

# **COUNTY ASSEMBLY OF NAKURU**

## **THE HANSARD**

**Tuesday, 15<sup>TH</sup> March 2022**

*Assembly Building*

*The House met at 2. 50 pm*

*[The Temporary Speaker (Hon. Philip Wanjohi) in the Chair].*

### **PRAYER**

**The Temporary Speaker** (Hon. Philip Wanjohi): Honorable Members welcome to the afternoon session. Clerk next order.

### **MOTION**

HOUSE ADOPTS THE BUDGET AND APPROPRIATIONS COMMITTEE REPORT ON

THE COUNTY FISCAL STRATEGY PAPER 2022

**The Temporary Speaker** (Hon. Philip Wanjohi): Honorable Members we have a Motion from the Chairperson for the Committee on Budget and Appropriation Honorable Joel Karuri, that pursuant to Standing Order No 209(7), this House adopts the report of the Committee on Budget and Appropriations on the County Fiscal Strategy Paper 2022 tabled in this House during the morning sessions.

**Hon. Joel Karuri:** Thank you Honorable Temporary Speaker, I rise to move the Motion;-

THAT the House adopts the Report of the Budget and Appropriations Committee on the County Fiscal Strategy Paper 2022.

I gave Notice in the morning. This is the report of the Committee on Budget and Appropriation, and without much ado, this Paper was received and laid in this House. Then later forwarded and referred to the Committee on Budget and Appropriation and upon the receipt of it, as a Committee, we sat, deliberated, and interrogated the Paper and this is our report.

Honorable Temporary Speaker, the Members have had an opportunity to interact with the document since the morning session and of importance is to say that the County Fiscal Strategy Paper is a Paper that sets the ceilings of forward Budget for 2022/2023. This is the Paper that set how much is going to which department and how the budget will be funded.

Moving forward to page 43, so that we can move together with Members, it is good to note Honorable Temporary Speaker that the revenue projections for the Financial Year 2022/2023

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that is going to include the own source revenue is approximately Kshs 16.8 billion as shown in the table. The table shows how the revenue and the projections that the Treasury and the County Government have made. We can see that there is the IFMIS code, there is the revenue source, and there are the approved estimates for the Financial Year 2021/2022.

There is also the CFSP, when you look at that for this financial year, this makes Kshs 16.8 billion and there is how now the revenue is going to be used. It is good to note that amongst the major policies on this document, it includes Kshs 1.6 billion on page 44, which makes up 46.4% of the development nets of conditional. This Kshs 1.6 billion is going to be shared according to the law that we passed in this House in 2018, according to the parameters that are set.

It is also good to note that the law and the Act that we usually use for revenue division in this County, across Ward. The time is ripe to be amended but then we realized that for this financial year, we had very different timelines and roadmaps and we were not able to include specifically the new populations as reported by the Kenya Bureau of Statistics.

We are going to run the Kshs 1.6 billion across the wards in the parameters that are set in the Act of 2018. The other important aspect that we are going to look at in the County Fiscal Strategy Paper includes the Kshs 200 million for debts resolutions. We know that our County has had debts and those debtors are suppliers from this County. If they are going to be paid to a tune of Kshs 200 million then it means it is going a long way in helping our suppliers and business community in the county to be able to flourish businesswise.

Of importance is also to note that the compensation to Employees is expected to reach Kshs 7.2 billion in the financial year 2022/2023. This makes a percentage of 42.9% of the total budget. This comprises of compensations for State Officers, Public Officers, and Contractual Employees. It is also expected that the use of goods and services is going to rise to Kshs 4.5 billion which makes up 27.1% for the Financial Year 2022/2023 Budget. It is good to note that the department of Health will have a total budget of Kshs 6.5 billion which makes up 39.04% of the total budget. This means that the department of health is taking the big junk of the total budget.

On this, we have had discussions on whether the future, and what the future holds in terms of health and provision of health services to the residents of this county. So far so good, the executive has done quite some good job even after coming out from the COVID 19 pandemic and Nakuru County was one that performed well in terms of provision of health services.

However, when you look at that budget that is making Kshs 6.5 billion, which is 39.4% almost 40% of the total budget going to the department of health. This shows that health is an expensive affair but we also realized that without good health then the county cannot run. The residents of this county cannot work however, it is expected that this money is going to rise because you realize that the many health facilities and dispensaries, the out patients and the hospitals that being built in the county. As much as there is going to be the transfer of the existing labor force,

we also know that some of other dispensaries in rural areas and health centers require new staffs to be employed.

