donor funds from Kenya Climate Smart Programme should be set a side for development of Soil Testing Lab.

7. That in the department of water and environment, the allocation meant for development of water supply for domestic and commercial purposes should be increased by KES 150M and the allocation meant for administrative services be reduced.

8. That the allocation for fisheries development should increased from its proposed allocation so as to provide for fingerlings and capacity building to farmers.

9. That the allocation for waste water management should be increased so as to solve the menace of unmanaged waste disposal.

10. That the allocation for expansion of water pans should be increased.

11. That the allocation for curative services should be increased and further ensure that drugs and pharmaceuticals are availed at the health centres.

12. More funds should be additionally added to preventive and promotive services by KES 100M to ensure that remuneration of health volunteers at the ward level is enhanced.

13. The members of the public proposed and resolved that a health practitioner in every health facility must be trained on sign language interpretation to assit the visually impaired whenever they seek for medical attention at various health facilities within the County.

14. That the allocation for medical equipment and machines should be increased to ensure that specialized health services are provided at the ward level.

15. That more county ambulances should be acquired by the County Government to ensure that each sub-county get at least one ambulance.

16. The allocation for acquisition of land should be increased so as to ensure that each ward acquire one acre of land.

17. That a reasonable amount should be additionally allocated for lands title deeds acquisition.

18. Allocation for motorized bridges should be additionally allocated KES 100M.

19. Purchase of sofwares in the department of Roads allocated KES 5M should be reallocated to road construction and maintenance.

20. A priority should be given to constant road maintenance by employing road maintenance officers for every county road.

21. That the allocation for construction and installation of culverts should be increased.

22. That the project committees should be identified for every county project. It was further proposed that project committees should be provided with Bills of Quantities (BQs).

23. That the allocation for bursaries and support services allocated KES 56M be increased to KES 100M so that each ward receives KES 4M.

24. The feeding programme was applauded and recognized as a good programme. The members of the public further proposed that the said programme should be implemented fully.

25. That the maintenance and expansion of existing infrastructure for floodlights should be given a priority and expanded within the municipality.

26. That the allocation for development of library should be allocated KES 50M from the proposed allocation of KES 13M so that each ward receives KES 2M.

27. That the land at chapalungu forest should be set aside for development of tourism niche.

28. Allocation for Social Protection Services should be increased from KES 28M to KES 30M for provision of assistive devices for PWDs.

29.A youth centre should be developed in Bomet Town.

4.2 SECTORAL COMMITTEE SUBMISSIONS AND REACTIONS/CEC FOR FINANCE SUBMISSIONS

Mr. Speaker Sir, various sectoral committees raised issues, sought responses from the departments and prepared submissions to Budget and Appropriation committee. The committee sought responses from the CECM finance and addressed the issues raised on behalf of the departments as follows. Here are the said submissions;

4.2.1 DEPARTMENT OF AGRICULTURE, LIVESTOCK AND FISHERIES

i. **Identify the allocation meant for establishment of apiaries (bee hives and honey processing equipment) which is allocated 2.39m**
PURCHASING OF BEE HIVES, HONEY HARVESTING GEARS AND HONEY EXTRACTING/PACKAGING EQUIPMENT. THIS IS TO SUPPORT YOUTH AND BEE KEEPERS GROUP ACROSS THE COUNTY INVOLVEMENT HONEY PROCESSING AND MARKETING.

ii. **Justify the allocation meant for completion and equipping of on –going milk cooling plant which is allocated 8.43m. Specify the specific project to be completed which are ongoing**
THIS IS TOWARDS COMPLETION AND OPERATIONALIZATION OF CHEBWOSTUIET, LABOTIET, CHEPKESUI AND KIPNGOSOS. THESE COOLING PLANT SITES HAVE ALREADY RECEIVED THE COOLING TANKS AND CURRENTLY LYING IDLE

iii. **Justify the allocation meant for establishment of sales yard in Mulot allocated 11m. what specific projects goes to establishment of abattoir**
KENYA CLIMATE SMART AGRICULTURE IS SUPPORTING THE DEPT TO ESTABLISH A MODERN ABBATOUIR IN MULOT AND THE MODERN SALES YARD IS A COMPLEMENTARY PROJECT TO HELP IN ENSURING A CONSISTENT SUPPLY OF

SLAUGHTER ANIMALS. THE CONSTRUCTION OF THE SALES YARD BY THE COUNTY GOVERNMENT IS THE CONTRIBUTION TOWARDS KCSAP KITTY. THE MULOT SALES YARD WILL BE ATTACHED TO THE ABBATOUIR

iv. **23m has been allocated to finance policy development as a priority project, however there is no allocation for the same in the proposed MTEF as submitted in CFSP. Kindly explain this omission and the number of policies intended for development**

LIMITED BUDGET CEILING ALLOCATION OF 100M COULD NOT ALLOW THE DEPT TO PUT THAT AMOUNT IN POLICY DEVELOPMENT.

