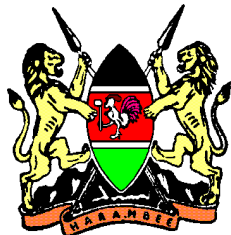


# **REPUBLIC OF KENYA**



## **COUNTY GOVERNMENT OF KERICHO**

### **FINANCE AND ECONOMIC PLANNING**

#### **COUNTY BUDGET REVIEW AND OUTLOOK PAPER C- BROP**

**2016**

## **FOREWORD**

1. This Fourth edition of the County Budget Review and Outlook Paper (CBROP), prepared by the County Treasury, outlines the progress made by the Kericho County government. The CBROP highlights key challenges facing the county as it plans and implements the development priorities. The CBROP takes a critical look at the underlying economic issues and proposes various options that should guide the process of budget formulation for the 2017/18 Financial Year.
2. Prudent financial management in the county will be determined by achieving a balance between developing institutions and investing in productive sectors. Importantly, the pace at which the county shall adhere to fiscal discipline amid the high recurrent expenditure experienced in the 2015/16 financial year in setting up county systems remains a crucial factor in determining the pace of future growth of the country. In addition, the huge recurrent related expenses especially on wage bill will continue to be a major challenge as the implementation of devolved system of governance.
3. This paper will provide an overview of the actual performance of the FY 2015/16. The performance of 2015/16 budget formed the basis for projecting the 2016/17 budget based on the recent economic developments. As required by the constitution 2010 and Public Finance Management Act, 2012 the County will ensure transparency and accountability

Hon. Patrick C Mutai

**C.E.C – Finance and Economic Planning and Head of County Treasury**

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## **ACRONYMS**

CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
CBK	Central Bank of Kenya
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy Paper
CPI	Consumer Price Index
FIF	Facility Improvement Fund
FY	Financial /Fiscal year
GDP	Gross Domestic Product
IFMIS	Integrated Financial Management Information Systems
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
PFM Act	Public Finance Management Act

**1.0 Background**

4. The County Budget Review and Outlook paper (CBROP) will provide actual fiscal performance of the financial year 2015/16 compared to the budget appropriation of the same Financial Year. It will also give an updated economic and financial forecasts and show changes from the forecasts in the County Fiscal Strategy Paper 2015.

**1.1 Legal Basis for the preparation of the County Budget Review and Outlook Paper (C-BROP)**

Section 118 of the Public Financial Management Act, 2012 states that:

- 1) A County Treasury shall –
  - (a) Prepare a County Budget Review and outlook Paper in respect of the County for each financial year, and
  - (b) Submit the paper to the County Executive Committee by the 30<sup>th</sup> September of that year.
- 2) In preparing its County Budget Review and Outlook Paper, the County Treasury shall specify-
  - a) The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year
  - b) The updated economic and financial forecasts with sufficient information to show changes from the forecast in the most recent County Fiscal Strategy Paper.
- c) Information on –
  - (i) Any changes in the forecasts compared with County Fiscal Strategy Paper, or

- (ii) How actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year; and
- d) Reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.

Under section 137 of the PFM Act 2012, the County Budget and Economic forum purpose shall be;

- (a) Preparation of county plans, the County Fiscal Strategy Paper and the Budget Review and Outlook Paper for the county; and
  - (b) Matters relating to budgeting, the economy and financial management at the county level.
- 3) The County Executive Committee shall consider the County Budget Review and Outlook Paper with a view to approving it, with or without amendments, within fourteen days after its submission.
- 4) Not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall-
- (a) arrange for the Paper to be laid before the County Assembly; and
  - (b) as soon as practicable after having done so, publish and publicize the Paper.

