

MURANGA COUNTY GOVERNMENT

BUDGET REVIEW

AND OUTLOOK PAPER

SEPTEMBER 2017

Foreword

This is the fourth Murang'a County Budget Review and Outlook Paper. It presents us with an opportunity to assess and review the budget implementation for the year 2016/2017, highlight on the current year budget implementation while at the same time setting the base for the next financial year budget(2018/2019).

A lot of effort was expended in the last Government to ensuring that we deliver the mandated services to our residents. Key to effective service delivery is the ability to develop solid plans, mobilize the necessary financial resources and implement the budgets cost effectively. The last three County budgets have enabled us make notable strides in the implementation of our integrated development plan but not without challenges. Realization of the budgeted revenues has remained elusive due to delayed funds releases by the national treasury to the extent that full implementation of the budget within a financial year has remained difficult. It is our hope that timely disbursement of the current financial year equitable share will be made to facilitate the completion of new budgeted programmes and the critical ongoing ones. We have also made concrete strategies to ensure a significant increase in local revenue collection in line with the budget.

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COUNTY EXECUTIVE COMMITTEE MEMBER - FINANCE ICT AND ECONOMIC PLANNING

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Abbreviations and Acronyms

MFET-Medium Term Expenditure Framework

PFM-Public Finance Management

CFSP- County Fiscal Strategy Paper

IFMIS- Integrated Financial Management Information System

CIDP- County Integrated Development Plan

BACKGROUND

Legal basis for the preparation of the Budget Review and Outlook Paper

The Budget Review and Outlook Paper (BROP) is prepared in accordance with section 118 of the Public Finance Management Act, 2012. The law states that:

1. The county Treasury shall prepare and submit to county executive for approval, by 30th September in each financial year, a BROP which shall include:
 - a. Actual fiscal performance of the previous financial year compared to the budget appropriation for the year.
 - b. Information on how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles or the financial objectives in the latest Fiscal strategy paper and
 - c. The reasons for any deviation from the financial objectives together with proposals to address the deviation and the time estimated to do so.
2. County Executive shall consider the BROP with a view to approving it , without amendments, not later than fourteen days after its submission.
3. Not later than seven days after the BROP has been approved by County executive, the County Treasury shall:
 - a. Submit the paper to the county Assembly and ;
 - b. Publicize the paper not later than fifteen days after laying the paper before the county assembly.

I. INTRODUCTION

The Budget Review and Outlook Paper (BROP) is a key document in the budget process it is meant to give a review of 2016/2017budget and as well present an outlook on the budgeted items in the 2018/2019 budget.

OBJECTIVES OF CBROP

1. Review the implementation of 2016/2017 budget
2. Highlight on the progress made in implementing 2017/2018 budget
3. Give indicative sector ceiling for 2018/2019budget

II. REVIEW OF FISCAL PERFORMANCE IN 2016/2017

A. Overview

The year 2016/2017 has seen the county implement numerous programme as per departmental strategic plans/CIDP and annual plans.

B. 2016/2017 Fiscal Performance

Local Revenue

The total revenue collected from local sources was Ksh 617.6 million against a budgeted target of Kshs 850 million. The table below presents a breakdown of the total revenues as per the approved budget.

REVENUE SOURCE	2014/2015	2015/2016	VARIANCE
LICENCES	91,352,399	101,037,870	9,685,471
LAND RATES	43,097,517	48,341,146	5,243,629
MARKET FEES	44,983,309	50,231,815	5,248,506
PENALTIES	4,560,415	2,701,982	-1,858,433
BUILDING MATERIAL CESS	72,851,539	70,653,549	-2,197,990
BUS PARK FEES	33,519,865	34,140,150	620,285
PARKING FEE	17,777,510	21,439,740	3,662,230
MOTOR BIKES	10,748,905	10,998,690	249,785
LIQOUR LICENCE	18,401,900	39,136,100	20,734,200
PLAN APPROVAL	11,919,366	21,248,784	9,329,418
CONSERVANCY	12,274,260	13,484,790	1,210,530
OTHER CESS REVENUE	2,816,099	1,077,920	-1,738,179
SALE OF FORMS	11,346,485	11,425,650	79,165
TENDER FORMS	542,300	146,500	-395,800
ADVERTISEMENTS	6,050,775	9,438,404	3,387,629
SELF HELP GROUP	2,383,150	1,899,470	-483,680
LAND SUBDIVISION/TRANSFER	9,230,830	11,282,340	2,051,510
HOUSE/STALLS RENT/S.HALL	5,996,130	5,881,123	-115,007
OTHER LAND BASED REVENUE	4,151,395	3,429,400	-721,995
MORGUE FEES	1,689,550	1,715,000	25,450
SLAUGHTER FEES	1,166,685	779,660	-387,025

