



REPUBLIC OF KENYA

COUNTY GOVERNMENT OF KIAMBU

Finance & Economic Planning Department

COUNTY FISCAL STRATEGY PAPER (CFSP)

**MAKING KIAMBU THE GROWTH POLE AND INVESTMENT
HUB OF KENYA**

FEBRUARY 2016

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Foreword

This is the Third Kiambu County Fiscal Strategy Paper (CFSP) under the devolved governance structure. Its purpose is to build direct linkages between policies, plans and budgets. It provides the resource envelope and presents the fiscal framework for the 2016/2017 budget estimates and over the medium term.

The paper, prepared under the theme “Making Kiambu the Growth Pole and Investment Hub of Kenya” provides expenditure ceilings for county departments, units and agencies and detailed guidelines that aim at structuring County Government expenditure towards priority areas. These priorities are set on the basis of review of expenditures in FY 2015/16, sector proposals, the 2016/17 Annual Development Plan as well as County Integrated Development Plan 2013-2017.

As required, the paper is aligned with the national objectives contained in the Budget Policy Statement (BPS) 2016, the national policy document that sets out the broad strategic priorities and policy goals that guide the national government and county governments in preparing their budgets.

The proposals contained in this paper have been subjected to public participation and the views arising thereof incorporated in consistence with the County Government’s policy of improving transparency and accountability. The fiscal data included is indicative and subject to adjustments during the budget preparation if circumstances change.

Through this policy paper, the county government proposes to allocate more resources to physical infrastructure improvement with an aim to stimulating general economic performance while addressing the real issues that affect the lives of county residents. To achieve this, the policy aims at shifting resources from recurrent to capital investment while at the same time promoting sustainable and inclusive growth. Recurrent expenditure have been rationalized to decrease over time as capital expenditure increase in relative terms over the medium term period. To finance expenditures set out in this paper, the county will continue to maximize its efforts in revenue mobilization by strengthening and reforming revenue administration and collection processes already in place and through re-engineering various on-going structural reforms.

I am grateful to my Chief Officer, John Gicaci and all County Treasury staff for their teamwork and support that has contributed immensely to the timely delivery of the policy paper. Special thanks go to Nduta Kahiu, Sophia Kamau and Stephen Mungai for their commitment and hardwork.

I am also grateful to all Chief Officers for the valuable information they provided for their respective fields and for the cooperation shown during the period of the assignment. I would also like to take this opportunity to express my profound gratitude and deepest regards to members of the County Executive Committee led by His Excellency the

Governor for exemplary guidance, support and constant encouragement throughout the course of our work.

Finally, let me also thank all the members of the County Budget and Economic Forum (CBEF) and the public that have continued to provide feedback and positive criticism that has gone a long way in shaping this paper. Special thanks also go to all those who attended and actively participated in the public forums held early this month. We reiterate our commitment to serving you and promise never to let you down in upholding the principles of transparency and accountability.

Mary Nguli

County Executive Committee Member, Finance & Economic Planning

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Abbreviations

ADP	Annual Development Plan
BPS	Budget Policy Statement
CBEF	County Budget and Economic Forum
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy paper
CIDP	County Integrated Development Plan
CLIMS	County Land Management Information System
CLMC	County Land Management Committees
ECDE	Early Childhood Development Education
ECDEC	Early Childhood Development Education Centre
FY	Financial Year
ICT	Information, Communication & Technology
IFMIS	Integrated Financial Management Information System
LH&PP	Land, Housing and Physical Planning
MOU	Memorandum of Understanding
MSMEs	Medium and small micro Enterprises
MTEF	Medium Term Expenditure framework
MTP	Medium Term Plan
NaMSIP	Nairobi Metropolitan Services Improvement Services
PDPs	Partial Development Plans
PFMA	Public Finance Management Act
SACCOs	Saving and Credit Cooperative Societies
WB	World Bank
YP	Youth Polytechniques
GIS	Geographical Information system

Fiscal Responsibility Principles for the National and County Governments

In line with the Constitution, the new Public Finance Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. The PFM law (Section 107) states that:

(2) In managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles-

- (a) The county government's recurrent expenditure shall not exceed the county government's total revenue;
- (b) Over the medium term, a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;
- (c) The county government's expenditure on wages and benefits for its public officers shall not exceed a 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;
- (d) Over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
- (e) The county debt shall be maintained at a sustainable level as approved by county assembly;
- (f) The fiscal risks shall be managed prudently; and
- (g) 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.

(3) For the purposes of subsection (2) (d), short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue

(4) Every county government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the county assembly.

Legal Basis for the Publication of the County Fiscal Strategy Paper

The County Fiscal Strategy Paper is published in accordance with Section 117 of the Public Finance Management Act, 2012. The law states 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 finalising the budget proposal for 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.

1.0 .0 INTRODUCTION

1.1 Overview

1. This County Fiscal Strategy Paper (CFSP), the third since devolution, continues to implement programmes set out in our Development Plan. It has outlined the broad strategic developmental issues and the fiscal framework, as well as a summary of county government's spending plans that form the basis of 2016/17 FY budget and over the medium-term. This paper is informed by the Kiambu County Integrated Development Plan (CIDP), the Annual Development Plan (ADP), the Kenya Vision 2030, the governor's manifesto, feedback from members of the public and National Government policies as outlined in the 2016 Budget Policy Statement (BPS).
2. Worth noting is the fact that the county has made many milestones, implemented various policies and programmes that have transformed lives of residents. Some of these and those proposed for implementation in FY 2016/17 and the medium term are highlighted in the sector report section
3. More specifically, the programs highlighted in this CFSP present the recent achievements of the County and position Kiambu as the growth pole and investment hub of Kenya while highlighting the government's priority programs and structural reform measures to be implemented in the Medium Term.

1.2 Improving public finance management and governance

4. For socio-economic development to be realized the County will put in place measures that promote good governance and good public finance management at all levels within County.
5. Key among the programmes outlined in the CFSP include:
 - i. **Capacity building**
6. Capacity building initiatives to support Departments to efficiently and effectively implement projects have continued to receive much attention in the County. This year's training will focus on areas of programme based budgeting, procurement, project management, MTEF, monitoring and evaluation, among others.

7. The County will continue to ensure timely financial reporting and publication of relevant documents as required under the PFM laws. This will continue to enhance transparency and accountability in use of public resources.

ii. Revenue Reforms

8. The County has continued to enhance revenue collection capacity with an aim of expanding the revenue base. The current exercise aims at ensuring that all loopholes that lead to revenue leakages are sealed and that all fees, charges and levies due to the County are paid. Additionally, new properties are being brought into the system through vibrant enforcement mechanisms.
9. To further stimulate revenue generation, the county will leverage its assets to make them income generating. This will be done through conversion of public housing that sits on high value land into high value assets by upgrading them to quality housing that can generate income to the County at the market rate. Revenue enhancement will also be achieved through upgrading public markets by including constructions of higher quality shops that can generate rents to the county. The income will be reinvested to upgrade public infrastructure (water, sewage, toilets, etc) and support high-level maintenance. Thus the improvement will serve multiple economic strata. The strategy will be to create a county assets management entity dedicated for the purpose. The County has already embarked on the preparation of the by-laws necessary for its establishment.
10. The county embarked on automation of revenue collection in 2014. So far the project has been a huge success and has had a great impact on revenue performance. The achievements have led the County to winning of awards in adoption of Information, Technology & Communications (ICT) and generated a lot of interest with almost all counties having come for benchmarking missions in Kiambu. The success is attributable to the collective team effort of not only the Finance Department but also the technical competence of staff in the Department responsible for ICT under the championship of His Excellency the Governor.
11. Mobilization of additional revenue by strengthening enforcement and completion of administrative reforms including the automation of systems and expansion of the revenue base will continue to remain the key focus in the next FY. In line with international best practices, the County will focus on land and property tax as the most appropriate and equitable source of revenue to finance development and provision of essential services. Completion of the Valuation Roll and the Zoning exercise currently on-going will ensure achievement of the objective of widening the tax base while at the same time ensuring low rates. A Revenue Enhancement plan is already being developed among other programs in the FY 2016/17.

iii. Expenditure Management

12. The county will ensure prudent management of scarce resources in order to reap maximum benefit through development projects. This will entail effective management of expenditure so that programs funded are well implemented and have great impact on the intended beneficiaries. This calls for efficiency and effectiveness in public resource utilization and budget execution. The County will therefore entrench program budget and enforce execution of the development budget as planned; ensure Participatory monitoring and evaluation; preparation of annual procurement plans and adherence to the plans; carry out risk based audits; and rolling out of Institutional risk management framework.
13. Our fiscal policy strategy will entail elimination of pending bills through containing growth of unproductive expenditures by deliberately planning programmes that shift the composition of expenditure from recurrent to capital. Further rationalization and alignment of programmes and resources to the priorities will be undertaken to enable Departments deliver desired outcomes cheaply and efficiently.

1.3 Entrepreneurship development, trade facilitation and employment creation

14. The County has already implemented numerous programmes benefitting a large spectrum of the society. It plans to embark on more programs that will benefit in a much scaled manner the youth, women, and persons with disability as well as promoting the growth of Small and Medium Enterprises (SMEs) which are all priority areas of focus for the government.
15. The rapid growth of the Kenyan population has resulted in fewer opportunities for formal employment in the traditional areas such as the civil service and the formal private sector. The Counties are also required to create employment opportunities for their people. Therefore, emphatic efforts must now be placed on achieving broad-based growth embedded in enhanced agricultural production, encouraging small-scale businesses, a flourishing private sector and a conducive investment environment that aims at making Kiambu the growth pole and investment hub of Kenya.
16. Other areas through which the county government has initiated and continued to implement measures to achieve Entrepreneurship development and employment creation in the FY 2016/17 and over the medium term include; strengthening of the Youth, Women and Persons with disability Fund (Biashara Fund) to gainfully engage the youth; carrying out various empowerment programmes; Developing, upgrading

and managing of sports facilities; Identifying, mentoring and nurturing talent and top level skills.

17. As a way of promoting entrepreneurship and trade in the County, the government has implemented programs to facilitate and improve the operating environment for traders and entrepreneurs to thrive. Some of the specific programmes that have been undertaken in the FY 2016/17 include: Construction and renovation of markets to improve business environment; Construction of Boda Boda Sheds; Advisory services to entrepreneurs or MSMEs; Credit disbursement to MSMEs; Development to Tourist/Heritage and Cultural centres; Marketing of Tourist/Heritage/Cultural centres; and ensuring improved operations of the Jua Kali operators among others.

1.4 Improving agricultural performance

18. Agriculture plays an important role in the County. With this in mind, the government has outlined policies to improve agricultural productivity and value addition as a way of stimulating agro-processing, enhancing food security and promoting employment creation. Some of these measures include: advising on proper farming systems and generating crop suitability maps; promotion of technologies for sustainable farming systems; increasing land under irrigation; building of water pans and storage tanks; adoption of aquaculture innovations, and improving capacity for livestock industry development by training stakeholders in modern breeding technologies. To improve animal health, the sector intends to construct, rehabilitate and modernize diagnostic laboratories/facilities; train farmers on disease control and management; and purchase and distribute veterinary vaccines.

