

COUNTY GOVERNMENT OF NAKURU

MINISTRY OF FINANCE & ECONOMIC PLANNING

Telephone 2214142 (051)
E-Mail: countytreasury@nakuru.go.ke



Office of the Governor,
Nakuru County.
P.O. BOX 2870-20100

Our Ref: NKR.C/COF/BUDGET/VOL.I/56

Date: 21/12/2016

COUNTY TREASURY CIRCULAR NO. 8/2016

To: All Chief Officer,
All Accounting Officers,

RE; FINAL SUBMISSION OF THE MTEF BUDGET ESTIMATES (2017/2018-2018/2019)

This circular should be read together with the County Treasury Circular No. 7/2016 Ref: NKR.C/COF/BUDGET/VOL.II/38 dated 30/08/2016 on Guidelines to the Preparation of the MTEF Budget 2017/2018-2018/2019.

The sector budget ceilings and fiscal budget framework for FY 2017/2018 as contained in the County Fiscal Strategy Paper (CFSP) 2017 has since been adopted and approved by the County Assembly pursuant to section 117(6) of the Public Finance Management Act 2012.

The CFSP 2017 was prepared in line with the aspirations of the national Budget Policy Statement (BPS) 2017 under the theme "*Consolidating Economic Gains*".

As the County Government embark on preparing the 2nd County Integrated Development Plan (2018-2022), the focus for FY 2017/18 will shift towards consolidating gains made in County Government investment in capital expenditure since the start of the devolution. Therefore the CFSP 2017 has maintained prioritisation in the major sectoral areas namely;

- i. Continued investment in Physical and social infrastructures,
- ii. Agricultural rural and urban development,
- iii. Continued investment in quality and affordable healthcare
- iv. Early childhood education and social protection,
- v. Governance, transparency and delivery of public good and service.

The new priorities on the adopted Sustainable Development Goals, the integration of the green economy options in planning and development shape the fiscal plan over the medium term period (CIDP 2018-2022)

The 2017/2018 budget framework has been founded against a background of subdued performance of the nationally raised revenues as well as a slowdown in projected local revenues.

All County Government entities should ensure that selection of capital projects are within inputs forwarded through the Annual Development Plan 2017/2018 as well as the selection criteria specified in the County Treasury budget circular no. 7/2016 referenced herein.

The key emphasis on recurrent expenditure management is ensure the County Government works progressively to achieve the maximum threshold for wage bill expenditure set out in section 25 of the Public Finance Management (County Government) Regulations 2015.

In approving the CFSP 2017, County Assembly made several amendments and recommendations to the proposed CFSP 2016. These included upward revision for Ward resource envelop and the County Assembly Development Allocation as well as revision of projections of the nationally raised revenues as per the final BPS 2017. The approved budget ceilings for FY 2017/18 have been summarised in **Annex I**.

Attached herewith please also find the County Assembly report on the consideration and approval of the County Fiscal Strategy Paper 2017 for your perusal and further compliance.

Section 125 (2) of the PFM Act 2012 envisages that there shall be a public participation in the County Budget Process. In this regard, the County Treasury shall organise for public consultation forums later in January 2017 to help prioritise ward based projects as well allow each County Government entity subject its budget proposals for FY 2017/2018 to public review. All County Government entities are reminded to further incorporate the views of the non-state actors in their budget proposals through representation in the respective Sector Working Group (SWG).

The adopted Programme Based Budgetting (PBB) shall continue to apply in budget preparation and submission. Therefore, the reviewed sector reports and the Medium Term priorities and financial plan for the MTEF period 2017/2018-2018/2019 should form the basis for budget estimates FY 2017/2018. Further departments are required to submit their budget estimates in the format provided in **Annex 4** of the County Treasury Budget Circular No. 7/2016 (*and herein attached*).

All County Government Entities are required to submit their Final Budget Estimates for FY 2017/2018 not later than Monday **9th January 2017** in line with the revised County Budget Calendar 2017/18.

Wilson Mungai,
For: Chief Officer, Finance and Economic Planning.
NAKURU COUNTY.

Copy to: CEC, Finance and Economic Planning,
NAKURU COUNTY.

All County Executive Committee Members,
NAKURU COUNTY.

County Secretary and Head of Public Service
NAKURU COUNTY.

Controller of Budget,
NAKURU COUNTY.

Secretary - Budget and Economic Forum,
NAKURU COUNTY.

Encls.(1)

ANNEX 1: APPROVED BUDGET CEILINGS FY 2017/2018

	DEPARTMENTS	COMPESATION TO EMPLOYEES	RECURRENT EXPEND.	DEV. EXPEND.	SUB TOTAL	PECENT OF TOTAL BUDGET
1	Office of the Governor and Deputy Governor	77,499,970.23	132,471,349	65,814,589	275,785,908	2.0%
2	County Treasury	477,391,569.13	531,096,779	2,171,370,929	3,179,859,277	23.5%
3	County Public Service Board	31,906,925.18	28,286,214	865,120	61,058,259	0.5%
4	Public Service Management	499,492,679.02	272,661,100	70,142,915	842,296,694	6.2%
5	Health	2,757,139,218.54	1,507,722,801	344,815,704	4,609,677,724	34.1%
6	Trade, Industrialization and Tourism	75,512,011.50	58,753,649	100,773,211	235,038,872	1.7%
7	Roads Public Works and Transport	146,372,073.29	171,045,354	447,403,758	764,821,185	5.7%
8	ICT and E-Government	35,618,858.30	22,588,908	88,960,289	147,168,055	1.1%
9	Agriculture, Livestock and Fisheries	379,006,153.94	172,964,524	150,040,980	702,011,658	5.2%
10	Lands, Physical Planning and Housing	99,800,580.00	46,154,427	265,970,063	411,925,070	3.0%
11	Education, Sports, Youth and Social Services.	178,729,308.67	396,090,445	100,597,085	675,416,839	5.0%
12	Environment, Water and Natural Resources	231,191,287.28	163,868,069	141,779,255	536,838,611	4.0%
13	County Assembly	325,000,000.00	570,394,625	175,008,413	1,070,403,038	7.9%
	TOTAL	5,314,660,635.08	4,074,098,244.00	4,123,542,311.00	13,512,301,190.08	100.0%
	Percent of total Budget	39.3%	30.2%	30.5%	100%	