**1.1.1. Fiscal Responsibility Principles in the Public Financial Management Law.**

5) In line with the Constitution, the Public Financial Management Act, 2012, set out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. Section 107 avers that:

- 1) A County Treasury shall manage its public finances in accordance with the principle of fiscal responsibility set out in subsection (2), and shall not exceed the limits stated in the regulations.
- 2) In managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles-
  - (a) The County government 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 the 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 for the purpose of financing development expenditure and not for recurrent expenditure i.e. the county debt shall be maintained at a sustainable level as approved by the County Assembly.

## **1.2 Objective of County Budget Review and Outlook Paper (C-BROP)**

6. The objective of the CBROP is to provide a review of the previous fiscal performance and how this impacts the financial objectives and fiscal responsibility principles set out in the last County Fiscal Strategy Paper (CFSP). This together with updated macroeconomic outlook provides a basis for revision of the current budget in the context of Supplementary Estimates and the broad fiscal parameters underpinning the next budget and the medium

term. Details of the fiscal framework and the medium term policy priorities will be firmed up in the next CFSP.

## **2.0 REVIEW OF FISCAL PERFORMANCE IN FINANCIAL YEAR 2015/2016**

### **2.1 OVERVIEW**

7. This section provides an overview of the performance and implementation of the budget for the financial year 2015/16 and how this may have affected compliance with the fiscal responsibility with regards to the CFSP.

#### **2.1.1 Revenue**

8. The county's FY 2015/16 last approved supplementary budget estimates was Kshs.5.57 billion, comprising of Kshs.3.42 billion (61.5 per cent) and Kshs.2.45 billion (38.5 per cent) allocated for recurrent and development expenditure respectively.

9. The County expected to receive Kshs.4.51 billion (80.9 per cent) as equitable share of revenue raised nationally, Kshs.193.69 million (3.5 per cent) as total conditional grants, raise Kshs.440 million (7.9 per cent) from local sources, and had a cash balance of Kshs.431.40 million (7.7 per cent) from FY 2014/15 to finance the budget. The conditional grants anticipated, comprised of Kshs.98.85 million (1.78 per cent) for Free Maternal Health Care, Kshs.57.23 million (1.0 per cent) from the Road Maintenance Fuel Levy Fund, Kshs.17.68 million (0.3 per cent) for User Fees Foregone and Kshs.19.93 million (0.4 per cent) as grant from DANIDA. The budget allocation by department is summarised in table A.



