



COUNTY GOVERNMENT OF LAIKIPIA

DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

COUNTY BUDGET REVIEW AND OUTLOOK PAPER

SEPTEMBER 2017

COUNTY VISION, MISSION AND CORE VALUES

Vision Statement

A Peaceful and Prosperous Model County

Mission Statement

To facilitate equitable sustainable development through improved service delivery, technological adoption and advancement and effective resources management

Core Values

People-centeredness

Equity

Accountability

Efficiency

Professionalism

Integrity

Innovativeness

Passion

FOREWORD

The 2017 County Budget Review and Outlook Paper (C-BROP) is prepared to focus on enhanced resource mobilization and on enhancing efficiency in budget implementation. This is achieved through pragmatic allocation of resources to ensure that resources by the County Government go to the full length in meeting the needs of the citizenry.

In this regard, the expenditure and revenue policy framework for the 2017/18 financial year and the medium term is prepared around the following fiscal principles;

- (i) Entrenching fiscal discipline in the management of Public Finances,
- (ii) Continued support to the growth of the economy to provide employment opportunities for the citizens, and
- (iii) Aligning Laikipia County development agenda with the National Development Goals.
- (iv) Ensuring public participation in the selection and implementation of projects to ensure equity in service provision,

Fiscal discipline will seek to ensure that each spending agency in the county is able to keep and support sustainable economic growth. The implementation of the County budget will focus on reducing poverty levels by bringing the essential services to the people such as improving the access to healthcare, public infrastructure, enterprise development and agricultural productivity.

The County Government remains committed to maintaining the trend of economic growth and development in line with the needs and commitments made to the people of Laikipia County. Towards this end, the County Government will ensure that there is transparency and accountability by engaging stakeholders in development planning, implementation and monitoring as required by the Constitution and the Public Finance Management Act, 2012.

Duncan Mwariri Wanjiru
County Executive Committee Member
Finance and Economic Planning

ACKNOWLEDGEMENTS

The preparation of the fourth Laikipia County Budget Review and Outlook Paper 2017 was a collaborative effort supported by County Government entities and individual staff members.

The County Executive Committee Members played a key role by providing departmental support towards the finalization of this paper. The Finance and Planning Department played a critical role by steering the process and providing technical inputs.

Special appreciation is hereby extended to County Executive Committee Member for Finance and Economic Planning for his policy guide and overall leadership in the preparation of the paper. The Chief Officers who provided vital inputs to the paper are also sincerely acknowledged.

I recognize the staff of the Economic Planning Unit, Budgeting and Treasury Accounting for their invaluable technical contribution into the compilation of the Paper. I take this chance to thank every member of staff in the Finance and Economic Planning Department for their tireless efforts during the preparation and finalization of this Paper.

Paul Njenga Waweru,
Ag Chief Officer, Finance and Economic Planning Department
County Government of Laikipia

TABLE OF CONTENTS

COUNTY VISION, MISSION AND CORE VALUES	ii
FOREWORD	iii
ACKNOWLEDGEMENTS	iv
LIST OF TABLES	vii
ABBREVIATIONS	1
CHAPTER ONE	2
1.1 Introduction.....	2
CHAPTER TWO	4
REVIEW OF FISCAL PERFORMANCE IN 2016/17	4
2.1 Performance Overview	4
2.2 Fiscal Performance in 2016/17	4
2.3 Overall Balance and Financing.....	6
2.4 Implication of 2016/17 Fiscal Performance on Financial Objectives Contained in the 2017/18 Approved Budget.....	7
CHAPTER THREE	8
RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK	8
3.1 Introduction.....	8
3.2 Recent Economic Developments	8
3.3 Progress Report on Budget Implementation.....	11
3.4 County Economic Outlook and Policies	12
3.5 Medium Term Fiscal Framework	13
3.6 Risks to the Outlook.....	14
4.1 Introduction.....	15
4.2 Adjustment to the 2017/18 Budget Estimates.....	15
4.2 Medium Term Expenditure Framework	16

4.3 Proposed Budget 2017/18 Framework	17
5.1 Conclusion and Next Steps	19
Annex 1: 2018/19 Budget Calendar.....	20
Annex 2: Revenue Projections for 2016/17, 2017/18 and 2018/19	21
Annex 3 (a): Local Revenue Collection Statement For FY 2015/16 and 2016/17	21
Annex 3 (b): Hospital Local Revenue Collection Statement For FY 2015/16 and 2016/17.....	23
Annex 4(a): Annual Development Plan 2017/18 Estimates	23
Annex 4(b): Personnel Emoluments Projections 2017/18	24
Annex 5: Sector Ceilings in 2017/18 and Medium Term	25

LIST OF TABLES

Table 2.2.1 County Revenue Performance 3

Table 2.2.2 County Expenditure Performance..... 4

Table 2.2.3 County Sectoral Expenditure 5

Table 4.2: Total Sector Ceiling for the MTEF Period 2014/2015-2016/2017..... 16

APPROVED COPY

ABBREVIATIONS

AGPO	Access to Government Procurement Opportunities
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
CSWGs	County Sector Working Groups
EAC	East Africa Community
FY	Financial Year
GDP	Gross Domestic Product
HFIF	Health Facility Improvement Fund
ICT	Information Communication Technology
IDEAS	Instruments on Devolution Empowerment and Advise Support
IFMIS	Integrated Financial Management Information System
KDSP	Kenya Devolution Support Programme
KRA	Kenya Revenue Authority
LED	Local Economic Development
MTEF	Medium Term Expenditure Framework
NSE	Nairobi Securities Exchange
PFM	Public Finance Management
PFMA	Public Finance Management Act

CHAPTER ONE

INTRODUCTION

1.1 Introduction

Section 118 of the Public Finance Management Act (PFMA), 2012 provides for the preparation of the CBROP by the County Treasury. The Act states that a County Treasury: shall prepare a County Budget Review and Outlook Paper in respect of the county for each financial year; and submit the paper to the County Executive Committee by the 30th September of that year. The significance of the paper is to ensure that the government reviews its previous financial performance; outlook on the level of future revenues; and set preliminary sector ceilings in the light of reviewed performance and projected revenues. The C-BROP is also a key document in linking policy formulation, development annual planning and budgeting.

The County Government is in its final fiscal year of implementing the First County Integrated Development Plan and Second Medium Term Plan that guide budget preparation and implementation in the County. The formulation of Second County Integrated Development Plan is also underway and will bring on board key lessons from the CIDP 2013-2017. The C-BROP is embedded on the MTEF priorities and takes into account priority needs of the citizenry in the devolved system of government. The Sector Working Groups will formulate programmes for the Medium Term Expenditure Framework period focusing on priority programmes.