ANNEX IV. STANDARD FORMAT FOR PRESENTATION OF PROGRAMME BASED BUDGETS (PBB)

VOTE NO:

VOTE TITLE:

A. Vision

B. Mission

C. Strategic Objective;

List all the programmes and their strategic objectives. Please note that each programme must have only one objective which must be linked to the department strategic plans and the CIDP (2013-2017).

Part D. Performance Overview and Back ground for Programmes *(The Performance Overview and Background for selected programmes including; a brief description of Mandate; expenditure trends; major achievements based on planned outputs for the previous funding period; constraints and challenges in implementing the budget: Major services/Outputs expected to be achieved in the MTEF Period 2016/2017-2018/2019).*

Part E. Summary of the Programme Key Outputs and Performance Indicators for FY 2016/2017-2018/2019

Name of Sub Programme (SP)	Key Outputs (KO) ⁴	Key Performance Indicators	Actual Achievement 2015/16	Target (Baseline) 2016/2017	Target 2017/2018	Target 2018/2019	Target 2019/2020
PROGRAMME 1: (Name of Programme) <i>Outcome: (Each programme should have one outcome)</i>							
SP1.1							
SP1.2							
PROGRAMME 2: (Name of Programme) <i>Outcome: (Each programme should have one outcome)</i>							
SP2.1							
SP2.2							

Part F. Summary of Expenditure by Programmes, and SU Programmes 2016/2017-2018/2019
(KShs Millions)

Sub Programme	Approved	Actual	Baseline	Estimates	Projected
---------------	----------	--------	----------	-----------	-----------

(SP)	Estimates 2015/16	Expnd 2015/2016	Estimates 2016/2017	2017/18	2018/2019	2019/2020
Programme 1: (State the name of the programme here)¹						
SP 1. 1						
SP 1. 2.						
... N						
Total Expenditure						
Programme 2: (State the name of the programme here)						
SP 2. 1						
SP 2. 2.						
... N						
Total Expenditure						
Total Expenditure of						

¹ NB. Repeat as shown in the Table under section "F" above for all Programmes. Provide total expenditure for each programme and their summation must equal the total expenditure of the vote.

Outputs are defined as goods and services provided by County government departments. Some examples include: teaching hours delivered, immunizations provided or welfare benefits paid

Performance Indicators relate to the measurement of the degree to which the stated programme objectives were reached

Part G. Summary of Expenditure by Vote and Economic Classification (KShs. Million)

Code	Expenditure Classification	Approved Estimates 2015/16	Actual Expnd. 2015/2016	Baseline Estimates 2016/17	Estimates 2017/18	Projected Estimates	
						2018/19	2019/20
	(1) Current Expenditure						
2100000	Compensation to						
2200000	Use of goods and						
2400000	Interests						
2500000	Subsidies						
2600000	Current Transfers Govt. Agencies						
2700000	Social Benefits						
2800000	Other Expenses						
3100000	Non-Financial Assets						
3200000	Financial Assets						
	(2) Capital Expenditure						
2100000	Compensation to						
2200000	Use of goods and						
2400000	Interests						
2500000	Subsidies						
2600000	Capital Transfers Govt. Agencies						
2700000	Social Benefits						
2800000	Other Expense						
3100000	Non-Financial Assets						
3200000	Financial Assets						
	Total Expenditure of Vote						

Total Current and Capital Expenditure must be equal to the Total Expenditure vote given in tables F, G & H

Part H. Summary of Expenditure by Programme and Economic Classification (KShs. Million)

		Approved Estimates 2015/16	Actual Expnd. 2015/2016	Baseline Estimates 2016/17	Estimates 2017/18	Projected Estimates	
						2018/19	2019/20
Programme 2: <i>(State the name of the programme here)</i>							
	Current						
2100000	Compensation to						
2200000	Use of goods and						
2400000	Interests						
2500000	Subsidies						
2600000	Current Transfers						
2700000	Social Benefits						
2800000	Other Expenses						
3100000	Non-Financial						

3200000	Financial Assets						
	Capital						
2100000	Compensation to						
2200000	Use of goods and						
2400000	Interests						
2500000	Subsidies						
2600000	Capital Transfers						
2700000	Social Benefits						
2800000	Other Expenses						
3100000	Non-Financial						
3200000	Financial Assets						
Sub-Programme 2: (State the name of the Sub- programme here)							
	(1) Current						
2100000	Compensation to						
2200000	Use of goods and						
2400000	Interests						
2500000	Subsidies						
2600000	Current Transfers						
2700000	Social Benefits						
2800000	Other Expenses						
3100000	Non-Financial						
3200000	Financial Assets						
	(1) Capital						
2100000	Compensation to						
2200000	Use of goods and						
2400000	Interests						
2500000	Subsidies						
2600000	Capital Transfers						
2700000	Social Benefits						
2800000	Other Expenses						
3100000	Non-Financial						
3200000	Financial Assets						

² Repeat as necessary if a Department has more than one programme and/or Sub- Programme
Ensure consistency in all the figures in the Table