<u>POLICIES</u>

DAIRY POLICY – TO REGULATE DEVELOPMENT OF THE DAIRY INDUSTRY IN THE COUNTY AND MARKETING OF DAIRY PRODUCTS

ANIMAL WELFARE BILL – PREVENTION OF CRUELTY TO ANIMALS AND PROTECTION

ANIMAL DISEASE CONTROL BILL – MOVEMENT OF ANIMALS AND VACCINATION AND DISEASE CONTROL

COUNTY VETERINARY PUBLIC HEALTH BILL – SLAUGHTER HOUSE

BEE KEEPING POLICY – TO PROVIDE A GUIDING FRAME WORK IN ESTABLISHING APIARIES AND HYGIENE HANDLING/PROCESSING OF HONEY AND HIVES PRODUCTS

v. **The ceilings of 100m in the department is so low for a County branded as agricultural hub. This will curtail the implementation of support to farmers with;**

- **seedling such as avocado, mango and bananas**
- **completion of cooling plants and cattle dips**
- **employment of A.I inseminators and extension workers**

100M CEILING WILL HINDER THE DELIVERABLES OF THE DEPT KEY AMONG THESE ARE

A.) PROVISION OF EXTENSION SERVICES

B.) ESTABLISHMENT AND OPERATIONALIZATION OF COOLING PLANTS

C.) SUFFICIENT PROVISION OF BREEDING SERVICES

D.) EFFECTIVE DISEASE CONTROL

E.) ESTABLISHMENT OF AGRICULTURAL MARKETING CHANNELS

F.) PROVISION OF MODERN CROP VARIETIES

G.) MECHANIZATION OF AGRICULTURE

. IT IS OUR APPEAL THAT AN ICREMENT IS CONSIDERED TO ENHANCE AGRICULURAL SERVICE DELIVERY

4.2.2 DEPARTMENT OF ADMINISTRATION, ICT AND PUBLIC SERVICE

1. Establishment of fire station has not been allocated any funds despite being a priority in the ADP. Kindly explain.

Response:

The establishment of a fire station is a function of the Municipality under the Department of Lands, Housing and Urban Planning. Thus, no funds were allocated as it would create duplication

2. The committee found out that the allocation meant for ward offices is 21M which is less compared to 56m which was allocated in ADP. The funds are meant for the completion of ward and sub county office blocks, kindly explain the drastic reduction

Response:

The 21M apportioned in the CFSP was informed by the ceilings allocated to the department. Besides that, there are number of Sub County and Ward Offices which the department of Lands is yet to finalize land acquisition and includes Bomet Central Sub County Office combined with ward office, Boito, Chepchabas and Singorwet ward offices. With the finalization of land acquisition, the department is requesting the committee to consider enhancing the allocation.

3. The allocation of 10m meant for compassionate fund is not sufficient to cater for emerging needs in all the 25 wards.

Response:

True, with upsurge in cases of medication requests, there is need to enhance the allocation.

4. Establishment of performance management mechanism has been listed as a priority project yet it has not yet been allocated funds in the proposed MTEF

Response:

The performance management mechanism is indeed indicated as a priority need for Public Service and is achieved by improvement of results delivery framework through performance contracting and staff appraisals. The Public Service has proposed allocation of Ksh. 1,544,000 for development of relevant policy/framework and Ksh. 4M for training of staff thus enhancement of performance management

4.2.3 PUBLIC SERVICE UNIT

i. **The allocation to PE for the financial year 2021/2022 is KES 3,047,458,129 whereas KES 2,532,880,000 is allocated for the current financial year.**

The figure quoted for PE FY 2020/2021 of 2,532,880,000 is not the final figure. There is a shortfall of two months' salaries at a rate of about 204 million per month, giving a total of about 404 million, which when added to the 2,532,880,000 brings / gives a total of 2,936,880,000. In the proposed budget for FY 2021/2022 of 3,047,458,129, the difference or increment will be about 110, 578,129 shillings only. Out of this the recently recruited sub ward admins will be taking 6M per month, giving a total of 72M per year. There are promotions also to be implemented, apart from Pension contributions and gratuity for staff.

ii. **The committee has noted that there is a sharp increase of allocation to PE from 34% in the current Financial of 2020/2021. Page 22 of the CFSP has acknowledged that there is intended recruitment in the medium term. Kindly furnish the committee with breakdown of the intended recruitment**

The intended recruitment that's being mentioned is only for staff who will have left the service through the processes of attrition, retirement or transfers. These are staff whose salaries are already captured. They are mainly technical staff. For the rest of the mass recruitment, this will be addressed once the Staff Rationalization Report is received.

iii. Lumping of the PE under administration department should be avoided because it may not allow the user departments to base their budgets on a real needs-assessment.

4.2.4 ICT UNIT

i**. Vote 2211102 -Supplies and Accessories for Computers and Printers allocated 3Million**

The number of ICT equipment mainly printers and photocopiers in the County has increased thus higher consumption of supplies such as toners and cartridges and accessories e.g. repair components/parts. Based on the current consumption, the allocated amount of 3M is justifiable.

ii. **Vote 2220210-Maintenance of Computers, Software, and Networks is allocated KES.4 Million yet we have sub program 1.2 ICT Connectivity enhancement allocated KES. 6 Million. Justify as this could be duplication**

Response:
The Vote 2220210-Maintenance of Computers, Software, and Networks whose allocation is KES.4 Million **is totally different from** the sub program 1.2 - ICT Connectivity enhancement which has been allocated KES. 6 Million. The explanation and justification as follows:

The Vote 2220210-Maintenance of Computers, Software, and Networks

The inventory of computer equipment and software has greatly increased. The Network has also been greatly expanded bearing in mind the rolling out of county wide connectivity which has commenced in earnest with Longisa Referral Hospital network bridged with County Headquarters. The maintenance cost of ICT equipment, software and networks is also expected to increase and thus the allocation. Maintenance includes procurement of annual security related softwares such as anti-virus, licenses (Windows and Offices), Website upgrades and maintenance (Purchase of needed plug ins and other security certificates), procurement of outsourced services such as repair/servicing of some kinds of photocopiers, amongst other.