The core objectives of CBROP are as listed:

- (i) To provide details of the actual fiscal performance of the financial year 2016/17, and deviations from the approved 2017/2018 budget.
- (ii) To specify the updated economic and financial forecasts in relation to the changes from the forecasts in the County Fiscal Strategy Paper of December, 2016.
- (iii) To provide information on any changes in the forecasts compared with the CFSP of December, 2016
- (iv) To specify how actual financial performance for the year 2016/17 may have affected compliance with the fiscal responsibility principles, or the financial objectives in the CFSP.

- (v) To point out reasons for any deviation from the financial objectives in the CFSP of December,2016 together with proposals and timelines to address the deviations.

This paper is organized into five sections. Section one introduces the C-BROP, Section two details the review of the County fiscal performance for the year 2016/17 and its implications. Section three focuses on the recent economic developments and the outlook for period 2017/18 and the medium term. Section four sets out the resource allocation framework across government departments by setting preliminary expenditure limits or ceilings for each government department. Section five provides a conclusion on 2016/17 fiscal outcome, updated macroeconomic forecast that indicate changed circumstances and their implications on the financial objectives as elaborated in County Fiscal Strategy Paper of December, 2016. This section also contains relevant attachments that will guide county departments during the preparation of annual budgets.

CHAPTER TWO

REVIEW OF FISCAL PERFORMANCE IN 2016/17

2.1 Performance Overview

The fiscal performance in the year 2015/16 was generally average with varying trends in both local revenue collection and expenditure. The 2015/16 budget was Ksh. 5,188,559,602. The total cumulative revenue in 2015/16 to County Government was Ksh. 4,069,007,085 with total expenditure amounting to Ksh. 4,120,332,703 representing a deviation of -20.5 % in total expenditure. The 2015/16 expenditure performance was negatively affected by reduced incomes.

In 2016/17 the County Government had a supplementary budget of Ksh.5, 966,490,685 with total expenditure as at 30th June, 2016, amounting to Kshs 4,744,584,122. This represents a deviation of Ksh 1,221,906,563. The significant amount of under expenditure is attributed to non-receipt of all the budgeted revenue and the effect of rolling over of pending bills.

2.2 Fiscal Performance in 2016/17

Revenues received from national government and grants improved but a reduction in local revenues was recorded in 2016/17 as compared to 2015/16. The revenue performance in 2016/17 is depicted in Table 2.2.1 that summarizes revenue and grants for the FY 2016/17, the deviations from the approved revenue estimates and the growth recorded on previous year's actuals. Annex 3 further details the local revenue collections for financial 2015/16 and 2016/17.

Table 2.2.1 County Revenue Performance

Total Revenue and Grants	Financial year 2015/16 Actual (Ksh)	Financial Year 2016/17		Deviation (Ksh)	Growth (%)
		Actual (Ksh)	Targets (Ksh)		
National Revenue Allocation	3,449,548,893	3,722,107,269	3,722,107,269	0	8
County Local Revenue	483,498,889	469,458,975	700,000,000	230,541,025	-3
Grants	135,959,303	219,001,667	1,544,383,416	1,325,381,749	61
Balances b/f		312,129,960		0	
Total Revenue	4,069,007,085	4,722,697,871	5,966,490,685	1,243,792,814	16

The total cumulative revenue collection was Ksh. 4,722,697,871 against the target in the supplementary budget of Ksh.5,966,490,685. This represents a revenue deficit of Ksh. 1,243,792,814 which is 21% deviation from the approved budget. The local revenue collection for the period amounted to Ksh 469,458,975 against a target of Ksh700,000,000 reflecting an under collection of Ksh. 230,541,025. This under performance in local revenue collection was mainly attributed to economic and environmental challenges, political climate and inadequate collection compliance systems. Further details are provided in Annex 3.

Expenditure performance in 2016/17 improved as compared to the performance in 2015/16. The overall expenditure performance in 2016/17 is depicted in Table 2.2.2 that details actual expenditure and the deviations from the approved estimates.

Table 2.2.2 County Expenditure Performance

Expenditure	Financial year 2015/16 Actual (Ksh)	Financial year 2016/17		Deviation (Ksh)	% growth
		Actual (Ksh)	Targets (Ksh)		
(1) Recurrent Expenditure					
County Executive	2,433,953,147	2,807,579,893	3,093,801,751	286,221,858	15
County Assembly	373,909,884	372,173,415	406,466,518	34,293,103	0
Total	2,807,863,032	3,179,753,308	3,500,268,269	320,514,961	13
(2) Development Expenditure					
County Executive	1,286,538,776	1,549,188,525	2,441,222,416	892,033,891	20
County Assembly	25,920,895	15,642,289	25,000,000	9,357,711	-39
Total	1,312,459,671	1,564,830,814	2,466,222,416	901,391,602	19
Total Expenditure	4,120,322,703	4,744,584,122	5,966,490,685	1,221,906,563	15

The total expenditure was Ksh. 4,744,584,122 against a target of Ksh. 5,966,490,685 representing an under spending of Ksh. 1,221,906,563 or -20%. The growth in total recurrent expenditure stood at (13 %) compared to total development expenditure which recorded a growth of (19 %). The sectoral expenditures were utilized by the County Assembly as well as 8 departments of the County Executive. The sectoral expenditures performance in 2016/17 is depicted in Table 2.2.3

Table 2.2.3 2016/17 Sectoral Expenditure

County Departments	Recurrent Expenditure (Ksh)	Development Expenditure (Ksh)	Total (Ksh)
County Assembly Services	372,173,415	15,642,289	387,815,704
Public Service and County Administration	2,277,171,287	16,538,332	2,293,709,619
Finance and Economic Planning	197,302,513	853,164,849	1,050,467,362
Lands, Housing and Urban Development	25,483,271	173,948,125	199,431,396
Agriculture, Livestock and Fisheries Development	14,019,865	32,678,447	46,698,312
Education, ICT and Social Services	36,609,798	62,047,443	98,657,241
Health and Sanitation	199,332,126	184,464,414	383,796,540
Trade, Tourism and Co-operative Development	23,683,942	32,227,925	55,911,867
Water, Environment and Natural Resources	33,977,091	194,118,990	228,096,081
Total	3,179,753,308	1,564,830,814	4,744,584,122

All departments recorded under absorption of both recurrent and development expenditure. The under performance in expenditure is mainly attributed to under collection of revenues and lack of timely procurement of goods and services.

Overall, the expenditure analysis for FY 2016/17 will be made conclusive after the completion of statutory audit by Office of the Auditor General on the county accounts after every financial year. This is because external auditors opinions on qualification of financial status plays a significant role in public finance management. This may necessitate adjustments of the final figures.