IMPOUNDING	3,752,750	5,736,400	1,983,650
COFFEE CESS	1,418,875	11,686,680	10,267,805
EDUCATION & POLYTECHNICS	937,490	660,650	-276,840
FIRE CHARGES		156,650	156,650
MISCELLANEOUS REVENUES	16,524,052	3,880,287	-12,643,765
HOSPITALS CHARGES	80,248,600	85,933,391	5,684,791
PUBLIC HEALTH CHARGES	15,982,120	26,148,580	10,166,460
LIVESTOCK (A.I)	10,547,820	5,302,745	-5,245,075
MEAT INSPECTION	9,612,880	9,867,840	254,960
VET.CLINICAL SERVICES	2,858,080	2,230,630	-627,450
FISHERIES	98,040	103,790	5,750
COOPERATIVES	1,028,890	579,970	-448,920
HOUSING & PHYSICAL PLANNING	1,665,396	736,956	-928,440
WEIGHT & MEASURES	992,580	1,353,880	361,300
MARIIRA FARM	9,422,172	2,301,710	-7,120,462
WATER	277,315	521,373	244,058
NEMA FEES		6,000	6,000
SUB-TOTAL	132,733,983	135,086,865	2,352,882
TOTAL	562,227,534	617,697,615	55,470,081

REVENUE SOURCE	Targeted revenue(KSHS)	Actual Revenue	Variance
LICENCES	149,582,757	101,037,870	48,544,887
LAND RATE	70,674,675	48,341,146	22,333,529
OTHER CESS REVENUE	4,567,059	11,686,680	-7,119,621
HOUSE RENT/STALL/HALL	9,212,842	5,881,123	3,331,719
BUS PARK FEE	48,876,152	34,140,150	14,736,002
PARKING FEE	26,286,158	21,439,740	4,846,418
BARTER MARKET FEE	72,499,500	50,231,815	22,267,685
PLAN APPROVAL	14,640,676	21,248,784	-6,608,108
SELF HELP GROUP	3,613,779	1,899,470	1,714,309
MORG. FEE	2,411,431	1,715,000	696,431
SUB DIVISION/TRANSFER	11,385,565	11,282,340	103,225