S.P 1.2 ICT Connectivity enhancement which has been allocated KES. 6 Million

ICT Connectivity enhancement has been allocated Ksh. **2M** and **not 6 million** as indicated. 6M has been allocated S.P 1.1 - Development of ICT infrastructure.

The 2M under ICT Connectivity enhancement has been proposed as follows:

- Improvement of ICT connectivity through construction of masts in strategic sites across the County at a cost of Ksh. 1M – It is hoped that Commission Authority of Kenya (CAK) would have given a green light for the construction of masts since the department of ICT has been in constant communication with CAK Regional Office in Kisumu
- Fabrication and installation of client internet masts which connects to main strategic mast(s) – Ksh. 1M

The 6M under S.P 1.1 - Development of ICT infrastructure is for the installation of Local Area Network in completed ward offices. The proposed ward offices are Chebunyo, Kipsonoi, Rongena/Manaret and Ndanai/Abosi. The four (4) ward offices were proposed after Administration assured ICT of their completion by then.

iii. Vote 3111002-Purchase of Computers, Printers and other IT Equipment (For Offices) allocated 4 Million is similar to sub program 1.3 E. government allocated KES.9 Million. Justify or else the committee will reduce the figure by 5Million

Response:
The two items are not related and the proposed allocation for each is justified with explanation as follows:

Vote 3111002-Purchase of Computers, Printers and other IT Equipment (For Offices) allocated 4 Million

The vote is used for the procurement of ICT equipment. With a number of sub county and ward offices completed, the allocation is meant to procure the needed ICT equipment by these offices bearing in mind that Administration has proposed allocation for furnishing the offices. Reducing the allocation will mean we postpone equipping some completed offices to subsequent financial year. There is also need to replace some ICT equipment which are now obsolete within the Department of Administration, ICT & Executive. The allocation is justified

S.P 1.3 E-government allocated KES.9 Million

This sub program is meant for the enhancement of e-government services through automation of county processes. Automation is aimed at improving accuracy and consistency in county operations and reports, enhanced efficiencies, cost effectiveness, saves operation time and to generally bridge digital divide amongst the County populace.

The proposed areas for automation include: Education – VTC Management System, Human Resource - Document Management System, installation of network infrastructure and equipment of 2 ICT centres (preferably VTC), Disaster Management System with another option of Project Management targeting Roads and Water having so many capital projects.

The committee is thus requested to retain the allocation as proposed. The Department further for enhancement of especially S.P 1.1 - Development of ICT infrastructure – since a number of County offices and Facilities require installation of Local Area Network and Internet, of which the current allocation is not sufficient.

4.2.5 Department of Education and VTC

i. **The infrastructure development and Expansion in VTC has not been allocated any funds yet it has been listed as a sector priority.**
That from the next financial year they will not receive conditional grants for the VTCs. Infrastructure funds have been captured in the line item on other transfers to support polytechnics.

ii. **Clarification on The status of the pilot feeding programme. How many children /institution will the programme reach? Justify the allocation of KES 109M meant for the feeding programme.**
The number of children in all ECDs is 63,000, the cost per packet is KES 25 and they take twice a week for 38weeks (63000*38*25*2). The total comes to KES 119,700,000. The nutrition department will give KES 10,000,000.

iii. **Differentiate the allocation meant for the teaching and Learning materials and Ancillary Education Support which is allocated KES 3.5M and 14.3M respectively"**

Allocation for teaching and learning materials is meant to purchase books for activity areas, guides and Manilla papers/felt pens whereas ancillary support is meant to build emergency toilets, meet pledges to secondary and primary schools in the County.

Sectoral Committee's Recommendation

The allocation on building new ECDE classrooms of KES 75M should be increased by 40M to cater for the stalled and new ECD classrooms.

4.2.6 Department of Roads and Infrastructure

i. **The committee noted that there was no allocation for culvert installation in the CFSP2021/2022 yet the APD 2021/2022 indicates that it had been allocated KES 27M**.
The department has agreeable to the committee's recommendation to allocate Kshs. 50,000,000.00 towards construction of culverts shared equally among 25 wards.

ii. **The committee noted that there was no allocation for Overhaul of Road (RMLF – Road Maintenance Levy Fund) in CFSP 2021/2022 yet ADP shows that the same programme had been allocated KES 180M**. *The conditional grant was done away with.*

iii. Recurrent expenditure for fuel is maintained as KES10,000,000 despite the purchase of vehicles KES 35,000,000. *The department has repaired and serviced all the vehicles and we request the fuel allocation be reviewed upwards to Kshs. 20M.*

iv. The allocation of motorized bridges dropped from 41M to 35M. Footbridges allocation from 20M to 35M. *This financial year the department is constructing 4 Motorized bridges. We request a review of the allocation to this vote to Kshs. 80M*

v. The committee found out that Purchase of software (Workflow automation) was introduced as a new programme with an allocation of KES 5M. *This was necessary to automate the department's operations.*

vi. In the last FY 2M had been allocated to Fleet Management System and construction of control room, 2M is still allocated what causes delay? *The money is meant for yearly subscription for the system.*

vii. The committee noted that there was a continued allocation of KES 3M for Equipping of County Mechanical Workshop every year.Why? *Most of the items bought are consumables and hence need regular replenishment. However, a few equipment is capital in nature and are bought annually.*

viii. The committee found out that policy had been prioritized yet there is no allocation on such policy. *Road Maintenance policy implementation has been allocated Kshs. 25M.*