1.5 County Infrastructure Development/Improvement

19. Development of Infrastructural facilities is key to development of the other sectors as it eases movement of goods, services and people thus facilitating agriculture, trade and commerce among others. Much progress has already been achieved with a number of key programmes in the road sector having already been completed. To date, the government has created a total of 530 km of new roads, rehabilitated 1,100 Km of roads. In addition to these a lot of progress has also been made through construction of bridges, fire-stations, installation of flood lights, construction of parking bays etc. Currently, measures are being put in place to further maintain and tarmac more feeder/access roads, Install flood lights, rehabilitate and complete construction of bus parks and various bridges.
20. Development of infrastructure also incorporates water and sanitation infrastructure where the County has extended water pipelines and drilled boreholes to increase access to water. This has brought on board about 10, 000 households that previously

did not have access to safe and adequate water. Many public toilets have been constructed in high population areas within the Urban areas, just to mention a few.

21. To further stimulate infrastructural development within the County, the Government plans to roll out an annuity programme in the areas of water to expand its infrastructure, roads to expand the number of tarmacked kilometres and in the health sector. The specific programmes to be undertaken under this programme will be highlighted under the sector specific reports.

1.6 Improving social services

22. Human capital plays a critical role in ensuring sustainable growth and enhanced development. It enables residents to participate fully in development of the County and the Country at large. It is for this reason that the county continues to perform its best in the education and the health sector.

Education sector

23. Education promotion is one of the key pillars of the County. In this area, the county has managed to construct/ refurbish and equip over 40 ECDE centres; given bursary to over 50,000 needy bright children and renovated and equipped 31 youth polytechnics among other programmes.
24. The County aims at putting various other measures key among which include increasing the usage of ICT in educational institutions, integration of ICT in all county operations, undertaking civic education within the county, enhancing socio-economic empowerment of the people, promoting preservation and showcasing cultural heritage in the county.

Health sector

25. In order to support economic growth and economic transformation, the county will continue to invest in quality and accessible health care services within its jurisdiction. In the last FY for instance, the health sector embarked on a massive county-wide programme that saw the construction/rehabilitation/renovation and equipping of many health facilities across the county. Among those that benefited included three level 4 hospitals, Thika Level 5 hospital, 10 new health centres, 50 existing health centres, among others. Furthermore, Kiambu has been credited as the leading county in ensuring availability of drugs in its facilities.

26. The Department will focus on Sustainable Development Goals 2016-2030 blue print and strengthen public health initiative, become more patient centred care, adopt international and National policies to “Ensure healthy lives and promote well-being for all at all ages”. Other programmes include completion of the construction/rehabilitation/ renovation and equipping of the remaining facilities, purchase of laboratory equipment; generators etc

2.0 RECENT NATIONAL AND COUNTY ECONOMIC DEVELOPMENTS

27. This section provides an update of the economic performance and emerging issues likely to affect the outcome of national and county development goals.
28. The County's performance is largely anchored on prudent policies that guide service delivery. Its performance will also depend highly on the country's economic performance.

2.1 National economic outlook

Performance of the Economy

29. Recent developments in growth of the economy indicate a GDP growth of 5.3 percent in 2014 compared with 5.7 percent in 2013, with the main drivers of the growth being Government and private sector consumption; low oil prices; increase in exports; and, stability of the Kenya Shilling against major currencies despite slight depreciation against the US dollar. The main drivers on the supply side included improved performance in mining and quarrying, information and communication, construction, financial and insurance activities, real estate; transport and storage; and, Agriculture, forestry and fishing.
30. The manufacturing sector benefited from an improved economic environment during the review period. Some of the factors that positively influenced the industry include: slightly cheaper and stable electricity supply; restrained inflation; and, resilient domestic demand.

Interest Rate

31. In 2015, the CBK had adopted tight monetary policy stance to anchor inflationary pressures and liquidity tightness that led to increased interest rates. The 91 days Treasury bill interest rates rose from 8.6 percent in January 2015 to 21.7 percent in October before dropping to 9.8 percent in December 2015 when the liquidity conditions in the market stabilized.
32. Consequently, the average lending rates increased marginally to 17.4 percent in December 2015, up from 16.0 percent in December 2014, while the deposit rate increased to 7.9 percent from 6.8 percent over the period. This led to a slight rise in the interest rate spread to 9.5 percent in December 2015 from 9.2 percent in December 2014.

Exchange Rate

33. The Kenya Shilling exchange rate weakened against major international currencies, for most of the 2015, then strengthened following foreign exchange inflows into the money market. The currency strengthened to KShs 102.1 against the US dollar as of early February 2016 compared to KShs 102.8 in October 2015. Against the Sterling Pound, the shilling strengthened to KShs 147.9 as of February 2016 from KShs 153.3 in December 2015. However, the exchange rate weakened against the Euro to KShs 113.5 as of February 2016 from KShs 111.1 in December 2015.
34. Within the East Africa Community, the Kenya Shilling depreciated against the Tanzanian Shilling and Ugandan Shilling by 1.5 percent and 2.1 percent respectively between December 2015 and February, 2016.

Public Debt

35. Kenya's public and publicly guaranteed debt rose by Ksh.458.9 billion to close at KShs. 2,829.1 billion (52.8 percent of GDP) in June 2015 from Kshs.2,370.2 billion (44.2 percent of GDP) in June 2014 comprising of 50.05 percent of external debt and 49.95 % of domestic debt. Total gross domestic debt stock increased by 10.6% from KShs. 1,284.3 billion as at end-June 2014 to KShs. 1, 420.4 billion by end-June 2015.
36. The total external debt stock, including the International Sovereign Bond, stood at KShs. 1,423.3 billion at the period ending June 2015. The debt stock comprised of multilateral debt (48.1%), bilateral debt (31.3%), Export Credit debt (1.2%) and 19.5% for Commercial banks' debt-including International Sovereign Bond. Cumulative interest and other charges on domestic debt for the FY 2014/15 amounted to Kshs.139.8 billion (or 2.6 % GDP) compared with Kshs.108.8 billion (or 2% GDP) during a similar period of the FY 2013/14. Total external debt service for the FY 2014/15 amounted to KShs 104.5 billion (or 1.95 percent GDP), comprising Kshs.81.9 billion in principal repayments and Kshs.22.5 billion in interest payments.
37. The issuance of the international sovereign bond largely contributed to the increase in total external debt. The issue comprised of US\$ 500 million at an interest rate of 5.875 percent with a five-year maturity and US\$1.5 billion at an interest of 6.875 percent with a 7 maturity of 10 years. Most of Kenya's external debt remains on concessional terms, although its commercial component has increased exponentially over the past three years. The increase in bilateral debt stock is because of the disbursements from China and France meant for financing infrastructural projects. Other changes were attributed to debt service and exchange rate revaluation

Inflation

38. The Overall month-on-month inflation declined to 7.8 percent in January 2016 from 8.0 percent in December 2015. This was attributed to the reduction in the pump prices of petrol and diesel that led to the reduction of the Transport index and the declines in the prices of electricity, kerosene and cooking gas. However, during the same period, the prices of food items and non - alcoholic drinks as well as prices of alcoholic beverages, tobacco and narcotics went up. On average, the annual inflation rate was 6.8 percent in January 2016 compared to 6.7 percent in January 2015.

Stock Market

39. The stock Exchange activity remained fairly stable in the year to December 2015. The NSE 20 share index rose to 4,041 points in December 2015, up from 4,016 points in November 2015. However, Compared to 2014, the NSE share index dropped by 21 percent from 5,113 points in December 2014 to 4,041 points in December 2015. Market capitalization, a measure shareholders' wealth, closed at KShs. 2,031 billion in December 2015 from KShs. 2,300 billion in December 2014. The drop in market capitalization in the year to December 2015 is as a result of an increase in volume of shares traded, which depressed the overall share prices.

40. On summary, the macroeconomic outlook is fairly favourable although risks remain. Some of the challenges include on security, weather, export market weakness, capital flow reversal and statistical inconsistency especially the Balance of Payment.

2.2 Update on Fiscal performance and emerging challenges

41. Budget Implementation for the first half of FY 2015/16 budget is on track. However, there were challenges in accessing funds during the first half of the FY, which slowed down spending on planned activities and thus the budget absorption in general. This was as a result of delays by the national government in transferring of the equitable share to the counties. The explanation given was that the National Government was experiencing cash flow challenges in the first half of the FY.

42. On the revenue side, County revenues improved significantly compared to the last Financial Year and are expected to remain on track as projected in the second half of the financial year. Waiver on property rates given towards the end of first half has impacted positively on revenue collection. Going forward, we expect better performance with access to the full budget allocation for the second half of the year.

43. As at January 2016, the county had received KShs. 4.56 billion from National Government for the FY 2015/16 against a total allocation of KShs. 8.07 billion. By end of January, 2015, internal revenue collections amounted to KShs. 1.18 billion as compared to the previous year's collection of KShs. 0.91 billion reflecting a 29.7

percent increment. Despite being above the previous year's collection, the amount is below this year's target due to delays in passing of the County Finance Bill.

44. Other factors that have led to the lower than expected performance in revenue collection include: unstable county political environment for collection of fees, charges and levies, late operationalization of the land rates enforcement programme coupled with delay in formulating and enacting the Kiambu County Rating Act, and a weak enforcement. With further efforts in enforcement of property taxes and development controls approvals, revenue performance is projected to remain on the upward trajectory.
45. On the expenditure side, as at January 2016 the County spent KShs. 4.7 billion equivalent to 40 percent of the total budget for FY 2015/16. As earlier highlighted, the low absorption rates are as a result of delayed release of funds by the national government and challenges with revenue collections. The delay in release of funds often leads to disruption of the activities of county and compromises service delivery. Furthermore, these delays jeopardise development spending considering that the non-discretionary county expenditures like personnel emoluments which are recurrent in nature take precedence in government planning and spending (**Table 1**)

Table 1: Analysis of County Expenditures by January 2016

	DEPARTMENT	BUDGET	TOTAL EXPENDITURE	% BUDGET
4061	County Assembly	872,843,954.00	316,082,173	36
4062	County Executive	389,512,000.00	173,120,887	44
4063	County Public Service Board	62,488,000.00	19,266,381	31
4064	Finance and Economic Planning	1,458,870,375.00	575,266,761	39
4065	Administration and Public Service	694,958,328.00	312,837,811	45
4066	Agriculture, Livestock and Fisheries	637,609,665.00	271,746,162	43
4067	Water, Environment and Natural Resources	482,063,028.00	253,966,391	53
4068	Health Services	3,891,094,000.00	1,575,591,686	40
4069	Education, Culture, ICT and Social Services	901,130,486.00	229,112,265	25
4070	Youth and Sports	516,047,760.00	161,223,641	31
4071	Lands, Physical Planning and Housing	316,354,748.00	151,238,980	48
4072	Trade, Tourism, Industry and Co-Operative	394,493,586.00	125,180,832	32
4073	Roads, Transport and Public Works	1,331,583,017.00	793,854,913	60
	TOTALS	11,949,048,947	4,783,688,883	40

Source: Kiambu County Treasury

3.0 FISCAL POLICY AND BUDGET FRAMEWORK FOR FY 2016/17

46. The County government is committed to fiscal consolidation while ensuring that resources are availed for development in order to positively impact on productive sector growth and overall economic growth. In that regard, reforms in expenditure management and revenue administration will continue to be implemented to increase efficiency, reduce wastages and increase revenues collected and hence create fiscal space for funding development programmes within the budget.