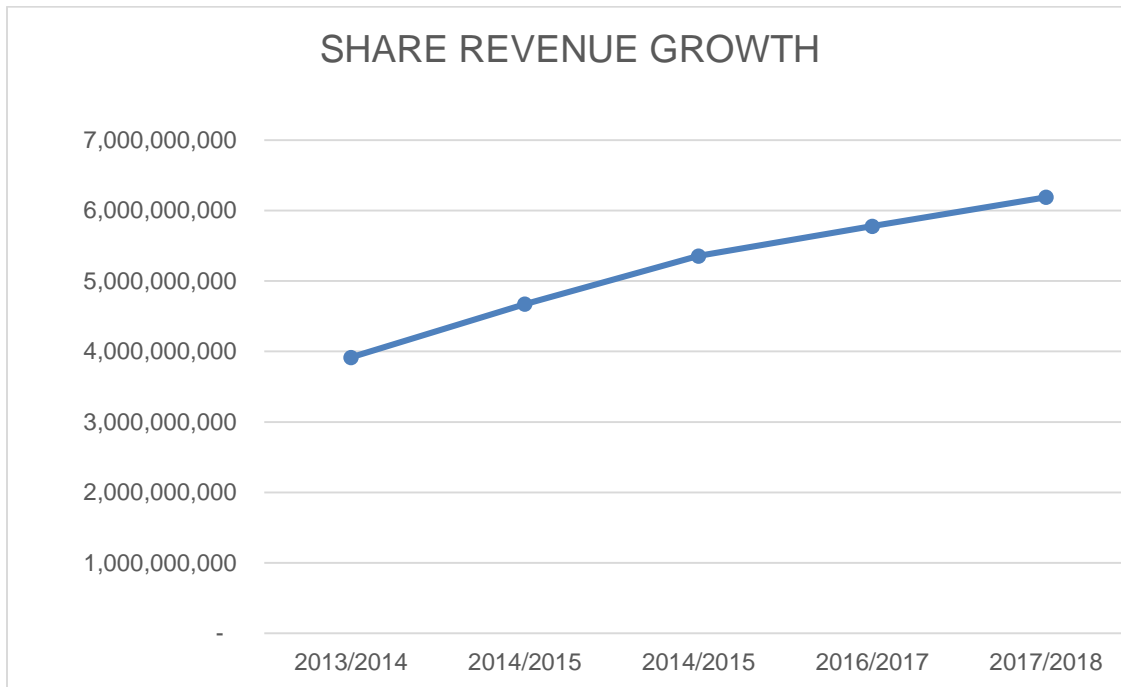
LIQUOR	32,765,978	39,136,100	-6,370,122
MOTOR BIKES	14,401,267	10,998,690	3,402,577
SLAUGHTER	1,757,312	779,660	977,652
BULDG MTS & OTHER CESS	106,698,221	70,653,549	36,044,672
ADVERTISEMENT	7,887,623	9,438,404	-1,550,781
EDUCATION & POLY	1,267,943	660,650	607,293
OTHER LAND BASED REVENUE	6,881,922	3,429,400	3,452,522
SALE OF FORMS	17,676,441	11,425,650	6,250,791
CONSERVANCY	20,102,574	13,484,790	6,617,784
IMPOUNDING FEES	1,549,141	5,736,400	-4,187,259
PENALTIES	2,027,337	2,701,982	-674,645
TENDER FORMS	285,160	146,500	138,660
OTHERS	27,304,156	5,120,857	22,183,299
LAND HSG & PHY. PLANNING	3,623,949	736,956	2,886,993
MARIIRA FARM	15,035,495	2,301,710	12,733,785
COOPERATIVES (AUDIT)	1,689,330	579,970	1,109,360
WATER	262,280	521,373	-259,093
LIVESTOCK (A.I)	16,122,319	5,302,745	10,819,574
MEAT INSPECTION	13,529,694	9,867,840	3,661,854
VET. CLINICAL SERVICE	4,514,024	2,230,630	2,283,394
HOSPITALS /H.C	117,380,294	85,933,391	31,446,903
PUBLIC HEALTH	21,978,152	26,148,580	-4,170,428
WEIGHT & MEASURES	1,350,562	1,353,880	3,318
FISHERIES	158,232	103,790	54,442
GRAND TOTAL	850,000,000	617,697,615	232,302,385

REVENUE TYPE	FY 2013/2014	FY 2014/2015	FY 2015/2016	FY 2016-17
Local revenue	419,989,717	562,227,534	617,000,000	500,000,000
Equitable share	3,917,321,109	4,673,157,909	5,355,997,309	5,779,189,434
DANIDA fund		22,430,000	24,810,000	12,595,000
Total County Revenue excluding special grants	4,337,310,826	5,235,385,443	5,972,997,309	6,641,784,434

NATIONAL GOVERNMENT TRANSFER

The county budgeted to receive KShs 5,779,189,434 as the equitable share an increase from KShs. 5,355,997,309 received in the FY 2015/2016.

YEAR	EQUITABLE SHARE	% GROWTH
2013/2014	3,917,321,109	
2014/2015	4,673,157,909	19
2014/2015	5,355,997,309	15
2016/2017	5,779,189,434	8
2017/2018	6,191,000,000	7



EXPENDITURE

The total expenditure for 2015/2016 financial year amounted to ksh 6,077,956,491 up from Kshs 5,261,798,499 spent in the FY 2014/2015.

The recurrent expenditures amounted to ksh 3,437,417,721 with development expenditures totaling Kshs 2,640,538,770 as tabulated below.