4.2.7 Department of Medical Services And Health

i. **The committee noted that an allocation of 1,000,000 has been set for policy development whereas the policy to be set up has not been specified. Further the department has not shown the same in the sector priority.**

   Policy allocation- the department has not completed the policy on REFERAL AND AMBULANCE SERVICES

ii. **The committee noted that in FY2020/2021 KES 11M and KES 22M support by THS was allocated for purchase of ambulances and in the CFSP has allocation of KES. 22 Million. CEC to clarify on the purchase and plan**

   Purchase of ambulance- The procurement process has begun and the department will utilize the government contract

iii. **PE has increased from KES 707,300,000 to 1,019,500,000**

   PE – includes other departments. Its captured under health inorder to achieve the minimum percentage required for conditional grant, THS. There are new staffs who were employed in 2020

iv. **Specialized Materials and Supplies - (Renal, CT-SCAN, Ophthalmic, Oncology, HDU, theatre consumables) The CEC should show items to be purchased**

   Specialized items- this includes oncology, Renal, radiology and CT scan. The department is increasing the number of renal machines so that it increases the number of patients being served this will greatly increase the amount of consumables required. The renovation is almost complete at Longisa county referral hospital.

v. **CEC to inform members on the acquired Health information systems management (KES 10,000,000) and the used of current allocation of KES 8,000,000**

Health information system- the is need to improve ICT needs and introduce systems in other sub county hospitals and health centers. This will enable the facilities to implement LINDA MAMA NHIF program and collect revenue through NHIF reimbursements and claims.

4.2.8 Department of Youth & Social services

4.2.8.1 SOCIAL SERVICES UNIT

Clarification on program 2 sub Programme 2.2 Social protection and children services (other infrastructure and civil works) Rescue centre:

The proposed rescue centre is within Kipreres ward with approximately 8 acres of land allocated to children services by lands and urban planning. The land was fenced by the department during financial year 2019/2020.

Clarification on program 3, sub programme 3.1 Cultural development (other infrastructure and civil works), Sp 3.2 public records and Archives management (other infrastructure and civil works) which is allocated 4,000 000 and 3,000 000 respectively.

Allocated 4,000,000 cultural development is for completion and equipping existing mogeni social halls in Sotik.

3,000,000 is allocation meant to support renovation of Emkwen vocational training centre to accommodate Bomet film Hub. MOU between Kenya Film Commission and county Goverment of Bomet

Clarification on program 4, sp 4.7 (overhaul of other Infrastructure and Civil works)

Program 4 sub program 4.7 is meant for Youth and Sports for leveling and fencing of Sotik club 181 field

4.2.8.2 YOUTH & SPORTS UNIT

a. Internship programme

Explain the drastic reduction in allocation meant for internship from the current allocation of KES 18M to KES 9M as proposed in the CFSP

18m in fy20/21 was meant to cover 6mths for the interns but the program has not started meaning an overlap in time. They are due to report on 1st of April thus a Loss of 3months I.e., JAN FEB MARCH in this current financial year. We have therefor budgeted 9m in the next FY to cover for JULY AUG AND SEPT.

The department further suggested that going forward every department to set aside money to meet the cost of interns in an effort to strengthen Youth mainstreaming in the County Government.

b. Sports (Fields)

Shed more light on KES 25M meant for construction and levelling of fields

25M is meant for development of sporting facilities i.e construction of Bomet IAAf Stadium

4.2.9 Lands, Housing & Urban Planning

1. **The department has budgeted for 190 Million. The department equitable ceiling is KES. 150M. The committee is requesting a funding for the deficit of KES. 40 Million. The current budget stands at KES. 233M**

   Explanation;

   The KES 40M is the total of PEs to Bomet Municipality that forms part of the minimum conditions to be met to qualify for the KUSP world bank funding. This Condition will enable the County to Benefit grants for Urban Infrastructure Development within the Municipality. As it is, the PE must be indicated as an independent budget item and allocated thus to fulfil World Bank Requirements. Consequently, the Departmental budget ceiling goes up as recommended.

2. **The committee noted the following highlighted sector priorities which have not been funded:**
   - **Fire station for Bomet and sotik**
   - **Market and sales yards**
   - **Cemeteries and crematorium**
   - **Sewerage sites**
   - **Streetlights and market sheds – 6 markets in the 5 sub – counties**
   - **Regional Bus Terminus – Kapkwen**

- **Lands Information Management Systems**

  The Committee still requests addition of KES. 20 Million to fund the sector priorities that have not been funded.

  Explanation;

Due to the given budget ceiling, it was not possible to apportion any money to these sector priorities .A raised budget ceiling will enable the department to allocate funds to these activities that are critical in offering crucial urban services .We therefore appeal for additional funding of KES 20 to 30 Million as you have recommended to fund specifically markets development ,garbage management sites and the ever increasing demand for Cemetery and crematoria services in our towns.