**Table A: FY 2015/16 Budget allocation by department**

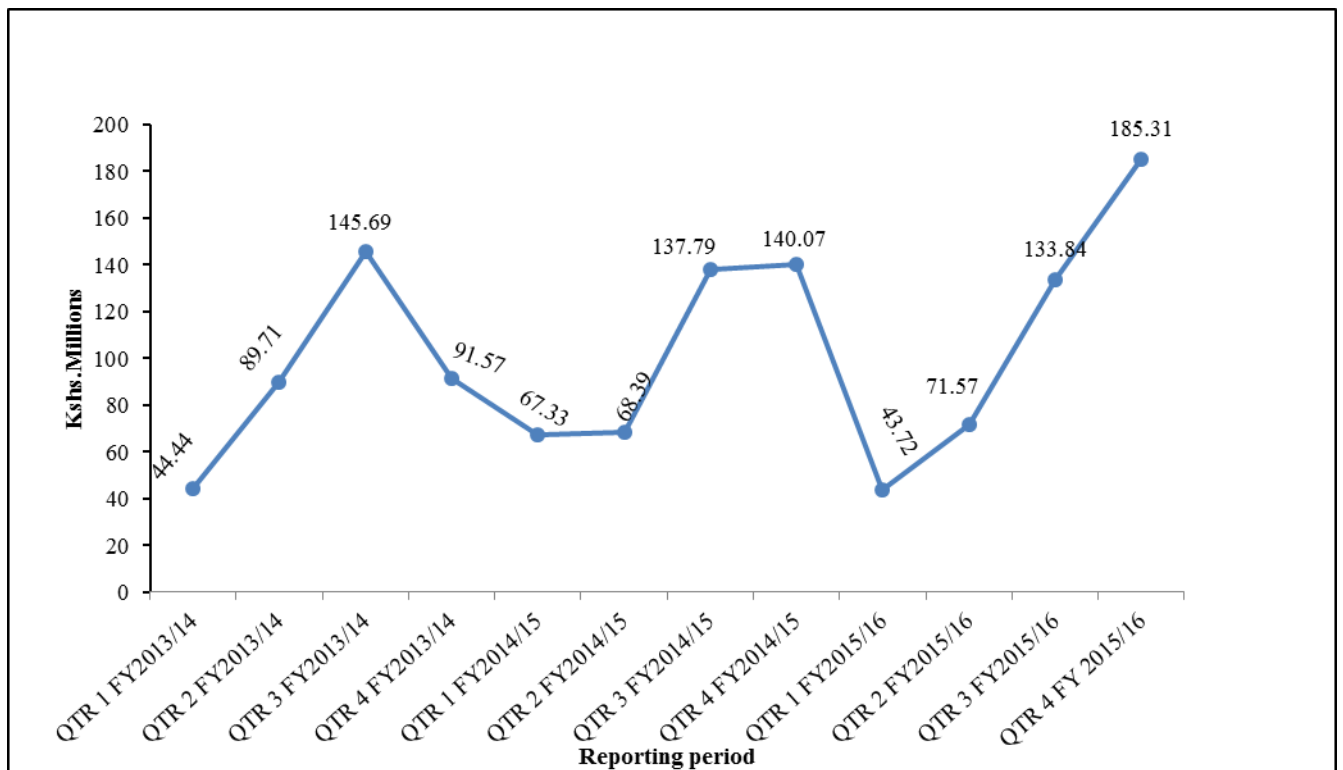
Line Department/Entity	Recurrent Estimates	Development Estimates	Total Allocation	% of Allocation
County Assembly Services	538,037,314	-	538,037,314	9.7
Public Service & Administration	270,311,768	6,267,864	276,579,632	5.0
Office of the Governor & Deputy Governor	151,718,494	-	151,718,494	2.7
County Public Service Board	49,714,110	-	49,714,110	0.9
Finance & Economic Planning	241,177,168	112,907,505	354,084,673	6.4
Health Services	1,454,106,787	235,461,552	1,689,568,339	30.3
Agriculture, Livestock Development & Fisheries	166,632,547	152,040,289	318,672,836	5.7
Education, Youth, Children, Culture & Social Services	285,207,122	187,774,199	472,981,321	8.5
Public Works, Roads & Transport	64,595,942	1,031,525,527	1,096,121,469	19.7
Trade, Industrialization, Tourism, Wildlife & Cooperative Development	70,389,331	65,550,775	135,940,106	2.4
Water, Energy, Natural Resources & Environment	70,248,660	217,034,657	287,283,317	5.2
Land, Housing & Physical Planning	40,203,604	99,616,063	139,819,667	2.5
Information, Communication & E-Government	20,922,353	38,712,601	59,634,954	1.1
<b>Total Estimates</b>	<b>3,423,265,202</b>	<b>2,146,891,032</b>	<b>5,570,156,234</b>	<b>100.0</b>

*Source: County Treasury, 2016*

10. The actual revenue inclusive of the National Equitable share and Grants and the local revenue amounted to Kshs 5,030,473,493. The National Equitable share is determined by a formula with variables such as Equal share, Poverty, area, population among others and while the county may not significantly alter the variables that determine its equitable share within the short and medium term, a county can however put strategies in place in an attempt to increase its revenue base.

11. The total local revenue collected for the FY 2015/16 of Kshs.449.63 million consisted of Kshs.43.72 million generated in the first quarter, Kshs.71.57 million in the second quarter, Kshs.133.84 million in the third quarter, and Kshs. 200.5 million in the fourth quarter. This revenue was 102.2 per cent of the annual local revenue target, and an increase of 8.7 per cent from Kshs.413.31 million collected in FY 2014/15. Table B provides the trend in local revenue performance by quarters from FY 2013/14 to FY 2015/16.