TITLE AND DETAILS	APPROVED BUDGET	TOTAL EXPENDITURE	VARIANCE
	Ksh.	Ksh.	Ksh.
COUNTY ASSEMBLY	588,991,000	418,326,238	170,664,762
GOVERNORSHIP	218,372,000	179,730,044	38,641,956
FINANCE & ECONOMIC PLANNING	276,214,530	299,088,370	(22,873,840)
AGRICUTURE LIVESTOCK AND FISHERIES	141,343,000	96,982,787	44,360,213
TRANSPORT ROADS AND INFRASTRUCTURE	54,722,000	27,633,412	27,088,588
TRADE COMMERCE AND INDUSTRIES	6,130,000	6,326,786	(196,786)
EDUCATION AND TECHNICAL TRAINING	172,800,000	272,107,680	(99,307,680)
HEALTH AND SANITATION	1,252,205,000	1,592,685,509	(340,480,509)
LANDS AND PHYSICAL PLANNING	11,284,000	4,022,577	7,261,423
PUBLIC SERVICE BOARD	40,004,000	10,741,679	29,262,321
CULTURE AND SOCIAL SERVICES	49,652,200	63,340,708	(13,688,508)
ENVIRONMENT AND NATURAL RESOURCES	9,100,000	7,309,025	1,790,975
PUBLIC SERVICE DEPARTMENT	727,625,000	478,071,559	249,553,441
GROSS RECURRENT EXPENDITURE	3,548,442,730	3,437,417,720	111,025,010
			-
DEVELOPMENT EXPENDITURE		-	-
COUNTY ASSEMBLY	255,583,000	-	255,583,000
GOVERNORSHIP	6,100,000	-	6,100,000
FINANCE IT AND ECONOMICAL PLANNING	873,200,000	244,643,585	628,556,415
AGRICUTURE LIVESTOCK AND FISHERIES	102,264,000	154,044,729	(51,780,729)
TRANSPORT ROADS AND INFRASTRUCTURE	708,500,000	895,909,994	(187,409,994)
TRADE COMMERCE AND INDUSTRIES	146,000,000	78,766,853	67,233,147
EDUCATION AND TECHNICAL TRAINING	92,000,000	177,424,380	(85,424,380)
HEALTH AND SANITATION	437,048,000	642,649,188	(205,601,188)
LAND HOUSING AND PHYSICAL	103,280,000	1,022,382	102,257,618
PUBLIC SERVICE BOARD	5,500,000	-	5,500,000
YOUTH, CULTURE AND SOCIAL SERVICES	464,240,000	392,016,852	72,223,148
ENVIROMENT AND NATURAL RESOURCES	82,625,000	4,352,533	78,272,467
PUBLIC SERVICE DEPARTMENT	25,400,000	-	25,400,000

GROSS DEVELOPMENT EXPENDITURE	3,301,740,000	2,640,538,770	661,201,230
		-	-
TOTAL	6,850,182,730	6,077,956,491	772,226,239

OVERALL BALANCE AND FINANCING

The County realized revenues totaling Kshs 5,973,694,924 against an expenditure of Kshs 6,077,956,491 reflecting a balance carried forward deficit of Kshs 104,261,567

III. COMPLIANCE OF FY 2015/2016 REALIZED BUDGET TO THE FISCAL RESPONSIBILITY PRINCIPLES

The approved budget for 2015/2016 was Kshs 3,301,740,000 for development against a total expenditure of Kshs 6,850,182,730. The realized budget was Kshs 2,640,538,770 development against a total expenditure of Kshs 6,077,956,491.

The realized development ratio for the Financial year is 43% against the minimum set by the PFM Act of 30% of total expenditure in the medium term. The budgeted development ratio to the total budget was 48% but could not be achieved due to;

- Some works done within the financial year were not paid timely due to late release of June 2015 allocation.
- Local revenue was not realized 100% and the deficit reduced what was available for programs financing.

Fiscal risks have continued to be managed prudently by the County Treasury.

As well the county has continued to manage local revenue collection prudently with a view to maintaining a reasonable degree of predictability on our fees and charges..

IV. IMPLEMENTATION OF 2016/2017 BUDGET Governorship

The department has continued to effectively and efficiently manage Muranga county government affairs as defined in the county integrated development plan among other policy documents. We have also reasonably developed capacity to promptly respond effectively to disaster occurring in the county.

County Assembly

The county assembly has maintained the implementation of its key mandate of Legislation, oversight and administration to ensure that our county continues enjoying the fruits of devolution.

Finance ICT and Economic planning

The Finance, IT and Economic Planning department is obligated with ensuring availability of finances to meet various county needs as envisioned in the departmental plans/Annual Development Plan and the County Integrated Development Plan (CIDP). The main planned projects for the year is partial implementation of a revenue management system at a cost of 10 million. The implementation of the system is progressing and is expected to help seal revenue leakages and enhance revenue collection, communication and reporting.