A Regional Bus Terminus would increase economic activities around the County Hqs leading to vibrant businesses thus more revenue for the County.There is a need to allocate more money to fund these activities.

3. **The committee resolves the allocated amount of KES. 40M for Urban Infrastructure i.e Public toilets, Storm water drains and other urban public infrastructure in 20 wards outside the Municipality was not sufficient and the committee requests additional KES. 20 Million. This will allocate an average of 3Million per ward among the 20 wards.**

   RESPONSE:

   The Department fully agrees with this major proposal of additional KES 1M per ward to support urban infrastructure in the 20 wards outside the Municipality to facilitate Construction of Public Toilets and Storm water drains or any other important urban activity as may be prioritised in each individual ward.The wards within the Municipality will benefit from Word bank funded KUSP currently ongoing.

   In any case, the requirement is not limited to one activity/ project since there exists many urban centres in one ward eg Mugango and Balek in Singorwet Ward For example.One ward might require 2 public toilets as urbanization grows.

4. **The committee noted that the mother and child Centre had been allocated KES. 10 Million for the purchase of land. The committee further noted that the health department has not funded its construction. The committee recommends that the budget committee funds the construction of the Mother and child centre in the health department.**

The committee wished to be informed by the CEC on the progress of alleged partnership with the national government as promised by the president earlier.

RESPONSE:

The Department is a charged with the responsibility of Land purchase as a service to other departments because of its functional technical ability. The relevant department of Health will take over any other project component once land has been acquired as is the case with all other land purchases.

The committee wished to be informed by the CEC on the progress of alleged partnership with the national government as promised by the president earlier.

This can best be answered by the CEC Finance as a matter of policy since this is a flagship project

5. **The committee seeks clarification on progress of payments of lands purchased during the current budget of FY 2020/2021 that was allocated KES. 25M. The committee has since noted the allocation of KES. 25,000,000 for purchase of lands across the wards shall be funded yet it is not listed as a sector priority. The committee resolves that the department streamline purchasing of land and make payments with speed so that planned projects goes on smoothly.**

Answer

The department is cognizant of its central role in project execution especially when it involves land acquisition. Currently the Survey section is working hard to ensure all identified parcels of land are ready for proper payment and systems have been put in place to ensure lands identified for purchase are fast-tracked through better coordination among all the stakeholders

6. **The committee has also noted positively that the department has funded Land tittle deeds acquisition (acquire title deeds for all lands acquired by the County Government, Including PI Lands-Statutory fees, stamp duty, land board fees, Registration fees and all survey costs) at a tune of KES. 6,000,000. However, the committee seeks additional funding of KES. 4,000,000.**

Response:
The intention of the Lands section is to process and acquire titles for all lands purchased by the County Departments to avoid ownership issues and to secure government property on properly documented land. The proposal to increase this allocation by a farther KES 4M will ensure more parcels have proper title deeds which was not the case before.

7. **The committee noted the purchase of Land for the airport and EPZ has been funded to a tune of KES. 20 million and KES. 10 Million respectively. The committee recommends the budget committee funds the construction of the airport and EPZ in their relevant departments.**

   Answer
   Again purchase of land is domiciled within the department and it is upon the requisite section to invest on it after the process of land purchase has been completed. This is actually a matter of policy and tradition.

4.2.10 Department of Trade, Tourism and Industry

i. **Development of markets/Market stalls, boda-boda sheds, shoe-shiner sheds, and management of markets be added an allocation of 7 million to make a total of 33,469,000.00 for efficient operations**

R**ES**PO**NSE**
We appreciate a total of 15 million budgetary increase being 7 Million market development,4 million tourism and 4 million for investment. This will go a long way in fast trucking the many programmes in the department

Market development

While we agree with 26.5 million allocation to wards, however we urge you to consider there are other major projects like market stall/sheds which will cost not less than one million per project.

In the financial year 2020/2021 we are constructing market sheds in Longisa and Ndanai wards each costing 4.9 million.

We humbly submit,7 million will not be enough to facilitate construction of market stall/sheds. Therefore the, department will be requesting 17.5 million increase on market development to make a total of kshs 50,969,000.

ii. **Tourism allocation of 6.5 million is insufficient and an allocation of 72 million should be considered although the committee feels that this increment is over ambitious. However the committee recommends the allocation for cultural heritage site (Kaplelach in Kipreres and Abosi in Ndanai) be allocated additional 4 million.**

Response:

T**ourism Development**

Sectorial view and Justification of ksh 72.m for tourism development.

As we appreciate your recommendation, the sector a flagship sub sector and an engine of economic development due to its high multiplier effect and annual growth. Its impact is instant and positive, and to the county vision of -wealth creation, creating employment opportunities and reducing poverty. Therefore, additional funds will go as tabulated below.