3.1 2016/17 Budget Framework

47. In the FY 2016/17 prioritization of resource allocation will be based on the County Integrated Development Plan (CIDP) and departmental strategies, programmes and broad development policies of the County Government. The FY 2016/17 budget will institute reforms targeted at achieving efficiency and productivity of government spending. The CIDP takes into account the development Agenda of the country by including programmes for the County residents with general impact on their welfare.

3.1.1 Revenue Projections

48. Going by the allocations in the Budget Policy Statement (BPS) the county is projected to get an equitable share of KShs 8.05 billion in the FY 2016/17. In addition, the County government is expected to get an additional conditional allocation of over KShs 700 million for funding the health services which include Thika Level-5 hospital; compensation for user fees foregone; free maternal healthcare and leasing of medical equipment. The county will also get about KShs 123 million conditional grants from the Road Maintenance Levy Fund for road maintenance.

49. Consequently, the County government estimates to receive a transfer of about KShs. 8.9 billion from the National Government for the FY 2016/17 constituting the equitable share and conditional grants. This figures are indicative.

50. In addition to the transfer from the National Government, the County generates its own revenues. The revenues are raised through property taxes, entertainment taxes and other taxes that the county is authorized to levy as well as user fees and charges authorized by county laws. From the impressive growth of the revenues recorded so far, and with the completion of the Valuation Roll and enactment of the relevant laws, we expect revenues to improve further in the FY 2016/17. After careful analysis of all these, the County projects KShs. 3 billion revenue from its own sources.

51. The total revenue for the FY 2016/17 is therefore projected at KShs 11.9 billion comprising of KShs 3.0 billion as county's own revenues and KShs 8.9 billion as transfer from the National Government.

52. Section 132 (1&2) of the PFM Act, 2012 requires that the County Executive member for finance to make pronouncement of the revenue raising measures for the county government with the approval of the County Executive Committee. In this regard, along with the budget, the County will present more detailed structural measures to be implemented by the county to boost revenue generation and these shall be tabled in the County Assembly through the Finance Bill, 2016 for consideration and enactment.

3.1.2 Expenditure Projections

53. Considering the limited resources in the County and competing programmes for funding, priority for funding in the FY 2016/17 has been given to efficient and productive projects/programmes that seek to improve the general welfare of the

Kiambu residents as well as improving the environment for doing business. This is in line with the County's objective as outlined in the CIDP.

54. In this regard, County Departments will review their budgets with an aim of removing non-priority expenditures and shift the savings to the priority programmes. The performance of earlier funded projects/programmes will also be reviewed with a view to improving the implementation and absorption capacity of development projects. This will also ensure that projects are well planned and their execution scheduled as planned.

3.1.2.1 Recurrent Expenditure Projections

55. Total recurrent expenditures in FY 2016/17 is estimated to be at KShs. 8 billion as compared to KShs. 7.9 billion in FY 2015/16 printed Budget estimates, representing only a marginal growth of 1.3 percent. The slowdown in growth of recurrent expenditure is necessary in order to release funds for development programs.

56. The wage bill is expected to increase slightly mainly due to annual increments in remunerations, from KShs 4.74 billion in 2015/16 to KShs 4.85 billion in the FY 2016/17. It is expected that there will be no further increases on the wage bill. Worth noting is the fact that the Ministry of Devolution & Planning is yet to complete the CARPs programme.

57. The PFM (County Governments) Regulations, 2015, requires that the County Governments maintain employee compensation levels at no more than 35 percent of their total revenue. In the medium term, the county government is committed to ensuring compliance with this fiscal responsibility principle.

58. The Operations and Maintenance expenditures will be lower in the medium term due to removal of one-off expenditures such as office infrastructure and equipment from the recurrent budget coupled with other expenditure rationalization measures that will

create fiscal space for development expenditures. The estimated amount for the FY 2016/17 is Kshs.3.1 billion down from the printed estimate of KShs 3.2 billion for the FY 2015/16.

3.1.2.2 Development Expenditure Projections

59. The overall development expenditure for FY 2016/17 will be KShs 3.9 billion. This accounts for 33 percent of the overall budget and is in line with the fiscal responsibility requirement of allocating at least 30 percent of the overall budget to development expenditure.

3.2 Overall deficit and financing

60. To ensure fiscal discipline, the 2016 BPS encourages the County governments not to have deficit in their budgets for the FY 2016/17 without a clear and realistic plan of how the deficit will be funded. It is in this regard that the County Government has allocated resources for spending that are commensurate to the revenues expected in the FY 2016/17.

61. During the FY 2016/17 the county budget shall be financed through transfer from the National Government and own revenue collected from local sources such as fees and charges, rates, among others as allowed by the governing Acts.

62. The FY 2016/17 fiscal framework is therefore fully financed.

3.3 Risks to the 2016/17 Budget framework

63. Under performance in revenue collection still remains a major challenge in financing the FY 2016/17 budget. However, the county will continue with structural reforms,

seal loopholes and expand the revenue base for enhance revenues and efficient and cost effective methods of collecting the revenues.

64. The high wage bill is also a major challenge in the implementation of the budget. Recruitment of new staff has been frozen and the county is waiting for proposed recommendations from the on-going exercises by the National Government through the Ministry of Devolution and Planning under CARPs programme and the SRC's job evaluation. The lack of clear guidelines for clarity, harmony of operations and delay by the National Government in finalizing the CARPS exercise is a drawback. It is expected that once the exercise is completed, the National Treasury will allocate enough funds for implementation of the recommendations which may include staff compensation in the event of rationalization.

65. Another risk to the county remains the challenges associated with the timely release of resources from the National Government to the Counties. The observed struggles between the various governments agencies involved in effecting the transfer of funds to the County will definitely affect the performance.

66. Other risks include all the internal risks that the Country is experiencing which may slow down the economic growth and consequently impact on the revenues from the national Government to the County.

67. The County Government is working on modalities to improve coordination amongst County Departments, leadership in the County and National Government to help bolster development initiatives.

3.4 Fiscal Structural Reforms

Revenue mobilization

68. The county intends to have an efficient and effective revenue administration system which will ensure that the County meets its revenue target and will be able to implement its development programmes. The county has moved all payments onto the Internet Banking platform with the sole objective of ensuring that all payments in the County are made electronically so as to significantly reduce administrative costs, minimize leakages and expand access to payment points and improve on accountability. The County launched the huduma card which has over 1000 registered users enabling them to easily access county services.

69. Other key strategies to be adopted by the County Government includes; strengthening enforcement and completion of administrative reforms including the automation of systems and expansion of the revenue base to net in property rates and consolidation of revenues for ease of administration and collection; the County will focus on land and property tax as the most appropriate and most justifiable to finance its activities and provide services; revenue Enhancement plan will also be developed among other programs in the FY 2016/17

Expenditure Management

70. The County continues the use of Integrated Financial Management System (IFMIS) including at the County Assembly and intends to roll out the same to the Hospitals and at the Sub-County level to have a tight grip in expenditure controls and ensure timely reporting.

71. On implementation of projects the County shall undertake capacity building initiatives to properly support other departments. The County Budget and Economic Forum (CBEF) was established and there normally are continuous consultations on all matters of planning, budgeting, the economy and financial management. Such

consultations also ensure that there is participation by stakeholders, transparency and accountability, and adherence to the PFM Act on budget making process.

72. On project identification, the County Government will adopt bottom up approach where projects will be identified by ward level committees in each ward and implemented by the County Executive in compliance with the law. The purpose of this is to better target priority areas for each ward and to promote equitable development in the county. The type of projects will vary from one ward to another depending on the community needs. This will go a long way in complementing the efforts of the Departments in getting the services closer to County residents and in responding to varied priorities across the wards and further deepening devolution.

73. The County Government intends to continue with civic education programmes to enhance awareness and facilitate proper flow of information. Increased collaboration between the County Government and the County Assembly will expedite enactment of necessary legislation to ensure there is efficient running of County government thereby improving service delivery.

74. To complement the staff rationalization exercise, the County has frozen all new recruitment and adopted an ambitious policy of expenditure rationalization with a view to funding core services, ensuring equity and minimizing costs through the elimination of duplication and inefficiencies. The Government will also ensure continuous sector performance reviews as a strategy to encourage accountability within departments.

75. In order to contain recurrent and non-essential spending, Kiambu County Government will focus on the following areas of intervention.

- Foreign travel will be limited to essential travels;

- Consultancy services will be strictly limited to those services whose expertise lacks within staff establishment in the County;
- The County Treasury will strictly enforce Circulars outlining areas for costs reduction across County Departments including especially on the areas of events & events organizing, advertisements, among others;
- The stock of pending bills will be reduced by implementing a strict commitment control system

4.0 MEDIUM TERM EXPENDITURE FRAMEWORK

4.1 Resource Envelope

76. The Medium Term Expenditure Framework (MTEF) for the County is guided by the fiscal responsibilities principles as set out in the PFM Act, 2012 as well as the PFM (County Regulations), 2015. Therefore, the following guiding principles are considered in the allocation of the available resources:

- 1) The requirement that the County Executive Committee Member for Finance with the approval of the County Assembly shall set a limit on the county government's expenditure on wages and benefits for its public officers and that the set limit shall not exceed thirty five (35) percent of the county government's total revenue;
- 2) the county public debt shall never exceed twenty(20) percent of the county governments total revenue at any one time;
- 3) the approved expenditures of a county assembly shall not exceed seven per cent of the total revenues of the county government or twice the personnel emoluments of that county assembly, whichever is lower;
- 4) The county government actual expenditure on development shall be at least thirty percent.