2.3 Overall Balance and Financing

In 2016/17 there was an under absorption of Kshs 1,221,906,563 of the total budget which is a shortfall in total expenditure against the budgeted amount. This amount was committed into pending bills to be spent in the 2017/18 financial year. However, all the revenues received in the year amounting to Kshs 4,722,697,871 were fully utilised.

2.4 Implication of 2016/17 Fiscal Performance on Financial Objectives Contained in the 2017/18 Approved Budget

In the view of revenue performance of 2016/17, the local revenue projections for 2017/18 need to be adjusted to conform to the realities on revenue collections. There is therefore need for vibrant and value for money operations in revenue collection and revenue systems to enhance efficiency in selected revenue streams.

In the view of expenditure performance of 2016/17, there is need for review of County revenues, timely disbursements of national transfers, timely reporting on use of exchequers and speedy conclusion of procurements procedures in order to ensure high absorption of development expenditure in 2017/18 financial year.

APPROVED COPY

CHAPTER THREE

RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

3.1 Introduction

This section seeks to analyze national macroeconomic variables such as GDP growth rate and inflation and their impact on the implementation of 2017/18 County budget.

3.2 Recent Economic Developments

Diverse activities with significant bearing on county economic growth have continued in the including road infrastructure improvement, expansion of health delivery services, livestock production, horticulture production, and provision of social services. These will be affected by various macroeconomic developments which include:

a) Macroeconomic Environment

According to First Quarter 2017 GDP report by Kenya National Bureau of Statistics, Kenya's economy is estimated to have slowed in her growth compared to growth in the first quarter of 2016. Key sectors of the economy posted mixed growths resulting to an overall expansion of 4.7 per cent in real Gross Domestic Product (GDP) during the first quarter of 2017 compared to 5.3 per cent in a similar quarter of 2016. This was attributed to contraction in several sectors including: agriculture, forestry and fishing; construction; finance and insurance; electricity and water. Improved growth was however recorded in accommodation and food services as well transport and storage. The manufacturing sector recorded minimum growth over the same period. Similarly, the economy is estimated to have slowed in her growth over the second quarter compared to growth in the second quarter of 2016. Key sectors of the economy posted mixed growths resulting to an overall expansion of 5.0 per cent in real Gross Domestic Product (GDP) during the second quarter of 2017 compared to 6.3 per cent in a similar quarter of 2016. Several sectors that faced contraction include: agriculture, forestry and fishing; manufacturing; finance and insurance; electricity and water. Expanded growth recorded in real estate, information communication technology, accommodation food services transport and storage.

The Kenya Shilling exchange rate appreciated against the US dollar but weakened against the Euro during the period July-September 2017. It also recorded a mixed performance against the Japanese Yen and the Sterling Pound during the same period. The currency appreciated against the US dollar to Ksh 103.556 in August 2017 from Ksh 103.877 in July 2017. In the

second week of September 2017, the appreciation was maintained at Ksh. 102.839 from Ksh 103.216 in the first week of September 2017. The shilling weakened against the Euro to Ksh 122.242 in August 2017 from Ksh 119.401 in July 2017. The currency further weakened to Ksh. 123.043 in the second week from Ksh. 122.977 in the first week of September 2017. In comparison to the Sterling Pound, the Shilling marginally strengthened to Ksh 134.240 in August 2017 from Ksh 134.858 in July 2017 but depreciated to Ksh. 136.301 by second week of September from Ksh. 134.342 in the first week of September. Against the Japanese Yen, the Kenya Shilling marked mixed performance recording depreciation to Ksh. 94.301 in August 2017 from Ksh 92.299 in July 2017 but recorded a marginal appreciation to Ksh 93.787 by the second week of September from Ksh 94.480 in the first week of September 2017.

In the East African Community (EAC) region, the Kenya Shilling marginally appreciated against the four main currencies. The Shilling recorded marginal appreciation to Ksh 34.820 in August 2017 from 34.675 in July 2017 against the Uganda Shilling. It further recorded Ksh.34.997 in the second week of September 2017 from Ksh 34.862 in the first week of September 2017. Similarly, the currency marginally appreciated against the Burundian Franc to 16.788 in August 2017 from 16.659 in July 2017. During the second week of September, the Kenya Shilling further appreciated to 16.966 from Ksh. 16.889 in the first week of September 2017. Against Tanzania shilling, the Kenya Shilling recorded marginal appreciation to Ksh 21.622 in August 2017 from 21.545 in July 2017. The Kenya shilling further appreciated to Ksh. 21.979 during the second week of September from Ksh. 21.705 in the first week of September 2017. In comparison to the Rwandese Franc, the Shilling appreciated to Ksh. 8.006 in August 2017 from Ksh. 7.973 in July 2017. This marginal appreciation was maintained recording Ksh. 8.109 in Week Two of September compared to Ksh. 8.044 in the first week of September 2017.

The overall national Consumer Price Index increased by 0.61 % from 183.78 points in July 2017 to 184.72 in August 2017. The overall year on year inflation rate increased to 8.04 per cent in August 2017 from 6.26 percent in August 2016. These are attributed to rise in prices of food, non-alcoholic drinks, clothing and service industries. The average monthly retail price of a kilogram of dry maize at Nanyuki market increased to Ksh. 61.58 in April 2017 from Ksh. 53.22 in March 2017. Similarly, the average monthly retail price of a kilogram of dry beans at Nanyuki market marginally increased to Ksh 118.92 in April 2017 from Ksh.118.00 in March 2017. This trend was similar at Nyahururu market where the average

monthly retail price of a kilogram of dry maize increased to Ksh. 53.80 in April 2017 from 46.24 in March 2017. The average monthly retail price of a kilogram of dry beans at Nyahururu market increased to Ksh.125.23 in April 2017 from Ksh.109.21 in March 2017.

The average interest rate for the 91-day Treasury bills dropped to 8.148 per cent in the month of August 2017 from 8.202 per cent in the month of July 2017 on latest issues. In contrast, the average interest rate for the 182-day Treasury Bills increased to 10.909 per cent in the month of August 2017 from 10.321 per cent during the month of July 2017. Further, the average interest rate for the 364-day Treasury Bills increased to 10.906 per cent during the month of August 2017 from 10.894 per cent during the month of July 2017. The overall inter-bank rates increased to 7.948 percent in August 2017 from 5.977 per cent in July 2017.