Specific project	Amount(ksh)	Justification
S.P.1.Phase one Chepalungu forest wildlife conservancy (Siongogiroi) block	40m	-Project deficits will be supported by partner who who have shown a lot of interest. (. WWF, ADB, KFS, KWS, TF and etc) -strategic move to attract donors for phase two of the project(30km) Chesambai block -quick returns on investment will be realized (needed revenue to the county, employment

		opportunities, climate change mitigating measures)
Masese eco-tourism centre	2m	-To enhance and open up south rift tourism circuit that links both Nakuru national park and masai mara. -Create a garden (arboretum) for nature walk to the forest including a cafeteria.
Abosi eco-tourism centre	2m	-Natural resource site with lots of attraction. -preservation of the cultural myths
Kapkimolwo cultural centre	2m	-preserve and conserve the lelo mythical history -strategic location to western Kenya tourism circuit -site for excursion for local and international visitors.
Tea tourism marathon	6m	-promote agri-tourism resulting in international linkage and to international market in tea. -it will attract investment in tea tourism enterprises.
S.P.2.Tourism promotion	10m	-organize conservation events that still fund raise

		for the programs in the sector. -support tourism enterprises with high degree of multiplier effect. -support the relocation of friendly wildlife to the sites

Energy

4.2.11 Concerns noted;

1. Sub program 1 (Power generation and distribution-street lights and 4 Installation and maintenance of street lights are similar.
2. Are there any Policies and plans so far approved to guide in the implementation of renewable energy?

4.2.12 Recommendation

1. Sub program 1 and 4 should be merged as one program including the specified allocations.

Response

While appreciating and concurring with the observation, we would wish to restructure the programs as follows:

- ✓ **Program 1. Power generation and distribution services - Ksh 0.00**
- ✓ **Program 4. Installation of Floodlights and street lights - Ksh 13,000,000.00**
- ✓ **Program 5. Maintenance of Floodlights and street lights – Ksh 2,220,000.00**

2. County Policy on Renewable Energy and County Renewable Energy Act should be put in place in line with the development of renewable energy projects including street lights.

Response

- ✓ The department has developed a County Renewable Energy Policy (Draft) which is yet to be operational due to non-budgetary allocation in the FY 2020/2021. In the FY 2021/2022, the department made provisions of Ksh 1 (One) Million to facilitate the operationalization of the policy.

4.3 COUNTY ASSEMBLY

The County Assembly Clerk submitted County Assembly priorities and proposed allocations for its programmes as follows;

Priorities for Financial Year 2021-2022

County Assembly priorities and policy goals for financial year 2021/2022 are as follows:

1. To provide a conducive working environment by completing the modern County Assembly chamber comprising of a legislative chamber, offices and adequate committee rooms.
2. To ensure effective oversight and fruitful public engagements
3. To roll out performance and appraisal management system for staff
4. To complete Speaker's residence
5. To enhance training and capacity for staff and members of the County Assembly
6. To enhance Security within the County Assembly premises

SUMMARY OF THE PROPOSED BUDGET FOR FY 2020-2021 BY ECONOMIC CLASSIFICATION					
PRINCIPAL ITEMS					
ITEM DESCRIPTION	Approved Budget 2020/2021	Proposed Supplementary Budget 2020/2021	Projected Estimates 2021/2022	Projected Estimates 2022/2023	Projected Estimates 2022/2023

	KSHS		KSHS	KSH	
SUMMARY					
Compensation to Employees	308,200,000	305,511,730	338,876,000.00	343,763,600.00	348,587,900
Use of Goods and Services	323,121,526	300,809,796	349,581,852	357,740,037	360,300,000
Development	115,000,000	240,000,000	324,500,000	25,250,000	20,500,200
Mortgage/Car loan/Car grant	25,000,000	102,000,000	100,000,000	100,000,000	30,000,000
TOTAL EXPENDITURE	771,321,526	948,321,526	1,112,957,852	1,053,753,637	759,387,900

ALLOCATION BY PROGRAMMES

PRINCIPAL ITEMS

ITEM DESCRIPTION	Approved Budget Estimates 2020/2021 KSHS	Proposed Budget Estimates 2021/2022 KSHS	Projected Estimates 2022/2023 KSH
SUMMARY			

Compensation to Employees	308,200,000.00	338,876,000.00	372,763,600.00
Use of Goods and Services	323,121,526.00	449,581,852.10	494,540,037.31
Development	140,000,000.00	324,500,000.00	356,950,000.00
TOTAL EXPENDITURE	771,321,526.00	1,112,957,852.10	1,224,253,637.31
PROGRAMME 1: COUNTY LEGISLATURE (LEGISLATIVE SERVICES)			
Sub-Programme 1.1: Legislative Services			
Compensation to Employees			
Sub-Total for Compensation to Employees	144,121,246.40	158,533,371.04	174,386,708.14
Cost of Goods and Services			
Sub-Total for Cost of Goods and Services	19,070,066.75	43,177,073.43	47,494,780.77
Sub-Total for Legislative Services	163,191,313.15	201,710,444.47	221,881,488.91
-			
Sub-Programme 1.2: Committee Services and House Proceedings			
Cost of Goods and Services	-	-	-
Total for Cost of Goods and Services	50,045,800.00	55,050,380.00	60,555,418.00
Sub-Programme 1.3: Office of the Speaker			
Cost of Goods and Services			
Total for Office of the Speaker	9,251,530.00	9,714,106.50	10,199,811.83
TOTAL FOR LEGISLATIVE SERVICES	222,488,643.15	266,474,930.97	292,636,718.74