181. Table 2 provides the projected expenditure ceilings for the MTEF, classified by departments.

Table 2: Medium Term Department Ceilings, 2016/17 - 2018/19 (KShs Million)

vote	Vote Name	Printed Estimates 2015/16	Estimates 2016/17	Projected 2017/2018	Projected 2018/2019
4061	County Assembly	872,843,954	837,391,183	887,634,654	940,892,734
4062	County Executive	389,512,000	388,756,115	412,081,482	436,806,371
4063	County Public Service Board	62,488,000	62,523,664	66,275,084	70,251,589
4064	Finance & Economic Planning	1,458,870,375	1,455,706,298	1,543,048,676	1,635,631,596
4065	Administration & Public Service	694,958,328	696,649,401	738,448,365	782,755,267
4066	Agriculture, Livestock & Fisheries	637,609,665	641,726,664	680,230,264	721,044,080
4067	Water, Environment & Natural Resources	482,063,028	485,188,192	514,299,483	545,157,452
4068	Health Services	3,891,094,000	3,926,819,030	4,162,428,172	4,412,173,862
4069	Education, Culture, ICT & Social Services	901,130,486	901,441,495	955,527,985	1,012,859,664
4070	Youth, Sports & Communications	516,047,760	517,728,320	548,792,020	581,719,541
4071	Lands, Physical Planning & Housing	316,354,748	317,536,156	336,588,326	356,783,625
4072	Trade, Tourism, Industry & Co-Operative	394,493,586	397,759,699	421,625,281	446,922,797
4073	Roads, Transport & Public Works	1,331,583,017	1,333,504,974	1,413,515,272	1,498,326,188
	Total	11,949,048,947	11,962,731,192	12,680,495,064	13,441,324,767

Source: Kiambu County Treasury

MTEF adherence to the fiscal responsibility principles

77. The proposed MTEF adheres to the fiscal responsibility principles outlined above as follows:

78. The development expenditures have been projected at 33 percent of the county budget against an obligatory minimum of 30 percent. **(table 3)**

79. The FY 2016/17 wage bill is estimated at 41 percent of total revenues. The principle that wage bill shall not exceed 35 percent of the county government's total revenue is not met. However, the government is committed to adhering to this principle and the wage bill is set to decline in the medium term. The County Government has recently issued guidelines freezing new recruitment save for critical areas **(table 3)**

Table 3: 2016/17 Budget Allocation

Details	2014/15 (Revised) (in KShs)	Printed 2015/16 (in KShs)	Projected 2016/17 (in KShs)	% to Total Budget
Recurrent Budget				
Personnel Emoluments	4,022,203,362	4,746,252,535	4,854,324,072	41
Operations and Maintenance	2,921,729,767	3,233,970,850	3,160,705,827	26
Sub-total	6,943,933,129	7,980,223,385	8,015,029,899	67
Development Budget				
Total Development Budget	3,430,117,065	3,968,825,562	3,947,701,293	33
Total Budget	10,374,050,194	11,949,048,947	11,962,731,192	100

Source: Kiambu County Treasury

80. The expenditure estimates for the county assembly are at 7 percent of the total County revenues (**Table 2**)

81. Fiscal risks have been managed prudently to ensure a reasonable degree of predictability with respect to the level of tax rates, charges and tax bases.

82. On debt not to exceed 20 percent of the county government's total revenue at any one time, the county has adhered to since we do not intend to borrow in the FY 2016/17. However the County plans to implement an annuity programme in Roads and Health Departments through contracting design and factoring for the payments through the budget. The County will consider borrowing in the medium term once the debt management strategy paper and strategic policy on debt management are approved by the County Assembly.

83. Borrowing by the County will also adhere to the borrowing framework agreed at the Intergovernmental Budget and Economic Consultation Forums (IBEC) and the fiscal

responsibility principles of ensuring the borrowed funds finance development projects only.

4.2 Resource Sharing Guidelines

84. The following guidelines informed allocation of Departmental ceilings over the medium term:

1. Non-discretionary expenditures: This took first charge and includes payment of Salaries and wages which are projected to use about 41 percent of the expected total revenue receipts.
2. Operations and maintenance: This is allocation of funds to Departments for basic operations and maintenance which will account for 26 percent of the projected total revenue.
3. Development expenditure: 33 percent of the total revenue available will be used to finance development expenditure. These development expenditures have been shared out on the basis of County priorities as captured through various fora.

85. In addition to the above mentioned guidelines, attention has been directed to completion of on-going projects particularly on investment projects in priority areas that support social development, economic growth and transformation of the County.

86. The Departmental resources ceilings are summarized in the table 2 above.

5.0 DEPARTMENTAL/ SECTOR PRIORITIES

5.1 Finance and Economic Planning

87. The Department's objectives include; revenue mobilization, effective and efficient management of public resources, improved allocation of county allocation of funds and creating conducive environment for the private sector investment. The sector is also the link of all other sectors with the National government in matters of finance and resource mobilization.

88. Some of the key achievements of the Department include automation of revenue collection, adoption of automated payment systems, adoption of e-procurement systems, achievement of the 30 percent category for reserved groups, alignment of prioritized expenditure to available resources, establishment of internal controls, institution of revenue administration reforms, budget execution and increased expenditure absorption, timely production of policy planning documents and financial reports, and successful budgeting processes. The County got recognized by the commission of Revenue allocation (CRA) for its fiscal responsibility and International Budget Partnership Kenya (IBPK) for its openness and transparency on budget matters.

89. The key challenges facing the Department include: high wage bill, poor flow of information from the national to the County government, lack of reliable baseline information/statistics at County level, delayed release of revenue by the national government and scarce resources both financial and human. In addition, self-interested lobby groups and heated political climate pose challenges in the implementation of the development agenda.

90. Funding for the 2016/17 -2018/19 MTEF period will focus on delivery of the Department's priorities and in particular those aimed at creating an efficient sound revenue and expenditure management framework. Increasing our capacity to mobilize revenue will get much attention while strengthening of planning and budget execution will be key. Other areas of focus will include implementation of projects, monitoring and evaluation amongst other programmes.

91. Some of the specific programmes to be undertaken in the FY 2016/17 include; Enhancement of revenue collection effort and enforcement mechanisms; completion of the automation of processes to detect fraud and increase revenue compliance; Expansion of the revenue base to net in new properties; completion of the Valuation Roll in consultation with the Lands department, Enhance other Departments' capacity through capacity building on matters of governance and accountability in budget execution, strengthening internal controls to ensure improved management of public resources and ensuring increased absorption of the development budget.

92. For the FY 2016/17, the County has set aside KShs. 1.455 billion to fund the programmes of the Department down from the FY 2015/16 allocation of Kshs1.458 billion. This is projected to increase to KShs. 1.6 billion and KShs. 1.7 billion in the FY 2017/18 and FY 2018/19 respectively.

5.2 Trade, Industry, Tourism and Cooperatives Development Department

93. Trade, Tourism, Industry and Cooperative Development Sector comprises of four Sub sectors namely: Trade and Markets; Industry; Tourism; and, Marketing and Cooperatives Development. It integrates both product and service industries.

94. The County recognizes the vital role trade, tourism and markets play in promoting sustainable development. The Department has a strategic role in promoting trade,

tourism and adoption of technology and innovation as an enabler to other sectors and has a high potential of employment creation; strong forward and backward linkages and spill-over effects; provides demand stimulus for growth of the agricultural sector and offers significant opportunities for export expansion.

95. During the period under review, the Department constructed over 40 Boda Boda sheds; 3 markets, and renovated five markets. Under cooperatives, the sector achieved and exceeded its target of reviving dormant cooperatives and registration of new cooperatives that included the bringing together of Boda Boda operators at the established Boda Boda sheds to form Co-operative Societies. A total of 11 Boda Boda SACCOS were registered, 36 other Societies were registered and a total of 17 societies were revived. In the tourism sector, the County has focused on product reinvigoration, strengthening visitor experience packaging tourism sector and revamping the tourism communication strategy. Among the specific programmes being undertaken is the rehabilitation of Fourteen falls.

96. Key challenges of the Department include: Security; Climate change; inefficient infrastructure; unreliable and high cost of energy; Inadequate funding for programmes; inadequate legal, regulatory and institutional frameworks; limited access to credit for businesses; high cost of production especially energy; influx of sub-standard and contraband goods hence reduced market for good produced within the county; low technology and innovation; travel Advisories; and inadequate ICT Infrastructure among others.

97. Funding for the 2015/16 -2017/18 MTEF period will focus on delivery of the Department's priorities and in particular those aimed at growth and development of trade and industry; tourism promotion and development; investments mobilization; industrial and entrepreneurship development and employment creation.

98. Some of the specific programmes to be undertaken in the FY 2016/17 include: Enhance construction of Boda Boda Sheds which will create a good business environment for Boda Boda operators in the County; construction of model kiosks in urban areas, enhancing support of Advisory services offered to entrepreneurs or MSMEs; Develop Tourist/Heritage and Cultural centres; Marketing of Tourist/Heritage/Cultural centres; construct shelters for Jua Kali artisans to improve their operations; Capacity building and Human resource development to ensure proper implementation of projects.

99. For the FY 2016/17, Kshs.397, 759,699 has been set aside to fund programmes of the Department up from the FY 2015/16 a printed budget of KShs. 394,493,586. This is projected to increase to KShs. 437,535,668 and KShs. 481,289,235 in the FY 2017/18 and FY 2018/19 respectively.

5.3 Agriculture, Fisheries and Livestock Department

100. The Agriculture, Livestock and fisheries Department comprises of five sub-divisions namely: Agriculture and irrigation; Livestock and Fisheries; Monitoring Evaluation and reporting; veterinary services; agribusiness and marketing. In addition the Agricultural Training Centre at Waruhiu and Agricultural Mechanization Service are in the department.

101. The strategy of the Department of Agriculture is to create an enabling environment for farming and provide support services to the medium and small scale farmers to attain food security, and sustainable agricultural infrastructure development. The key policy goals of the sector include: raising agricultural productivity through value addition, increasing market access and adoption of technologies; exploiting irrigation

potential and sustainable management of resources in the sector. The prioritized sector programmes include: Fisheries development, Irrigation Drainage and Mechanization Infrastructure, Livestock Resources Management and Development, Planning and Support Services for Agriculture and Crop Development.

102. Some of the key achievements during the period under review include: setting of a proper legal regulatory framework through requisite legislation, Farm development activities and demonstrations; set up over 80 greenhouses; distributed Bio-Fertilizer; Promoted of high value crops; Constructed over 48 Fish ponds in 21 demonstration centres; refurbished Abattoirs/Slaughter houses and cattle dips; purchased vaccines, serums, fertilizers, certified seeds, breeding stock and Live animals; disseminated Emerging livestock (Rabbits) technology and marketing infrastructure; Value addition of livestock products (Milk, meat, hides and skins); Promoted Biogas production and utilization among livestock farmers in Kiambu to address energy scarcity and reduce deforestation.

103. The Department also initiated irrigation schemes across the county. Some of the new irrigation projects initiated include Kamwamba irrigation project, Gatina irrigation project, Wamoro irrigation project and designed irrigation projects i.e. Njuno and Chiboni Githongo. The Department also created drainage Infrastructure awareness; built Kimunyu water pan and constructed various banana collection centres. The Department worked closely with the Youth, Sports & Communications Department to ensure that farmers benefited from the Biashara Fund. Specifically, a total of Kshs. 12 Million has already been disbursed to support agribusiness and put up green houses. So far a total of 22 groups have benefited as well as over 18 households.

104. Key restrictions in the Department include: Diminishing agricultural land sizes due to increased population pressure and real estate's establishment; Inadequate

infrastructural development; high costs and low quality agricultural inputs; Low quality seeds/breeds; Inadequate organized marketing structures for agricultural produce; low value addition resulting in low producer prices; erratic and inadequate rainfall; limited use of modern irrigation technology; over reliance on rain fed agriculture; vulnerability to crop and livestock disease outbreak due to proximity to transportation routes; and low utilization of dam fishery resources.