**Table B: Trend in Local Revenue Collection by Quarters from FY 2013/14 to FY 2015/16**



**Source :**County Treasury,2016

Table 1, 2 and 3 therefore provides the fiscal performance for the period and deviations from the approved estimates.

**TABLE 1: COUNTY GOVERNMENT TOTAL REVENUE (KSHS)**

Source of revenue	FY 2015/2016		
	Target A (Ksh)	Actual B (Ksh)	Deviations C = A-B (Ksh)
National Equitable Share	4.505 Billion	3.983 Billion	(521.676 Million)
Local revenues inclusive of FIF (Appendix 1)	440 Million	449.63 Million	9.636 Million
Conditional Grants (Appendix 2)	193.69 Million	166.08 Million	(27.61 Million)
Unspent Funds 2014/15	404.40 Million	404.4 Million	0
Surplus Own Revenue	27 Million	27 Million	0
<b>Total Collection</b>	<b>5.570 Billion</b>	<b>5.030 Billion</b>	<b>(539.682 Million)</b>

*Source: Kericho County Treasury*

### 2.1.2 Expenditure

12. Total expenditure amounted to Kshs 4,862,317,826 against a target of Kshs 5,570,156,234, representing an under spending of Kshs 707, 838,408 (or 12.71% deviation from the revised budget/target expenditure). Recurrent expenditure amounted to Kshs. 3,185,777,171 and development expenditure was Kshs. 1,676,540,655. This translates to recurrent expenditure constituted 65.52% and development expenditure constituted 34.48% of total expenditure.

**TABLE 2: RECURRENT EXPENDITURE, IN (KSHS)**

Department/Entity	Budget Allocation (Kshs.) FY 2015/2016	Exchequer Issues (Kshs.) FY 2015/2016	Expenditure (Kshs) FY 2015/2016	Balances to Expenditure FY 2015/2016	Balance on Exchequer Issues FY 2015/2016	Absorption Rate
	Rec	Rec	Rec	Rec	Recc	Recc
County Assembly Services	538,037,314	517,253,796	516,968,329	21,068,985	20,783,518	96%

Public Service & Administration	270,311,768	270,111,768	266,515,609	3,796,159	200,000	99%
Office of the Governor & Deputy Governor	151,718,494	141,590,418	151,355,380	363,114	10,128,076	100%
County Public Service Board	49,714,110	41,703,000	44,567,481	5,146,629	8,011,110	90%
Finance & Economic Planning	241,177,168	235,461,639	240,408,105	769,063	5,715,529	100%
Agriculture, Livestock & Fisheries	166,632,547	151,614,979	164,481,983	2,150,564	15,017,568	99%
Environment, Water, Energy & Natural Resources	70,248,660	57,679,997	67,656,566	2,592,094	12,568,664	96%
Education, Youth, Culture & Social services	285,207,122	189,732,039	191,406,518	93,800,605	95,475,084	67%
Health Services	1,454,106,787	1,427,999,225	1,359,284,962	94,821,825	26,107,562	93%
Land, Housing & Physical Planning	40,203,604	32,705,222	35,054,094	5,149,510	7,498,382	87%
Public Works, Roads & Transport	64,595,942	58,395,757	64,572,825	23,117	6,200,186	100%
ICT & E-Government	20,922,353	20,922,353	19,633,093	1,289,260	-	94%
Trade, Industrialization, Tourism, Wildlife & Cooperative Development	70,389,331	65,388,042	63,872,226	6,517,105	5,001,290	91%
<b>TOTAL</b>	<b>3,423,265,201</b>	<b>3,210,558,234</b>	<b>3,185,777,171</b>	<b>237,488,030</b>	<b>212,706,966</b>	<b>93%</b>