PROGRAMME 2: OVERSIGHT AND REPRESENTATION			
Sub-Programme 2.1: Decentralisation of Services			
Compensation to Employees			
Total for Compensation to Employees	18,752,400.00	20,627,640.00	22,690,404.00
Cost of Goods and Services			
Total for Cost of Goods and Services	56,200,000.00	61,820,000.00	68,002,000.00
Total for Decentralization of Services	74,952,400.00	82,447,640.00	90,692,404.00
Sub-Programme 2.2: Public Participation			
Cost of Goods and Services			
Total for Cost of Goods and Services	32,046,000.00	35,250,600.00	38,775,660.00
Sub-Programme 2.3: Site Visits			
Cost of Goods and Services			
Total for Cost of Goods and Services	898,013.45	987,814.80	1,086,596.27
TOTAL FOR OVERSIGHT AND REPRESENTATION	107,896,413.45	118,686,054.80	130,554,660.27

GRAND TOTAL FOR COUNTY ASSEMBLY	330,385,056.60	385,160,985.76	423,191,379.01
PROGRAMME 3: OFFICE OF THE CLERK - GENERAL ADMINISTRATION, HUMAN RESOURCE AND ADMINISTRATIVE SERVICES			
Sub-Programme 3.1: County Assembly Service Board			
Compensation to Employees			
Total Compensation to Employees	10,186,000.00	11,204,600.00	12,325,060.00
Use of Goods and Services			
Total Use of Goods and Services	44,075,600.00	120,983,160.00	133,081,476.00
Total for County Assembly Service Board	54,261,600.00	132,187,760.00	145,406,536.00
Sub-Programme 3.2: Human Resource and Administrative Services			
Compensation to Employees			
Total for Compensation to Employees	135,140,353.60	148,510,388.96	163,217,427.86
Use of Goods and Services			
Total for Use of Goods and Services	77,500,181.30	85,160,949.43	93,583,331.87
Total for Human Resource and General Administrative Services	212,640,534.90	233,671,338.39	256,800,759.73

Sub-Programme 3.3: Financial Management Services			
Use of Goods and Services			
Total for Financial Management Services	2,386,000.00	2,624,600.00	2,887,060.00
Sub-Programme 3.4: Information Services & E-Assembly			
Use of Goods and Services			
Total for Information and Communication Services	31,648,334.50	34,813,167.95	38,294,484.75
Sub-Programme 3.5: Infrastructure Development			
Use of Goods and Services			
Total for Infrastructure Development	140,000,000.00	324,500,000.00	356,950,000.00
TOTAL FOR GENERAL ADMINISTRATION, HUMAN RESOURCE AND ADMINISTRATIVE SERVICES	440,936,469.40	727,796,866.34	800,338,840.47
GRAND TOTAL FOR ALL PROGRAMMES	771,321,526.00	1,112,957,852.10	1,223,530,219.49

5 BUDGET AND APPROPRIATION COMMITTEE RECOMMENDATIONS

Mr. Speaker Sir,

In view of the foregoing observations, and in consideration of submissions from various stakeholders including members of the public, sectoral committees, CEC member for Finance, and Clerk of the Assembly, the committee made the following raft of recommendations;

5.1 County Revenue

The committee was concerned that a scale down of revenue target from KES 275 Million in the current FY to 250 Million did not augur well with the strategies being put in place. This includes roll out of a cashless payment and automation that has consumed huge resources.

The committee therefore revised local revenue projections from the proposed **KES 250 Million** to **KES 300 Million** and recommended that the County Executive Member for Finance should roll out his sleeves and implement necessary strategies for revenue enhancement.

5.2 Public Service

Personnel Emoluments

The committee recommended that;

a. Upcoming Budget Estimates should indicate a breakdown of Personnel Emoluments (PE) per department. Cognisant of the envisaged recruitment of employees, the committee recommends that the said intend should be detailed in the upcoming budget estimates. The total cost of the recruitment as far as their wages/salaries is concerned should be provided

b. Noting that the proposed wage bill contravenes Regulation 25(1)(b) of the Public Finance Management (County Governments) Regulations, 2015 which provides that County Governments' wage bill shall not exceed 35 percent of the total revenue. The committee reduced allocations for Personnel emoluments by **KES 250,000,000** from Personnel Emoluments (PE).

5.3 Finance

KES 20 Million was reduced from **"operations and maintenance"** to address arising deficit and under budgeting in other departments explained here under.

5.4 Economic Planning

KES 19,534,200 was reduced from **"operations and maintenance"** to address arising deficit and under budgeting in other departments explained here under.

5.5 Water, Sanitation and Environment

Mr. Speaker Sir,

We promised our people to enhance their access to clean drinking water for domestic use and also for livestock. While we have made huge strides to this extend, there is still a lot that needs to be done. Cognisant of this fact, my committee additionally allocated **KES 100,000,000** to the department for capital expenditure including for water supply infrastructure to enhance access to clean drinking water.

5.6 Roads, Public Works and Transport

Mr. Speaker Sir,

Most of our County's roads are getting better and better as we continue to implement our priorities. This results in opening up good opportunities for ease of movement of goods and services thus enhancing trade and competitively opening our county for business. However there still a lot that needs to be done especially in opening up of new roads. Cognisant of this fact, my committee additionally allocated **KES 100 million** to this department for capital expenditure.

5.7 Agriculture, Livestock and Fisheries

Mr. Speaker Sir,

Aware of the pivotal role played by agricultural sector as the backbone of our county's economy, my committee additionally allocated **KES 30.5 million** for capital expenditure in the department.

6 County Assembly

6.1 Recurrent expenditure

Mr. Speaker Sir,

The committee concurred and appreciated the Clerk's submission on the County Assembly administration efforts to seeks for enhanced ceiling for County Assembly to address key priorities including issues of understaffing in some departments and procurement of motor vehicles to enhance mobility.