105. Major programmes to be undertaken during the MTEF period 2016/17 – 2018/19 include; creating an enabling environment through development of appropriate legal and regulatory framework; Construction of more fish ponds and promotion of fish farming; Enhance facilitation for bulk milk coolers and pasteurizers in all sub counties; Diversification and expansion of the strategic animal feed reserves to include hay and commercial feeds; Increased area of land under irrigation; Enhanced animal genetics, embryo transfer and vaccine production; Management and control of strategic pests and diseases; Increase aquaculture productivity through technology development and innovations, selective breeding, extension services and capacity building.

106. For the FY 2016/17, KShs. 641,726,664 has been set aside to fund the programmes of the Department up from the FY 2015/16 printed estimates of KShs. 637,609,665 million. This is projected to increase to KShs. 705,899,331 and KShs. 776,489,264 in the FY 2017/18 and FY 2018/19 respectively.

5.4 Youth, Sports and Communications Department

107. The Sector comprises three sub sectors namely; Youth affairs, Sports and Communications. This Department play a critical role in the County's transformation and economic development through: promotion and development of youth and sports for a vibrant sporting industry and empowered Youth. The Department's vision is to lead in creative and innovative youth empowerment, achieving sporting excellence and embracing top of the range effective and efficient communication models.

108. During the period under review, performance of the Youth, Women & Persons with Disability Empowerment programme has been a tremendous success. The programme has so far sensitized and trained 20,000 youth on entrepreneurship and business management and launched the Biashara Fund to help those ready to start various business ventures. So far, a total of about Kshs. 74 Million has been disbursed to 95 groups and 540 individuals, this cumulating to about 2,000 residents successfully receiving funding either for business start-ups or for expansion of existing business. The Fund has also disbursed Kshs. 25 Million to SACCOS spread out within the county for on-lending as micro loans and has also partnered with the Visionary Empowerment Program(VEP) and the County Department of Water to distribute over 700 water tanks to groups and needy families thereby promoting access to safe drinking water. Cumulatively, a total of Kshs. 115 Million has been disbursed with over 95 percent loan recovery rate, thanks to the excellent design strategy approved by the County Executive Committee. Other capacity building programmes conducted included training of 100 Trainers of Trainers, training on waste management, youth insurance, and value addition, all these being done in close consultation with the respective County Department. The programme with the Department of Agriculture, Livestock & Fisheries for instance saw over 1,000 youth trained on carwash/cleaning services, welding & fabrication, painting, woodwork &

carpentry and basic book and record keeping. A follow up audit showed that a majority of those trained are now engaged productively with steady sources of income.

109. The Department organized a trade exhibition fair in collaboration with the Kenya National Chamber of Commerce and Industry where over a 1,000 youth showcased their business innovation and talent. Currently on-going is the construction of a Music Recording and Video-editing studio.

110. The Department has also performed extremely well in sports promotion. It promoted sports through provision of sports equipment to clubs and sports associations, rehabilitated 50 playing fields; refurbished Thika Stadium and renovated Kirigiti grounds. Renovations for Limuru Stadium and Ruiru Stadium are also on progress. A Talent Development Program was established to identify and nurture sporting talent, creative and performing arts at the wards and at the sub county level. These helped to identify, promote and award talent. Other on-going projects include renovation of one playing field in every ward. The Department held a County Football Champions Cup with 720 male teams and 24 female teams participating and equipment distributed to over 10,000 youth. Other sporting activities undertaken include skating tournaments, boxing tournaments, cricket referees and coaches refresher courses, county athletics and boxing championships, martial arts tournaments, chess tournaments, etc. As a result of these initiatives, the County Soccer team- Kiambu Allstars FC emerged second in the National Division 1 league and was promoted to the National Super league. Establishment of volleyball county teams is also on-going. In the area of communications, the Department is working to promote transparency and accountability through operationalization of effective communications channels to enhance information dissemination and publication of important information.

111. Key challenges within the department include; inadequate sports ground and infrastructure; inadequate funding; inadequate human resource capacity; inadequate policy and regulatory framework: encroachment of public fields/stadiums; widespread drug and substance abuse by the youth; high levels of unemployment; and low levels of transition of the youth to institutions of higher learning.

112. In the next MTEF for 2016/17-2018/19 budget period the sector priority areas will be expanding reach of Biashara Fund beneficiaries to over 5,000; mapping and execution of youth empowerment strategies; Developing, upgrading and managing of sports facilities; Identifying and nurturing talent; Promotion of leagues and tournaments; Operationalization of a Sports Academy to nurture top level skills development of sports men and women from ward level countywide as well as capacity building of sports administrators, instructors and coaches; Designing, implementing and evaluating of athlete development plan; Deepening strategies on information, communication, publicity and media relations; Public Relations; Events Management; Digital and social media management; Customer care; Branding

113. For the FY 2016/17, the County has set aside KShs. 517,728,320 to fund the programmes of the Department up from the previous year's budget of KShs. 516,047,760. This is projected to increase to KShs. 569,501,152 and KShs. 626,451,268 in the FY 2017/18 and FY 2018/19 respectively.

5.5 Roads, Transport, Public Works and Utilities

114. The Roads, Transport & Public Works Department plays a key role in providing the necessary infrastructure and related services for economic growth. The Department provides infrastructure (roads) to facilitate movements of persons and goods, rescue services and renewable energy for power generation .The Department

aspires to be a regional leader in infrastructural development, maintenance and provision of technical services in Kiambu County.

115. During the period under review, the Department implemented a number of programmes in a bid to achieve energy accessibility, expanded the road network, increased mobility of both people and goods so as to spur economic growth. This was achieved through the implementation of the following: Responded approximately 150 fire incidences; Responded to over 20 rescue and disaster related incidents; Maintenance of floodlights; Construction of high flood lights mast; Constructed about 15KM of tarmac road through the Githunguri-Ndumberi Road now being completed, constructed over 530 KM of rural access roads; maintained 1,100KM of road network; Constructed foot bridges; Carried out building audits; Forensic audit of collapsed buildings; Preparation of architectural, structural, electrical and mechanical building services designs.

116. The key challenges facing the Department include: poor terrain that poses a great challenge for road maintenance, Poor storm water drainages, neglected roads, encroachment of roads reserves, and lack of connecting bridges, financial resources constraints and trained human resources constraints; frequent breakdown of heavy equipment particularly graders and fire engines and related high cost of repair and maintenance, only one fully equipped fire station and inadequate number of trained fire men/women leading to slow response to fire emergencies in other parts of the County, Inadequate bus parks leading to congestion in our towns, , encroachment of roads reserves, need for improved connectivity through foot bridges and motorable bridges in the rural areas.

117. In the Medium term strategies and measures to be pursued include construction and maintenance of all feeder/access roads, upgrading key link roads to bitumen

standards, construction of urban roads to bitumen standards, Installation of flood lights, construction and rehabilitation of bus parks and Construction of bridges. The Department also plans to construct, equip and man fire stations in every sub county as well as provide technical support to other Departments for construction and rehabilitation of Public works buildings. In relation to County Energy, the Department will undertake energy audit and promote use of renewable energy.

118. Other specific programmes to be undertaken in the FY 2016/17 will include: constructed 200Kms of new roads and 12 bridges; rehabilitated 45kms of Roads; construction of 200Kms of new tarmac roads under an annuity programme; construction of flood masts; Rehabilitation of 5 Bus Park and 10 parking bays; Construction of 3 fire stations; Purchase graders, unblocking and constructing storm water drains.

119. For the FY 2016/17, Kshs.1.333 billion has been set aside to fund the programmes of the department up from the FY 2015/16 printed budget of KShs. 1.331 billion. This is projected to increase to KShs. 1.4 and KShs 1.6 billion in the FY 2017/18 and FY 2018/19 respectively.

5.6 Lands, Physical Planning & Housing

120. The County Lands, Housing and Physical Planning department is mandated to undertake spatial planning, land management and promote housing development for orderly spatial development. The Sector has four directorates, namely: Physical Planning; Housing and Community Development; Land Survey and Geo-informatics; and Land Valuation and Property Management.

121. During the period under review, the Sector implemented programmes which included; Preparation of Part Development Plans; drafted County Spatial Planning Bill, County Spatial Plan and Integrated Strategic Urban Development plans for four towns; Harmonization of development control instruments; Development control; Survey of land for Sub-County Offices and selected markets; Prepared base map for Jamhuri, Ofafa and Starehe estates and drafted County Survey Bill. The Department also Set up GIS laboratories in Thika; carried out evaluation of planning applications; re-established boundaries of various public utilities; Prepared inventory of County Housing estates. Currently ongoing are prefeasibility studies to enable the upgrading of dilapidated housing of the former council houses. This will help promote affordable housing by increasing the supply of available units. The Department also focused on Slum Upgrading at Umoja and Dagoretti informal settlements; Prepared draft County Valuation and Valuation for Rating Bill; Identified county assets both fixed and movable, among others.

122. The key challenges facing the sector include; Inadequate capacity and low retention of human resource in highly specialized areas; Slow pace reviewing policy and legal frameworks to conform to the Constitution; Lack of legal framework to guide operationalization of the six metropolitan regions envisaged in the Kenya Vision 2030; Ignorance and resistance from the public on planning matters and policies; Red taping in accessing up to date data; Lack of Alternative Dispute Resolution (ADR) mechanism leading to delays in resolution of land disputes; Budget rationalizations and late release of funds, slow implementation of projects; Inadequate markets and market infrastructure leading to poor accessibility; Insecurity and increasing internal conflicts over resources leading to displacements and fatalities negatively impacting on productivity; High cost of equipment resulting to slow service delivery.

123. During the 2016/17-2018/19 MTEF period, efforts will be directed to the following priority areas: development of appropriate policies, frameworks, strategies, legislations, guidelines, standards and rules & regulations; Support research and technology development; Undertake institutional reforms; Capacity building of training institutions for the sustainable utilization of land resource; Enhance and speed up the process of development applications, processing and approval; Fast tracking the Land information management systems; Modernization of land records and digitization of land records which includes developing, training and implementation of a County Land Management Information System (CLIMS); Development of geospatial data and finalization of County Spatial Plan; Preparation of County and integrated Urban Development Plans; Provision of capacity building and technical support in physical planning; Updating County base map, developing and maintaining land records; Monitoring and evaluation of programmes/projects and general administration and support services; Alterations, renovations and partitioning of County offices; acquisition of office space; Improve access to physical and social infrastructure in urban areas and operationalizing the County Land Management Committees (CLMC).

124. For the FY 2016/17, a total of KShs. 317,536,156 has been set aside to fund the programmes of the Department up from the FY 2015/16 printed estimate of Kshs.316, 354,748. This is projected to increase to KShs. 349,289,772 and KShs. 384,218,749 in the FY 2017/18 and FY 2018/19 respectively.

5.7 Education, Culture and Social services

125. The Education, ICT, Culture and Social Services Department mandate is to provide, promote and coordinate training and research for sustainable development; to protect and promote the County's National heritage; and, effectively and efficiently promote gender equality and freedom from discrimination of all persons. The Fourth

schedule of the Constitution allocates pre-primary education, village polytechnics, home craft centres and childcare facilities to the County Governments.