**Source: Kericho County Treasury**

**TABLE 3: DEVELOPMENT EXPENDITURE, IN (KSHS)**

Department/Entity	Budget Allocation (Kshs.) FY 2015/2016	Exchequer Issues (Kshs.) FY 2015/2016	Expenditure (Kshs) FY 2015/2016	Balances to Expenditure FY 2015/2016	Balance on Exchequer Issues FY 2015/2016	Absorption Rate
	Dev	Dev	Dev	Dev	Dev	Dev
County Assembly Services	-	-	-	-	-	0%
Public Service & Administration	6,267,864	-	-	6,267,864	6,267,864	0%
Office of the Governor & Deputy Governor	-	-	-	-	-	0%
County Public Service Board	-	-	-	-	-	0%
Finance & Economic Planning	112,907,505	105,388,744	86,070,049	26,837,456	7,518,761	76%
Agriculture, Livestock & Fisheries	152,040,289	84,000,000	75,865,300	76,174,989	68,040,289	50%

Environment, Water, Energy & Natural Resources	217,034,657	138,945,512	127,461,285	89,573,372	78,089,145	59%
Education, Youth, Culture & Social services	187,774,199	114,900,000	86,807,961	100,966,238	72,874,199	46%
Health Services	235,461,552	203,930,000	178,467,669	56,993,883	31,531,552	76%
Land, Housing & Physical Planning	99,616,063	31,000,000	48,927,782	50,688,281	68,616,063	49%
Public Works, Roads & Transport	1,031,525,527	1,028,225,527	1,014,925,009	16,600,518	3,300,000	98%
ICT & E-Government	38,712,601	33,000,000	27,183,979	11,528,622	5,712,601	70%
Trade, Industrialization, Tourism, Wildlife & Cooperative Development	65,550,775	65,329,294	30,831,622	34,719,153	221,481	47%
<b>TOTAL</b>	<b>2,146,891,032</b>	<b>1,804,719,077</b>	<b>1,676,540,655</b>	<b>470,350,377</b>	<b>342,171,955</b>	<b>78%</b>

**Source: Kericho County Treasury**

13. The development expenditure incurred amounted to Kshs 1,676,540,655 against a target of Kshs 2,146,891,032 translating to a deviation of Kshs 470,350,377. This deviation was due to late release of funds and lengthy procurement procedure of development activities.

14. Table 2 above gives a summary of the recurrent activities against exchequer issues and expenditure. From the table, departments of Public Works, Roads and Transport, the Officer of the Governor and Finance and Economic Planning had the leading absorption of 100%. This is followed by the department of Public Service Management absorption standing at 99%. The overall performance of Recurrent Expenditure was at approximately 93% of the approved recurrent budget.

15. Table 3 above gives a summary of the development activities against exchequer issues and expenditure, the department of Public Works, Roads and Transport recorded a leading absorption standing at 98% against the budgetary provision due to completion and execution of access roads in the county. This

is followed by Finance and Economic Planning and department of Health services at 76%. The overall performance of the development with regard to the approved development budget was at 78% in the financial period.

### **3.0 IMPLEMENTATION OF FY 2015/2016 BUDGET**

#### **Recent Economic Developments**

16. Kenya's growth is projected to rise to 5.9% in 2016 and 6.1 % in 2017. The positive outlook is predicated on infrastructure investments. Fiscal consolidation is expected to ease pressure on domestic interest rates and increase credit uptake by the private sector. The contraction in the current account deficit will continue to be supported by declining commodity prices and rising exports of tea.

17. Sound monetary policy restored stability in the currency markets and contained the 12-month average overall inflation at 6.6% in December 2015. The Central Bank effectively managed currency volatility and running down Forex reserves to cushion the shilling. So, the Kenya shilling stabilized, and the depreciation moderated in comparison to other regional currencies.