The Nairobi Securities Exchange (NSE) 20 share index increased from 3,441 points in May 2017 to 3,607 points in June 2017, while the total number of shares traded increased from 697 million shares to 749 million shares during the same period. The total value of NSE shares traded rose from KSh 16.35 billion in May 2017 to KSh 17.14 billion in June 2017.

b) Weather Patterns

Laikipia County is dominantly rural with a significant population in the agriculture sector and associated linkages. The county received below normal rainfall during April-May 2017 period with exception in Thingithu, Marura and Kinamba which received enhanced rainfall of between 90-110% of normal rains. Chumvi area received depressed rainfall of between 25-50% of the normal rains. The onset of the March-May rains recorded a delay with the rains starting on the third week of April a deviation from the normal week one of March. The rains ceased earlier than expected with rains reducing in week three of May a deviation from week one of June. The rains were characterized by poor, temporal and uneven spatial distribution. The period June-September 2017 was characterized by sunny and dry conditions with high temperatures during the day and low temperatures at night. On 4th July 2017, exceptional hailstones poured in parts of Laikipia West.

The near normal rains have resulted to enhanced crop production albeit delayed planting timing of major crops such as maize. The pasture and browse conditions have also been restored to between fair and good conditions. Nevertheless, the fair and good conditions are estimated to last between 1-3 months in most parts of the County due to reduced regeneration of forage. The climate outlook for the short rain season during October to December 2017

indicates generally near normal rainfall in all parts of the county. The distribution of rainfall in time and space is expected to be generally near normal over most of the places thus maintaining agricultural production. However, onsets, intensity and spatial distribution may vary across various parts of the county. The projected prospects of near normal weather patterns in the remaining part of 2017 will be supported by periodic seasonal outlooks.

c) Tourism

The National Government initiative to enhance domestic tourism has continued to have positive bearings on the county. Laikipia County being part of the northern circuit receives a large number of tourists due to its attraction sites such as scenic view of Mt. Kenya peaks, Thompson Falls in Nyahururu, proximity to Mt Kenya Game Park, expansive savannah landscape, game lodges and restaurants, conservancies and a rich Maasai culture. However, the period February-April 2017 witnessed invasions into ranches countered by national security operations in parts of Laikipia West and Laikipia North. These events contributed to a decline of activities in this sector. In the remaining part of 2017, large numbers of tourists and positive performance of this sector assumes Kenya's political stability on repeat presidential elections as well as security concerns with no issuance of travel advisories by major tourists' source countries.

d) Trade and Investment

This sector has continued to expand through increased investment in construction industry; wholesale and retail trade; and agriculture. The County has diverse investment opportunities especially in agriculture and tourism sectors. Some of these include value addition on agricultural produce, horticultural contract farming, hotels and conference facilities, eco-tourism and conservancies, tours and travel services, artefacts and sports tourism among others. The County government has invested in up scaling business models amongst groups/co-operative societies, operationalization of milk coolers, market infrastructure development and road network improvement.

3.3 Progress Report on Budget Implementation

The implementation of the County Budget 2017/18 has been marked by slow progress during the first quarter of the year. This is attributed to transitions of leadership following the general polls of August 2017. The County Annual Procurement Plan 2017/18 and Two Year Prequalification Plan (2016/17-17/18) are ongoing and opened up for updates and alignment

with IFMIS requirements. In addition continued sensitizations on compliance with AGPO and e-procurement system are expected to ensure inclusivity and efficiency in supply chain management.

The local revenue projection for the first quarter in 2017/18 was Ksh 126,590,984 representing 25% of targeted annual revenue. The revenue collection estimates during this period recorded Ksh. 65,636,293. This represents 52% realization of the targeted revenue projections during the period. In addition, it represents 13% realization of projected annual revenue.

As the first quarter ends, four exchequer releases were affected with amount received totalling to Ksh 699,080,983. The recurrent expenditure receiving Ksh. 613,321,151 for personnel emoluments and Ksh.47,087,219 for operations and maintenance. The development expenditure received Ksh 38,672,613.00 for supporting health facilities.

3.4 County Economic Outlook and Policies

Despite the National Government efforts, Kenya growth rate is still below the target of 10 per cent as per Kenya Vision 2030. The County Government will strengthen existing policies aimed at enhancing productivity amongst priority sectors. Consistent growth will be contributed through increased production and services in: agriculture, horticulture, wholesale and retail trading, tourism, construction and transport industry.

The County Government is committed to enhance agricultural sector output through promotion of grain storage facilities, irrigation farming and extension services. Breed improvement, fodder production, and construction of slaughter houses will also be supported to boost livestock production. The government will also upscale revolving enterprise development and co-operative funds to support enterprise growth and co-operative movement that significantly contribute to improved livelihoods through job creation, marketing and access to business capital. Urban development initiatives such as town beautification, pavements and solid waste and environmental management will also be up scaled. In addition wholesale, retail and related service industries have increasingly set base within the county and this generally indicates a positive growth prospects in the medium term.

Due to inadequacy of resources against high development needs, the County Government aims at increased role of the National Government agencies, private sector, development partners and civil societies in meeting the economy's resource requirements while at the same

time developing the appropriate investment environment. Local revenue collection in the year is projected at Ksh 500 Million and the County Finance Bill 2017/18 is expected to be fully implemented.

Key policies expected in the medium term include: CIDP 2018-2022, County Spatial Plan, County Climate Change Policy and Act, County Water Master Plan, County Valuation Roll and Rating Act among others. These policies will mirror the priorities stipulated in the Third Medium Term Plan of Kenya Vision 2030.

3.5 Medium Term Fiscal Framework

The County Government will continue to pursue prudent fiscal policy to assure economic stability. In addition, the county fiscal policy objectives will provide an avenue to support economic activities while allowing for implementation of the programmes within sustainable public financing.

With respect to revenue, the County Government hopes to maintain strong revenue collection mechanisms that will realize 100 per cent of estimated revenue in 2017/2018 and higher in subsequent years. Measures in place to enhance local collections include; up scaled automation of revenue collection streams, diversification of revenue sources, improved tax compliance, strengthened operations of Laikipia County Revenue Board and partnerships with KRA. It is expected that the amount of revenue collected will be 30 % percent higher in year 2017/2018 than in 2016/2017.

The County government will continue engaging with stakeholders in the implementation of land reforms and related resources for sustainable agriculture, tourism, industries and investments. This will aid in enhancing a conducive investment environment towards rapid local economic development.

On expenditure, the County Government will continue with rationalization of expenditure to improve efficiency and reduce wastages. Expenditure management will be strengthened with enhanced use of the Integrated Financial Management Information System (IFMIS) and e-procurement across the county level. The various provisions in PFM Act, 2012 and its regulations shall continue to be entrenched towards accelerating reforms in expenditure management system. The fiscal standing envisages no borrowing from domestic sources.

Joint initiatives with development partners will be pursued to support increased public expenditure on capital projects.

3.6 Risks to the Outlook

External factors such as bank rates, exchange rates and inflation may contribute towards negative variances on the performance of the economic growth. This may in turn lead to lower local revenue collections and increased expenditure. However, the national government in collaboration with county governments will undertake appropriate measures to minimize negative variances thereby safeguarding macroeconomic stability. In addition, bank interest rates, inflation and shilling exchange rate expected to be stable within expected margins.