126. Key achievements of the Department during the period under review include: formulation ECDE and YP bills; issued Youth Polytechnic tuition funds; increased access to education by providing bursary and scholarships to over 50,000 needy students from all the sixty wards. The school feeding programme that has been greatly lauded provided meals to children in 120 schools with the programme now being extended to all the special units and all the 480 public ECDE centres. This has seen increase in enrolment and reduced absenteeism in all our centres.

127. In the area of vocational training 31 Youth Polytechnic have already been equipped with training tools and equipment and another 16 renovated and refurbished within our short period of operation. Moreover, Quality Assurance and Standards Guidelines were implemented and are being enforced. When it comes to matters of ICT, the County has an operational established Data Centre which could even become a shared resource for other counties in the region who may wish to host their data with us. The Department has also operationalized the e-Cabinet system and enabled the Finance Docket monitor revenue collection and performance electronically through the business intelligence and analytics system. The success of the revenue automation programme is a collective effort of Finance Department backed by technical competence of our ICT staff that have worked together in ensuring success of the programme. The area of culture has also been very vibrant in ensuring talent development and nurturing skills among the youth. Kiambu County represented Kenya in Miss World Finals held in China in December 2015. The Department in partnership with Africa Centre for Women in ICT is training youth in ICT in our polytechnics. In 2014, 290 youth graduated and during this year, another 330 youth are ready to graduate in March 2016. This has given rise to great

entrepreneurs some of whom have changed their careers from hawkers to web designers. We have managed to place 190 of the youth in online jobs. Our target is to train about 4,500 youth by 2017.

128. The key challenges facing the Department include: limited funding, shortage of teachers and instructors of ECDE and YPS, inadequate infrastructure, slow pace of ICT integration as well as inadequacies of legal, policy and institutional frameworks; lack of enough awareness among parents on need/value for education need; poor remuneration of the teaching staff thus low morale; inadequate nutrition and health support services; poor supervision ECDE institutions; insufficient learning and play equipment at ECDE level;; inadequately equipped Youth Polytechnics; and, inadequate curricular as relating to the courses offered by the Youth Polytechnics.

129. The programmes to be pursued in the next FY and in the medium term include: Focus on increased enrolment in pre-primary and Youth Polytechnics; promotion of the school feeding programme, expansion of the bursary and scholarship programme, enhancement of e-government ICT infrastructure development and Community social service, refurbishment of ECDEC and polytechnics, equipping of county libraries and constructing new ones in those sub counties which do not have libraries, conducting Civic Education in all the 12 sub Counties, refurbishment of community/social halls, setting up a cultural centre in the County.

130. For the FY 2016/17, KShs. 901,441,495 has been set aside to fund the programmes of the Department up from the FY 2015/16 budget of KShs. 901,130,486. This is projected to increase to KShs. 991,585,645 and KShs. 1.09 billion in the FY 2017/18 and FY 2018/19 respectively.

5.8 Water, Environment and Natural Resources

131. The overall goal of the Department is to improve access to adequate and safe drinking water, management and protection of environment and natural resources for sustainable development in a clean and secure environment.
132. During the period under review, some of the key achievements of the Department were; Improved access to water in all the 12 sub counties through extension of water pipelines to areas that were not previously served. These areas include Kibichoi in Githunguri, Gatundu south areas of Nembu, Kiahuria area in Juja, Gitangu Springs water project in Kabete, Ondiri water project in Kikuyu, and Ting'ang'a water project in Kiambu. There are also various water improvement projects in Kiambaa, Kijabe and pipeline in Lari. We also have Karamba-ini water project in Limuru and various other extensions pipelines.
133. The Department has also drilled a borehole at Lang'ata Dispensary in Ruiru and equipped various other boreholes which had since been abandoned by Community water projects after they broke down. From all the water activities the Department was able to increase water access to 10,000 households previously with erratic access or with no access at all. Generally water coverage increased from 37% to 41% in rural and 42% to 46% in urban respectively.
134. The Department also improved on environmental management through clearing of garbage heaps within all town centres; Rehabilitation of garbage trucks and engagement of Youth & private companies on waste collection in residential areas. The Department also managed to increase surveillance on noise and air pollution and general enforcement through prosecution of offenders. Through a partnership with the UN Habitat, the Department constructed a pilot semi-aerobic Landfill at Kang'oki Dumpsite to improve on solid waste management and reduce on environmental degradation. This has attracted a lot of attention throughout the

country with the County having received a number of delegations on benchmarking missions. The Limuru and Kiambu Dumpsites have also been improved to reduce environmental degradation. The Department has acquired plant and equipment to aid in landfill construction and management of garbage that included a bulldozer, a backhoe, a skip loader and one side loader lorry for garbage collection.

135. Additionally, the Department has also constructed five public sanitation blocks at Githunguri, Uthiru, Githurai, Lussiggetti, and Ndeiya. Further, the Department will construct four sanitation blocks in this financial year. Still focusing on the achievements, the draft County Environment and Natural Resources Policy and Bill were prepared and will be presented to the County Assembly before April 2016; 7,000 giant bamboo tree seedlings and 20,000 indigenous/water friendly tree seedlings were planted thereby increasing the tree coverage.

136. Some of the key Challenges facing the Department include: Inadequate Legal and policy framework; high poverty levels; Effects of climate change and associated extreme weather conditions that threaten sustainable development and impacts negatively on the sector. Other challenges include population pressure leading to ecosystem degradation; limited Value addition and product diversification; inadequate funding to the sector; high incidence of HIV/AIDS, malaria and other infectious diseases; low youth participation; challenges of constitutional implementation and interpretation; scarcity of information on the status of Natural Resources; knowledge on optimal harnessing of ICT in the sector for effective and efficient service delivery.

137. In the next FY and the medium term period the Water, Environment and Natural Resources subsector will finalize the County Environment Policy, develop Climate Change Policy and Wetlands Management Policy. The subsector will also finalize the

County Water and Sanitation Bill 2015 and County Natural Resources Bill 2015. It will ensure clean and healthy environment for the people of Kiambu County by enforcement of environmental laws and regulations; monitor and enforce implementation of the waste management strategy; map and monitor waste generation and management in towns in all Sub-counties and map and monitor pollution in regulated facilities.

138. For the FY 2015/16, a total of KShs. 485,188,192 has been set aside to fund the programmes of the Department up from the FY 2014/15 budget estimates of KShs. 482,063,028. This is projected to increase to KShs. 533,707,011 and KShs. 587,077,712 in the FY 2016/17 and FY 2017/18 respectively.

5.9 Administration and Public Service

139. The Administration and Public Service Department is in charge of County public service management. The Department comprises of two Sub-Sections, Administration and Public Service.
140. The Strategic objectives of the Administration and Public Service Department are to facilitate creation of County Government structures and institutional frameworks for optimal public service delivery in response to Kiambu county needs; ensure continuous development and retention of human resources and application of best practices in the management of the Public Service for improved performance and staff productivity; promote good governance, transparency and accountability in the Public Service; mainstream and coordinate implementation of devolution and Kenya vision 2030 programmes.
141. Key achievements of the Department during the period under review include completion of renovation and operationalization of county head offices at Kiambu; operationalization of Alcoholic Drinks Regulation Committees in the 12 sub counties and the gazettelement of four residents for each sub county Alcoholic Drinks Regulation Committee; Staff deployment; training; Human Resource Management and Development; Biometric data capture for county staff, workload analysis and institutional analysis; prepared a draft bill on public participation and enforcement bill; developed a training policy and drafted code of regulations among others.
142. Some of the Key challenges the Department is facing include inadequate resources; Staff rationalization and anxiety among the members of staff from defunct Local Authorities and devolved functions. The are also issues of communication channels which have not been clearly defined; lack of adequate transportation for

field services; Lack of adequate office space; Enormous expectation from the members of the public; Increased number of litigation's against the county government.

143. Specific programme to be undertaken in the FY 2016/17 FY include: promoting motivated and skilled county workforce (*staff motivation will be boosted by ensuring that staff access mortgage and car loan benefits already approved by the Salaries & Remuneration Commission*); staff rationalization through ensuring setting up and passing a compensation package to release excess staff particularly those less productive; Improve safety & promote healthy working environment; formulate Efficient Human Resource Management Policies, Practices, Norms and Standards; develop Performance management system; formulate Efficient employee relations; implement Alcohol Regulation and control Framework capable of scaling up county efforts in the fight against illicit brew; Develop alcohol prevention program; Conduct enforcement and testing of alcoholic drinks; Enable Service Delivery Quality and Access; ensure Effective systems & structures and processes; promote Effective communication systems and public engagement; develop and display Service Delivery Charters in service delivery sites; Draft Bill on Betting & Gaming; Develop policy and Appropriate governance structures and decision making; ensure Citizen engagement and public participation; promote Effective Corruption prevention; ensure Smooth and efficient service delivery; Management and Coordination of County Government business; Construction and Equipping of Sub Counties and Wards offices.

144. For the FY 2016/17, a total of KShs. 696,649,401 has been set aside to fund the programmes of the Department from the FY 2015/16 printed estimates of KShs. 694,958,328. This is projected to increase to KShs. 766,314,341 and KShs. 842,945,775 in the FY 2017/18 and FY 2018/19 respectively.

5.10 Health Services

145. The Health Sector is made up of three (3) directorates which include; Directorate of Health Planning and Administration; Directorate of Health prevention and promotion; Directorate of Clinical and Rehabilitative Services. The mandate for the Sector is to build a progressive, responsive and sustainable technologically-driven, evidence-based and client-cantered health system for accelerated attainment of the highest standard of health to all residents of Kiambu.
146. The key challenges facing the Department include; Inadequate health personnel; Erratic supply of health products; Poor health infrastructure; Inadequate public health facilities; Inadequate resources; constructions delay due to the long process of acquiring Bills Quantities; slow procurement process; Lack of enough knowledge to the citizens on activities being carried out by the Department; Expensive media services when the Department wants to inform of activities being carried out in the sector; Delayed maternity fee reimbursements therefore leading to hospital debts.
147. Some of the key achievement during the period under review include operationalization of 17 facilities i.e. Gitithia , Gituamba, Kiriri, Nachu, Gikambura, Escarpment, Kahuho, Ndenderu, Tinganga, Mutonya, Muthaara, Makwa, Miirini dispensaries; Purchase of 5 new Advanced Life Support Ambulances (– 2 to Thika Level 5, 1 Gatundu District Hospital, Kiambu District Hospital and Tigoni District Hospital and the 4 that was withdrawn from those facilities were distributed to Kigumo, Ndieya, Lusigetti and Kihara facilities); Purchased commodities non pharms and medical drugs; Purchased Thika Level 5 mortuary Equipment's among others

148. In the FY 2016/17 the following activities will form the focus of developments in the Health Department: Completion of the on-going:

- 1) Thika Level 5 Reproductive Health Unit
- 2) Tigoni D.H 150 bed ward capacity
- 3) Kikuyu Level 4 -200 bed capacity
- 4) Wangige level 4 -200 bed capacity
- 5) Lari level 4 -200 bed capacity hospitals

Also in line with its strategic plan, the health Department plans to increase the bed capacity for Kiambu County Hospitals from the current 900 to 3,000.