18. In the Financial year 2016/2017 the county government expects that economic situation will continue to stabilize. The County expects to receive equitable share of Kshs 4.861 billion, local collection Kshs. 445million, Donor funds i.e. Danida is Kshs 9.93 million and World Bank Kshs 27.1 Million, conditional grants comprising of : (fuel levy Kshs. 74.6million, free maternity Kshs. 89.3 million, and user fee reimbursement Kshs. 18.3 million) Health Facility Improvement Fund Kshs 175.3 million, unspent balances Kshs. 540million. The national equitable share forms 78% of the total county revenue while own revenue constitute 18% while the remaining conditional grants forms 4% of the total revenue.

### **3.1 Medium Term Fiscal Framework**

19. The county government will continue to pursue fiscal responsibility to ensure prudence and transparency in the management of public resources as per the Public Finance Management Act section 107.

## **4.0 RESOURCE ALLOCATION FRAMEWORK FOR FY 2016/2017 FINANCIAL YEAR**

### **4.1 2017/18 Budget framework**

20. The favorable macroeconomic conditions envisaged to prevail in the country this financial year will provide a significant development platform for this county. The implementation of the CIDP will assist in the achievement of the development targets and streamline the resource allocation and utilization. MTEF budgeting will provide an important platform for adjusting non-priority expenditures to cater for the priority sectors. This initiative will embrace thorough public participation as provided for in the constitution and it will be an important tool to ensure the achievement of objectives and targets set out in the CIDP.

21. Balanced budget approach to budget preparation will be used to ensure matching of resources to needs in the county. This is necessary to ensure that all sectors are provided a substantial allocation of funds as per the resources available. There is also need to avoid off budget spending as this may lead to failure in achievement of set objectives. Outcome and impact targeted expenditure will be a guiding principle in utilization of funds. Feasible and measurable indicators will be set for each sector and will guide in output based

implementation of projects. Tangible results will be used to monitor the effectiveness of the funds used.

22. An Approximate projection of estimates for 2017/2018, 2018/2019 - 2019/2020 is shown in on table 4 classified by department and entity. Annex I shows the detailed recurrent and development projections.



**TABLE 4: PROJECTED ESTIMATES PER DEPARTMENT AND ENTITY FOR FY 2017/18-2019/2020 MTEF BUDGET**

Department and Entity Name	2016/17	2017/18	2018/2019	2019/2020	%age share of total expenditure			
					2016/17	2017/18	2018/19	2019/20
	Approved Estimates	Projections 10%	Projections 8%	Projections 8%	Printed	Projections	projections	projections
County Assembly Services	612,298,695	673,528,565	727,410,850	785,603,718	10%	10%	10%	10%
Finance & Economic Planning	537,052,734	590,758,007	638,018,648	689,060,140	9%	9%	9%	9%
Agriculture, Livestock Development & Fisheries	408,354,005	449,189,406	485,124,558	523,934,523	7%	7%	7%	7%
Health Services	1,673,383,275	1,840,721,602	1,987,979,331	2,147,017,677	27%	27%	27%	27%
Education, Youth, Children, Culture & Social Services	849,457,507	934,403,258	1,009,155,518	1,089,887,960	14%	14%	14%	14%
Land, Housing & Physical Planning	127,097,905	139,807,695	150,992,311	163,071,695	2%	2%	2%	2%
Public Works, Roads & Transport	881,566,621	969,723,283	1,047,301,146	1,131,085,238	14%	14%	14%	14%
Water, Energy, Natural Resources & Environment	312,619,620	343,881,582	371,392,109	401,103,477	5%	5%	5%	5%
Public Service & Administration	336,001,566	369,601,723	399,169,861	431,103,449	5%	5%	5%	5%
County Public Service Board	58,389,315	64,228,247	69,366,506	74,915,827	1%	1%	1%	1%
Office of the Governor and Deputy Governor	146,428,065	161,070,872	173,956,541	187,873,065	2%	2%	2%	2%
Trade, Industrialization, Tourism, Wildlife & Cooperative Development	179,869,962	197,856,958	213,685,515	230,780,356	3%	3%	3%	3%
Information, Communication & E-Government	118,694,304	130,563,734	141,008,833	152,289,540	2%	2%	2%	2%
<b>GRAND TOTAL</b>	<b>6,241,213,574</b>	<b>6,865,334,932</b>	<b>7,414,561,726</b>	<b>8,007,726,664</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

#### **4.1.1 Revenue projections**

23. The FY 2017/2018 budget will target revenue collection including local revenue streams including F.I.F and National Equitable share and is expected to grow by 10% to reach Kshs. 6.865 Billion.