The climate outlook for the short rain season during October to December 2017 indicates generally near normal rainfall in all parts of the county. However, onsets, intensity and spatial distribution may vary across various parts of the county. This poses a risk in the production sector such as agriculture that is heavily dependent on rain water.

Public expenditure pressures, especially recurrent expenditures, continue to pose fiscal risk to the County Governments. The county government will continue mitigating internal risks that include labour unrest by the unionized members, delays in passage of the finance related bills, court cases and weak implementation framework of development projects. In addition competing political interests may adversely affect timely realization of development programmes and related outcomes.

CHAPTER FOUR

RESOURCE ALLOCATION FRAMEWORK

4.1 Introduction

This section establishes resource envelop and allocates revenues across government departments by setting expenditure limits or ceilings for each government department.

4.2 Adjustment to the 2017/18 Budget Estimates

Laikipia County will get an equitable share of Ksh. 4,499,800,000 in 2017/18. In addition, the County government will raise revenue from local collections at Ksh. 500,000,000. This makes the shareable revenues expected for the FY 2017/18 amount to Ksh. 4,999,800,000. Conditional allocations from national government revenue include Ksh 33,358,878 for Development of Youth Polytechnics; Ksh. 9,968,208 for compensation of user fee foregone; Ksh. 95,744,681 for lease of medical equipment and Ksh. 146,974,666 for road maintenance.

Others conditional allocations from development partners include Ksh 25,255,000 for county health facilities from World Bank, Ksh 38,403,464 level 1 grant on KDSP; Kshs 82,515,075 Conditional Allocation-Other Loans & Grants; Kshs 66,000,000 from EU-IDEAS LED to support agriculture sector and extra budgetary provisions of Ksh 200,000,000 from HFIF. This makes the total revenues in the FY 2017/18 amount to 5,698,019,972.

Recurrent expenditure represents 70.8% whereas development expenditure represents 29.2% of the total shareable budget. In addition, recurrent expenditure represents 3.3% whereas development expenditure represents 96.7 % of the total conditional budget. Overall, recurrent expenditure represents 63% whereas development expenditure represents 37% of the total budget.

Major adjustments are expected under Laikipia County Revenue Board towards generating targeted local collections including collection enhancement plans, formulation of supportive legislations to the Finance Bill, automation up scaling and enhanced implementation of the Finance Bill.

In the view of average absorption of development expenditure at 63% in 2016/17, elaborate mechanisms are called for in ensuring that programmes and projects are completed on time to surpass development expenditure at over 80% and the medium term in 2017/18.

Close collaboration and consultations with national institutions and organs shall be maintained to ensure that funding is well timed in line with sector programmes. These institutions and organs include; Office of the Controller of Budget, the National Treasury, the Summit, Council of Governors, Intergovernmental Budget and Economic Council, Salaries and Remuneration Commission and the Central Bank.

4.2 Medium Term Expenditure Framework

The County Integrated Development Plan, Annual Development Plans and Annual Procurement Plans will continue to guide resource allocations in the medium term. The County Sector Working Groups will work closely with the County Budget and Economic Forum in prioritizing core areas of financing and public investment. Focus will be towards optimal funding of infrastructure development, social services, productive sectors, and supportive services.

The sectoral ceilings targeting various county departments in the year 17/18 and the medium term are detailed in Table 4.2

Table 4.2: Total Sector Ceiling for the MTEF Period 2017/2018-2019/2020

Total Expenditure (Ksh)			Projections		% Share of Total Expenditure		
County Sector	Estimates 2017/2018	CFSP Ceilings 2017/18	2018/2019(Ksh)	2019/2020(Ksh)	Estimates 2017/2018	Projections 2018/2019	Projections 2019/2020
	County Assembly	458,586,936	382,000,000	504,445,630	554,890,193	9	9
Agriculture Livestock and Fisheries	171,424,000	174,424,000	188,566,400	207,423,040	3	3	3
Education and ICT and Social Services	194,658,000	190,658,300	214,123,800	235,536,180	4	4	4
Public Service and County Administration	2,665,947,000	2,635,484,900	2,932,541,700	3,225,795,870	53	53	53
Lands, Housing and Urban Planning	382,176,000	370,346,600	420,393,600	462,432,960	8	8	8
Trade, Tourism and Co-operatives	210,047,000	133,047,900	231,051,700	254,156,870	4	4	4
Health	377,217,000	362,217,200	414,938,700	456,432,570	8	8	8
Water Environment and Natural Resources	253,027,000	242,027,600	278,329,700	306,162,670	5	5	5
Finance and Economic Planning	286,717,064	293,698,200	315,388,770	346,927,647	6	6	6
Total	4,999,800,000	4,783,904,700	5,499,780,000	6,049,758,000	100	100	100

NB: Conditional grants for 2017/18, 2018/19 and 2019/20 are excluded

*Personnel emoluments in the executive departments account to 90% of the share in the Public Service Department.

4.3 Proposed Budget 2017/18 Framework

(a) Revenue Projections

In the financial year 2017/18 the county is estimated to receive revenue of Ksh. 4,999,800,000 inclusive of Ksh. 500,000,000 raised as local collections. The revenues are projected to grow to Ksh. 5,499,780,000 inclusive of Ksh. 550,000,000 raised locally in 2018/19. In the year 2019/20, the revenues are projected at Ksh. 6,049,758,000 inclusive of 605,000,000 raised locally.

The key sources of local revenue include: land rates, business permits, cess, parking fees, natural resource exploitation, garbage dumping fees, lease changes, market fees, technical services and building approvals. Hospital collections will also be channelled towards health service delivery.

(b) Expenditure Forecasts

In the financial year 2017/18 the approved budgets total expenditure is estimated to be Ksh. Kshs 5,698,019,972 which includes conditional grants expenditures of Kshs 698,219,972.00 and Pending bills for the financial year 16/17 totalling to Ksh.1,170,245,934. The FY 2017/2018 expenditure represents a 20 % increase compared to the expenditure in the financial year 2016/2017 which was Ksh 4,744,584,122

The overall county recurrent expenditure is expected to decrease in FY 2017/18 to 63% of the total budget from 67% of the total budget in FY 2016/17. The estimated amount for FY 2017/18 is Ksh. 3,562,379,836 from Ksh. 3,179,753,308 in 2016/17. Pending bills for the year 16/17 amounting to Kshs 148,913,039 will be spent for recurrent expenditure. The major spending departments in recurrent expenditure include: the Public Service and County Administration; County Assembly; and Finance and Economic Planning.