The Department will also be equipping 5 new upcoming hospitals through various ways including leasing of special health equipments like CT scans and other imaging, renal, cardiac, Oncology, orthopaedic and ambulatory surgical equipment.

These hospitals will offer Centers for Excellence in management of non communicable diseases. The Reproductive Health Unit in Thika level 5 Hospital for instance will offer especially cancer, diabetes and hypertension health services. Lari level 4 Hospital will specialize as a Trauma center in, Tigoni Hospital will specialize on Paediatric care while Kikuyu level 4 and Wangige level 4 will offer both basic and other specialized services. These will be completed by December 2016.

- The Department is now in the process of increasing the number of Level 2 and 3 facilities offering maternity services to approximately 70 . In this year, twenty one (21) new facilities will now have maternity units while all the rest will be equipped

in the coming FY. We hope to have all facilities offering adequate maternity services by end year 2017.

- All the 13 Level 4 and 5 hospitals are being supplied with all special medicines for hypertension, diabetes, asthma and all non communicable diseases at subsidised prices to ensure that these patients with chronic diseases get their prescribed medicines within County hospitals.
- To offer adequate and excellent specialized services, 4 teams of doctors and nurses will undergo intensive surgical training with the help of partners so as to offer orthopaedic, neurosurgical, renal, cancer and other specialized surgical procedures.
- The county is also in the process of ensuring that all the health centers and dispensaries have fully functional laboratories and will in the next financial year purchase more laboratory equipments for these facilities. This will ensure that we have accurate and standardized diagnosis throughout the county hence offering the correct treatment for all the citizens of Kiambu County.
- The Department is carrying out an ambitious computerization process for all the facilities within the county. In the FY 2016/2017 the department would want to achieve full automation of at least 80% of all the facilities.

Annuity program

This will be designed to build and equip Specialised Centres of excellence with the following specialities:

- ✓ Renal Medicine, Non Communicable Diseases(NCD) i.e. Diabetis, Hypertension and orthopaedic medicine
- ✓ Oncology - cancer and tumour related Medicine

- ✓ On cardiac sciences
- ✓ Neurosciences with fully equipped imaging equipment i.e. MRI, ultra and CT scanning equipment. It is planned that a New Kiambu Referral Hospital will take care of these services. The programme will involve shifting the current location of the present Kiambu Hospital from its current location to a more spacious environment while at the same time upgrading it to attain the highest standards of excellence.

The annuity program will be in form of a contract design arrangement model where projects are paid for over a period of time. Specific achievements will include the following:

- 5 fully fledged world class specialized hospitals with a bed capacity of over 2,500;
- 8 fully equipped level 4 hospitals for basic and secondary care with bed capacities of over 1,500;
- 11 complete Community Life Centres offering services that can be matched with level 4 hospitals;
- Over 80 fully equipped modern Health centres found in all wards within the County;
- A Central Sterile Section Department (CSSD) serving all these facilities to sterilize equipment;
- A network of on call ambulances with proper referral systems within the entire county.

Universal Health Cover for the Citizens of Kiambu

- The Department is also working on making Kiambu County residents have an affordable Universal Health Cover for its residents. In the FY 2016/17 these could be achieved hence ensuring that the residents can access the best health care services throughout the world through the medical scheme.

149. For the FY 2016/17, the county Government sets aside KShs. 3.9 billion to fund the programmes of the Department up from the FY 2015/16 printed budget of KShs. 3.8 billion. This is projected to increase to KShs. 4.3 and KShs. 4.7 billion in the FY 2017/18 and FY 2018/19 respectively.

5.11 County Public Service Board

150. The County Public Service Board is responsible for establishing and abolishing offices in the county public service; appointing staff of the county; exercising disciplinary control; promoting in the county public service values and principles of governance; facilitating the development of coherent, integrated human resource planning and budgeting for personnel emoluments in county; advising the county on human resource management and development; advising the county on implementation and monitoring of the national performance management system in the county; and making recommendations to the SRC, on behalf of the County, on the remuneration, pensions and gratuities for county public service employees.

151. During the period under review, the Board made key achievements which include; carrying out successful recruitment of staff to fill critical gaps in different Departments of the County; Establishment and recruitment of the County Public Service Board Secretariat; Developing various policies on human resource; identifying challenges faced by staff within these sub counties and addressing various industrial disputes lodged against the County

152. Key challenges facing the Board include: Inadequate resources; staff rationalization; anxiety among the members of staff from defunct Local Authorities and devolved functions; Lack of reliable and sustainable transport (vehicles) for field services; No scheme of service for County employees; Enormous expectation from the members of the public

153. Some of the specific programmes to be undertaken include; filling of vacant positions; ensuring the county has a lean highly motivated skilled workforce; staff rationalization; Improved safe & healthy working environment; development HRM Policies, Practices, Norms and Standards; formulation of Performance management system; Development of efficient employee relations / compensation policies and practices.

154. For the FY 2016/17, KShs. 62,523,664 has been set aside to fund the programmes of the Board compared to the FY 2015/16 printed budget of KShs. 62,488,000. This is projected to increase to KShs. 68,776,031 and KShs. 75,653,634 in the FY 2017/18 and FY 2018/19 respectively.

5.12 County Executive

155. The County Executive supervises the administration and delivery of services in the county and all decentralized units and agencies in the county, provides overall policy and leadership direction in the management of public affairs, responsible for policy formulation, implementation, monitoring and evaluation. In addition, it facilitates enactment of county legislation and oversees all Departments and offers direction on all county matters.

156. The Sector utilised its budgetary resources to implement various projects and activities. Some of the key outputs which were realised include: provided policy direction through Cabinet meetings; developed various County Government policies and Cabinet papers; developed bills for submission to the county assembly; Operationalized service delivery administrative structures within the county; initiated a Performance Management System; Digital communication /platforms and feedback mechanism and promotion of public participation in the development of policies.

157. Some of the programmes the sectors will implement during the 2016/17 – 2018/19 MTEF budget period include; Planning and guiding county on various programmes; improvement of social infrastructure facilities; Develop citizen engagement framework and disseminate information; Development of County Government Policies; Engagement of Public on legislative and policy issues; Monitoring of Compliance to Strategic Executive Orders and Policy Directives; Automation of Cabinet business; and offer general guidance and policy direction.

158. For the FY 2016/17, KShs. 388,756,115 has been set aside to fund the programmes of Executive from the FY 2015/16 budget of KShs. 389,512,000. This is projected to slowdown to KShs. 427,631,726 and KShs. 470,394,899 in the FY 2017/18 and FY 2018/19 respectively.

5.13 County Assembly

159. Kiambu County Assembly (KCA) is a legislative arm of the Kiambu County Government created by the Constitution of Kenya, 2010 and comprises 87 members 60 of whom are elected and 27 nominated to represent various interests and constitutional provisions on gender equity. The assembly functions through 17 house committees, a speaker's panel with the administrative issues being handled by the

County Assembly Service Board. The functions of the assembly are representation of county residents, law-making and oversight.

160. The key Strategic goals and objectives include; Review Kiambu County Assembly (KCA) Standing Orders; Carrying out continuous mandate workshops for house committees; Periodic training of members to inculcate a parliamentary culture in the conduct of their mandate; Establish a research centre, curriculum development centre and well equipped library; Document the committee proceedings in the Hansard; Purchase safe storage facilities for the files e.g. microfilming, fireproof cabinets; Continuous staff capacity development through training; and capacity building for MCAs.
161. Some key achievements during the period under review include; Legislation, oversight and representation of the County Government programmes; Completed perimeter fence; constructed a parking bay; Refurbished Assembly Chambers; conducted capacity building forums, report writing and passing of bills.
162. Under the plan period 2016/17 FY, the assembly intends to extend the assembly debating chamber, renovate former education offices for their own utilization, complete the office perimeter wall, construct members and staff canteen, construction and equipping of computer labs, purchase of 2no courtesy bus and 2no vehicles, acquisition of land for speakers residence as well as conducting capacity building forums, report writing and passing of crucial bills.
163. For the FY 2016/17, KShs. 837,391,184 has been set aside to fund the programmes of the Assembly from the FY 2015/16 printed estimates of KShs. 872,843,954. This is projected to increase to KShs. 921,130 and KShs. 1 billion in the FY 2017/18 and FY 2018/19 respectively. The reason for the slowdown of county

Assembly budget is the recently enacted PFM Regulations that require that the approved expenditures of a County assembly not to exceed seven per cent of the total revenues of the county government or twice the personnel emoluments of that county assembly, whichever is lower (*See Regulation 25(1)(g) of the PFM Regulations*).

Appendices

Annex 1: Total Expenditure Ceilings for the MTEF Period 2016/17-2018/19

vote	Vote Name		Printed Estimates 2015/16	2016/17	Projected 2017/18	Projected 2018/19
	RECURRENT		7,980,223,385	8,015,029,899	8,495,931,693	9,005,687,594
4061	County Assembly		828,000,000	828,747,170	878,472,000	931,180,320
		O&M	398,600,000	389,569,789	412,943,977	437,720,615
		PE	429,400,000	439,177,381	465,528,024	493,459,705
4062	County Executive		382,337,000	381,553,549	404,446,762	428,713,568
		O&M	208,899,928	204,167,338	216,417,378	229,402,421
		PE	173,437,072	177,386,211	188,029,384	199,311,147
4063	County Public Service Board		62,488,000	62,523,664	66,275,084	70,251,589
		O&M	30,538,000	29,846,167	31,636,937	33,535,153
		PE	31,950,000	32,677,497	34,638,147	36,716,436
4064	Finance & Economic Planning		1,373,520,375	1,370,028,389	1,452,230,092	1,539,363,898
		O&M	765,373,752	748,034,348	792,916,409	840,491,394
		PE	608,146,623	621,994,040	659,313,683	698,872,504
4065	Administration & Public Service		486,364,912	487,254,583	516,489,858	547,479,249
		O&M	224,212,743	219,133,244	232,281,239	246,218,113
		PE	262,152,169	268,121,339	284,208,619	301,261,136
4066	Agriculture, Livestock & Fisheries		375,061,917	378,170,225	400,860,439	424,912,065
		O&M	119,578,183	116,869,161	123,881,311	131,314,189
		PE	255,483,734	261,301,065	276,979,128	293,597,876
4067	Water, Environment & Natural Resources		200,563,028	202,606,688	214,763,089	227,648,874
		O&M	55,545,428	54,287,056	57,544,280	60,996,937
		PE	145,017,600	148,319,631	157,218,809	166,651,938
4068	Health Services		2,864,050,000	2,895,829,197	3,069,578,949	3,253,753,685
		O&M	736,050,000	719,374,921	762,537,416	808,289,661
		PE	2,128,000,000	2,176,454,276	2,307,041,533	2,445,464,025
4069	Education, Culture, ICT & Social Services		525,503,501	524,371,377	555,833,660	589,183,679
		O&M	288,340,327	281,808,029	298,716,511	316,639,502
		PE	237,163,174	242,563,348	257,117,149	272,544,178
4070	Youth, Sports & Communications		146,047,760	146,306,805	155,085,214	164,390,327
		O&M	67,506,084	65,976,746	69,935,351	74,131,472
		PE	78,541,676	80,330,059	85,149,863	90,258,855
4071	Lands, Physical Planning & Housing		136,015,248	136,503,804	144,694,033	153,375,675
		O&M	57,424,564	56,123,621	59,491,038	63,060,500
		PE	78,590,684	80,380,183	85,202,994	90,315,174
4072	Trade, Tourism, Industry & Co-Operative		166,966,644	169,358,613	179,520,130	190,291,338
		O&M	31,036,841	30,333,707	32,153,729	34,082,953
		PE	135,929,803	139,024,906	147,366,401	156,208,385
4073	Roads, Transport & Public Works		433,305,000	431,775,833	457,682,383	485,143,326
		O&M	250,865,000	245,181,699	259,892,601	275,486,157
		PE	182,440,000	186,594,134	197,789,783	209,657,169
	Development		3,968,825,562	3,947,701,293	4,184,563,371	4,435,637,173
4061	County Assembly		44,843,954	8,644,013	9,162,654	9,712,414
4062	County Executive		7,175,000	7,202,566	7,634,720	8,092,803