The budget in the coming years is going to go up and this calls for proper planning in the department of Health and Treasury and in the wards and rural areas. It is good to come up with a policy that says that in a certain ward how many dispensaries can there be in terms of geographical area and population. So that we do not have a dispensary in every polling station, which is dangerous, unsustainable, and going forward we need to see how as an Assembly and government together with the treasury and the department of Health to see how we are going to make health sustainable.

There is a danger that in the future, if proper planning and proper allocation of resources is not going to be done, then this service can be costly. Development expenditure is expected to rise to Kshs 5.057 billion and these translate to 30% of the County Budget Estimates, which is in line with the PFM Act 2012.

The other highlight of this CFSP is that in the next financial year budget, there is going to be a Bursary allocation of Kshs 110 million. This the one that is located from the Department of Education. There is also going to be Kshs 27. 7 million that is going to go to the ward sports. That is money for the provision of uniform and other sporting equipment.

It is expected that there is going to be disability allocation for Kshs 27. 5 million. And it has to be very clear that this money will go to do empowerment of people living with disabilities, in the coming year's budget. Without much ado, I want to go to page 48. Where we are going to look at the sectoral expenditure ceilings. This is how the money is going to be spent in the next financial year.

In the department of Agriculture, Livestock and Fisheries, the ceiling, the committee set the ceiling at Kshs 994,402,000 And this comprises of Kshs 384 million for compensation of employees and Kshs 138 million for goods and services. There is also going to be Kshs 461 million for development, this allocation is pegged at 5.9% of the total budget. And the chairman Agriculture who also happens to sit in the committee, has always told us about the Maputo declaration that says that in the developing nations that the ceiling for agriculture need to be above 10%, we are still below that. And it is one thing to say that Nakuru is an agricultural county and another thing to allocate resources. So, there is a question of whether this is a political statement. When we say that agriculture is the backbone of the economy of this county, or even this country. We need at some point moving to the future, to realize that functions need to be followed by resources. But if you have been given so many functions without resources, then there will be nothing.

In the Department of Lands, Physical Planning and Housing. the committee set the ceiling at Kshs 224,410,000. And these comprises of Kshs 86 million for compensation to employees, there is Kshs 47. 4 million for the use of goods and services, and Kshs 90 million for development. This allocation is 1.33% of the total budget. This is another department that Treasury together with the

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committee on budget, and even more emphasis need to be done at the Treasury. When they are forwarding the CFSP paper, they need to enhance money for this department. So much happens on land. Farming happens on the land, even new cities and new trading centres, happens on land. So, this are sectors that need to be empowered, even in terms of recruitment for the service providers in that department.

When we move to the department of Education, Vocational Training, ICT and E-government a total of Kshs 832 million has been targeted. Is a ceiling and Mr. Temporary Speaker Kshs 398 million is going to be taken for salaries for employees. And Kshs 304 million is for use of goods and services for supporting the Service delivery also Kshs 130 million that is going to go to development which comprises of 4.94% of the total budget.

In the Department of Youth, Kshs 343 million has been set aside Kshs 107.3 million for salaries, Kshs 143 million for the use of goods and services and Kshs 92 million for development. The department of Youth has been allocated 2.04% of the total budget.

The Department of Roads the ceiling has been set at Kshs 774.7 million. This is because this comprises of Kshs 111.9 million for compensation of employees, Kshs 221 million for use of goods and services and Kshs 441 will be used for development. The Department of Roads has been allocated 4.60% of the total budget.

The Department of Environment, Water and Natural resources. The committee proposes that the sub sector gets Kshs 408 million and out of these Kshs 217 million will go to payment of salaries, Kshs 69 million to go to recurrent for use of goods and services and Kshs 121 million will go to development which comprises of 2.42% of the total budget.

Trade, Industrialization and Tourism total ceiling Kshs 285 million, compensation to employees Kshs 61 million, recurrent for using of goods and services Kshs 133.7 million and Kshs 90.9 million for development.

In the Department of Health, they are going to get a ceiling of Kshs 6.5 billion, which comprises of Kshs 4.1 billion for the payment of employees in terms of salaries and other allowances and Kshs 1.5 billion for use of goods and services and Kshs 869 million for development. As earlier mentioned, this department takes 39.04% of the total budget.

Office of the Governor will get a ceiling of Kshs 441 million. And this is Kshs 100 million for compensation to employees, Kshs 230 million for use of goods and services and Kshs 110 million for development, this allocation is 2.62% of the total budget.

I am about to complete the document but it is important for recording and even for *Hansard*. When it comes to the County Treasury, there is a ceiling of Kshs 3.093 billion and out of these Kshs 555.3 million will be used for the payment of employees and Kshs 666 million for the use of goods

and services, Kshs 2.1 billion will be used for development. This allocation is 18.35% of the total budget. It is also good to know that in these Kshs 2.1 billion this is where the ward money is.