#### **4.1.2 Expenditure Forecasts**

24. The expenditure comprises recurrent and development votes. The County Treasury will endeavor to maintain fiscal responsibility principle of 70:30 in 2017/2018 for recurrent and development expenditures as required by section 107 of the Public Finance Management Act.

## **5.0. CONCLUSION AND WAYFORWARD**

25. The fiscal outcome for 2015/16 together with the updated forecasts have had ramification on the financial objectives elaborated in the 2016 County Fiscal Strategy Paper submitted to the County Assembly in February. This implies the need to adjust the departmental ceilings in the context of the next supplementary budget. Going forward, the policies outlined in this CBROP reflect the changed circumstances and are broadly in line with the fiscal responsibility principles outlined in the PFM law.

26. The policies and proposed sector ceilings (Annex 1) will guide the County Departments in the preparation of their preliminary budget proposals for the 2017/18 budget. The actual ceilings will be contained in the 2017 County Fiscal Strategy Paper to be prepared between December 2016 and February 2017.

ANNEX I

**Projected Recurrent and development Estimates for the MTEF Period 2017-2020**

<b>Recurrent Expenditure</b>								
<b>Department and Entity Name</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/2019</b>	<b>2019/2012</b>	<b>%age share of total expenditure</b>			
	<b>Approved Estimates</b>	<b>Projections 10%</b>	<b>Projections 8%</b>	<b>Projections 8%</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/2019</b>	<b>2019/2020</b>
					<b>Approved Estimates</b>	Projections	projections	projections
County Assembly Services	612,298,695	673,528,565	727,410,850	785,603,718	16%	16%	16%	16%
Finance & Economic Planning	356,385,149	392,023,664	423,385,557	457,256,401	9%	9%	9%	9%
Agriculture, Livestock Development & Fisheries	177,293,486	195,022,835	210,624,662	227,474,635	5%	5%	5%	5%
Health Services	1,374,974,685	1,512,472,153	1,633,469,926	1,764,147,520	36%	36%	36%	36%
Education, Youth, Children, Culture & Social Services	508,351,254	559,186,379	603,921,290	652,234,993	13%	13%	13%	13%
Land, Housing & Physical Planning	45,177,301	49,695,031	53,670,633	57,964,284	1%	1%	1%	1%
Public Works, Roads & Transport	63,113,231	69,424,554	74,978,519	80,976,800	2%	2%	2%	2%
Water, Energy, Natural Resources & Environment	84,081,611	92,489,772	99,888,954	107,880,070	2%	2%	2%	2%
Public Service & Administration	294,095,673	323,505,240	349,385,660	377,336,512	8%	8%	8%	8%
County Public Service Board	58,389,315	64,228,247	69,366,506	74,915,827	2%	2%	2%	2%
Office of the Governor and Deputy Governor	146,428,065	161,070,872	173,956,541	187,873,065	4%	4%	4%	4%
Trade, Industrialization, Tourism, Wildlife & Cooperative Development	88,333,102	97,166,412	104,939,725	113,334,903	2%	2%	2%	2%
Information, Communication & E-Government	41,146,756	45,261,432	48,882,346	52,792,934	1%	1%	1%	1%
<b>GRAND TOTAL</b>	<b>3,850,068,323</b>	<b>4,235,075,156</b>	<b>4,573,881,168</b>	<b>4,939,791,661</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<b>Development Expenditure</b>								
<b>Department and Entity Name</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>%age share of total expenditure</b>			
					<b>2016/17</b>	<b>2017/18</b>	<b>2018/2019</b>	<b>2019/2020</b>
	<b>Approved Estimates</b>	<b>Projections @ 10%</b>	<b>Projections @ 8%</b>	<b>Projections @ 8%</b>	<b>Approved Estimates</b>	Projections	projections	projections
County Assembly Services	0	0	0	0	0%	0%	0%	0%
Finance & Economic Planning	180,667,585	198,734,344	214,633,091	231,803,738	8%	8%	8%	8%
Agriculture, Livestock Development & Fisheries	231,060,519	254,166,571	274,499,897	296,459,888	10%	10%	10%	10%
Health Services	298,408,590	328,249,449	354,509,405	382,870,157	12%	12%	12%	12%
Education, Youth, Children, Culture & Social Services	341,106,253	375,216,878	405,234,229	437,652,967	14%	14%	14%	14%
Land, Housing & Physical Planning	81,920,604	90,112,664	97,321,678	105,107,412	3%	3%	3%	3%
Public Works, Roads & Transport	818,453,390	900,298,729	972,322,627	1,050,108,438	34%	34%	34%	34%
Water, Energy, Natural Resources & Environment	228,538,009	251,391,810	271,503,155	293,223,407	10%	10%	10%	10%
Public Service & Administration	41,905,893	46,096,482	49,784,201	53,766,937	2%	2%	2%	2%
County Public Service Board	0	0	0	0	0%	0%	0%	0%
Office of the Governor and Deputy Governor	0	0	0	0	0%	0%	0%	0%
Trade, Industrialization, Tourism, Wildlife & Cooperative Development	91,536,860	100,690,546	108,745,790	117,445,453	4%	4%	4%	4%
Information, Communication & E-Government	77,547,548	85,302,303	92,126,487	99,496,606	3%	3%	3%	3%
<b>GRAND TOTAL</b>	<b>2,391,145,251</b>	<b>2,630,259,776</b>	<b>2,840,680,558</b>	<b>3,067,935,003</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Appendix 1: Local Revenues Inclusive of FIF**