4064	Finance & Economic Planning		85,350,000	85,677,909	90,818,583	96,267,698
4065	Administration & Public Service		208,593,416	209,394,818	221,958,507	235,276,017
4066	Agriculture, Livestock & Fisheries		262,547,748	263,556,439	279,369,825	296,132,015
4067	Water, Environment & Natural Resources		281,500,000	282,581,504	299,536,394	317,508,578
4068	Health Services		1,027,044,000	1,030,989,834	1,092,849,224	1,158,420,177
4069	Education, Culture, ICT & Social Services		375,626,985	377,070,118	399,694,326	423,675,985
4070	Youth, Sports & Communications		370,000,000	371,421,515	393,706,806	417,329,214
4071	L&s, Physical Planning & Housing		180,339,500	181,032,352	191,894,293	203,407,951
4072	Trade, Tourism, Industry & Co-Operative		227,526,942	228,401,085	242,105,150	256,631,459
4073	Roads, Transport & Public Works		898,278,017	901,729,140	955,832,889	1,013,182,862
	TOTAL		11,949,048,947	11,962,731,192	12,680,495,064	13,441,324,767

Annex 2: Total Revenue Ceilings for MTEF Period FY 2016/2017-2017/2018

Item Code	Details	Approved Estimates 2015/2016	Projected Estimates 2016/2017	Projected Estimates 2017/2018	Projected Estimates 2018/2019
	(Receiver of Revenue - Chief Officer for Finance)				
		KShs.	KShs.	KShs.	KShs.
1130101	Stand Premium	3,620,915	2,988,341	3,167,641	3,357,700
1130102	Plot Rents Poll Rates	75,636,025	62,422,412	66,167,756	70,137,822
1130104	Land Rates	566,930,681	467,887,891	495,961,165	525,718,835
	Total Taxes on Property	646,187,621	533,298,644	565,296,562	599,214,356
1110104	Cess Receipts	245,449,036	202,569,090	214,723,235	227,606,629
	Of Which:				-
	Quarry Cess	120,000,000	99,036,000	104,978,160	111,276,850
	Other Cesses	20,000,000	16,506,000	17,496,360	18,546,142
1420345	Agriculture Cess		-		-
	Tea Cess	60,990,000	50,335,047	53,355,150	56,556,459
	Coffee Cess	31,246,164	25,787,459	27,334,707	28,974,789
	Fruits and Vegetables/Produce Cess	13,212,872	10,904,584	11,558,859	12,252,390
	Total Cess Receipts	245,449,036	202,569,090	214,723,235	227,606,629
	1140500 Receipts from Permission to Use Goods or to Perform Services and Activities				-
1140501	Liquor Licence	60,000,000	49,518,000	52,489,080	55,638,425
	Total Receipts from Permission to Use Goods or to Perform Services and Activities	60,000,000	49,518,000	52,489,080	55,638,425
	1140800 Other Taxes on Goods and Services				-
1140801	Entertainment Tax	342,000	282,253	299,188	317,139
	Of which:				-
	Video Cinema	342,000	282,253	299,188	317,139
	Total Receipts from Entertainment Tax	342,000	282,253	299,188	317,139
	1140401 Taxes on Specific Services				-
1140401	Betting and Control	1,000,000	825,300	874,818	927,307
	Total Taxes on Specific Services	1,000,000	825,300	874,818	927,307

	1300000 Grants				-
1330203	Grants from other levels of Governments	8,265,966,316	8,923,097,756	9,458,483,621	10,025,992,639
	Of Which:				-
	Unconditional Grants	7,463,541,789	8,053,256,819	8,536,452,228	9,048,639,362
	Conditional Grant-	802,424,527	869,840,937	922,031,393	977,353,277
	Thika Level 5	330,044,000	393,063,584	416,647,399	441,646,243
	Free maternal health care Allocation	224,785,400	221,521,352	234,812,633	248,901,391
	Leasing of medical medical equipment's	95,744,681	95,744,681	101,489,362	107,578,724
	Road maintenance fuel levy fund	94,811,800	123,738,238	131,162,532	139,032,284
	Compensation of User Fees Forgone	37,838,646	35,773,082	37,919,467	40,194,635
	DANIDA	19,200,000	-	-	-
	Total Grants	8,265,966,316	8,923,097,756	9,458,483,621	10,025,992,639
					-
	1410000 Property Income				-
1410402	Lease / Rental of Councils Infrastructure Assets	24,000,000	19,807,200	20,995,632	22,255,370
1410404	Housing Estates monthly Rent	45,000,000	37,138,500	39,366,810	41,728,819
	Total Property Income	69,000,000	56,945,700	60,362,442	63,984,189
	1420000 Sales of Goods and Services				-
1420102	Other Revenues(Various Fees)	50,000,000	41,265,000	43,740,900	46,365,354
1420203	Registration of Private Schools/Self Help Groups	6,000,000	4,951,800	5,248,908	5,563,842
1420328	Single Business Licences	412,000,000	340,023,600	360,425,016	382,050,517
	of Which:				-
	Business Permits	400,000,000	330,120,000	349,927,200	370,922,832
	Business Subletting/Transfer fee	12,000,000	9,903,600	10,497,816	11,127,685
1420335	Document Search Fee	2,821,329	2,328,443	2,468,149	2,616,238
1420404	Parking Fees	440,000,000	363,132,000	384,919,920	408,015,115
	Of which:				-
	Vehicle Parking Fee	240,000,000	198,072,000	209,956,320	222,553,699
	Matatu Parking fees	200,000,000	165,060,000	174,963,600	185,461,416
1420405	Market /Trade Centre Fee	180,000,000	148,554,000	157,467,240	166,915,274

1420601	Tender Documents Sale	8,000,000	6,602,400	6,998,544	7,418,457
	Total Sales of Goods and Services	1,098,821,329	906,857,243	961,268,677	1,018,944,798
	1430000 Fines, Penalties and Forfeitures				-
1430101	Impounding Charges	40,250,000	33,218,325	35,211,425	37,324,110
	Total Fines, Penalties and Forfeitures	40,250,000	33,218,325	35,211,425	37,324,110
	1450000 Other Receipts Not Elsewhere Classified				-
1450105	Other County Government Revenue	1,522,032,644	1,256,118,882	1,331,486,015	1,411,375,176
	Of which:				-
	Plot Amalgamation Fee	960,000	792,288	839,825	890,215
	Rates Clearance	13,452,000	11,101,936	11,768,052	12,474,135
	Consent to Charge	6,000,000	4,951,800	5,248,908	5,563,842
	Site Visit Fee	6,000,000	4,951,800	5,248,908	5,563,842
	Debt Clearance Certificate	5,000,000	4,126,500	4,374,090	4,636,535
	Application fee	60,000,000	49,518,000	52,489,080	55,638,425
	Isolation Fee	18,000,000	14,855,400	15,746,724	16,691,527
	Plot Subdivision	35,958,218	29,676,317	31,456,897	33,344,310
	Change Of Trade	75,600	62,393	66,136	70,104
	Addition of Trade	71,820	59,273	62,829	66,599
	Tenant Fee	96,957	80,019	84,820	89,909
	Ground rent fee	20,000,000	16,506,000	17,496,360	18,546,142
	Market Stall Rent	20,000,000	16,506,000	17,496,360	18,546,142
	Public Auction	478,800	395,154	418,863	443,995
	Change Of User	180,000,000	148,554,000	157,467,240	166,915,274
	Cheque Clearance Fee	2,530,458	2,088,387	2,213,690	2,346,512
	Change of Ownership	5,000,000	4,126,500	4,374,090	4,636,535
	Slaughtering fee	30,000,000	24,759,000	26,244,540	27,819,212
	Hides and skins fee	10,591,455	8,741,128	9,265,595	9,821,531
	Sign Board & Advertisement	70,000,000	57,771,000	61,237,260	64,911,496
	Building Plan / Inspection fee	240,000,000			

			198,072,000	209,956,320	222,553,699
	Other property charges	40,000,000	33,012,000	34,992,720	37,092,283
	Beacon certificate fee	4,366,656	3,603,801	3,820,029	4,049,231
	Provisional Rates	385,340	318,021	337,102	357,328
	Extension of Lease	120,000	99,036	104,978	111,277
	Sale of Council Assets	7,445,340	6,144,639	6,513,317	6,904,116
	Sub County Premises & Assets Renting /Hiring	6,000,000	4,951,800	5,248,908	5,563,842
	Survey Fee	12,000,000	9,903,600	10,497,816	11,127,685
	Nursery School Fees	10,000,000	8,253,000	8,748,180	9,273,071
	Fire Fighting	10,000,000	8,253,000	8,748,180	9,273,071
	Public Health facilities Operations	100,000,000	82,530,000	87,481,800	92,730,708
	Burial fee	500,000	412,650	437,409	463,654
	Medical Services Charges(FIF)	330,000,000	272,349,000	288,689,940	306,011,336
	Ministry of Agriculture	10,000,000	8,253,000	8,748,180	9,273,071
	Weight & Measures	5,000,000	4,126,500	4,374,090	4,636,535
	Co-operative services fees	15,000,000	12,379,500	13,122,270	13,909,606
	Miscellaneous	85,000,000	70,150,500	74,359,530	78,821,102
	Car Loan & Mortgage Repayments	65,000,000	53,644,500	56,863,170	60,274,960
1420327	Game & Nature Park Fee	7,000,000	5,777,100	6,123,726	6,491,150
1450202	Environment & Conservancy Administration	90,000,000	74,262,341	78,718,081	83,441,166
	Total Other Receipts Not Elsewhere Classified	1,522,032,644	1,256,118,882	1,331,486,015	1,411,375,176
	Total Revenue	3,683,082,631	3,039,633,436	3,222,011,442	3,415,332,129
	Total Grants	8,265,966,316	8,923,097,756	9,458,483,621	10,025,992,639
	Unspent Revenue	0	0	0	-
	Net Domestic Borrowing	0	0	0	-
	GRAND TOTAL	11,949,048,947	11,962,731,192	12,680,495,064	13,441,324,768