Included in the County Treasury development is the ward resource envelope of Kshs 1.6 billion and also the debt resolution that we said has been put at a ceiling of Kshs 200 million.

Public Service Management (PSM) Kshs 770 million, Kshs 538m for compensation of employees and Kshs 174.6 million for goods and services and Kshs 57.3 for development. In the PS PSM, there is an allocation of 4.57% of the total budget.

County Public Service Board Kshs 79 million will be the ceiling out of this Kshs 30.8million will go to compensation of employees and Kshs 41.6 million for the use of goods and services, and Kshs 7.5 million for development, this is an allocation of 0.47% of the total budget.

When Nakuru became a city, there was also these other entities called Nakuru municipality and Naivasha municipality and the monies that have been allocated in terms of ceilings have been well indicated.

There is another office of the County Attorney, the one that litigates and defends the county government of Nakuru in the courts and in the legal arena, this is a new office that has been given a ceiling of Kshs 27.4 million comprising of Kshs 400,000 for compensation to employees and 20 million for use of goods and services and there is also Kshs 7 million for development. And what you realize Mr. Temporary Speaker, every day the county is taken to court over land issues, revenue, of licenses and of fees and charges. This is a very important office.

There is the Nakuru County Revenue Authority that has been recently created; a replica of the KRA at the National level. Every time present a budget with recommendations, we have always lamented about the lack of meeting the target in terms of revenue, and now the question of this Nakuru County Revenue Authority which is an authority in itself will go a long way if well managed to be able to alleviate the County from this systemic problem and challenge.

The County Assembly of Nakuru is one of the departments that is going to be funded by these ceilings. There is the indicated budget for that.

In page 52, there is the other recommendations and there are annexes to this document which is enumerated in a very clear way. If you look at that page 55, you can see that department, the compensation to employees, operations and maintenance, recurrent, total; monies for development the total per department and also the percentage. Annex 2 is also the budget ceilings and page 57 is the revenue source; how the County is planning to finance the budget. In page 60, you can see how the development money is going to be shared. The total is Kshs 6.4 billion and out of this, we know that we less Kshs 1.4 billion which is conditional grant and the equitable allocation is Kshs 3.4 billion and out of that, 45% goes to the Ward projects. This is according to the law that we passed. When you run the Kshs 1.6 billion across the various Wards, every Member can be able

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to see what amount of money would go to each Ward and that is clearly indicated. I beg to move that now this report be adopted so that it can allow the executive to proceed with the public participation and even our people can give their aspirations on the development projects and even service delivery that they want to be given and we know that this is a very important document even in the generation of the main budget. I pray and I want to request that Members adopt this to give way to the other steps and the other areas in the budget roadmap. I am going to invite Mheshimiwa Rotich to second. Thank you.

**The Temporary Speaker** (Hon. Philip Wanjohi): Thank you Hon. Joel Karuri. Member for Keringet.

**Hon. Anthony Rotich:** Thank you Mr. Temporary Speaker sir. I stand to second the report and I request our members to support it simply because the Ward kitty ceiling for Financial Year 2022/2023 has risen from Kshs 1.457 to Kshs 1.6 billion of which more money will be moved to our Ward levels. I also support the adoption of this report and on the side of County Assembly, there is an additional of Kshs 310 million for mortgage and car loans which previously was not included. I pray that the National Assembly will enact the laws to include Members of the County Assemblies to be beneficiaries of the car grant as they do for themselves in the National Assembly and also the Senate. I support the report. Thank you.

**The Temporary Speaker** (Hon. Philip Wanjohi): Thank you Vice Chair of Budget for seconding the report.

*(Question proposed that pursuant to Standing Order 209 (7) that the House adapts the report of the Committee on Budget and Appropriation on the County Fiscal Strategy Paper 2022 tabled in this House during the morning session)*

*Motion is open for discussion.*

**Hon. Isaac Wahome:** Thank you Mr. Temporary Speaker sir. I wish first of all to appreciate the Chair, Hon. Karuri; the Vice Chair and my colleagues in Budget because we have burnt the midnight oil to come up with this Budget. Being a Member of this Committee, I am well versed with the content of the document. However, I thought it was very wise that I should emphasize on the issues of the recent population. As the Chair has reiterated on the same. This being the last CFSP in our tenure, maybe some members will not be in this House in the next tenure. For instance, the Member for Kiptororo has declared that he will not be vying. I am so certain. However, ...