Agriculture

The department of Agriculture, Livestock and Irrigation is mandated with promotion and facilitation of food and agricultural raw materials production with the objective of availing opportunities to earn and at the same time promote food security.

Energy Transport And Infrastructure

The department has continued distributing water pipes for completion of previously stalled community water projects, improve county earth roads to gravel standards to provide better accesses to markets as well as Town Paving ,street lighting and micro-Irrigation projects.

Commerce, Trade, Industry, Tourism And Cooperatives

We have continued to facilitate competitive trade and growth of industries in the county to enhance fair trade practices and consumer protection. Additionally the department has maintained continuous enhancement of agribusiness and market linkages for agricultural producers.

Health and Sanitation

The County department of health will continue undertaking programmes aimed at providing health services that are affordable, accessible, effective and responsive to health needs. This will ensure that the population is healthy enough to engage in economic activities that drives the county forward.

Land Housing And Physical Planning

Provision of accessible, affordable, quality and well managed housing in the county continue being the number one priority, other initiatives are geared toward provision of rating services, real estate transaction services and development of capital infrastructure related to physical planning and housing.

Public Service Department

The current budget will largely ensure payment of staff emolument as well as planning for capacity development.

Education and Technical Training

The department is implementing free ECDE feeding programme, bursary for the needy students, and Technical Training especially through Ufundi kwa Vijana initiative.

Youth, Culture, Social Service And Cooperative Development

The department has continued giving out assistive devices to persons with disabilities, support orphans elderly and vulnerable.

Environment and Natural Resources

The development of a safe waste management system has remained a priority in addition to setting policies and developing bills on environment conservation and preservation.

Public Service Board

The board continues to have continued implementing plans to facilitate the development of coherent, integrated human resource strategy alongside promotion of national values in the county.

UPDATED ECONOMIC AND FINANCIAL FORECASTS

Kenya's economy continues to perform well although severe drought in 2016 weighed on growth hence the first quarter of 2017 registered a slightly lower growth than in the same period in 2016 and pushed up inflation. Real GDP growth reached 5.8 percent in

2016, up from 5.7 percent in 2015. The growth was supported by public investment spending, lower global oil prices, and a strong recovery in tourism. Though inflation increased significantly in recent months, reflecting mainly the onset of the drought and the increase in global fuel prices, the measures taken by the government progressively reduced pressures on food prices. Consequently, inflation converged to the Government target band in July 2017.

The foreign exchange market has remained stable supported by a generally lower current account deficit. The current account deficit narrowed to 6.0 percent of GDP in July 2017 from 6.4 percent in May and June 2017. This reflects lower international oil prices, improved tea and horticulture exports, strong remittance inflows and a recovery of tourism. The narrowing of the current account deficit together with strong capital inflows, has led to the stabilization of the shilling in the foreign exchange market. The CBK's international reserves increased to US\$ 8.5 billion (5.7 months of import cover) as at June 2017, compared to US\$ 7.4 billion (5.3 months of import cover) at end of January 2017. The increase was largely attributed to planned external borrowings by the Government.

The economy is on track and is expected to expand by 5.5 percent in 2017. This growth is lower than the 6.0 percent growth projected in the 2017 Budget Policy Statement (BPS) as a result of poor performance of the agricultural sector due to adverse weather conditions and a slowdown in the uptake of credit to the private sector. The growth in 2017 will be supported by ongoing infrastructural investments, resilient domestic demand, continued recovery in the tourism sector and growth of exports in the sub region. In addition, strong consumer demand and private sector investment as well as stable macroeconomic environment will help reinforce this growth.

B. Recent Developments

Real Sector

According to the latest report by the central bank of Kenya the inflation rate has remained stable at between 5.8 and 6.4 percent between July and August, the exchange rates has remained manageable in the recent past. Also with the assenting of the interest capping bill within the month of August by the president within the month of

August the interest rates shall not exceed 14.5 percent. All the above indicators are expected to favourably affect budget implementation both at the County and National level.

UPDATED FINANCIAL FORECASTS

The implementation of 2017/2018 Budget has continued but with major challenges, the release of Equitable share allocation has been quite erratic in the first quarter and the business environment appears not quite as friendly due to political jitters occasioned by the repeat elections scheduled within the month of October. The slower level of economic performance has led to the County Treasury closely monitoring its revenue projections and thus managing its expenditure framework to ensure it closely adheres to fiscal responsibility principles.