In FY 2017/2018, overall development expenditures is expected at Ksh. 2,135,640,136 representing 37% compared to Ksh 1,564,830,814 representing 33% in 16/17 budget. The major spending departments in development expenditure include: Lands Housing and Urban Development; Health; and Water, Environment and Natural Resources.

(ii) Wage Obligation

The salaries, wages and expenses of the county administration services for 2017/18 is estimated at Ksh. 2,401,500,000 compared to Ksh. 2,175,000,000 in 2016/17. This represents 10.4% increment attributed to employment of additional staff in the health, agriculture, finance, lands and housing departments. Other considerations for the increment include; salary annual increments, job promotions, hardship allowances adjustments, house allowances adjustments and staff health insurance. The increment spending in salaries and wages is expected to be on a steady growth over the medium term as the county strengthens the matching of staff skills and functions.

(c) Projected Fiscal Balance (Deficit)

To ensure fiscal discipline, the 2017 BPS and 2017 CFSP have maintained that the County governments do not include deficits in their budgets in 2017/18 and medium term. It is in this regard that the county government allocated resources for spending that are commensurate to the revenues expected in the 2017/18 and the medium term.

During the 2017/18 fiscal year, the resource framework is fully financed through transfers 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. In addition, conditional grants will add to resource envelope and spent within the provisions of the Appropriation Act.

CHAPTER FIVE

CONCLUSION AND NEXT STEPS

5.1 Conclusion and Next Steps

The set of policies outlined in this C-BROP reflect the changed circumstances and are broadly in line with the County Integrated Development Plan, Annual Development Plan and the fiscal responsibility principles outlined in the PFM Act. They are also consistent with the national strategic objectives pursued by the County Government as a basis of allocation of public resources. Details of the strategic objectives are provided in the first CIDP 2013-2017. The policies and sector ceilings in Annex 5 will guide the County Sector Working Groups and line departments in preparation of the 2017/18 budget. This is further guided by the provisions in the Annual Development Plan 2017/18 whose summary expenditure is detailed in Annexes 4(a) and 4(b).

As budgetary resources are finite, it is critical that CSWGs and county departments prioritize their programmes within the available ceilings to ensure that use of public funds is in line with county government priorities. Towards minimizing increase in pending bills, all departments will be required to clear outstanding liabilities that are largely creditors. There is also need to ensure that recurrent resources are utilised efficiently and effectively before funding is considered for programmes. CSWGs need to carefully consider detailed costing of projects, strategic significance, deliverables (output and outcomes), alternative interventions, administration and implementation plans in allocation resources. The budget calendar in Annex 1 therefore requires to be adhered to in line with the Budget Circular of August 2017.

In pursuit of this, effective budget implementation at the county level will be facilitated through capacity building and the development of systems for close monitoring and evaluation of spending entities to ensure that resource application bears the most fruit to the taxpayer. Involvement of all stakeholders in budget execution is also key in enhancing overall budget implementation and the priority public needs will be key in shaping the final budget policies and allocations for the 2017/18 financial year.

The county will also strengthen its revenue collecting and management systems with the goal of generating more revenues to strive towards budgetary self-reliance while ensuring the

stability of the fiscal framework and financial health of the County. This way, the various projections for revenue streams provided in Annex 2 will be realized.

Annex 1: 2018/19 Budget Calendar

S/No	Activity	Due Date
1	Issue County Treasury Budget Circular	30 th August, 2017
2	Submit County Annual Development Plan to the CECM-Finance	22 nd August, 2017
3	Submit County Annual Development Plan to the County Executive Committee	25 th August, 2017
4	Submit County Annual Development Plan to the County Assembly	1 st September, 2017
5	Submit the County Budget Outlook Paper (CBROP) to the County Executive Committee Member-Finance	22 nd September, 2017
6	Submit the County Budget Outlook Paper (CBROP) to the County Executive Committee	30 th September, 2017
7	Submit the County Budget Outlook Paper (CBROP) to the County Assembly	21 st October, 2017
8	Launch/Convene Sector Working Groups	6 th November, 2017
9	Submit Sector Working Groups Reports to the County Treasury	30 th November, 2017
10	Submission of Budget Proposals and Feasibility Study data by County Departments to County Sectors Heads/Chief Officers	22 nd December, 2017
11	Submission of Budget Proposals and Feasibility Study data by County Sectors to County Treasury	12 th January, 2018
12	Review and Analysis of Annual Budget Proposals by County Budget Team	15 th January, 2017 up to 20 th April, 2018
14	Public Participation Meetings on CFSP	29 th -31 st January, 2018
15	Submit the County Fiscal Strategy Paper (CFSP) to the County Executive Committee Member-Finance	9 th February, 2018
16	Submit the County Fiscal Strategy Paper (CFSP) to the County Executive Committee	16 th February 2018
17	Submit the County Debt Management Strategy (CDMS) to the County Executive Committee	16 th February, 2018
18	Submit the County Fiscal Strategy Paper (CFSP) to the County Assembly	28 th February 2018
19	Submit the County Debt Management Strategy (CDMS) to the County Assembly	28 th February 2018
20	Dispatch of Reviewed Annual Budget Proposals to Sectors	15 th March, 2018
21	Conduct Public Participation Fora on Annual Budget Estimates	30 th March, 2018
22	Submit Finalized Sector Annual Budget Estimates to the County Treasury	13 th April, 2018
23	Submit Finalized County Annual Budget Estimates to the County Executive Committee	20 th April, 2018
24	Submit Finalized County Annual Budget Estimates to the County Assembly	30 th April, 2018
25	Submit Proposed Annual Procurement Plans to the Supply Chain Unit	30 th May, 2018
26	Submit County Annual Cash Flow Projections to CRA and copied to IBEC and National Treasury	15 th June, 2018
27	Debate and Approval of County Annual Budget Estimates	30 th June, 2018
28	Submission of Finance Bill to the County Assembly	30 th August, 2018
29	Approval of Finance Bill by the County Assembly	30 th September, 2018
29	Quarterly /Cumulative Compliance Reports of Revenue and Expenditure	Within two weeks after the end of every quarters