**The Temporary Speaker** (Hon. Philip Wanjohi): Honorable Member for Kiamaina, you are out of order.

**Hon. Isaac Wahome:** Thank you Mr. Temporary Speaker sir. I am well guided. I wish because of the people we represent and the uncertainty that is ahead of us, part of the resolution as we adopt this document is that the Executive in the subsequent CFSP to consider the recent population. For



instance, if we go to annex in the last page, whereby Kiamaina was considered at population of 31,000 people and right now, we have 66,000 people. Considering that next week, 23<sup>rd</sup> of this month of March, we will be going for public participation whereby this being a campaign period, all aspirants will be there and they know the population of Kiamaina. They will think that the Member who currently represents them is not competent and has not raised this issue in the Assembly. For instance, in page 32, Lanet Umoja Ward with Kshs 26 million a population of 4800 unlike now it is 4500 and compare with Kabatini Ward with Kshs 29 million and this time it has decreased to Kshs 26 million. This issue needs to be addressed. Further to that, as we usher in the executive to conduct the expected public participation, I will also expect that it be accompanied with somebody who can give civic education to the people we represent. For instance, they expect that the development vote head is too much. Like now, the Kshs 27 million for Kiamaina Ward, they expect that such a year and especially now that they have been influenced by several aspirants. I have seen them in the WhatsApp pages and social forums, even requesting for primary schools because they are not informed that primary schools are not devolved. We ought to resolve that the executive comes accompanied by those good teachers that will give our people civic education. Finally, there was the resolution and the first resolution under the Committee and it is very important I thought that I should also say this that among the recommendation on page 52 that the following recommendations;

- I. As a matter of priority, the County is directed to focus on completing and operationalizing the already ongoing projects as opposed to initiation of new projects.

This is my advice to my fellow colleagues. As we allocate funds to ward projects. Let us ensure that we seek consultation and information from maybe departments, engineers from relevant and respective functions. Maybe if its health so that we make sure we allocate funds that will complete the projects not leaving hanging projects because some colleagues will allocate insufficient funds and expect that as we pass this CFSP will be considering having each and every time giving this resolution. Therefore, as Honorable Members ensure that we seek guidance and allocate sufficient funds. Having said that, I wish to support that the whole House adopts this document. Thank you very much

**The Temporary Speaker** (Hon. Philip Wanjohi): Thank you Honorable member for Kiamaina. Honorable Member of Turi John Mwangi then I come to Hon. Member for Menengai

**Hon. John Macharia:** Thank you Mr. Temporary Speaker sir for according me this opportunity so that I can be able to stand and support the report on County Fiscal Strategy Paper. I am supporting this document because I understand that it is going to be the foundation for the budget making process as well as to allow us the Members of County Assembly to be able to conduct the public participation where we are going to accord the opportunity to the electorates so that we can be able to prepare the ward project for the next financial year. Otherwise I support and urge all the Honorable Members to support so that we can be able to move with speed. Thank you.

**The Temporary Speaker** (Hon. Philip Wanjohi): Thank you Honorable Member for Turi for your contribution. Honorable Member for Menengai, Wajeff then Honorable Member for Gilgil you are next.

**Hon. Wilson Wachira:** Thank you Mr. Temporary Speaker for allowing me to support this document. There are two areas that I would like to point out. As one of the members for Agriculture Committee, we have been having a very big problem in the allocation of the Agriculture budget. As the Chair Budget Committee has indicated, we have been having a very big problem of the finances and you know every time we stand and talk more about Agriculture, we say agriculture is the back-bone of Nakuru and as I have gone through this document, I have realized that only 9 percent of the total budget has been allocated for agriculture. As you are aware, Nakuru City is going to have the issue of urban farming. Mr. Temporary Speaker we also have a Bill that is ongoing in this House and we need to make sure that we facilitate more on Urban farming to make sure that as we head the issue of hospitality and the issue of city status alongside the airport, we need to identify areas that will make sure that urban farming which will be able to empower our farmers who will be in locality of the city in general. Also, we need to have more allocation on research and development; we saw the other day a company that produces chips which is getting their materials from abroad which is so unfortunate. We need to have money allocated for research and development so that we can have enough and quality material mostly in the potato industry and also in the horticulture industry. As we are aware that we have been having post-harvest losses; we need a lot of coolers and a lot of preservatives to make sure that our harvest or our produce from our farms does not go to waste. Also, Mr. Temporary Speaker we have only one cash crop in this county which we can also say tea is also one of the cash crops in our county. We also have the revival of the pyrethrum industry and we need to have research and development on these crops. As we speak now, we have the revival of this crop which is our local industry and thus we need to have material which is of quality and today we are happy that one kilogram of pyrethrum is going at Kshs 600 of 3 percent pyrethrin content. This is something that can give our county revenue and also empower our farmers.