MEDIUM TERM FISCAL FRAMEWORK

THE County has continued to utilise MTEF as a tool linking Policy, Planning and Budgeting. The MTEF consists of a top-down resource envelope, and a bottom-up estimation of the current and medium-term costs of existing policy and, ultimately, the matching of these costs with available resources. The departments will soon undertake a MTEF public participation to properly align the revised stakeholder's priorities with the available resources. The County Equitable share is projected to grow by seven percent (7%) and the own source revenues by ten percent (10%) in the medium term. Expenditures will be balanced to the available resources as no borrowing is being contemplated within the medium term other than what is expressly for cash flow management.

Risks to the Outlook.

The likely risks of the outlook for 2017 and medium term include:

- Slowdown of economic activities due to the current highly charged political environment.
- High inflation rate that may render some cost estimates unrealistic,
- Extreme weather conditions negatively affecting agricultural production ,
- Late disbursement of funds by the National Treasury making funds absorption targets levels not to be realized.

- Inadequate resources to support some of the development projects/programmes that may lead to non-completion within the planned time frames.
- Unrealized targets on revenue collection
- Disharmony between critical stakeholders leading to derailment of programmes
- Shifting departmental priorities necessitating changes to the current outlook.

V. RESOURCE ALLOCATION FRAMEWORK 2018/2019

(I) 2017/2018 Budget

The current year departmental budget allocation in percentages is as per the as per the below table.

DEPARTMENT	TOTAL BUDGET	2016/2017 BUDGET % ALLOCAT ION	2017/2018 BUDGET PROPOSE D % ALLOCAT ION	2018/2019 BUDGET % ALLOCATIO N	2019/2020 BUDGET % ALLOCA TION
		Kshs(000)	Kshs(000)	Kshs(000)	Kshs(000)
Office of the Governor and Deputy Governor		3.30%	3.30%	3.30%	3.30%
	244,858,973				
County Assembly	667,797,200	10%	10%	9%	9%
Finance ICT and Planning	341,318,569	4.60%	4.60%	4.60%	4.60%

Agriculture Livestock and fisheries		5.20%	5.20%	5.20%	5.20%
	385,838,382				
Energy Transport and Infrastructure Development	1,061,055,551	22.3	22.3	14.30%	14.30%
Commerce, Trade, Industry, Tourism and Cooperative Development	74,199,689	1.00%	1.00%	1.00%	1.00%
Health and Sanitation	2,745,388,488	27.00%	27.00%	37.00%	37.00%
Land Housing and Physical Planning		0.90%	0.90%	0.90%	0.90%
	66,779,720				
Public Service and Administration	927,496,111	12.50%	12.50%	12.50%	12.50%

Education and Technical Training	586,177,542	7.90%	7.90%	7.90%	7.90%
Youth, Culture Gender, Social Services and Special Programs	222,599,067	4%	4%	3%	3%
Environment and Natural Resource	66,779,720	0.90%	0.90%	0.90%	0.90%
County Public Service Board	29,679,876	0.40%	0.40%	0.40%	0.40%
<u>TOTAL COUNTY BUDGET</u>	<u>7,419,968,887</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
	2018/2019		2018/2019		
DEPARTMENT	TOTAL BUDGET	% ALLOCAT ION	RECCURE NT	DEVELOPME NT	TOTAL
	Kshs(000)		Kshs(000)	Kshs(000)	Kshs(000)
Office of the Governor and Deputy Governor	244,858,973	3.30%	-		

County coordination			190,000	0	190,000
Enforcement and Compliance			20,000	0	20,000
Disaster Control			20,000	0	20,000
Policy Formulation and Audit			14,858	0	14,858
			244,858		244,858
County Assembly	667,797,200	9%			
legislation and representation			225,000	0	225,000
Oversight			195,000	0	195,000
Administration and support			247,797	0	247,797
			667,797		667,797
Finance ICT and Planning	341,318,569	4.60%			
ICT Development programme			100,000	0	100000
Financial Management programme			50,000		50,000