Annex 2: Revenue Projections for 2016/17, 2017/18 and 2018/19

Revenue Streams	2016/17	2017/18	2018/19
	Target (Ksh)	Target (Ksh)	Target (Ksh)
Land Rates and related charges	148,070,000	110,500,000	121,550,000
Business Permits and related charges	134,536,000	100,400,000	110,440,000
Various Cesses	79,957,800	59,670,000	65,637,000
Plot Rent and related charges	24,120,000	18,000,000	19,800,000
Administrative Services fees.	13,266,000	9,896,436	10,886,080
Various fees and court fines	2,586,200	1,929,305	2,122,236
Natural Resources Exploitation	41,968,800	31,384,840	34,523,324
Sale of County Government Old Assets	938,000	699,748	769,723
Lease/Rental of County Government Infrastructure Assets and Social Premises Use Charges	11,725,000	8,746,850	9,621,535
Market/Trade Centre Fees	18,760,000	13,994,960	15,394,456
Enclosed Bus Park Fees and Other Parking Charges	89,250,700	66,581,022	73,239,124
Housing Estate Monthly Rent and Related Charges	28,475,000	21,242,350	23,366,585
Education institutions fees	1,206,000	899,676	989,644
Public Health and Sanitation Fees including slaughters houses	18,458,500	13,770,041	15,147,045
Land Survey and Building Fees	15,812,000	11,795,752	12,975,327
Right-of-Way/Way-Leave Fees (KPLC, Telkom, etc.)	10,720,000	7,997,120	8,796,832
Fire -Fighting Service	2,680,000	1,999,280	2,199,208
Other Miscellaneous Revenues	27,470,000	20,492,620	22,541,882
Total	670,000,000	500,000,000	550,000,000

Annex 3 (a): Local Revenue Collection Statement For FY 2015/16 and 2016/17

Revenue Streams	Actual `2015/2016	Actual `2016/2017	variance
1520100 Land Rates	0	441,375	441,375
1520101 Land Rates Current Year	59,695,579	32,390,370	-27,305,209
1520102 Land Rate Penalties	3,298,306	2,491,084	-807,222
1520103 Land Rates Other Years	20,592,799	14,631,259	-5,961,540
1520104 Other Property Charges	454,400	1,658,234	1,203,834
1520200 Business Permits	0	265,000	265,000
1520201 Business Permits, Current Year	67,695,989	60,138,616	-7,557,373
1520202 Business Permits Late Payment Penalties, Current Year	685,340	3,147,952	2,462,612
1520203 Business Permits, Other Years (Including Penalties)	67,710	643,784	576,074
1520300 Cesses	0	23,960	23,960
1520304 Wheat & Maize Cess	7,355,820	4,022,280	-3,333,540
1520311 Fruits & Vegetables / Produce Cess	3,714,486	5,474,106	1,759,620
1520314 Log Cess	81,300	384,230	302,930
1520315 Charcoal Cess	160,900	572,520	411,620
1520321 Livestock Cess	10,727,830	15,878,210	5,150,380
1520500 Plot Rents	0	1,861,940	1,861,940
1520501 Ground/Plot Rent - Current Year	7,194,457	9,209,021	2,014,564
1520502 Ground Rent - Other Years	5,168,040	5,064,923	-103,117
1520503 Stand Premium	0	15,800	15,800
1520504 Temporary Occupation License (TOL)?TOP	202,300	477,880	275,580
1520600 Other Local Levies	2,696,310	362,500	-2,333,810
1530000 Miscellaneous Fees & Charges	0	266,030	266,030
1530101 Debts Clearance Certificate Fee	2,441,950	1,417,900	-1,024,050

Revenue Streams	Actual `2015/2016	Actual `2016/2017	variance
1530102 Application Fee	1,370,650	1,583,925	213,275
1530103 Plot Transfer Fee	467,950	409,150	-58,800
1530104 Plot Subdivision Fee	1,822,100	608,150	-1,213,950
1530105 Business Subletting / Transfer Fee	493,250	600,000	106,750
1530106 Isolation Fee (Surcharge on Business Permit)	0	32,500	32,500
1530107 Document Search Fee	34,200	46,500	12,300
1530111 Agency Fee (Fees from KHC, Insurance Firms, etc.)	0	0	0
1530121 Customers Deposits (Other than Water & Sewerage)	0	95,075	95,075
1530122 Cheque Clearance Fee/bank charges	18,550	0	-18,550
1530202 Court Fines	142,000	135,500	-6,500
1530203 Impounding Charges	91,700	110,500	18,800
1530204 Sales of County's Minutes / Bylaws	0	24,424,600	24,424,600
1530205 Tender Documents Sale	0	1,550	1,550
1530300 Council's Natural Resources Exploitation	0	1,179,000	1,179,000
1530301 Sand, Gravel, and Ballast Extraction Fees	15,259,530	13,664,000	-1,595,530
1530302 Quarry Extraction Fees	15,900	23,600	7,700
1530303 Mineral Extraction Royalties (Cement, Silica, etc.)	0	12,000	12,000
1530311 Sales of Flowers, Plants, Firewood, Produce, etc.	842,445	1,500	-840,945
1530321 Garbage Dumping/Conservancy Fee	12,347,978	7,151,772	-5,196,206
1530331 Game and Nature Park Fee	8,169,250	7,780,480	-388,770
1530400 Sales Of Council Assets	0	751,770	751,770
1550100 Market/Trade Centre Fee	0	27,440	27,440
1550101 Market Entrance / Gate Fee	7,502,689	7,305,380	-197,309
1550102 Market Plots Rent	0	341,530	341,530
1550103 Market Shops Rent	658,340	174,276	-484,064
1550104 Market Kiosks Rent	564,350	0	-564,350
1550105 Market Stalls Rent	140,630	0	-140,630
1550106 Market Shelters Fee	0	0	0
1550201 Enclosed Bus Park Fee	33,344,680	26,698,950	-6,645,730
1550211 Other Vehicles Enclosed Park/Reserved Fees	659,695	2,686,150	2,026,455
1550221 Street Parking/ motorbike Fee	17,813,100	19,722,010	1,908,910
1550225 Clamping Fee	1,401,750	2,427,940	1,026,190
1550226 Towing Fee	0	157,800	157,800
1560101 Housing Estates Monthly Rent	13,836,522	18,342,909	4,506,387
1560102 NHC Loan Repayments	0	368,200	368,200
1560104 Advertisement Charges Recovery	1,003,900	1,303,440	299,540
1560201 Social Hall Hire	97,300	54,200	-43,100
1560211 Stadium Hire	55,000	173,500	118,500
1560212 Stadium Entrance Fee	0	0	0
1570100 SCHOOL FEES	0	65,000	65,000
1570101 Nursery Schools Fee	208,600	196,000	-12,600
1580100 Public Health Services	4,848,435	863,500	-3,984,935
1580102 Innoculation Fee	0	222,300	222,300
1580111 Food Quality Inspection Fee	6,487,318	3,393,880	-3,093,438
1580112 Food/Liquor Preparation Premises Hygeservice	0	4,496,715	4,496,715
1580200 Public Health Facilities Operations	0	0	0
1580211 Health Centres Services Fee/Hospital tranfer	0	261,550	261,550
1580231 Public Toilets Fee	20,345	18,700	-1,645
1580241 Burial Fees	106,550	115,200	8,650
1580242 Hearse Services Fee	0	5,800	5,800
1580401 Slaughtering Fee	7,331,000	5,976,915	-1,354,085
1580402 Hides & Skins Fee	860	164,255	163,395
1580403 Manure Sale	278,030	578,240	300,210
1580411 Slaughter Houses Inspection Fee	20,400	20,600	200
1590101 Beacon Search Pointing Fee	259,500	320,200	60,700
1590102 Survey Fee	0	47,500	47,500