In terms of value addition, we also need to have more allocation. As I wind up, we also have the issue of infrastructure, that is county physical and social infrastructure and as we are now in the city status, we need to have a lot of money allocated for infrastructure and as you are aware, we have been having a very big problem of drainage in this city. I would opt for an increment of money for infrastructure and also, we are having problem of water in this city. We would like also the increment of money for water distribution and borehole drilling. With those few remarks I also say that this is a good document and I support it. Thank you

**The Temporary Speaker** (Hon. Philip Wanjohi): Thank you Hon. Member for Menengai Hon. Wajeff; Hon Jane member for Gilgil

**Hon. Jane Ngugi:** Thank you very much Temporary Speaker, first I wish to register that I am a member of Budget Committee and going by the fact that I am part of this Budget Committee, we

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have sat for days going through this document. Though we have come to arrive at this report on County Fiscal Strategic Paper, there are areas which are a bit disturbing. There are areas such as FIF which has grown up to 25 percent by the same period compared to Financial Year 2020/2021. And going by the fact that revenue collection which was recorded in the month of August which was Kshs 137.1 million. Some areas like and when you look at local revenue collection, it is a bit disturbing because there was only a slight improvement of the local revenue which was 5.8 percent which was the same as the financial year 2020/21, the month of August which recorded the highest collection of Kshs 115 million. We know very well that if our county is under performing, we do not realize much development. So, going by the fact that the county has never achieved her local revenue target as shown in the table on page 35. It is a bit disturbing because we should be moving forward. It is high time that strict mechanism should be put in place to ensure that once we set targets we achieve them, otherwise we will not be seen to be moving forward because each and every financial year we set targets which are not realistic because we should be setting targets and ensure we achieve these set targets.

However, going to the other departments, we may be seen as if we have tried but I want to point out that the county Executive should wake up and put mechanism whereby once the targets have been set we ensure that we achieve them otherwise we shall be left with very minimal development. Otherwise we look forward for our electorates so that they can be able to enjoy with whatever we set and then we achieve. Thank you

**The Temporary Speaker** (Hon. Philip Wanjohi): Thank you Hon Karanja member for Molo. Hon. Virginia member for Hells Gate. Hon. Sonis kindly put off your mic. Thank you

**Hon. Virginia Wamaitha:** Thank you Mr. Temporary Speaker. First of all, I applaud the Budget committee and the executive for coming up with such a document. I will concentrate with the issue of Health. I see the Health department has been given the largest chunk of the budget 2022/2023 of Kshs 6 million. Mr. Temporary Speaker the Health department has been given a lot of money and as a department, they should look at the allocation from dispensary to level five hospitals to make sure they have enough drugs and all equipment for the health facilities to run. Because without a health people we will not have a healthy county. We put up a lot of very expensive buildings in wards yet we have not equipped those facilities. The first thing you should do in the coming financial year is to equip the facilities so that they become operational. Otherwise we can put a lot of money but without proper use, I do not think it will be of good use to our people. Thank you, Mr. Temporary Speaker, I support the document.

**The Temporary Speaker** (Hon. Philip Wanjohi): Thank you Hon. Virginia for your contribution. The mover, Hon. Karuri

**Hon. Joel Karuri:** Mr. Temporary Speaker, thank you for the way the members have been able to support the document and to give sentiments in a way to support the budget process. We have taken keen note on the issue that have been raised and because planning is a matter which is

continuous, I know we are going to the Treasury and even the Assembly which is coming after this to be keen on the amendment of the Revenue Act and also the other issues that have been raised. We hope the Nakuru County Revenue Authority will be able to heal completely this trouble and problem of lack of hitting the target of the own source of revenue. We want to believe with better mechanism they can be able to collect 300 times of what has been done in the past. Therefore, I want to thank the members and thank the office of the Speaker, the office of the Clerk and the office of the Budget Secretariat and the Honorable Members this afternoon for their input. Thank you.

**The Temporary Speaker** (Hon. Philip Wanjohi): Thank you Hon. Karuri, thank you members for your contribution

*9Question proposed that pursuant to Standing Order 209(7), that this House adopts the report of the committee on Budget and Appropriations on the County Fiscal Strategy Paper 2022 tabled in this House during the morning session)*

*(Question put and agreed on)*

### **ADJOURNMENT**

Thank you, Honorable Members the House remains, adjourned until Tuesday 22<sup>nd</sup> of March 2022 at 9.30am.

*(The House rose at 3.50 pm)*