Administration and support			88,922	102,395	191,317
			238,922	102,395	341,317
Agriculture Livestock and fisheries		5.20%			
	385,838,382				
Cash crop Development			5,000	39,293	44,293
Promotion of food security programme			9,995	100,000	109,995
Livestock and Fisheries Development			5,250	30,000	35,250
Veterinary Services			6,300	20,000	26,300
Agricultural Training Centre- Mariira			10,000	10,000	20,000
Administration and support			150,000	0	150,000
			186,545	199,293	385,838
Energy Transport and	1,061,055,551	14.30%			

Infrastructure Development					
Administration and support			70,000	0	70,000
Water development			10,000	400,000	410,000
Road Development programme			5,000	514,000	519,000
Market & Urban Development programme			5,000	41,000	46,000
Energy Development programme			6,000	10,055	16,055
			96,000	965,055	1,061,055
Commerce, Trade, Industry, Tourism and Cooperative Development		1%			
	74,199,689				
General Administration and support			21,000	0	21,000
Trade and Industries Development			8,000	12000	20,000

Program					
Programme 3: Consumer Protection			6,000	0	6,000
Tourism development and management			7,000	5000	12,000
Agribusiness and marketing			10,000	5,199	15,199
			52,000	22,199	74,199
Health and Sanitation	2,745,388,488	37%			
Curative health Programme			200,000	550,000	750,000
Health Infrastructure			6,371	51017	57,388
Health administration planning and support programme			1,900,000		1,900,000
Public health and sanitation services			12,000		12,000
Alcoholic Programme			6,000		6,000
HIV Programme			20,000		20,000

			2,144,371	601,017	2,745,388
Land Housing and Physical Planning		0.90%			
	66,779,720				
Estate management and Housing programme			4,000	0	4,000
Land valuation and administration programme			4,000	0	4,000
Land survey and GIS programme			4,000	20,033	24,033
Development control and planning programme			4,746	0	4,746
Administration and Support			30,000		30,000
			38,000	20,033	66,779
Public Service and Administration		12.50%			

	927,496,111				
General Administration programme			927,496	0	927,496
Education and Technical Training	586,177,542	7.90%			
Education intervention Programmes			0	30,000	30,000
Youth Polytechnics & Vocational training			55,000	34,853	89,853
Early childhood Development			190,000	256,324	446,324
Administration and Support			20,000	0	20,000
			0	0	0
			265,000	321,177.00	586,177
Youth, Culture Gender, Social Services and Special Programs	222,599,067	3%			

Cooperative Development programme			42,000	20,000	62,000
Sport Development programme			32,000	0	32,000
Culture Development programme			6,000	0	6,000
Youth Empowerment programme			3,000	11,000	14,000
Gender Empowerment			3,000	11,599	14,599
Social Development			12,000	0	12,000
Administration and Support			82,000	0	82,000
			180,000	42,599	222,599
Environment and Natural Resource	66,779,720	0.90%			
Administration and support			12,000	0	12,000
Waste Management Programme			20,579	30,000	50,579
Pollution Control			1,000	0	1,000

Programme					
Environmental Conservation Programme			2,000	0	2,000
Environmental Leadership and Governance			1,200	0	1,200
			36,779	30,000	66,779
County Public Service Board	29,679,876	0.40%			
Human resource Management and Development			11,000	0	11,000
National Value			2,200	0	2,200
General Admn and Support			14,479	2,000	16,479
			<u>25,200</u>	<u>2,000</u>	29,679
TOTAL COUNTY BUDGET	7,419,968,887	100%	4,717,125	2,092,875	7,419,968

(II) Adjustment to the 2017/2018 Budget

A. MEDIUM TERM EXPENDITURE FRAMEWORK

As outlined in the county planning framework, we shall continue to implement the priority programmes and projects. The MTEF allows for rolling over of programmes

beyond one financial year where necessary due to implementation time demands or financing constraints.

We remain cognizant of the critical role that the County continues playing in serving the residents and especially in provision of the constitutionally mandated services. We propose to maintain the same broad percentage allocation to department in the medium term. Sectors/department have the latitude to engage and allocate 2018/2019 ceiling to programme .