Revenue Streams	Actual	Actual	variance
	`2015/2016	`2016/2017	
1590111 Buildings Plan Preparation Fee	601,528	455,994	-145,534
1590112 Buildings Plan Approval Fee	5,851,940	3,062,792	-2,789,148
1590113 Buildings Inspection Fee	1,510,680	2,762,980	1,252,300
1590121 Right-of-Way / Way-Leave Fee (KPLN, Telkom, etc.)	0	143,110	143,110
1590132 Sign Boards & Advertisement/promotion Fee	5,000,470	5,371,024	370,554
1590200 External Services Fees	0	95,100	95,100
1590201 Fire-Fighting Services	1,766,500	2,287,050	520,550
TOTAL	344,679,139	330,158,676	-14,520,463

Annex 3 (b): Hospital Local Revenue Collection Statement For FY 2015/16 and 2016/17

Revenue Streams	Actual	Actual	variance
	`2015/2016	`2016/2017	
Hospital Collections	166,802,245	139,648,851	-27,153,394
Total	166,802,245	139,648,851	-27,153,394

Annex 4(a): Annual Development Plan 2017/18 Estimates

Sector/Department	Programme/Sub Programme	Estimated Cost (Ksh)
Public Service and County Administration Sector	Administration, Planning and Support Services	250,000,000
	County Administration Services	133,000,000
	County Executive Committee Support Services	110,000,000
	Human Resource Management and Development	192,000,000
	Security and Policing Support Services	73,000,000
	Public Safety, Enforcement and Disaster Management	102,000,000
	Sub Total	860,000,000
Health	Curative and Rehabilitative Health	313,000,000
	Preventive Promotive Health	47,000,000
	General Administrative and Planning Services	1,398,000,000
	Sub Total	1,758,000,000
Agriculture , Livestock and Fisheries	Crop Development and Management	208,000,000
	Administration Planning and Support Services	320,000,000
	Livestock Resources Management and Development	117,000,000
	Fisheries Development and Management	17,000,000
	Veterinary Services Management	57,000,000
	Sub Total	719,000,000
Water, Environment and Natural Resources	Administration and support services	159,000,000
	Water supply management	202,000,000
	Natural Resources Management	85,000,000
	Environment Management and Protection	63,000,000
	Sub Total	509,000,000
Finance and Economic Planning	Administrative services	20,000,000
	Infrastructural Facilities	6,000,000
	Personnel services	275,000,000
	Accounting Services	7,000,000
	Internal Audit Services	10,000,000
	Supply Chain Management Services	9,000,000
	County Treasury Administration	25,000,000

Sector/Department	Programme/Sub Programme	Estimated Cost (Ksh)
	Revenue Collection and Revenue Board Services	30,000,000
	Budget Management	3,000,000
	Laikipia County Emergency Fund	20,000,000
	Accountable Documents services	5,000,000
	Financial Automation Services	20,000,000
	County Integrated Development Planning Services	5,000,000
	County Integrated Development Plan (CIDP 2018-2022)	10,000,000
	Research, Statistics and Documentation	2,000,000
	County Integrated Monitoring and Evaluation Services	6,000,000
	Household Economic Empowerment	10,000,000
	Ward Development Fund	5,000,000
	County Development Authority	5,000,000
	Policy Management and Public Participation	10,000,000
	Sub Total	483,000,000
Trade Tourism and Co-operatives	Administration Services, Personnel Services, Finance Services and policy formulation	55,000,000
	Tourism Infrastructure development and Promotion,	25,000,000
	Trade Infrastructure Development and Promotion	81,000,000
	Co-operative Development and promotion	5,000,000
	Co-operative Revolving Fund	30,000,000
	Sub Total	196,000,000
Education, ICT and Social Services	Administration, Planning and Support Services.	140,000,000
	Vocational Training Development	15,000,000
	ICT infrastructure Development	10,000,000
	ECDE Development	133,000,000
	Education Empowerment programme	50,000,000
	School Infrastructure Support	35,000,000
	Sports Development and Promotion	18,000,000
	Social Development and Promotion	30,000,000
	Child Care Services	8,000,000
Sub Total	442,000,000	
Lands, Housing and Urban Development	Administration ,Planning and Support Services	152,000,000
	Road network improvement & urban development	504,000,000
	Public Works Services Delivery Improvement	10,000,000
	Physical Planning Services	50,000,000
	Housing	4,000,000
	Sub Total	720,000,000
Grand Total	5,756,000,000	

Annex 4(b): Personnel Emoluments Projections 2017/18

Sector/Department	Estimated Cost (Ksh)
Public Service and County Administration	230,000,000
Finance and Economic Planning	275,000,000
Health	1,300,000,000
Agriculture , Livestock and Fisheries	300,000,000
Education, ICT and Social Services	120,000,000
Lands, Housing and Urban Development	127,000,000
Trade Tourism and Co-operatives	35,000,000
Water, Environment and Natural Resources	130,000,000
Total	2,517,000,000

Annex 5: Sector Ceilings in 2017/18 and Medium Term

County Sector	2016/2017 Supplementary Estimates		2017/2018 Projections		2018/2019 Projections	
	Recurrent	Development	Recurrent	Development	Recurrent	Development
County Assembly	391,466,518	40,000,000	448,586,936	10,000,000	493,445,630	11,000,000
Agriculture Livestock and Fisheries	16,907,000	107,356,000	40,000,000	131,424,000	44,000,000	144,566,400
Education, ICT and Social Services	41,843,000	113,800,000	57,527,000	137,131,000	63,279,700	150,844,100
Public Service County Administration	2,406,153,751	129,856,000	2,594,765,000	71,182,000	2,854,241,500	78,300,200
Lands, Housing and Urban Development	31,409,000	264,214,000	61,049,900	321,126,100	67,154,890	353,238,710
Trade, Tourism , Co-operatives	23,824,000	88,000,000	34,047,000	176,000,000	37,451,700	193,600,000
Finance and Economic Planning	144,362,000	106,143,000	150,798,000	135,919,064	165,877,800	149,510,970
Health	45,981,000	246,428,000	96,579,000	280,638,000	106,236,900	308,701,800
Water, Environment and Natural Resources	29,222,000	165,142,000	54,027,000	199,000,000	59,429,700	218,900,000
Total	3,131,168,269	1,260,939,000	3,537,379,836	1,462,420,164	3,891,117,820	1,608,662,180