No	Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Annual Revenue (Kshs)	Actual Revenue as a percentage of Annual Target (%)
	A	B	C	D=C/B*100
1	Produce cess	33,145,428	69,952,429	211.0
2	Liquor Licence Fees	8,472,325	11,306,660	133.5
3	Single Business Permit	46,857,719	47,512,322	101.4
4	Market /Trade Fees	23,976,737	23,813,280	99.3
5	Land Rates/Plot rents	71,100,947	70,352,964	98.9
6	Bus park fees	27,257,241	26,231,569	96.2
7	Health Services-F.I.F	140,000,000	130,893,040	93.5
8	Car Parking Fees	13,064,923	12,092,520	92.6
9	Sub-County Public Health	7,613,751	6,763,202	88.8
10	House /Kiosk & Stall rents	11,937,874	10,159,639	85.1
11	Forest produce cess	9,377,609	7,391,955	78.8
12	Advertisements	8,527,273	6,531,082	76.6
13	Plan Approval fees	7,872,109	5,535,671	70.3
14	Other sources	30,796,064	21,100,582	68.5
	<b>TOTAL</b>	<b>440,000,000</b>	<b>449,636,915</b>	<b>102.2</b>

**Appendix 2: Breakdown of Conditional Grants**

No	Revenue Description	Annual Targeted Revenue (Kshs.)	Actual Annual Revenue (Kshs)	Actual Revenue as a percentage of Annual Target (%)
	A	B	C	D=C/B*100
1	Maintenance Fuel Levy Fund	57,229,294	57,229,294	100
2	FREE MATERNITY	98,854,000	71,247,500	72
3	USER FEE REIMBURSEMENT	17,676,855	17,676,855	100
4	DANIDA FUNDS	19,930,000	19,930,000	100
	<b>TOTAL</b>	<b>193,690,149</b>	<b>166,083,649</b>	86