My committee however retained the current allocation for recurrent expenditure pending the determination of the request on the said matter from the relevant institutions including CRA. If successful, my committee will address the issue in the upcoming budget estimates.

6.2 Capital expenditure, car loan and mortgage

Mr. Speaker Sir,

My committee allocated **KES 200.5 Million** for County Assembly development expenditure out of the requested KES 324.5 million promising to address the deficit, if funds allow, during the upcoming supplementary budget.

On the issue of Car loan and mortgauge my committee allocated **KES 75 million** out of the requested KES 100 million promising to address the deficit in the subsequent budgets in readiness for the 3rd Assembly.

7 APPROVED CEILINGS TABLE

Mr. Speaker Sir,

Below is a table of the resultant approved ceilings following the above stated adjustments;

PROPOSED CEILINGS, COMMITTEE ADJUSTMENTS AND APPROVED CEILINGS			
SECTOR	**PROPOSED CEILINGS FOR FY2021/2022**	**ADJUSTMENTS**	**APPROVED CEILINGS FOR FY2021/2022**
COUNTY EXECUTIVES	**185,000,000**	0	**185,000,000**
Personal emoluments		0	
Operation & maintenance	185,000,000	0	185,000,000
PSB	**48,534,200**	0	**48,534,200**
Operation & maintenance	48,534,200	0	48,534,200
PUBLIC SERVICE	**1,894,758,129**	-250,000,000	**1,644,758,129**
Personal emoluments	1,679,758,129	-250,000,000	1,429,758,129
Operation & maintenance	215,000,000	0	215,000,000
ADMINISTRATION	**103,000,000**	0	**103,000,000**
Operation & maintenance	52,000,000	0	52,000,000
Development	51,000,000	0	51,000,000
ICT	**43,205,000**	0	**43,205,000**
Operation & maintenance	26,205,000	0	26,205,000
Development	17,000,000	0	17,000,000
FINANCE	**310,316,807**	-20,000,000	**290,316,807**
Operation & maintenance	216,834,016	-20,000,000	196,834,016
Development	93,482,791	0	93,482,791
ECONOMIC PLANNING	**248,034,798**	-19,534,200	**228,500,598**
Operation & maintenance	80,680,824	-19,534,200	61,146,624
Development	167,353,974	0	167,353,974
LANDS,HOUSING AND URBAN PLANNING	**190,000,000**	0	**190,000,000**
Personal emoluments	40,000,000	0	40,000,000
Operation & maintenance	45,000,000	0	45,000,000

Development	105,000,000	0	105,000,000
YOUTH, SPORTS, GENDER AND CULTURE	**115,520,370**	0	**115,520,370**
Operation & maintenance	64,520,370	0	64,520,370
Development	51,000,000	0	51,000,000
MEDICAL SERVICES & PUBLIC HEALTH	**1,912,139,304**	0	**1,912,139,304**
Personal emoluments	1,019,500,000	0	1,019,500,000
Operation & maintenance	613,291,664	0	613,291,664
Development	279,347,640	0	279,347,640
EDUCATION AND VOCATIONAL TRAINING	**345,770,250**	0	**345,770,250**
Operation & maintenance	135,879,750	0	135,879,750
Development	209,890,500	0	209,890,500
WATER SANITATION AND ENVIRONMENT	**350,000,000**	100,000,000	**450,000,000**
Operation & maintenance	142,400,000	0	142,400,000
Development	207,600,000	100,000,000	307,600,000
AGRICULTURE COOPERATIVES AND MARKETING	**578,888,692**	30,500,000	**609,388,692**
Operation & maintenance	50,790,000	0	50,790,000
Development	528,098,692	30,500,000	558,598,692
ROADS, PUBLIC WORKS & TRANSPORT	**564,923,772**	100,000,000	**664,923,772**
Operation & maintenance	108,673,772	0	108,673,772
Development	456,250,000	100,000,000	556,250,000
TRADE, ENERGY, TOURISM, INDUSTRY AND INVESTMENT	**84,700,000**	0	**84,700,000**
Operation & maintenance	21,931,000	0	21,931,000
Development	62,769,000	0	62,769,000
EXECUTIVE TOTAL	**6,974,791,322**	-59,034,200	**6,915,757,122**
COUNTY ASSEMBLY	**1,112,957,852**	-231,136,326	**881,821,526**
Personal emoluments	338,876,000	-30,676,000	308,200,000
Operation & maintenance	449,581,852	-76,460,326	373,121,526
Development	324,500,000	-124,000,000	200,500,000

COUNTY TOTAL	**8,087,749,174**	-290,170,526	**7,797,578,648**
Personal emoluments	**3,078,134,129**	-280,676,000	**2,797,458,129**
Operation & maintenance	**2,407,788,248**	-115,994,526	**2,291,793,722**
Development	**2,553,292,596**	106,500,000	**2,659,792,596**
Personal emoluments	**38%**		**36%**
Operation & maintenance	**30%**		**29%**
Development	**32%**		**34%**

Mr. Speaker Sir,

It is evident that the adjustments made resulted in positive results. Allocations for PE reduced from 38% to 36%, and allocations for O&M reduced from 30% to 29%. Subsequently, allocations for development rose from 32% to 34%.

It is therefore my humble submission to this honourable house, to adopt this report.