DEPARTMENT	BUDGET 2017/2018	2017/2018 BUDGET %	2018/2019 BUDGET %	2019/2020 BUDGET %	2020/2021 BUDGET %
Office of the Governor and Deputy Governor	272,257,812	3.3	3.30	3.30	3.30
County Assembly	936,403,857	11.0	0.10	0.10	0.10
Finance ICT and Planning	217,500,128	3.0	0.05	0.05	0.05
Agriculture Livestock and fisheries	590,426,741	7.0	0.05	0.05	0.05
Energy Transport and Infrastructure Development	1,264,442,837	15.0	22.30	22.30	22.30
Commerce, Trade, Industry, Tourism and Cooperative Development	106,123,086	1.0	0.01	0.01	0.01
Health and Sanitation	3,163,409,167	36.0	0.28	0.28	0.28
Land Housing and Physical Planning	90,617,091	1.0	0.01	0.01	0.01
Public Service and Administration	803,709,198	9.0	0.13	0.13	0.13
Education and Technical Training	724,007,901	8.0	0.08	0.08	0.08
Youth, Culture Gender, Social Services and Special Programs	396,534,030	5.0	0.04	0.04	0.04
Environment and Natural Resource	16,986,845	0.3	0.01	0.01	0.01
County Public Service Board	30,735,983	0.4	0.4	0.4	0.4
TOTAL COUNTY BUDGET	8,613,154,676	100%	100%	100%	100%

V. 2018/2019 BUDGET FRAMEWORK

The 2018/2019 budget will be developed as per the priorities of the Annual Development Plan 2018-2019, County Fiscal Strategy Paper 2018 and the CIDP.

Revenue collection projections

The 2018/2019 budget will target revenue collection of ksh 800 million and the Equitable County allocation of about ksh 6.6 billion. The total local revenue collection and the disbursement from the National Government combined will be expected to raise ksh. 7.4 billion.

Expenditure Forecasts

In 2018/2019, overall expenditures are projected to be about ksh. 7.4 billion. The County will prepare a balanced budget. Departmental expenditures will be as proposed by users and stakeholders but within the approved sector/departmental ceilings.

PROPOSED FINANCIAL RESOURCES ALLOCATION CEILINGS

The 2018/2019 will be guided by the already prepared Annual Development Plans and firmed up by the county Fiscal Strategy Paper to be submitted to the County Assembly by 28th February 2018.

To guide stakeholders on the proposed resource envelope for departments, the following are the proposed indicative ceilings both in percentages and in figures.

DEPARTMENT	2018/2019 BUDGET % ALLOCATION	MINIMUM DEV %	MINIMUM DEV ALL.
Office of the Governor and Deputy Governor	3.3	-	-
County Assembly	11.0	-	-
Finance ICT and Planning	3.0	-	-
Agriculture Livestock and fisheries	7.0	60.0	310,800,000.0
Energy Transport and Infrastructure Development	15.0	90.0	999,000,000.0
Commerce, Trade, Industry, Tourism and Cooperative Development	1.0	30.0	22,200,000.0
Health and Sanitation	36.0	30.0	799,200,000.0
Land Housing and Physical Planning	1.0	30.0	22,200,000.0
Public Service and Administration	9.0	-	-
Education and Technical Training	8.0	50.0	296,000,000.0
Youth, Culture Gender, Social Services and Special Programs	5.0	60.0	222,000,000.0
Environment and Natural Resource	0.3	-	-
County Public Service Board	0.4	-	-
TOTAL COUNTY MINIMUM DEV. BUDGET			2,671,400,000.0

MINIMUM DEV %			36.1
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The above % resource allocation will be firmed up in the County Fiscal Strategy Paper whose consultations are underway.

CONCLUSION

The FY 2018/2019 CBROP lays the foundation for the next year budget and sets the base for a new planning term. While reasonable progress was made in achieving the development objectives of the 2013-2017 CIDP, many challenges were encountered to the extent that many of the desired outcomes could not be accomplished due to limited resources and other emerging competing priorities by the populace. While in a way the first government’s plans were quite ambitious, our successes and failures have made us more prepared to consolidate the 2013-2017 achievements and propel our county to even greater heights. The infrastructural investments made in agricultural value addition, transport and irrigation have formed a solid base upon which we shall launch a more holistic, achievable and sustainable socio – economic transformation of Murang’a County in this now devolved governance system.

Finally I take this opportunity to most sincerely thank all of you for the effort and teamwork you have put, that has enabled us achieve the many milestones that we are truly proud of as a county.

Thanking you for the continued support.

DAVID WAKABA WAWERU
CECM – FINANCE, ICT AND PLANNING